

# Benefits Bulletin

# Benefits Update...

20<sup>th</sup> February 2025

Issue **1** [2025]

## 1. Introduction

1.1: This Benefits Bulletin brings news on some of the key Social Security benefit developments and news stories that have recently taken place or that are up coming. It includes information on the:

- increase in number of Pension Credit claims
- Managed Payments for rent and rent arrears
- Managed Migration and tax credit overpayments
- asylum seekers and the eight-week rule
- Pre-Settled Status and Housing Benefit
- Statutory Sick Pay reform
- Social Security benefit fraud - new powers
- refunds on Hardship Payments
- The recommendations for Industrial Injuries Disablement Benefit (IIDB) in light of loss of function caused by Covid-19 amongst health and social care workers.

1.2: Finally, we have had a number of people contacting our Benefits Helpline worried over concerns that the money they receive in Personal Independence Payment is going to be paid to them by voucher in the future. We explain the background to this story and what reforms are planned for this benefit.

## 2. Pension Credit: Increased Claims

2.1: The Department for Work and Pensions (DWP) has announced that by last Christmas an extra 42,500 households nationally were getting Pension Credit and so were eligible for the Winter Fuel Payment.



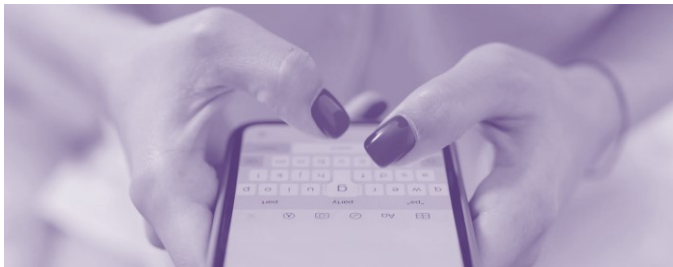
2.2: The increase was attributed to the campaign to encourage pension aged people to check for Pension Credit entitlement.

Please see this [LINK](#) for more information.

2.3: Number of households getting Pension Credit in Wolverhampton:

- North East 2,721 (16.2%)
- South East 3,662 (22.7%)
- West 2,860 (14.9%)

2.4: Perhaps not surprisingly, Wolverhampton has a greater number of pensioners who get Pension Credit compared to the overall number of pension aged households than the West Midlands as a whole (12.0% average) and nationally as a whole (11.5% average).



2.5: Any 'pension aged' person living in Wolverhampton can contact our Benefits Helpline on 07966 292321 (Monday to Friday between 10.00 am and 12.00 noon) for a 'missing benefits assessment' to see if they are missing out on Pension Credit or any other benefit. Alternatively, they can go to this [LINK](#) on the council's website and complete our 'missing benefits' form and we will follow things up with them.

## 3. Universal Credit: Managed Payments...

3.1: The High Court has recently ruled (see [Nathan Roberts v SSWP](#) - dated 16<sup>th</sup> January 2025) that the procedural system which enabled landlords to obtain 'managed payments' for rent / rent arrears was, as it stood, flawed / unlawful.

3.2: The case concerned a gentleman who was getting an award of Universal Credit which included an amount towards his rent and service charges.

3.3: He received notice from the Department for Work and Pensions (DWP) that his Universal Credit payments were going to change to allow for his rent (together with an amount to repay his rent arrears), to be paid direct to his landlord. He proceeded to challenge this action on grounds that he had not been consulted on the deductions taking place and because he disputed the alleged rent arrears.

3.4: The High Court ruled that as a 'minimum standard of procedural fairness', the common law requirement was that before any deduction be adopted a Universal Credit claimant must be:

- informed that their landlord has applied for rent / rent arrears direct payments; and
- given an opportunity to make a response before any change to their Universal Credit takes place.

3.5: The High Court held that this must be the position irrespective of whether the landlord in question is a private landlord or social landlord because this reflects the rights and interests of the individual claimant who could be adversely affected.

3.6: The High Court held that before a decision was made to implement a 'managed payment', the decision-maker within the DWP had a duty to inform themselves of any objections the Universal Credit claimant may have before arriving at a reasonable conclusion.



3.7: This judgement does not prevent landlords from seeking a 'managed payment' for rent / rent arrears. Neither does it prevent an application from being agreed.

3.8: However, what the judgement confirms is that the DWP must inform the claimant of any application and allow them an opportunity to submit a response, which must then be considered before any decision is made on the matter.

3.9: A 'managed payment' may be put in place where a Universal Credit claimant:

- is in arrears with their rent for an amount equal to, or more than, 2 months of their overall rent; or
- has continually underpaid their rent over a period of more than 2 months, and they have accrued arrears of an amount equal to or more than one month's rent.

3.10: A 'managed payment' may also be put in place where any of the **Tier One** or **Tier Two** (See [Alternative Payment Arrangements - Appendix A](#)) factors apply due to a person's ill-health, drug or alcohol dependency or debt situation.

3.11: If someone has historically been getting Housing Benefit before moving on to Universal Credit and their Housing Benefit was paid direct to their landlord (with or without an amount to cover any rent arrears), then they may, of course, apply for a 'managed payment'. However, please do not assume that one will automatically be granted. The criteria for being eligible to having rent paid direct to a landlord under Housing Benefit is different to that under Universal Credit. A person will only be able to get 'managed payments' under Universal Credit if they are able to meet the conditions as described.

3.12: Please see this [LINK](#) for more information on Alternative Payment Arrangements - 2. Managed Payments to Landlords.

3.13: Private landlords can apply for a 'managed payment' online through this [LINK](#) or using the UC47 form (see this [LINK](#)). However, please note, that in order to make an online application you will need the tenants date of birth. If you do not have this then you will need to use the UC47 form. Social landlords can apply through the 'Trusted Partner' scheme.

3.14: Those who get Universal Credit can do so online through their Universal Credit account or by talking to their Work Coach or by calling Universal Credit on 0800 328 5644.

3.15: Please be aware that the rules governing when Housing Benefit may be paid direct to a landlord are different to those governing 'managed payments' under Universal Credit. A Direct Payment may, of course, be requested when a person falls into arrears with their rent, but a Direct Payment may also be granted where it is considered to be in the person's (and their family's) interests.

3.16: Please see this [LINK](#) if you are a tenant or landlord and you would like to apply for direct payments of an award of Housing Benefit that is paid by the City of Wolverhampton Council (Revenues and Benefits).

## 4. Managed Migration: Tax Credit Overpayments...

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4.1: If a person has moved to Universal Credit under 'managed migration' and previously been overpaid Working Tax Credit / Child Tax Credit then they should receive written confirmation, albeit perhaps some months after they have moved, from His Majesty's Revenue and Customs (HMRC) confirming the amount owed. This letter is called a '**TC1131 (UC)**' notification.

4.2: At this point if an explanation of the cause of the overpayment or details of how the overpayment has been calculated are needed, then the person can call HMRC on 0345 300 3900.

4.3: If the person has an ongoing repayment agreement in place (known as a 'Time to Pay' arrangement) with HMRC, then they should continue to keep to this arrangement until they get a TC1131 (UC) notification.

4.4: Then, once they receive the TC1131 (UC) notification, they should cease to make payments and cancel any Standing Orders they may have set up to repay the debt. This is because the overpayment should then become recovered via deductions from the person's Universal Credit.



4.5: If no 'Time to Pay' repayment agreement has been in place, then deductions will be made from the person's future Universal Credit payments to repay the tax credit overpayment. If a person is unable to afford the level of repayment taken from their Universal Credit, then they should contact the DWP's Debt Management Contact Centre on 0800 916 0647 and ask for the repayment period to be extended thus lowering the actual repayment amount.

4.6: Please see this [LINK](#) for more information.

4.7: Tax credit overpayments primarily occur because of some failure on the part of the claimant or some error on the part of HMRC or a combination of the two. It may be that the person concerned has failed to report their personal / financial circumstances correctly or they have failed to notify HMRC of changes in their personal / financial circumstance. It could be that HMRC gave wrong advice or information which led to the overpayment or that it used the wrong information when assessing the tax credit award.

4.8: When dealing with overpayments it is important to bear in mind that whilst the premise is that all overpayments of tax credits are recoverable, HMRC should not seek to recover an overpayment essentially caused by error on their part or if there are exceptional circumstances which mean that the overpayment should be cancelled altogether or that recovery would cause exceptional hardship.

4.9: Do see HMRC's '[What happens if we have paid you too much tax credits](#)' (COP26) for more information about tax credit overpayments and recovery. A person should use HMRC form [TC846](#) if they wish to ask that an overpayment be written off.

## 5. New Asylum Seekers - Eight Week Rule...

5.1: Rule changes from the **6<sup>th</sup> December 2024** now mean that those granted refugee status (including indefinite leave to remain, humanitarian protection or discretionary leave to remain in the United Kingdom) will see their Home Office asylum support / housing provision end after EIGHT WEEKS instead of four weeks.

5.2: Those affected will be able to apply for benefits in the same way as British Nationals without any additional restrictions.

5.3: The key benefits for those still in need of financial support will be:

- 'working age' - Universal Credit to help them with the cost of day-to-day living including help with their rent payments should they be living in rented accommodation; or
- 'pension age' - Pension Credit to help them with the cost of day-to-day living and Housing Benefit to help them with their rent should they be living in rented accommodation.

5.4: If the person is responsible for paying council tax, then they will also be able to apply for Council Tax Support irrespective of whether or not that are also eligible to Universal Credit / Pension Credit.





5.5: If someone is of 'working age' and residing in temporary accommodation which has been provided to keep them from being homeless or they are living in supported accommodation (i.e. 'specified accommodation' - please see this [LINK](#)) then they will not get help with their rent from Universal Credit but should be able to apply for Housing Benefit in the alternate.



5.6: If a person has a child(ren), then they may also be able to apply for Child Benefit. If they have been granted refugee status, then providing they apply for Child Benefit within three months (from the date of the letter from the Home Office confirming that they have been granted refugee status) they can ask for the claim to be backdated to the date when they first applied for asylum.

5.7: Those who have been granted refugee status who had been seeking asylum since before 31st January 2019 may be able to apply for a backdated tax credits claim. Any award would be dependent upon what income they had whilst they were awaiting the outcome of their asylum application. The number to ring is 0345 300 3900. When calling it is important that the person makes clear that they wish to apply for a backdated award of tax credits from the date upon which they applied for asylum.

5.8: Please see the information on this [LINK](#) provided by Child Poverty Action Group (CPAG) for more information regarding refugees / migrants and benefits. You can also go to this [LINK](#) for information provided by the DWP on this subject including details of the information a person will need to apply for benefits.

5.9: The [Refugee and Migrant Centre](#) provides support to refugees and migrants living in Wolverhampton (and surrounding areas) with benefits and housing.

## 6. Pre-Settled Status: Housing Benefit and Human Dignity...

6.1: In Benefits Bulletin Issue 4 [2024] - Benefits Update we brought news of the decision of the Court of Appeal in *SSWP v AT - [2023] EWCA Civ 1307* (see this [LINK](#)) which dismissed the appeal of the Department for Work and Pensions (DWP) against an earlier decision of the Upper Tribunal concerning the rights to Universal Credit of destitute EEA Nationals.

6.2: Essentially the Upper Tribunal had found that the United Kingdom had a duty to provide financial support to EEA Nationals who were lawfully living in the United Kingdom if, without that financial support, there would be a risk to them (their partner or any children for whom they were responsible) being unable to live in 'dignified conditions' due to, for example, material poverty, financial hardship or destitution and there is not alternative financial resources available to them be it through work or other means.



6.3: We are able to report that the DWP have now issued guidance (in Circular A10/2024 dated 6<sup>th</sup> January 2025 - see this [LINK](#)) to local authorities that in new (post 12<sup>th</sup> December 2022) cases where it is determined that the applicant is not ordinarily entitled to Housing Benefit due to a failure to meet the

'habitual residence test' because they may be considered not to have a 'right to reside' then there is a duty to consider whether the person comes under the scope of the judgement of Court of Appeal.

6.4: This is helpful to those who whilst having PRE-SETTLED STATUS would otherwise not be entitled to Housing Benefit / Universal Credit (and/or Pension Credit) because they are not e.g. a worker, self-employed person or family member of such a person.

6.5: If a person is of 'working age' then they are only going to have potential entitlement to Housing Benefit if they may be considered to be living in supported accommodation (i.e. 'specified accommodation' - please see this [LINK](#) and paragraph 71 of Housing Benefit guidance for supported housing claims) or temporary accommodation provided to prevent them being otherwise homeless. If the person is of 'pension age' then they may have potential entitlement to Housing Benefit if they are living in either private or social landlord accommodation.

6.6: Please see the article by Child Poverty Action Group (see this [LINK](#)) which considers the DWP's operational guidance concerning the making of awards of Universal Credit to those potentially affected.

## 7. SSP Reform...

7.1: As part of a raft of measures under the government's 'Plan to Make Work Pay' (see this [LINK](#)) the DWP are to change the rules surrounding Statutory Sick Pay entitlement.

7.2: The current Statutory Sick Pay system has a 'waiting period' of 3 days (including days when a person may not ordinarily work) meaning that in normal circumstances a person is only entitled to an award of Statutory Sick Pay from the 4<sup>th</sup> day of sickness.



7.3: Moreover, to be eligible, a person's average earnings must be equal to or above £123.00 per week (£125.00 from April 2025) - the so called 'lower earnings threshold' figure. If a person qualifies then they will qualify for £116.75 per week (£118.75 from April 2025). Please see this [LINK](#) for more information on existing rules surrounding Statutory Sick Pay entitlement.

7.4: Under the proposed new measures Statutory Sick Pay would be:

- payable from the first day of sickness
- payable to people who had earnings below £123.00 - the lower earnings limit.

7.5: It is proposed that those who do earn below the lower earnings limit will only get a percentage of their earnings not the whole £116.75. This is to ensure that those with earnings below this amount do not receive more in Statutory Sick Pay than they had done in wages.



7.6: The actual percentage figure has not yet been set but it is felt important that whatever the level set it should strike the right balance between providing the financial security that employees need whilst retaining an incentive for the sick employee to return to work when appropriate.

7.7: These measures are being introduced because it is considered that employees who feel supported by their employer in sickness are likely to remain in their roles for longer, reducing business spending on recruiting and upskilling new members of staff.

7.8: We are not quite sure when the proposed changes will be introduced. We will seek to update you when we know.

7.9: Please note that people who are unable to get Statutory Sick Pay (or whose payments have ended - SSP is only paid for 28 weeks) may nonetheless be entitled to New Style ESA (please see this [LINK](#)).

7.10: Also, whether a person qualifies or not or has exhausted their entitlement, they may be eligible for Universal Credit (please see this [LINK](#)) - a benefit designed to provide people with sufficient income to meet the cost of day-to-day living including their rent payments should they pay rent for the place where they live.

## 8. Social Security Benefit Fraud...

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8.1: A new Fraud, Error and Debt Bill has been set in motion to crack down on fraud in the Social Security benefit system. The measures outlined include:

- the introduction of new rules giving the DWP more powers to identify incidents of fraud more quickly
- provisions to allow the DWP to recover benefits obtained through fraud from those who avoid repayment
- arrangements to enable banks and financial institutions to share data that may show indications of potential benefit overpayments.

8.2: The new legislation is intended to modernise DWP's powers to 'stop fraud in its tracks' and 'recover money lost' due to fraud. The new measures are expected to save the treasury £1.6 billion over the next five years.

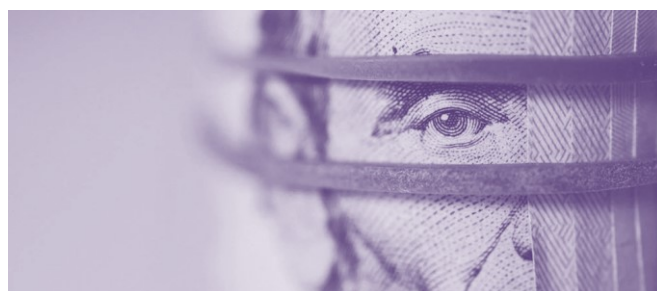
8.3: New powers will seek to enable the DWP to recover overpayments due to fraud from those who no longer receive any Social Security benefits and those not in work. They will give the DWP powers to recover debts from people through any bank or savings accounts, without having to go to court.

8.4: Under new rules the DWP would also be able to apply to the court to disqualify a perpetrator of fraud from holding a driving licence, where all other attempts at recovery have failed.

8.5: Social Security benefit fraud and error is estimated to currently cost the taxpayer almost £10 billion a year and since the pandemic a total of £35 billion of taxpayers' money has been lost to it.

8.6: The DWP say that the nature of fraud has become more sophisticated, meaning without new legal powers, it cannot properly keep pace with the changing nature of fraud to tackle it robustly enough.

8.7: The new legislation will not give the DWP access to people's bank accounts and will not enable it to share people's personal information with third parties.



8.8: The new powers should be in place by the Autumn of 2026. Please see this [LINK](#) for more information.

## 9. Hardship Payments Refunds...

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9.1: People who between the period 1<sup>st</sup> January 2014 and 11<sup>th</sup> January 2021 received a Universal Credit recoverable hardship payment as a result of a benefit sanction, may now be due a refund.

9.2: To be eligible a person must have received such an award during the aforementioned relevant period and at some



point, asked either for the recovery not to take place, or for the amount of recovery to be reduced due to financial hardship or some special circumstance.

9.3: This has all come about as a result of a judicial review case (see this [LINK](#) for further details) taken by law firm Osbornes Law on behalf of a vulnerable young woman who had relied upon a number of Universal Credit recoverable hardship payments to make ends meet during periods when she had been sanctioned due to her failure to comply with the terms of her claimant commitment.

9.4: The case confirmed that whilst the DWP had scope to write-off these, in effect loans, where repayment was causing hardship or in some other special circumstance, it simply never did.

9.5: Please see this [LINK](#) for details of the new policy which has now been put in place on the recoverability of overpayments which includes guidance on the recovery of hardship payments and this [LINK](#) for more information about the refund scheme.

9.6: As is clear from the terms of the refund scheme, refunds may not only be given in recoverable hardship payment cases but also where a person has received a **benefit fraud penalty** and applied for the amount to be written off or repayment rates to be reduced.

9.7: People can apply for a refund using the refund form available on this [LINK](#). However, please note that the closing date for applications is 4<sup>th</sup> May 2025.

## 10. IIDB: Covid-19

10.1: The Industrial Injuries Advisory Council (IIAC) have, since the start of the pandemic in 2020, been studying the impact of Covid-19 for the purposes of the Industrial Injuries Disablement Benefit scheme as it related to prescribed diseases. It has done so in recognition of the potential link between certain occupations and the increased risk of contracting Covid-19 and the loss of faculty in consequence.

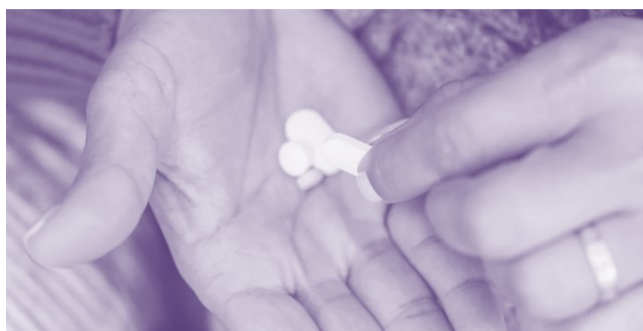


10.2: Industrial Injuries Disablement Benefit (please see this [LINK](#)) is a Department for Work and Pensions (DWP) benefit that is available to people who have suffered injury resulting in:

- a loss of physical faculty; and/or
- a loss of mental faculty; and/or
- or disfigurement

due to an accident at work or through having contracted a prescribed disease in a recognised area of work. See Appendix 1 of the link provided for details of the complete list of current diseases and occupation types.

10.3: The role of the IIAC is to monitor trends and to make recommendations on whether new diseases should be added to the list of prescribed diseases. Any proposals should be in regard to a risk arising from a person's occupation and not a risk common to everybody.



10.4: Following its studies, the IIAC in its 2022 'command paper', recommended that health and social care workers, due to the apparent increased risk of infection, should be added to the list in respects to five serious pathological complications following COVID-19 that were shown to cause persistent impairment and loss of function in some people.



10.5: The IIAC has more recently recommended that transport workers (e.g. bus, coach, taxi drivers) who have a close working proximity to the general public also be included. Neither recommendation has thus far been acted upon.

10.6: Whilst the IIAC has also acknowledged that there are other occupational sectors (e.g. educational workers / nursery workers) where COVID-19 infection may be acquired in work settings, its research has shown that there is sparse evidence of any increased risk and inconsistent results between occupations. Therefore, it felt unable to recommend prescription for occupations other than health and social care workers and transport workers at this stage.

10.7: Please see this [LINK](#) for the latest IIAC report (dated 14.11.2024).

## 11. PIP Paid by Voucher...

11.1: We have received a number of calls to our Benefits Helpline from people enquiring as to whether the monetary payments they receive by way of Personal Independence Payment (PIP) will be replaced by a voucher system. This all stems from the announcement last summer of the DWP's proposals surrounding the reform of PIP due to concerns about its financial sustainability.

11.2: There are now 2.6 million people who get PIP or Disability Living Allowance and this number is growing. Over 33,000 new awards for PIP are made each month. That is almost twice the number each month before the pandemic. Moreover, it is expected that over the next 5 years, spending on PIP is expected to grow by 63% (from £21.6 Billion per year to £35.3 Billion per year).

11.3: A number of key changes to the current PIP system are being proposed, including:

- making the requirement of proof of a medical condition mandatory

- making changes to the qualifying criteria including making changes to the activity areas, individual descriptors and point scores
- changing the 'required period' (the 3 month / 9 month rule) so people would need to have more long-term needs to qualify
- placing greater emphasis on a person's condition rather than the functional impairment they encounter

11.4: The view is that the case law that has developed over time now means that the original intended approach to certain activity areas and descriptors has changed resulting in the eligibility rules being more generous than had originally been intended. The aim of any review being to ensure that the criteria is fair and focuses support on people with the highest needs and significant ongoing extra costs.

11.5: The DWP acknowledge that it wishes to consider other ways of supporting people with disabilities and long-term health conditions apart from simply providing regular cash payments. This could involve contributing towards disability-related expenditure through the introduction of a 'voucher scheme' whereby disabled people will receive vouchers to contribute towards specific costs such as equipment / aids and for services.

11.6: The view of the National Association of Welfare Rights Advisers (NAWRA) was that they were completely opposed to the proposals labelling the proposed changes as being 'cash-based' and not in the best interests of disabled people. See this [LINK](#) for NAWRA's full response.

11.7: Please see this [LINK](#) for full details of the proposed reforms. The window for comment on the consultation is now closed. We will have to see what follows.

Welfare Rights Service  
Specialist Support Team  
City of Wolverhampton Council  
[WRS@wolverhampton.gov.uk](mailto:WRS@wolverhampton.gov.uk)