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Carolyn Donnelly
Democratic Services Officer

Via email to: donnellycarolyn@belfastcity.gov.uk

Dear Carolyn,

Thank you for letter dated 14 September 2022 addressed to the Minister for Communities, detailing the motion passed by Belfast City Council in August 2022, and requesting a pause in the recovery of social security debt to claimants during the current financial crisis. As Director responsible for Debt Management within the Department, your correspondence has been passed to me to reply.

I acknowledge your concerns and I can assure you that the Department for Communities understands the financial hardship that many people are experiencing because of the current cost of living crisis. The Department is continuing to consider options to provide both immediate and medium to longer term interventions to help alleviate financial pressures including supporting individuals who are struggling financially.

In your correspondence, you refer to deductions that are made to repay utility providers. Customers in receipt of certain benefits may have deductions taken from their benefit and paid to a creditor under what is known as the Third Party Deductions Scheme. There are limits to the level of deductions from benefit which can be made under the scheme and I can assure you that third party deductions will only be made when it is considered to be in the best interest of the individual or their family. These



are last resort deductions, taken when an individual is in rent or utility arrears and where there is a risk of eviction, or their energy or utility supply being disconnected if payment is not made. This is a safeguarding measure for many vulnerable individuals and their families. Further information about the Third Party Deductions Scheme is available on the [Department for Communities](http://www.communities-ni.gov.uk) website.

To help ease the financial burdens, you have asked the Minister to consider an immediate suspension of government debt from benefit and Universal Credit claimants. As context, it may be useful to note that the temporary suspension of debt recovery which was implemented in 2020 as part of the Department's Covid pandemic response, was in line with and supported by the Department for Work and Pensions (DWP). I can confirm that DWP are not considering a further pause in recovery activity at this time.

To affect a unilateral suspension of recovery in NI would be a complex process relying upon manual action in respect of over 200,000 cases. More significantly, suspension in NI would constitute a break in parity with DWP's approach and would, therefore, require Treasury approval. Pursuing a temporary suspension in NI could also result in financial penalties to the Northern Ireland Executive's Block Grant at a time of significant existing funding pressures. The financial cost of any divergence from parity, of this nature, would require Executive agreement.

However, the Department has a level of existing discretion to reduce, defer and, in exceptional circumstances, to waive social security debt. As an alternative to suspending all debt recovery, the Department would encourage people who are experiencing difficulty with their repayments to contact Debt Management.

Debt Management staff are trained to support and work with individuals to help put in place a more affordable and sustainable repayment plan. This contact also provides the opportunity to signpost individuals to organisations delivering independent debt advice and other support services. The Department is currently finalising a programme of communications aimed at raising public awareness of the support



available in respect of debt recovery and officials are working closely with the independent advice sector to ensure that information and support reaches those who need it.

Contact details for Debt Management and additional information on benefit overpayments and financial support are available on [nidirect](#), and we would ask you to encourage any of your constituents who are struggling financially to make contact as soon as they begin to struggle with their deductions. We would also encourage individuals to contact the Departments [Make the Call service](#), to make sure they are getting all the benefits, services and support they are entitled to.

You have also asked the Department to provide information broken down by NI Council area on the number of benefit claims that are subject to deductions, how much on average was deducted, the total sum of deductions and the proportion of deductions made to repay a Universal Credit advance. Unfortunately, this information is not available in the format requested and we are unable to provide a breakdown of debt recovery statistics by NI Council area. However, **Annex 1** provides the data requested in respect of all NI benefit claimants who were subject to benefit deductions during August 2022. Please note that this is operational data and not quality assured to ONS standards.

I trust that you will find this information helpful.

Yours sincerely

Leonora McLaughlin

Director Pensions, Disability, Benefit Security & Debt



Annex 1

Q: How many benefit and universal credit claims were subject to deductions in the most recent month for which data is available (August 2022 data).

A: 73,803 customers had deduction(s) taken from their benefit payment including Universal Credit, during August 2022.

Q: How much on average was deducted.

A: The average deduction was £53.01. It should be noted that the frequency of deductions from benefit can vary e.g. weekly, fortnightly or monthly, depending on the benefit type and in some circumstances customer preference. The average figure has been calculated for the entire month irrespective of frequency.

Q: What was the total sum of these deductions.

A: The total sum of deductions from benefit during August 2022 was £3,912,435.42.

Q: How much was deducted to repay advance payments.

A: £1,770,176.48 of the total deductions taken during August 2022 was to repay Advance Payments. This includes £1,769,546.12 in respect of deductions for Universal Credit and £630.36 in respect of Short-Term Benefit advances and equates to just under 45% of overall deductions.