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[Department
for Work &
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Guidance

LA Welfare Direct lite 10/2023

Updated 27 October 2023

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Contact

Queries about the:

- technical content of this bulletin, contact details are given at the end of each article
- general content of this bulletin and distribution of this bulletin, contact lawelfare.correspondence@dwp.gov.uk

Who should read

All Housing Benefit staff

Action

For information

Additional Universal Credit deductions reasons and amounts to be added to the Local Council Tax Reduction data share

1. As local authorities (LAs) are aware we tried to enhance the Local Council Tax Reduction (LCTR) data feed with new deductions reasons earlier in the year. Unfortunately, it did not work as planned and we had to regress back to the existing solution.
2. We then rectified the problem and asked LA IT software suppliers to carry out some additional checks to help ensure we did not make similar mistakes again.
3. We can now confirm that all LA IT software suppliers have confirmed that the new test file we issued successfully passed their system acceptance testing. So, all LA systems are now ready to receive the additional data.
4. We have agreed with Universal Credit that the extra data can be switched on from Wednesday 25 October 2023 and have informed LA software suppliers of this.

5. So, from 26 October 2023, where relevant, changes of circumstances notifications will include the following deductions reasons and corresponding amounts:

- mortgage interest
- owner-occupier service charges
- rent or service charges
- gas arrears
- electricity arrears
- Council Tax
- fines
- water arrears
- child maintenance

6. The Local Government Data Sharing Transformation (LGDST) team is still aiming to add many more additional data items for the LCTR data feed and Searchlight in this financial year ending March 2024.

7. LGDST will continue to provide progress updates on the LCTR data share and Searchlight enhancements in future LA Welfare Direct (LAWD) bulletins. In the meantime, if you would like to join LA colleagues in helping to shape these future enhancements, do get in touch with the team at lawelfare.datasharingtransformation@dwp.gov.uk

Reminder: Discretionary Housing Payment mid-year estimate form (England and Wales only)

8. As issued directly to LAs' single inboxes on 2 October 2023, this is a reminder that the Discretionary Housing Payment (DHP) mid-year estimate form for the financial year ending March 2024 is due for return by 31 October 2023.

9. It is important that LAs return the form by the deadline to:

- ensure payments to LAs are made on time
- help inform future funding levels

10. We would also like to use this opportunity to extend our thanks and appreciation to those LAs who have already submitted their returns.

11. If you have still not received your DHP mid-year estimate form, please contact dhp.returns@dwp.gov.uk immediately.

Plan to expand the Housing Benefit Debt Service for LA Council Tax debt recovery

12. The Housing Benefit Debt Service (HBDS), launched in 2018 to aid LA Housing Benefit (HB) debt recovery, is estimated to have increased national HB debt recovery by a minimum of £35 million a year.

13. Since its launch, many LAs have contacted the Department for Work and Pensions (DWP), to ask us if HBDS could also be used to recover Council Tax debt. We've always had to decline this request, as there is no current legal gateway to allow this.

14. However, separately since 2019, the Cabinet Office has been leading pilots using the Digital Economy Act 2017 debt recovery powers, to source data from both His Majesty's Revenue and Customs (HMRC) and DWP to aid LAs with their Council Tax debt recovery.

The Cabinet Office pilots

15. 29 LAs shared a sample of debtors who had received a Liability Order for unpaid Council Tax with HMRC who, where details matched, provided each LA with HMRC pay as you earn (PAYE) data to test if this data could support the recovery of the Council Tax debt. The pilot proved to be a success for the 15 LAs who were able to provide results, as others were disrupted by the COVID-19 pandemic. The pilot recovered £5 million with a 20% recovery rate in outstanding Council Tax debt, whether through a payment plan or alternatively an attachment of earnings using the PAYE information.

16. Although the pilot was a success, the Cabinet Office did implement some lessons learned. For example, the matching rate could be increased by including additional matching criteria supplied by DWP and increased identification of vulnerability by adding an income based benefit flag from DWP too.

17. Taking forward this further information a second pilot was undertaken with an increased number of LAs, now 41. This included the same data sharing as the initial pilot with PAYE information. However, it also aimed to increase the match rate with extra DWP data and increased identification of vulnerability with benefit flags that were provided by DWP.

18. This pilot was also successful, with a further £4 million of Council Tax debt recovered so far. Do note, the Cabinet Office is still in the process of recovering results from the pilot LAs and once obtained this figure is expected to be significantly higher.

Next steps

19. The Cabinet Office has held discussions with DWP about how they might best roll out the pilot nationally to all LAs. We currently share a preferred solution to utilise and expand the existing HBDS to also allow it to be used for Council Tax debt recovery.

20. There are a number of steps that need to be taken to make this possible, specifically:

- the Cabinet Office needs to ensure that all LAs who wish to be part of the national rollout complete all the required Digital Economy Act paperwork
- HMRC needs to approve the expansion of HBDS to include Council Tax debt recovery
- DWP, HMRC and Cabinet Office need to work together to design the specific technical modifications to the HBDS technical solution, so that LAs can send DWP their Council Tax debtor information once a month

21. Only once all three steps are complete, will we then be able to communicate to all LAs with the specifics of the rollout. The current estimate is that it will be around six months to a year before we are able to do so.

LA action needed

22. We ask that any LA interested in participating in the national rollout of the Council Tax debt recovery solution (and is not one of the 41 LAs already involved in the pilot), email the Cabinet Office at debt-and-fraud-dea@cabinetoffice.gov.uk by Thursday 30 November 2023.

23. Please note: If you have already registered your LA's interest we ask that you do so again to ensure you are on the Cabinet Office list. We apologise for this inconvenience.

24. If you have general questions about the content of this article do contact paul.selby@dwp.gov.uk

Audit/compliance check of the Employee Authentication Service to start in early 2024

25. The Employee Authentication Service (EAS) tScheme audit is due to start in early 2024.

26. DWP is required to commission an independent audit/compliance check in order to demonstrate the adequacy and security of the controls in place to safeguard customer information. DWP is in the process of commissioning the audit, which will be performed by an independent tScheme approved company with recognised auditing skills. The LAs selected by the auditor to take part in the audit will need to provide information to inform the audit/compliance process.

27. DWP appreciates that the timing of the audit is not ideal from an LA's perspective and has requested that the auditor conducts this audit with minimal impact on the EAS user community. The audit will comprise of a mix of on-site visits as well as virtual meetings.

Why DWP uses a tScheme approved auditor

28. tScheme is independent of both DWP and His Majesty's Government, with an established track record of validating Trust Framework operations within both public and private sector initiatives. Their expertise and impartiality provide reassurance that access to government information systems is subject to checks and balances, as well as independently verifying that agreed practices are being followed by all.

What the audit/compliance check will involve

29. This will be an audit of the creation of new users onto EAS and the subsequent account and token management of their accounts to ensure correct protocols are being followed. It is not an audit of the services accessed through EAS such as Searchlight and Verify Earnings & Pensions.

The LA selection process

30. To ensure that good practice is being followed, the auditor will choose a number of LAs to visit. The auditor selects the authorities; we (DWP) have no say in the selection process. However, we will notify you as soon as we know who is selected with further details, including the dates and times of the visits.

Impact on users of EAS

31. Although there will be some on-site or remote activity, we are expecting that to be fairly minimal (around half a day). Some visits will be completed virtually by making use of available technology. We will clarify those details later.

What the auditor will review

32. Auditors will visit sites to see how the creation of new users' process and management of user accounts are being complied with. This will include reviewing how individuals are initially enrolled onto EAS, how their accounts are updated and managed and how tokens are stored and used securely.

The areas included in the audit/compliance check

33. We know from previous activity that the auditor will want to check the records of a number of EAS users. We expect they will want to check that:

- information held on the account is accurate and up to date (name, date of birth, home address and the dates that Baseline Personal Security Standard checks had taken place)
- access granted on EAS matches the business need of the user
- tokens are stored and used safely, both by the authority and the person using them
- appropriate action has been taken on any user who has left the organisation or changed duties that no longer require access
- relevant action has been taken on short term and long-term absences

34. As EAS is a DWP system used by its partner organisations, it is important that access and controls adequately protect information. The purpose of the audit/compliance check is to confirm this. Where any practices compromise this, these are highlighted and will be addressed with the LA.

35. If you have any questions, do not hesitate to email

lawelfare.lasecurity@dwp.gov.uk

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