

Housing Benefit

General Information Bulletin

Department for Work and Pensions, Ground Floor, Caxton House, Tothill Street,
London SW1 9NA

<https://www.gov.uk/government/organisations/department-for-work-pensions>

ISSN 2054-2836 (Online)

HB G12/2016 REVISED

3 February 2017

Contact	Queries about the <ul style="list-style-type: none">• technical content of this bulletin, contact details are given at the end of each article• distribution of this bulletin, contact housing.correspondenceandpgs@dwp.gsi.gov.uk
Who should read	All Housing Benefit (HB) staff
Action	Revised guidance on the use of Discretionary Housing Payments for Universal Credit claimants, see paras 14 et seq

Contents

	paragraph
Fraud and Error Reduction Incentive Scheme 2017/18	1
Update to the Discretionary Housing Payments Guidance Manual	9
Universal Credit: benefit cap information update	11
Local Housing Allowance rates: Targeted Affordability Funding 2017/18	20
Volunteers for the General Referral Matching Service on-boarding Project	26
HB decisions by the Upper Tribunal	29
Statutory Instruments	32
What's new on the web	34

Crown Copyright 2016

Recipients may freely reproduce this bulletin.

Fraud and Error Reduction Incentive Scheme 2017/18

1. Following the announcement in December 2015 that the Department for Work and Pensions (DWP) had secured funding to operate the Fraud and Error Reduction Incentive Scheme (FERIS) in 2016/17 and 2017/18, we have now been able to provide some early details on how the scheme will operate during 2017/18.
2. We engaged with local authorities (LAs) and their representative groups and it has been agreed that FERIS should continue into 2017/18 broadly unchanged from the current 2016/17 scheme.
3. We will continue to provide an upfront Maintenance Fund payment, although we cannot provide individual funding details at the moment.
4. A letter has been sent to all LAs' Chief Finance Officers and Revenues and Benefits Managers which provides more detail, particularly around the effect of the Wider Use of Real Time Information (WURTI) initiative which will affect the FERIS thresholds from Quarter 3 (Q3) 2017.
5. A key change to the 2017/18 scheme is that maintenance funding will no longer be available to support IT investment. However annual licence fees for maintenance and continued use of IT functionality funded by FERIS innovation funding will be considered.
6. The scheme will be launched in January 2017, and we will then advise LAs how caseload changes will impact on their baselines and thresholds. The launch letter will provide details of your LA's baselines, 2017 Q1 and Q2 thresholds, potential incentive payments and Maintenance Fund amounts and the Maintenance Fund application form.
7. Ahead of the launch please start to consider how during 2017/18 you will continue to focus on additional activities to proactively identify and correct changes to Housing Benefit (HB) entitlement and raise customer awareness of the need to report changes of circumstances.
8. Please email feris.team@dwp.gsi.gov.uk if you have any queries in the meantime.

Update to the Discretionary Housing Payments Guidance Manual

9. The Discretionary Housing Payments (DHP) Guidance Manual (including Local Authority Good Practice Guide) has been updated and can be found [here](#).
10. Additional information included in the revised edition can be found in the sections on the benefit cap and Removal of the Spare Room Subsidy following the Supreme Court Judgment on 9 November 2016.

Universal Credit: benefit cap information update

11. The revised benefit cap came into effect from 7 November 2016 and since then DWP has received a number of queries from LAs around its interaction with Universal Credit (UC). This article aims to provide clarification concerning two main issues:

- providing LAs with advance details of their residents who are subject to the revised benefit cap; and
- the use of DHPs for Universal Credit claimants

Providing LAs with advanced details of their residents who are subject to the revised benefit cap

12. DWP has been asked why we are not providing LAs with advance details of those residents who will be affected by the revised benefit cap under Universal Credit. LAs want to contact their potentially affected residents proactively and offer them support.

13. To date we have only provided LAs with the likely volumes of claimants that may be affected. However due to the nature of Universal Credit this data is not 100% accurate. We cannot be sure who is affected by the cap until the Universal Credit assessment period has completed. Therefore we are not able to generate, in advance, the relevant data that LAs have been requesting.

DHPs for Universal Credit claimants

14. The Department has received a number of enquiries recently over the use of DHPs to support claimants with housing costs on Universal Credit. The following information updates our position on the subject following the original publication of this guidance bulletin on 22 December 2016 and the information contained supersedes that version.

15. DWP works closely with LAs to ensure tenants are able to meet their housing costs. Where it is in a claimant's best interests to have their housing costs paid direct to the landlord, for example because they have difficulty budgeting or have problems with arrears, an Alternative Payment Arrangement (APA) can be put in place, such as a Managed Payment to Landlord (MPTL). This does not change the overall amount of the Universal Credit award but simply how it is paid.

16. DHPs can be made to people who are entitled to either HB or a Universal Credit award that includes an amount for housing costs and who have difficulty meeting their rent commitments. These payments are very flexible and are made at the discretion of the LA where they consider that further financial assistance towards housing costs is required. Universal Credit claimants who meet the eligibility criteria are considered for a DHP award in the same way as anyone else.

17. DWP does not see any legal reason why DHPs cannot be paid to Universal Credit claimants who have an MPTL in place.
18. Recipients of Universal Credit are eligible to be considered for DHPs and they should be assessed in the same way as anyone else. LAs have a duty to accept a claim for a DHP; however it is still the LAs choice as to whether or not they grant it.

Further information

19. To help address any specific or more detailed points we have produced a selection of questions and answers which is included at Annex A.

Local Housing Allowance rates: Targeted Affordability Funding 2017/18

20. Alongside the announcement in the Summer Budget 2015 to freeze Local Housing Allowance (LHA) rates for 4 years, was also a commitment to include some provision for higher rent areas.
21. In keeping with this, the government will be making thirty per cent of the savings from the LHA Freeze available to create further Targeted Affordability Funding (TAF). This funding will be used to increase some LHA rates in certain areas by 3 per cent in 2017/18, although increases cannot exceed the LHA maximum limits (i.e. the national caps).
22. All other rates not targeted for this increase will either remain at the April 2015 level in line with the LHA Freeze policy, or will be set at the 30th percentile of local rents if this is lower.
23. Amendments to the Rent Officers Order to take these arrangements forward, including a list of which Broad Rental Market Areas and rates will be targeted for the extra funding, were laid and published on 12 December 2016 and can be found [here](#):
24. All the new LHA rates which will apply from April 2017 will be published by Rent Officers on 31 January 2017, together with the 30th percentiles of market rents.
25. If you have any queries, please contact housing.benefitenquiries@dwp.gsi.gov.uk

Volunteers for the General Referral Matching Service on-boarding Project

26. A communication was presented at the Practitioners' Operational Group meeting in November to outline changes to the files/output for the Housing Benefit Matching Service. These changes will be put through a test phase and the General Referral Matching Service (GRMS) project are urgently requesting volunteers to take part in the dual running testing in May 2017.

27. The volunteers we require are:

- 1 LA from each of the mainstream Software suppliers including Calderdale and Sedgemoor
- any LAs who have built and maintain their own 'in-house' referral management system

28. For a copy of the technical details or to agree to participate respond to Karen Macaulay by 30 December 2017: karen.macaulay@dwp.gsi.gov.uk

HB/CTB decisions by the Upper Tribunal

29. Decision Making and Appeals Leeds is aware of the following HB cases that have been decided by the Upper Tribunal:

- CH/1892/16: Remitted. Overpayments. Tribunal did not consider whether there was an 'official error' by the DWP.
- CH/1869/16: Remitted. Overpayments. Tribunal failed to adequately explain why it preferred evidence by the appellant in light of conflicting evidence.
- CH/1647/16: Claimant was not a person with a permanent right to reside and was not entitled to Council Tax Benefit. First-tier Tribunal (FtT) decision confirmed.
- CH/147/16: Contrivance. LA appeal upheld. Tribunal failed to address all of the evidence.
- CH/1822/16: Set Aside. FtT not complied with regulation 13(3). Council had no right to supersede the initial indefinite award.
- CH/5497/14: Removal of Spare Room Subsidy. LA decision upheld. Nelson followed. Contains comments on space issues, separate bedside table not necessarily required.
- CH/2290/16: Regulation 9. Flat rented from half-brother. 'Close relative' includes half-brother.

30. Decisions of the Upper Tribunal are published on their website which can be found on GOV.UK.

31. If you have any queries about cases before the Upper Tribunal Judges or courts, you can contact us by email at fldmdma.customersupportservices@dwp.gsi.gov.uk or fax on 0113 232 4841

Statutory Instruments

32. The following Statutory Instruments (SIs) have been laid:

- 2016 No.1102, The Occupational Pensions (Revaluation) Order 2016, coming into force 1 January 2017
- 2016 No.1141, The State Pension Revaluation for Transitional Pensions Order 2016, coming into force from 19 December 2016
- 2016 No.1145, The Social Security (Credits, and Crediting and Treatment of Contributions) (Consequential and Miscellaneous Amendments) Regulations 2016, coming into force 1 January 2017
- 2016 No.1179, The Rent Officers (Housing Benefit and Universal Credit Functions) (Local Housing Allowance Amendments) Order 2016, coming into force 23 January 2017

33. The following Statutory Rules (SRs) of Northern Ireland have been laid:

- 2016 No.411 (C.32), The Welfare Reform (Northern Ireland) Order 2015 (Commencement No. 6 and Saving Provision) Order 2016, coming into force from 28 November 2016
- Copies of SIs can now be downloaded from DWP's own website <http://www.dwp.gov.uk/publications/specialist-guides/law-volumes/the-law-relating-to-social-security/> and the website of the Office of Publication Sector Information <http://www.opsi.gov.uk/stat.htm>

What's new on the web

34. The following items can be found on the website link shown

Document Type	Subject	Link
HB G11/2016	Funeral Payments Team request for contact details Benefit cap update: 'active but not capped cases' Cases with the Upper Tribunal Statutory Instruments What's new on the web	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/570389/g11-2016.pdf
HB Direct	Editorial	https://www.gov.uk/government

<p>issue 173 December 2016</p>	<p>Benefit cap: Universal Credit cases and Managed Payments to Landlords</p> <p>Practitioners' Operational Group</p> <p>Supporting disabled people to work consultation</p> <p>Update: Payment Deduction Project</p> <p>Reminder: Funeral Payments Team request for contact details</p>	<p>t/uploads/system/uploads/attachment_data/file/575096/hb-direct-december-2016-issue-173.pdf</p>
<p>Circular HB A10/16 (2nd revision)</p>	<p>Administration of the benefit cap 2016</p>	<p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/567103/a10-2016.pdf</p>
<p>Circular HB A11/2016</p>	<p>Payment Deduction Project interface: local authority user guidance</p>	<p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/572924/a11-2016.pdf</p>
<p>Circular HB A12/2016</p>	<p>Housing Benefit: Uprating 2017-18</p>	<p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/579626/a12-2016.pdf</p>
<p>Circular HB S10/2016</p>	<p>2017/18 Housing Benefit administration subsidy arrangements for English, Scottish and Welsh local authorities</p>	<p>https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/579835/s10-2016.pdf</p>

This version supersedes the version from December 2016 Annex A

Universal Credit: benefit cap information update Q&A (February 2017)

1. Why can't DWP provide local authorities (LAs) with details of claimants in receipt of Universal Credit impacted by the benefit cap?

Universal Credit is calculated at the end of an assessment period, and so we cannot be sure until then if the claimant will be affected by the benefit cap. It is at this point in time we notify those claimants who are affected; therefore we are not able to notify LAs in advance about anyone who will be affected by the benefit cap.

2. Don't you have a legal duty to share details with LAs?

Section 131 of the Welfare Reform Act 2012 and Regulation 5 of the Social Security (Information Sharing in Relation to Welfare Service) 2015, as amended, provides the legal ability to share information with LAs and other prescribed bodies in order to offer support to Universal Credit claimants to manage their claim, award or financial affairs where such relevant information exists.

This legislation provides DWP with the ability to share relevant information with LAs; it does not compel us to share all information.

Additionally, Universal Credit is about driving claimant behaviours and if the claimant is affected by the benefit cap we will discuss this with them at a work coach interview when they will be provided with appropriate support and advice. It will be up to the claimant if they wish to discuss this with their LA.

3. When a Universal Credit claimant applies for a DHP, how will the LA know that an MPTL is in place?

For Universal Credit live service, when the claimant is capped the LA is sent a UC371 which details the claimant's award and it will show the deduction for an MPTL.

For Universal Credit full service, the payment paid direct to the landlord is shown on the claimant statement which they can access on any mobile device or computer at any time in their account. The LA won't have access to this on any of their systems; the LA agent/officer will need to ask the claimant to view their Universal Credit full service statement page of their account when dealing with the application for a DHP. The statement page will show if the claimant is affected by the benefit cap and if they have an MPTL in place.

4. How do claimants end an MPTL where there is evidence of more than 8 weeks rent arrears?

MPTLs are awarded based on the claimants circumstances and the Alternative Payment Arrangement (APA) Tier Factors, which could include where the claimant has rent arrears of one month or more or where other Tier Factors are present, for example, mental health problems, alcohol abuse or domestic violence. **APAs are not mandatory**; the decision to award an APA is based on the claimant's individual circumstances and APA Tier Factors being present.

The process for lifting an MPTL was designed to support those claimants who are severely impacted by the benefit cap, however, any claimant can request at any point a review of an existing APA, (not just MPTL APAs and not just where the benefit cap applies). When a claimant requests a review of their APA a Universal Credit decision maker will, with the claimant, review their circumstances and decide if it is in the claimant's best interest to lift the APA.

5. How will the LA then know that the MPTL has been removed? What confirmation do they get?

In Universal Credit live service, the claimant is informed that their MPTL has been lifted and the LA will have to request this information from Universal Credit.

In Universal Credit full service, the claimant has to request the review and ending of the MPTL and a notice is uploaded to their Journal on their account stating:

“Rent payments to your landlord have ended. You said that you don't want Universal Credit to pay rent to your landlord any more. The Universal Credit payments you receive will now include money for your housing costs. You'll need to pay your rent directly to your landlord. If you change your mind you can ask to have your rent paid to your landlord again.”

The LA agent/officer who is dealing with the application for a DHP will need to ask the claimant to view the Universal Credit full service Journal page of their account so they can view the above notice.

6. Will the landlord be informed that the MPTL has been removed?

Yes, the landlord will be told that the MPTL has been removed via a system produced notification. In Universal Credit full service, this will be sent in an email notification stating:

“We've stopped making payments to you on behalf of your tenant [first name last name]. We made the last payment to you on [date]. From now on, your tenant will need to pay their rent directly to you instead. You can

apply for us to start paying you again. We'll only agree if your tenant's circumstances have changed."

7. Will the landlord be informed when/if the MPTL is reinstated?

Yes, the landlord will be informed if the claimant requests that the MPTL to be reinstated via a system produced notification. In Universal Credit full service, when an MPTL APA is reinstated the landlord would be sent another email stating:

Ref: Direct payments

Hello [Landlord's name]

For your tenants [Tenant 1] and [Tenant 2]

Your reference XXXX

We will pay part of your tenants' Universal Credit to cover rent or rent owed.

Based on your tenants' current circumstances, we can make a direct payment to you every month. For security reasons, we can't confirm the amount in this email.

You'll see the amount with a reference number in your next bank statement. Payments for rent have reference numbers ending in MP. Payments for rent arrears have reference numbers ending in RA.

If your tenants' circumstances change, this payment may also change.

If you know of changes in your tenants' circumstances that could affect their Universal Credit payment, you need to let us know. For example, if you know that your tenant has found work or that a partner has moved in.

Overpayments

You may be asked to repay some or all of an overpayment by Universal Credit, if you've:

- misrepresented or failed to disclose relevant information*
- been paid more than the rental liability amount*
- received payments after the claimant has moved out*

If you need to contact us about this, make sure you include the tenants' names and your reference number.

From

Universal Credit"

8. Will the LA be told that the MPTL has been reinstated, in case they get further applications (for example, the following month)?

No data share exists with the LA for supporting DHPs, unless the claimant is entitled to Local Council Tax Reduction (LCTR) when the data share will have this information included. If the claimant is not entitled to LCTR, then it would be advisable for the LA to set a review for the DHP and reassess the claimant's circumstances on a regular basis. However, if the LA is also the claimant's landlord, they would receive the notification that an MPTL has been reinstated.

9. Can the MPTL be removed and then reinstated in the same assessment period?

Yes, if the claimant changes their mind the MPTL can be reinstated in the same assessment period.

10. What is the route for the LA to request the removal of an MPTL?

There is no process in place for LAs to request that the MPTL is lifted, the process is for the claimant to request that their MPTL is lifted via the APA review process. So if the claimant approached the LA first, before requesting that their APA had ceased the LA would have to tell the claimant to request that DWP remove their MPTL APA.

11. If the LA awards a DHP to cover a rental shortfall each month, for example, a 12 month period, can an MPTL be reinstated during this time?

An MPTL can be reinstated at any time if the claimant wishes it.

12. Previously you said that an MPTL had to be removed before a DHP could be granted, what's changed?

At the time we felt that our interpretation of the legislation; Section 2 of The Discretionary Financial Assistance Regulations 2001, was such that the MPTL would need to be removed before a DHP could be granted.

DWP does not see any legal reason why DHP cannot be paid to Universal Credit claimants who have an MPTL in place. We have revised our guidance to make the Departments position clearer and remove any confusion it may have been causing for LAs.