

## Housing Benefit General Information Bulletin

Department for Work and Pensions, 6<sup>th</sup> Floor, Caxton House, Tothill Street, London SW1 9NA

<http://www.dwp.gov.uk/local-authority-staff/housing-benefit/>

**HB G4/2013**

**19 April 2013**

<b>Contact</b>	Queries about the <ul style="list-style-type: none"><li>• <b>technical content of this bulletin</b>, contact details are given at the end of each article</li><li>• distribution of this bulletin, contact <a href="mailto:housing.correspondenceandpqs@dwp.gsi.gov.uk">housing.correspondenceandpqs@dwp.gsi.gov.uk</a></li></ul>
<b>Who should read</b>	All Housing Benefit (HB) and Council Tax staff. This bulletin is also being issued to recipients of HB Subsidy Circulars
<b>Action</b>	For information – recipients of HB Subsidy Circulars should refer to paragraph 19.

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## Direct Earnings Attachments

1. As of 8 April 2013, Sections 105 and 106 of the Welfare Reform Act 2012 amend the Social Security Administration Act 1992 to allow both the Department for Work and Pensions (DWP) and local authorities (LAs) to recover social security debt by attachment of earnings without court authority. Known as Direct Earnings Attachments (DEA), their primary purpose is to enforce recovery where a liable person is in Pay As You Earn (PAYE) employment and will not make other arrangements to repay the debt.
2. The ability of DWP to make DEAs on its own authority without reference to the courts will make recovery from a debtor's earnings a relatively simple and administratively attractive option.
3. These earning attachments will only be enforced where the debtor has failed to make arrangements to repay. The introduction of DEAs does not change DWP's approach of avoiding significant hardship during recovery.
4. The new DEA process will be piloted from April 2013.
5. LAs will be able to use DEAs as a method of recovery of Housing Benefit (HB) debt.

## Background

6. Recovering debts by DEA is a long established process. Therefore employers should be familiar with operating a deduction from earnings scheme. Detailed process design work to support the introduction of DEAs is ongoing but it is our intention that the process will be simple and straightforward to administer.
7. The proposed rates of deduction have been developed by the DWP in-house analytical team and are based on the Council Tax approach of a percentage based calculation within the specified earnings band widths.
8. The rate of deductions is comparable with, but no harsher than, deductions to recover Council Tax and those debts enforced by court action. It is our intention that these rates will be revised periodically but at no lesser interval than 12 months.
9. The regulations will create criminal offences for non-compliance with certain provisions of these regulations. These are:
  - Employer must, each pay day make a deduction in accordance with the deduction tables or a lower amount as notified in a deduction notice; (reg 2092))
  - Employer must pay the amount deducted from an employee's earnings to the appropriate authority by the nineteenth day of the month following the month in which the deduction is made; (reg 22(1))
  - Employer must keep a record of the employee who has had deductions made from their salary and the amount paid to the appropriate authority; (reg 22(3))
  - The liable person fails to notify the appropriate authority in writing within 7 days of each occasion on which (i) they leave the employment of an employer who is making deductions from their earnings; (ii) they become employed or re-employed; (reg 23)

- The liable person becomes employed or re-employed, fails to notify the relevant authority of the name and address of their employer; the amount of their earnings or expected earnings; details of their place of work, nature of their work and works/pay number. (reg 23)

10. We believe that the measures provide the right balance between making work pay and maximising revenue to the Exchequer, although where any element of Universal Credit is in payment the debt should be referred to DWP to initiate recovery through normal processes.

### **DWP Pilot**

11. DWP are currently testing the use of the DEA recovery process as part of their off-benefit pilot which started on 8 April 2013. This pilot aims to establish the most cost efficient process to achieve debt recovery from debtor's no longer in receipt of benefit and will be evaluated ready for full live running later in the year. Whilst LAs can now use the facility in the regulations, they may wish to await the outcome of DWP's pilot which should identify any practical or process difficulties.

### **Documents**

12. We have a Questions and Answers (Q & A) Brief which can be provided upon request. The DWP DEA Guide for Employers can be found within GOV.UK. Both of these documents can be provided on request from

[hbandctb.overpayments@dwp.gsi.gov.uk](mailto:hbandctb.overpayments@dwp.gsi.gov.uk)

### **Information about Universal Credit for Claimants**

13. Information about Universal Credit for claimants has been published on [GOV.UK](http://GOV.UK), this will be updated regularly. This site includes the new online [Personal Planner](#) which helps claimants prepare for Universal Credit.

### **Changes to the Loss of Benefit Regime**

14. Changes to the current Loss of Benefit (LOB) regime commenced on 1 April 2013 and have an impact on current processes in LAs and DWP. DWP Fraud and Error Change Programme have developed a suite of products to explain the background to the legislative change and to support LAs through the implementation of these changes. They can be accessed by following the attached link:

[Fraud and Error – Loss of Benefit Penalty regime](#)

If you have any questions about the changes or the products please contact us by emailing:

[fraudanderror.lossofbenefits@dwp.gsi.gov.uk](mailto:fraudanderror.lossofbenefits@dwp.gsi.gov.uk)

## Personal Independence Payment

15. Disability Living Allowance (DLA) has been replaced by Personal Independence Payment (PIP) for people aged 16 to 64 on or after 8 April 2013 in areas of North East and North West England. Claims to PIP are started over the phone by calling 0800 917 2222 (text phone 0800 917 7777).
16. We've recently updated the PIP toolkit for support organisations: [www.dwp.gov.uk/pip-toolkit](http://www.dwp.gov.uk/pip-toolkit). It contains quick guides, factsheets about PIP, examples of the letters and forms we'll use, and alternative formats. You may be able to adapt parts of the toolkit to your own guidance, communications or learning and development. And the [tailored communications and guidance](#) part of the toolkit, contains ready-made editorial for LAs that you can use with your own staff and to help support claimants.
17. From 10 June 2013, new claims to PIP will start for the remaining parts of Great Britain. There will be no new claims to DLA for people aged 16 to 64.
18. Please direct claimants to [www.gov.uk/pip](http://www.gov.uk/pip) for more information, including a [PIP checker](#) to tell them when they will be affected. Claimants can also phone 0845 850 3322 (text phone 0845 601 6677) for more information.

Please send any questions to:

[pip.feedback@dwp.gsi.gov.uk](mailto:pip.feedback@dwp.gsi.gov.uk)

Please share your views through the [PIP communications survey](#).

## Update to Subsidy Circular HB S4/2013

19. HB Circular S4/2013 issued on 12 April 2013 set out the additional funding of £24.1m secured to support the costs of implementing welfare reform changes in 2013/14 and advised that the full amount would be released to LAs around 25 April 2013. This notice is to confirm that £23.6m is due to be released around 25 April 2013 with the remaining £0.5m UC element due to be released late summer/early autumn.

## Queries

Please send any queries to:

[hbctb.subsidyqueries@dwp.gsi.gov.uk](mailto:hbctb.subsidyqueries@dwp.gsi.gov.uk)

## HB cases awaiting decision by the Upper Tribunal

20. Decision Making and Appeals (DMA) Leeds is aware of the following HB cases that are awaiting decision by the Upper Tribunal:
  - CH/2897/2011: treatment on an "injury benefit" paid in consequence of a former employment as part of an occupational pension – does the payment fall to be disregarded or does the judgement in *Malekout* apply?

21. Thank you to those authorities that have let us know about cases they are appealing. Please notify us of cases at the point that the application for leave to appeal is made to the Upper Tribunal office, or the appeal is lodged following grant of leave by a First Tier Tribunal Judge. Please let us know if a case reference (CH/.. or CSH/..) has been allocated.

### Queries

If you have any queries about cases before the Upper Tribunal Judges or courts, please contact us by email at:

[fldmdma.customersupportservices@dwpgsi.gov.uk](mailto:fldmdma.customersupportservices@dwpgsi.gov.uk)

Or fax on: 0113 2324841

### What's new on the web

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

Document Type	Subject	Link
<b>HB/CTB A5/2013</b>	Information for LAs on the introduction of the Armed Forces Independence Payment	<a href="http://www.dwp.gov.uk/docs/a5-2013.pdf">http://www.dwp.gov.uk/docs/a5-2013.pdf</a>
<b>HB/CTB A6/2013</b>	Personal Independence payment – impact for LAs	<a href="http://www.dwp.gov.uk/docs/a6-2013.pdf">http://www.dwp.gov.uk/docs/a6-2013.pdf</a>
<b>HB/CTB A7/2013</b>	HB/CTB operational information – performance support and inspection in 2013/14	<a href="http://www.dwp.gov.uk/docs/a7-2013.pdf">http://www.dwp.gov.uk/docs/a7-2013.pdf</a>
<b>HB/CTB A8/2013</b>	The Universal Credit (Consequential, supplementary, Incidental and Miscellaneous) Regulations 2013	<a href="http://www.dwp.gov.uk/docs/a8-2013.pdf">http://www.dwp.gov.uk/docs/a8-2013.pdf</a>
<b>HB/CTB A9/2013</b>	Using social security data for local services	<a href="http://www.dwp.gov.uk/docs/a9-2013.pdf">http://www.dwp.gov.uk/docs/a9-2013.pdf</a>
<b>HB/CTB A10/2013</b>	Changes to the size criteria for approved foster carers and parents of armed forces personnel	<a href="http://www.dwp.gov.uk/docs/a10-2013.pdf">http://www.dwp.gov.uk/docs/a10-2013.pdf</a>
<b>HB A11/2013</b>	Discretionary Housing Payments	<a href="http://www.dwp.gov.uk/docs/a11-2013.pdf">http://www.dwp.gov.uk/docs/a11-2013.pdf</a>
<b>Operational Manual</b>	Discretionary Housing Payments guidance manual	<a href="http://www.dwp.gov.uk/docs/discretionary-housing-payments-guide.pdf">http://www.dwp.gov.uk/docs/discretionary-housing-payments-guide.pdf</a>

<b>HB/CTB S3/2013</b>	Rent Rebate Subsidy Limitation information – 2013 -14	<a href="http://www.dwp.gov.uk/docs/s3-2013.pdf">http://www.dwp.gov.uk/docs/s3-2013.pdf</a>
<b>HB S4/2013</b>	Additional funding to meet the costs of implementing welfare reform changes in 2013/14	<a href="http://www.dwp.gov.uk/docs/s4-2013.pdf">http://www.dwp.gov.uk/docs/s4-2013.pdf</a>
<b>HB/CTB U2/2013</b>	Court of Appeal: Burnip, Trengrove and Gorry	<a href="http://www.dwp.gov.uk/docs/u2-2013.pdf">http://www.dwp.gov.uk/docs/u2-2013.pdf</a>
<b>HB Direct issue 135 March 2013</b>	Newsletter	<a href="http://www.dwp.gov.uk/docs/issue-135-march-2013.pdf">http://www.dwp.gov.uk/docs/issue-135-march-2013.pdf</a>
<b>HB Direct issue136 April 2013</b>	Newsletter	<a href="http://www.dwp.gov.uk/docs/issue-136-april-2013.pdf">http://www.dwp.gov.uk/docs/issue-136-april-2013.pdf</a>

### **HB/CTB circulars recently issued**

HB/CTB A5/2013  
 HB/CTB A6/2013  
 HB/CTB A7/2013  
 HB/CTB A8/2013  
 HB/CTB A9/2013  
 HB/CTB A10/2013  
 HB A11/2013  
 HB/CTB S3/2013  
 HB S4/2013