

DWP Department for Work and Pensions

Shared Services
Accounting Services
Room 512
Norcross
Blackpool FY5 3TA



Nottingham City Council
Loxley House
Station Street
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Date: 11th March 2011

Dear 

Housing Benefit and Council Tax Benefit 2008/09 Qualified Final Subsidy Claim

Following receipt of your letter dated 8th March 2011 and your auditor's assurances in relation to the classification of the Rent Rebate manual adjustment error the Secretary of State has reviewed his recovery decision. I am therefore writing to inform you of the Secretary of State's revised decision in relation to the recovery of overpaid subsidy from your claim for 2008/09.

The Secretary of State in making this decision was mindful that local authorities are required by law to administer housing benefit in accordance with the relevant legislation and case law. He is entitled to expect that an authority will act with reasonable diligence to properly discharge its functions in accordance with the law when administering housing benefit.

The following decisions were made after considering all the available information in relation to the criteria specified in Circular S1/2002 and the additional information you have presented. The decisions have been made under section 140(C) of the Social Security Administration Act 1992.

2008/09 Qualified Final Subsidy Claim

Reason for qualification – amount – recovery

1. Rent Allowance expenditure – £33,083 – Full recovery
2. Rent Rebate expenditure – £49,264 – Full recovery
3. CTB expenditure – £15,229 – Full recovery
4. CTB excess benefit – £26,145 – Full recovery
5. Modified Scheme – £2,300 – Full recovery
6. LA Error overpayments – £282,634 – Full recovery

The Secretary of State has decided to recover £408,655 of overpaid Housing and Council Tax Benefit subsidy from your 2008/09 subsidy claim.

The Secretary of State in making this decision has noted, with regard to S1/2002, that measures have been introduced to prevent a recurrence of the qualifications in future years'. However, the Secretary of State has also taken into account that the incorrect assessment of benefit and misclassification of overpayments has resulted in subsidy being claimed in excess of entitlement, at a cost to the public purse. Consequently, the Secretary of State considers that this shows a failing on the part of your Authority to exercise due care in discharging your functions in relation to the administration of housing benefit. Accordingly, the Secretary of State considers it appropriate, in all the relevant circumstances of your claim, to recover the total recoverable overpaid subsidy of £408,655.

Method of repayment

The Secretary of State proposes to recover the overpaid subsidy of £408,655 from your interim subsidy for April 2011. Before doing so, however, the Secretary of State is prepared to receive any representations relating to financial information, which are confined to the timescale for repayment. Should you wish to make representations please submit them by 1st April 2011. If I do not hear from you by then, the overpaid subsidy will be recovered in the way described above.

Please note that the final settlement will also take into account any adjustments to your certified final claim, that you have agreed with your auditor and which sit outside the recovery decisions.

Your claim will now be settled on the above basis. This does not, however, prevent your claim from being re-opened should the Secretary of State become aware of new information relating to your claim. The Secretary of State will also consider re-opening your claim if you present further information that, in the Secretary of State's view, shows that the overpaid subsidy is less than the amount on which the Secretary of State based his recovery decision.

You should be aware that there is no right of appeal against a decision of the Secretary of State to recover overpaid subsidy under S140C(3) of the 1992 Act. The decision can only be challenged by judicial review.

Please do not hesitate to contact me should you have any queries on this matter.

Yours sincerely

By e-mail


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