

## EQUALITY, POVERTY AND SOCIAL SECURITY

# Discretionary Housing Payments in Scotland: as at 30 September 2019

### Frequency of publications

Supplementary tables containing Management Information will be published in December 2019.

The next publication, covering the period for 1 April 2019 to 31 March 2020 will be released in May 2020.

Under the Code of Practice for Official Statistics<sup>1</sup> we publish a timetable of statistical releases for the twelve months ahead<sup>2</sup>.

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<sup>1</sup> The Code of Practice is found online at: <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>

<sup>2</sup> The forthcoming publication timetable is available at: <http://www.gov.scot/Publications/2005/03/18798>

# Introduction

This publication provides information on Discretionary Housing Payments (DHPs) in Scotland over the six-month period from 1 April 2019 to 30 September 2019.

This information is being published as experimental statistics. Experimental statistics are defined in the Code of Practice for Official Statistics<sup>3</sup> as “new official statistics undergoing evaluation. They are published in order to involve users and stakeholders in their development and as a means to build in quality at an early stage.” These statistics have not yet been assessed by the UK Statistics Authority. They have not been designated as National Statistics<sup>4</sup>.

The Scottish Government also collects management on DHPs from Local Authorities from 1 April 2019 to 30 September 2019. This information is informally collected by the Scottish Government and includes total actual spend broken down by the purpose of the award. This collection will be published as supplementary information to these statistics in December 2019. This collection replaces similar collections made by the DWP in previous years (and still collected in England and Wales). This information does not supersede these statistics as the main source of information on DHPs by local authority.

All tables and charts relating to this publication can be found at:

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/dhp>

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<sup>3</sup> Found online at: <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>

<sup>4</sup> For more information on experimental statistics please see: <https://www.statisticsauthority.gov.uk/publication/experimental-statistics-official-statistics-in-development/>

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# Funding for 2019/20

The Scottish Government's total published budget for DHPs in 2019/20 is £63.2 million. This includes two funding streams for DHPs, "Bedroom Tax Mitigation" also known as the Removal of the Spare Room Subsidy (RSRS) (£52.3 million) and "Other DHPs" (£10.9 million)<sup>5</sup>. The distribution of this funding has been agreed by Local Authority leaders<sup>6</sup> and the Scottish Government as follows:

- £52.7 million was made available at the start of 2019/20. This includes the "Other DHPs" funding stream (£10.9 million) and 80% of the "Bedroom Tax Mitigation" stream (£41.8 million, "Tranche 1 Bedroom Tax Mitigation").
- The remaining 20% of the "Bedroom Tax Mitigation" stream ("Tranche 2 Bedroom Tax Mitigation", nearly £10.5 million) has been held back. This will be used as a second tranche of funding to reimburse Local Authorities for their spending over and above tranche 1 funding in mitigation of the bedroom tax. Tranche 2 funding has not yet been made available, so the funding agreed so far for 2019/20 between the SG and Local Authorities is £52.7 million.

For more information about the funding methodology see the [Background Note](#).

	Bedroom Tax Mitigation	Other DHPs			Total
<b>Budget 2019/20</b>	£52.3 m	£10.9 m			£63.2 m
<b>Total estimated funding at start of 2019/20 used for allocating funds</b>	£52.3 m Based on forecasted cost of bedroom tax mitigation at start of 2019/20	<b>Core</b>	<b>Local Housing Allowance</b>	<b>Benefit Cap</b>	£63.2 m
		£1.5 m	£1.3 m	£8.1 m	
<b>Funding to date</b> (Local Government Finance Order)	£41.8 m "Tranche 1 bedroom tax" allocation	£10.9 m			£52.7 m
<b>Funding to reimburse Local Authorities for spending on bedroom tax mitigation</b>	Estimated £10.5 m "Tranche 2 bedroom tax" This will be calculated based on separate management information received from local authorities on total spending by purpose of award				

<sup>5</sup> Scottish Budget: 2019- 2020, Table 14.04, <https://www.gov.scot/publications/scottish-budget-2019-20/>

<sup>6</sup> As represented by the Convention of Scottish Local Authorities (COSLA): <http://www.cosla.gov.uk>

# DHP Applications, Determinations, Awards and Award Total Value

Applications figures are for those applications received during the period 1 April to 30 September 2019, while figures for determinations and awards are for the applications processed during the same period.

In Scotland, between 1 April 2019 and 30 September 2019:

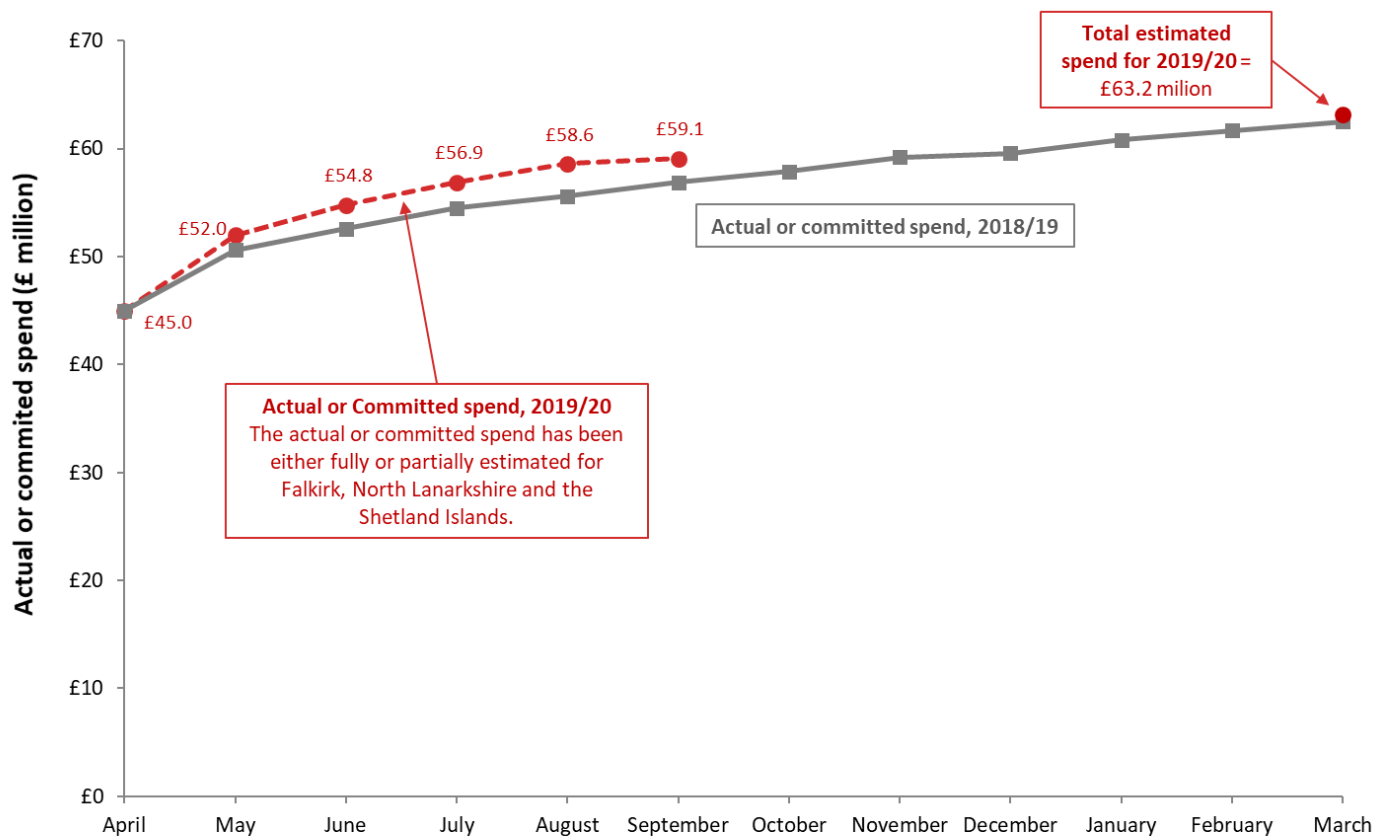
- Local authorities received a total of 87,785 applications for DHPs and made 103,785 decisions, determining whether or not to make an award. Four local authorities made more decisions than applications received – the reasons for this are explained in [data quality section](#).
- Local authorities made 99,910 DHP awards, with an average award value of £592. This figure is likely to include a sizeable number of cases affected by the bedroom tax (RSRS), where Local Authorities have continued to make up their shortfall in weekly rent through the use of DHPs. Four local authorities made more awards than applications received. One reason for this is that multiple awards can be made on one application, and this means that the figure for number of awards does not equate to the number of people receiving awards.
- The total value of awards across Scotland was £59.1 million.

# Expenditure on Discretionary Housing Payments in 2019/20

The expenditure statistics in this publication are for the amounts spent or committed to be spent on DHP awards for the six months from 1 April 2019 to 30 September 2019. Committed spend occurs, for example, if a Local Authority decides to award funds for the whole of 2019/20, but this may be paid out in instalments throughout the year rather than in one lump sum.

**Chart 1** and **Table 3** show the value of DHPs in Scotland during the financial year 2019/20, with a comparison of the spend profile for 2018/19.

**Chart 1: Actual or committed spend profile – 2019/20 and 2018/19**



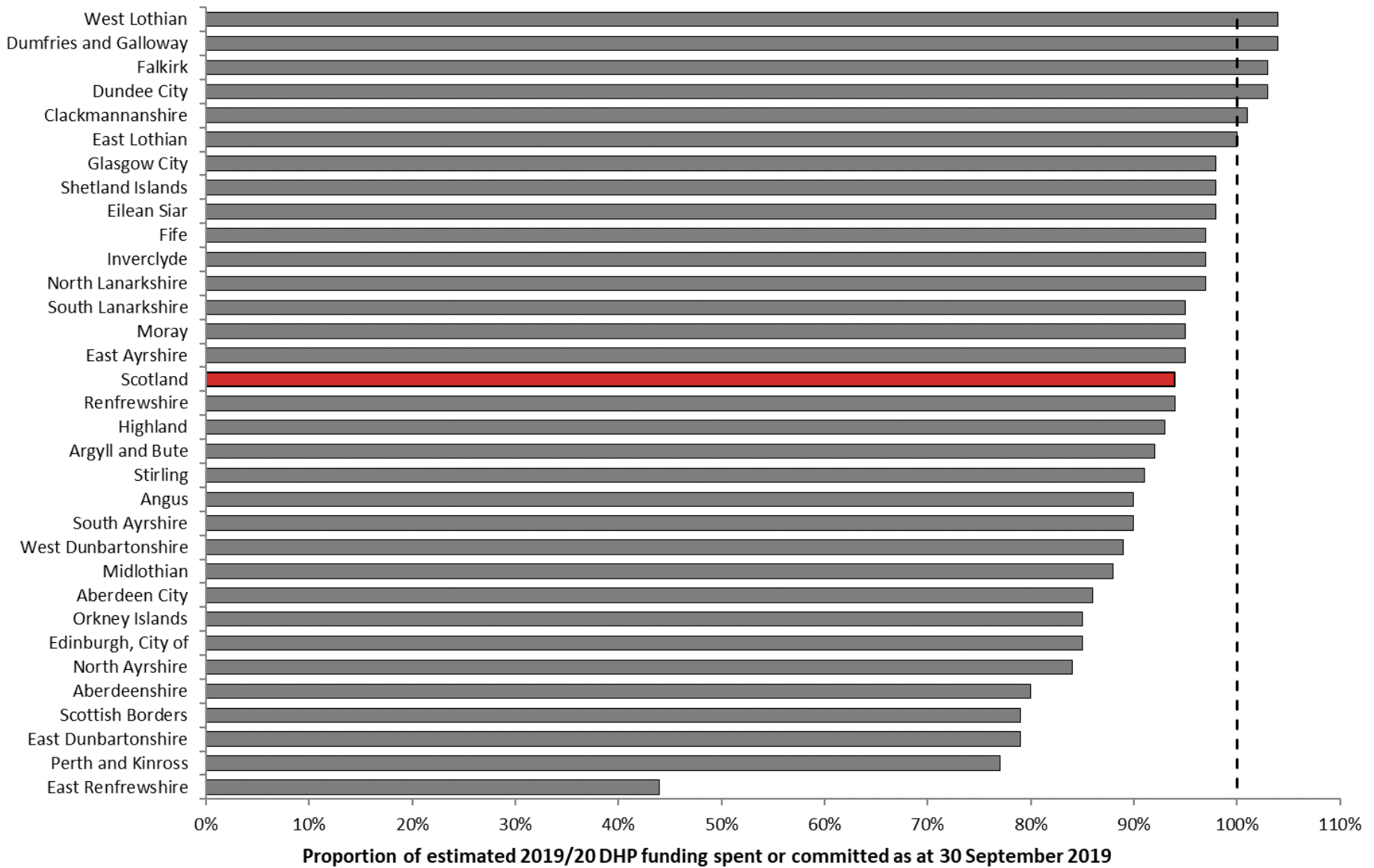
# Expenditure on Discretionary Housing Payments in 2019/20 compared to estimated funding required for 2019/20

**Table 4** shows that, as of 30 September 2019, Local Authorities had spent 94% of the £63.2 million estimated total funding required for DHPs at the beginning of the year when allocations were for 2019/20. At the same point last year, we estimated that Local Authorities had spent 93% of their £60.9 million funding for 2018/19.

There is considerable variation across the Local Authorities (as shown in **Chart 2 and Table 4**). Between 1 April 2019 and 30 September 2019, five Local Authorities had spent more than their share of the estimated total funding for the year (£63.2 million). Collectively these local authorities exceeded their estimated funding allocation by around £290,000. There are a number of reasons that some local authorities will have spent more than initially estimated. Local Authorities are free to provide their own additional funding for DHPs and we know that some have chosen to take this approach. It is also possible that the initial estimate of the cost of mitigating the bedroom tax (RSRS) was too low.

The remaining 27 local authorities have an estimated £4.3 million remaining to be spent in total. Of these, six have spent less than their funding announced to date for Tranche 1 Bedroom Tax Mitigation and other DHPs, by around £466,000. Where Local Authorities have spent less than initially estimated it is possible that the initial estimate of the cost of mitigating bedroom tax (RSRS) was too high. An underspend within a Local Authority does not indicate that the bedroom tax has not been fully mitigated.

**Chart 2: Proportion of estimated 2019/20 DHP funding spent as at 30 September 2019**





# Background

As of April 2017, full responsibility for Discretionary Housing payments (DHPs) has been transferred to the Scottish Government and the Department for Work and Pensions no longer provides any funding. Scottish Government allocates funding for DHPs to each Local Authority, and Local Authorities are also free to provide additional funding from their own resources.

Discretionary Housing Payments are made to people who for example:

- claim Housing Benefit but it doesn't cover all their rent
- claim Universal Credit but they can't afford their housing costs
- need help with removal costs
- need help with a rent deposit or rent in advance

## Local Authority Delivery

Discretionary Housing Payments (DHPs) are administered in Scotland by the 32 Scottish Local Authorities.

DHPs are awarded if a Local Authority considers that a housing benefit or universal credit (including the housing element) claimant requires further financial assistance towards housing costs. Local authorities have discretion to make DHPs, decide how financial hardship is assessed, the amount that is to be paid (within certain limits) and how long the payments are to be made for.

DHPs can be used to provide support to claimants affected by some of the key welfare reforms, including the introduction of benefit cap, the Removal of the Spare Room Subsidy in the social rented sector ("RSRS", also known as the "bedroom tax") and reductions in Local Housing Allowance<sup>7</sup>. Whilst the Scottish Government provides an estimate of the funding allocation streams, this is a notional split and Local Authorities use their discretion around how they use their funding.

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<sup>7</sup> Further information on how DHPs are administered can be found in the guidance manual:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/576787/discretionary-housing-payments-guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/576787/discretionary-housing-payments-guide.pdf)

## Funding Methodology

The Scottish Government is fully funding the mitigation of the bedroom tax or Removal of the Spare Room Subsidy (RSRS). The budget for “Bedroom Tax Mitigation” is based on the forecasted cost of reimbursing Local Authorities for RSRS losses during 2019/20.

The local authority allocations for “Core”, “Benefit Cap” and “Local Housing Allowance” are based on the previous year’s housing benefit expenditure and/or caseload in relation to each component, adjusted to account for Universal Credit. This total amount allocated was £10.9 million for 2019/20. At the point at which allocations were made at the beginning of 2019/20 the estimate for the full cost of Bedroom Tax Mitigation was £52.3 million, and as such the estimated end year total spend on DHPs used in this document, for instance in Charts 1 and 2, is £63.2 million.

The agreed funding methodology is designed to ensure that funds to support RSRS mitigation are effectively allocated with flexibility to manage any variance in costs against estimates. The management information collected by the Scottish Government will be used to calculate the Tranche 2 payments for the mitigation of the bedroom tax.

In parallel an estimate of RSRS losses will be made by using the eleven months of data taken from [Stat-Xplore](#)<sup>8</sup>, and grossing this up to twelve months. The additional funds needed to ensure full mitigation will then be calculated, taking into account funds already allocated and the requirement to preserve funding for “Other DHPs” i.e. Core, Benefit Cap and Local Housing Allowance components of funding.

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<sup>8</sup> Stat-Xplore (<https://stat-xplore.dwp.gov.uk/>) is an online secure data exchange platform hosted by the Department for Work and Pensions. It contains information on the number of claimants on Housing Benefit affected by the RSRS and the average deduction for each claimant. Together, this can be used to estimate the total funding required to fully mitigate RSRS losses in each Local Authority area.

# About the Data

## Source of Statistical Data

The data in this publication is submitted by the 32 Scottish Local Authorities via the ScotXed secure data exchange platform. Local Authorities are asked to complete information on the following four questions.

- What is the number of DHP applications you have received in the year to date? (If a claimant re-applies for DHPs, this should be recorded as a new application).
- What is the number of DHP determinations you have made in the year to date? (This is the number of DHP applications where a decision has been made).
- What is the number of DHP awards you have made in the year to date? (This is the number of DHP applications where a decision to make an award has been made).
- What is the total value of DHP awards (in GBP) spent or committed in the year to date? (You should add up the total amount paid to each claimant. For example, if the award is £10.00 per week for 20 weeks, the total award value for the claimant should be recorded as £200.00. If the payment is a one-off payment, then the award amount for the claimant is simply the amount paid).

Additional guidance on the monitoring of DHPs can be found at:

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/dhp/DHPGuidance>

## Data Quality

To check the quality of the data we receive, we compare the responses to the above questions with the responses given the month before. We would normally expect the number of applications, determinations, awards and total value of awards to increase each month. Where this is not the case, we contact the Local Authority and query their responses.

This publication contains the latest up-to-date figures but it should be noted that there will be differences with previous publications for the same months. The difference should generally be positive but reconciliations by Local Authorities, where money has not been spent, can sometimes produce negative differences.

For some local authorities, the number of applications is lower than the number of decisions or awards. There are two possible reasons for this. Firstly, some of the decisions made in this financial year may have been on applications which commenced in the previous financial year. Secondly, some Local Authorities have reporting systems and processes set up so that a single application can have multiple decisions and awards attached to it. For example, multiple decisions and/or awards might be made on an application in RSRS cases where Local Authorities

extend the award from the previous year into the next financial year without requiring a new application to be made. Some Local Authorities may also make a new award to an applicant moving from Housing Benefit to Universal Credit without requiring a new application.

This also means that the number of DHPs awarded is not equal to the number of people receiving awards – each applicant may receive more than one award.

In publications covering DHP data to December 2016, the number of applications was adjusted upwards for local authorities where there were fewer applications than decisions or awards. From the DHP publication with data to March 2017 onwards, we have reported the original number of applications submitted to the statistics branch by each Local Authority, even if there are fewer applications than decisions and awards. This way of reporting is more reliable as it does not require an estimate of the number of applications rolling on from the previous year. Further, it enables these Local Authorities to more accurately check their figures.

Known data quality issues with 2019/20 figures:

- East Renfrewshire cannot provide data on number of determinations, because their system does not record determinations which are 'unsuccessful'. In this publication we assume that the number of determinations was the same as the number of applications.
- The Shetland Islands were unable to provide a full set of data on the total number of applications, determinations, awards or expenditure. The total values have been estimated from the previous year's trends.
- Falkirk and North Lanarkshire were unable to provide a full monthly breakdown for expenditure. Monthly values were estimated from the previous year's trend.

## **Comparisons with other UK Statistics**

The Department for Work and Pensions (DWP) publishes statistics on Discretionary Housing Payments at:

<https://www.gov.uk/government/collections/discretionary-housing-payments-statistics>

The most recent statistics cover DHPs in England and Wales only. Previous versions of the statistics up until March 2017 cover DHPs in Great Britain.

## An Official Statistics publication for Scotland

Official and National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. Both undergo regular quality assurance reviews to ensure that they meet customer needs and are produced free from any political interference.

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### How to access background or source data

The data collected for this statistical bulletin

are available in more detail through [statistics.gov.scot](http://statistics.gov.scot)

are available at

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/dhp>

may be made available on request, subject to consideration of legal and ethical factors. Please contact [socialsecuritystats@gov.scot](mailto:socialsecuritystats@gov.scot) for further information.

cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller.

### Complaints and suggestions

If you are not satisfied with our service or have any comments or suggestions, please write to the Chief Statistician, 3WR, St Andrews House, Edinburgh, EH1 3DG, Telephone: (0131) 244 0302, e-mail [statistics.enquiries@scotland.gsi.gov.uk](mailto:statistics.enquiries@scotland.gsi.gov.uk).

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Details of forthcoming publications can be found at [www.gov.scot/statistics](http://www.gov.scot/statistics)

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