

EQUALITY, POVERTY AND SOCIAL SECURITY

Discretionary Housing Payments in Scotland: 1 April 2017 to 31 March 2018

Frequency of publications

The next publication, covering the period for 1 April 2018 to 30 September 2018 will be released in November 2018.

Under the Code of Practice for Official Statistics¹ we publish a timetable of statistical releases for the twelve months ahead².

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

² 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 twelve-month period from 1 April 2017 to 31 March 2018.

This information is being published as experimental statistics. Experimental statistics are defined in the Code of Practice for Official Statistics³ 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 Statistics⁴.

DHPs are administered in Scotland by the 32 Scottish Local Authorities. DHPs may be awarded when an LA considers that a housing benefit or universal credit (including the housing element) claimant requires further financial assistance towards housing costs. 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 Allowance⁵.

As of April 2017, full responsibility for 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.

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

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

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

⁴ For more information on experimental statistics please see: <http://www.statisticsauthority.gov.uk/news/assessment-and-designation-of-experimental-statistics.html>

⁵ 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

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Funding for 2017/18 (Table 1)

The Scottish Government's total published budget for DHPs in 2017/18 is £57.9m. This includes two funding streams for DHPs, "Bedroom Tax Mitigation" (£47m) and "Other DHPs" (£10.9m).

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 2017/18. At the point at which allocations were made at the beginning of 2017/18, the estimate for the full cost of Bedroom Tax Mitigation was £47.6m, and as such the estimated end year total spend on DHPs used in this document, for instance in Charts 1 and 2, is £58.5m.

The distribution of this funding has been agreed by Local Authority leaders⁶ and the Scottish Government as follows:

- £48.5m was made available at the start of 2017/18. This includes the "Other DHPs" funding stream (£10.9m) and 80% of the "Bedroom Tax Mitigation" stream (£37.6m, "Tranche 1 Bedroom Tax Mitigation").
- The remaining 20% of the "Bedroom Tax Mitigation" stream ("Tranche 2 Bedroom Tax Mitigation", nearly £10m) 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 2017/18 between the SG and Local Authorities is £48.5 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. Final management information from previous years indicated that local authorities underspent their budgets by around £8 million in 2013/14, £1.2 million in 2014/15, overspent by around £800,000 in 2015/16 and overspent by around £1.1 million in 2016/17.

The Scottish Government is also collecting management information on DHPs from Local Authorities in relation to this period. This information will include total spending levels broken down by the purpose of the award, and will be used to calculate the Tranche 2 payments for the mitigation of the bedroom tax. This collection replaces similar collections made by the DWP in previous years (and still collected in England and Wales). This information will be published, but does not supersede these statistics as the main source of information on DHPs by local authority.

In parallel an estimate of RSRS losses will be made by using the eleven months of data taken from [Stat-Xplore](#)⁷, and grossing this up to twelve months. The additional

⁶ As represented by the Convention of Scottish Local Authorities (COSLA):

<http://www.cosla.gov.uk>

funds needed to ensure full mitigation will then be calculated, taking into account funds already allocated and the requirement to preserve the Core, Benefit Cap and Local Housing Allowance components of funding.

	Bedroom Tax Mitigation	Other DHPs	Total
Draft budget 2017/18	£47.0 m	£10.9 m	£57.9 m
Total estimated funding at start of 2017/18 used for allocating funds	£47.6 m Based on forecasted cost of bedroom tax mitigation at start of 2017/18	£10.9 m	£58.5 m
	80% ↓		
Funding to date (Local Government Finance Order – 1 February 2017)	£37.6 m “Tranche 1 bedroom tax” allocation	£10.9 m	£48.5 m
	↓ 20%		
Funding to reimburse Local Authorities for spending on bedroom tax mitigation	Estimated £10 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		Estimated £58.5 m

⁷ 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.

Figures in this Publication

The figures in this publication are for the amounts spent or committed to be spent on DHP awards for the twelve months from 1 April 2017 to 31 March 2018.

DHP Applications, Determinations, Awards and Award Total Value (Table 2)

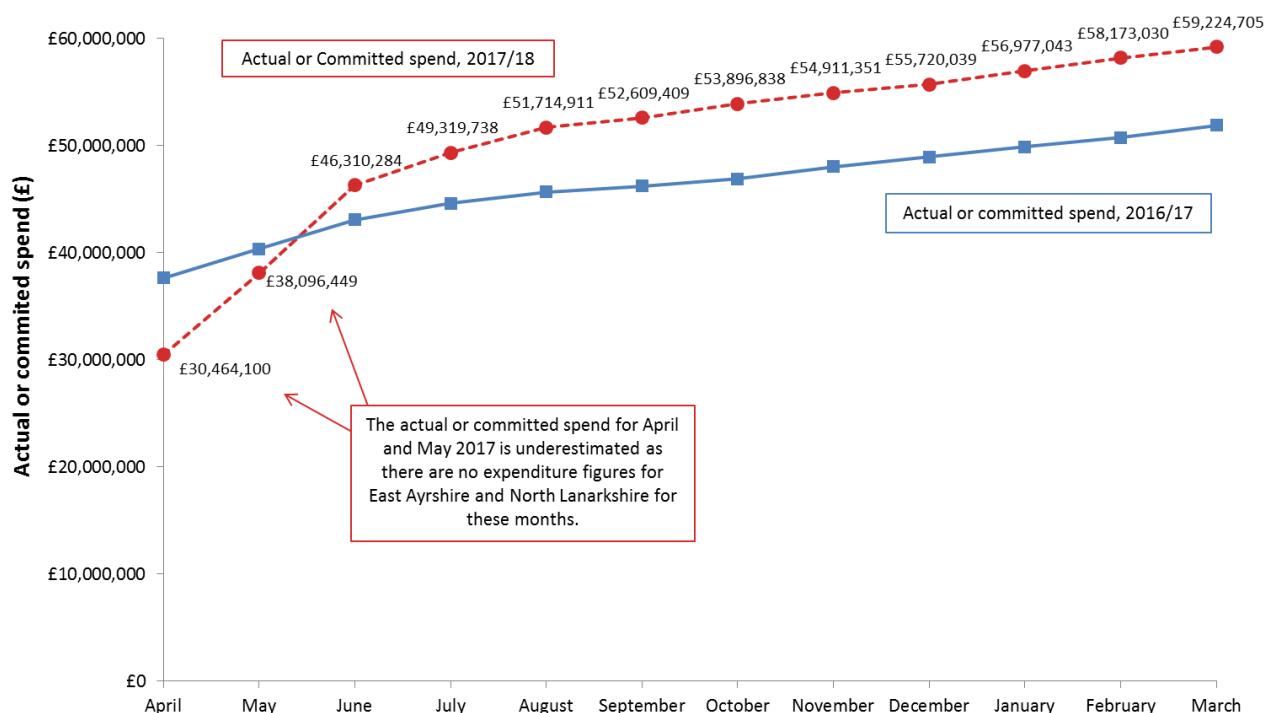
In Scotland, between 1 April 2017 and 31 March 2018:

- Local authorities received a total of 114,424 applications for DHPs;
- Local authorities made 130,024 DHP decisions, determining whether or not to make an award. Five local authorities made more decisions than applications received. Some local authorities have systems and processes set up so that a single application can have multiple decisions and awards made as described in the [data quality section](#). Additionally some of the decisions made from April 2017 to March 2018 may have been on applications which commenced prior to 1 April 2017;
- Local authorities made 122,660 DHP awards, with an average award value of £483. This figure is likely to include a sizeable number of cases affected by the RSRS, where Local Authorities have continued to make up their shortfall in weekly rent through the use of DHPs;
- The total value of awards across Scotland was £59.2 million. This is around £728,000 more than the estimated total funding for 2017/18. However, Tranche 2 funding will be calculated based on the actual cost to Local Authorities of mitigating RSRS losses. Some Local authorities may also have chosen to provide additional funding from their own budgets for DHP awards not related to RSRS.

Expenditure on Discretionary Housing Payments in 2017/18 compared to 2016/17 (Table 3)

Chart 1 and Table 3 show the value of DHPs in Scotland during the financial year 2017/18, with a comparison of the spend profile for 2016/17.

Chart 1: Actual or committed spend profile – 2017/18 and 2016/17



East Ayrshire and North Lanarkshire could not supply actual or committed spend figures for April and May (see [data quality section](#) for further information). This means that the total amount spent or committed at Scotland level is an underestimate for the first two months of the financial year in **Chart 1** and **Table 3**. However from June onwards all Local Authorities provided information on amount spent or committed.

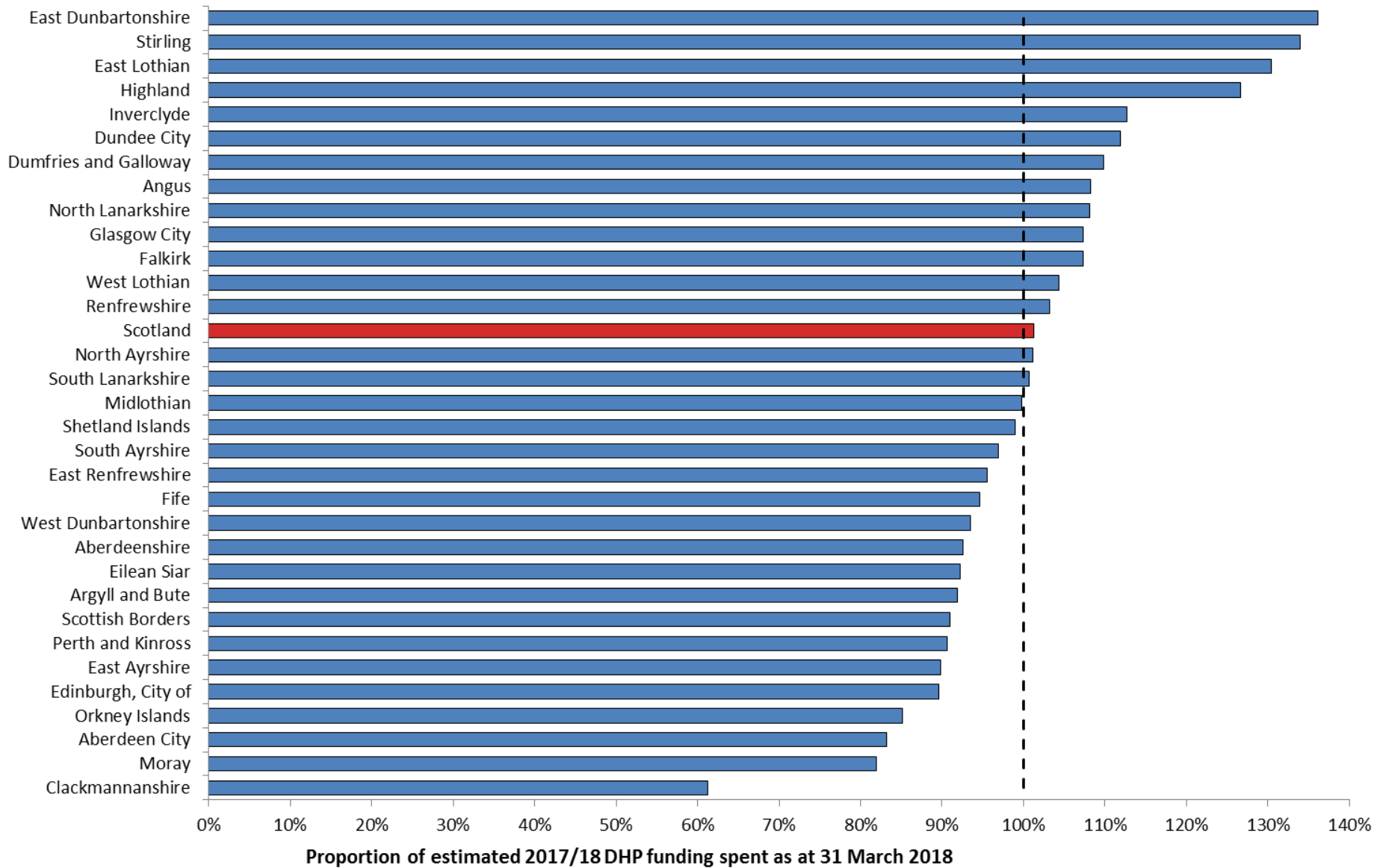
Expenditure on Discretionary Housing Payments in 2017/18 compared to estimated funding required for 2017/18 (Table 4)

Table 4 shows that, as of 31 March 2018, Local Authorities had spent 101% of the £58.5 million estimated total funding required for DHPs at the beginning of the year when allocations were for 2017/18. At the same point last year, we estimated that Local Authorities had spent 103% of their £50.2 million funding for 2016/17.

There is considerable variation across the Local Authorities (as shown in **Chart 2 and Table 4**). Between 1 April 2017 and 31 March 2018, fifteen Local Authorities had spent more than their estimated share of the £58.5 million total funding for 2017/18. Collectively these local authorities exceeded their estimated funding allocation by around £3.1 million. At the same time, seventeen Local Authorities had collectively spent around £2.3 million less than their estimated share. Of these seventeen Local Authorities, three had spent less than their funding announced to date for Tranche 1 Bedroom Tax Mitigation and other DHPs, by around £313,000. However, within this they may have spent over their allocated amount for Tranche 1 Bedroom Tax Mitigation. An underspend within a Local Authority does not indicate that the bedroom tax has not been fully mitigated.

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. 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.

Chart 2: Proportion of estimated 2017/18 DHP funding spent as at 31 March 2018



Comparisons with other UK Discretionary Housing Payment 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.

Source of 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. These Local Authorities may have a reporting systems and processes set up so that a single application can have multiple decisions and awards attached to it, because a new application is not required for every financial year. 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.

This typically reflects RSRS cases where awards have been extended from the previous year, but for which no new applications have been required by the Local Authority. Additionally some of the decisions made may have been on applications which commenced prior to 1 April each year. 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:

- 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.
- East Ayrshire and North Lanarkshire could not provide the amount spent or committed for April or May 2017, due to problems with their reporting systems. The amount spent or committed at Scotland level in these two months is therefore an underestimate.
- Clackmannanshire could not provide a figure for amount spent or committed as at 30 September but have provided a figure for 21 September. Figures for amount spent or committed in other months are unaffected.

An Official Statistics publication for Scotland

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Correspondence and enquiries

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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

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 for further information.

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

Complaints and suggestions

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