

# **SOCIAL SERVICES, HOUSING AND PUBLIC HEALTH POLICY OVERVIEW COMMITTEE - BRIEFING PAPER FOR BENEFIT REFORMS REVIEW**

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## **REASON FOR ITEM**

A the meeting held on 19 April 2017, the Social Services, Housing and Public Health Policy Overview Committee suggested recommending that the Cabinet Member for Social Services, Health and Housing requests officers review the feasibility of returning housing deposits to the Council. Since then, the matter has been reviewed internally, and further detail is set out below, together with an update on the Benefits Service's move to an online self-serve model for residents.

## **RECOMMENDATION TO THE COMMITTEE**

**It is recommended that the Committee note the contents of the report, and forward any supplementary questions to the officer to address directly.**

### **Discretionary Housing Payment**

#### **Summary**

Discretionary Housing Payment (DHP) is a discretionary scheme that allows local authorities (LAs) to make monetary awards to people experiencing financial difficulty with housing costs who qualify for Housing Benefit (HB) or the housing costs element of Universal Credit (UC).

As part of the welfare reforms package introduced from 2011, the government has significantly increased its contribution towards DHPs to help LAs support those affected by some of the key changes to HB, namely:

- the introduction of the benefit cap, which is administered through HB;
- the removal of the spare room subsidy (RSRS) in the social rental sector; and,
- the local housing allowance (LHA) reforms.

DHPs are awarded at the discretion of each LA and can provide help with ongoing housing costs or one-off expenses (e.g. moving costs, rent deposit and rent in advance).

## **Background**

The government first introduced DHP funding in 2001. Since the recent welfare reforms, central government has increased its contribution towards DHPs to provide transitional support to households affected by the reforms. In total in 2016/17, central government allocated £150 million of DHP funding to be distributed amongst LAs.

### **LB Hillingdon funding allocation for 2016/17 & 2017/18**

	<b>Funding</b>	<b>Total spent</b>	<b>Refunded to DWP</b>
2016/17	£831,393	£830,923	£470
2017/18	£962,882	£326,693 to date	

## **Overpayments**

The DWP guidance manual on DHP's outline good practice guidelines on administering DHP claims. These guidelines clearly state that the LA can only recover a DHP if they decide that payment has been made as a result of:

- a misrepresentation or failure to disclose a material fact by the claimant (either fraudulently or otherwise), or
- an error made when the application was determined.

In these circumstances the DHP can be recovered because it is classed as being overpaid.

A DHP cannot be recovered from on-going HB or UC. This is unlike HB overpayments where there is a regulatory provision to allow recovery from on-going HB.

There are also no provisions for the recovery of overpaid DHPs from other prescribed benefits.

Therefore the only method of recovery, where a DHP is classed as overpaid, is to request repayment of the debt from the claimant or the landlord if the DHP is paid directly to them. This may be in the form of an invoice or any other method you choose, for example using debt collection.

## **Rent deposits**

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The DWP overpayment guidelines clearly outline when a LA can only seek recovery of a DHP. In addition to this any unspent DHP funding, including any recovered DHP payments, have to be returned to the DWP at the end of each financial year. Therefore there are no financial gains for the LA to pursue the rent deposits.

### **New on-line services for Housing Benefit (HB) and Council Tax Reduction (CTR)**

The benefit department introduced their new HB and CTR on-line application form on 9<sup>th</sup> June 2017.

The new service enables residents to apply for benefit 24/7 in the comfort of their own homes. We have also set up self serve terminal's in our reception area in the Civic Centre and the One Stop Shop. There are floorwalkers available to assist and educate residents on the process of applying for housing benefit and council tax reduction, as we are also developing a self serve option to report changes in circumstances toward the end of this year,

Self Serve facilities are also available at all Hillingdon libraries.

There will however still be the option for residents to have paper claim forms where they are unable to access or use the online form.

Should a Member have any additional question, please contact me directly on [sghudial@hillingdon.gov.uk](mailto:sghudial@hillingdon.gov.uk)