

From the Chairman of the Association
Cllr Sir Merrick Cockell

Lord Freud
Department for Work & Pensions
Caxton House
Tothill Street
London
SW1H 9DA

17 March 2014

Dear David,

SPARE ROOM SUBSIDY: 1996 LOOPHOLE

Thank you for your letter of 12 February addressed to my colleague Cllr Sharon Taylor. We are grateful that you have committed to providing new burdens funding to meet additional administrative burdens and will be ensuring that this is taken up properly with the Department during our discussion of 2014/15 Housing Benefit administration costs. However, we are puzzled by the Department's position on the recovery or offsetting of unnecessary DHP payments. It seems to us that DWP should be trying to support councils which are managing DHP funds carefully.

Our recent research into councils' use of Discretionary Housing Payment showed that 15 per cent of respondents – a number of them large authorities with high numbers of disadvantaged residents – had topped up their local Discretionary Housing Payment fund by an average of 67 per cent. These authorities are in the unfortunate position of having to either expose themselves to legal challenge or having to find additional funding to deal with the Government's error. We would be very grateful if you could reconsider this point.

All councils, as the point of contact and administration for Housing Benefit, face significant reputational and resource risks as a direct consequence of this situation, which is not of their making. It was also disappointing, therefore, that the Department's circular (A1/2014) suggests that handling complaints from claimants who have had to move house as the result of the Department's error should now be purely a matter for councils. It would create much more goodwill if the Department were to take a less distant approach to sorting out problems which after all, are of its own making.

*Yours truly,
Merrick*

Councillor Sir Merrick Cockell