

EQUALITY, POVERTY AND SOCIAL SECURITY

Discretionary Housing Payments in Scotland: 1 April 2019 to 31 March 2020

Frequency of publications

The next publication, covering the period for 1 April 2020 to 30 September 2020 will be released in November 2020.

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: <https://www.gov.scot/publications/official-statistics-forthcoming-publications/>

Introduction

This publication provides information on Discretionary Housing Payments (DHPs) in Scotland over the twelve-month period from 1 April 2019 to 31 March 2020.

As this publication reports on applications and decisions to the end of March 2020, it spans the time period when the Covid-19 pandemic began in Scotland, as the first case was confirmed on 1 March 2020. It is possible that the number of people in Scotland who are eligible for DHPs will increase over the coming months, and that a greater impact of Covid-19 may be seen in future publications.

Information on [applications, determinations, awards and total award value](#) 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.

The Scottish Government also collects management information on DHPs from Local Authorities from 1 April 2019 to 31 March 2020. This information is informally collected by the Scottish Government and includes total actual spend broken down by the purpose of the award. This collection replaces similar collections made by the Department of Work and Pensions (DWP) in previous years (and still collected in England and Wales). [Management information](#) on expenditure by funding stream has been included in this publication.

All tables and charts relating to this publication can be found at:
<https://www.gov.scot/collections/sg-social-security-scotland-stats-publications/#discretionaryhousingpaymentstatistics>

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

⁴ For more information on experimental statistics please see:
https://www.statisticsauthority.gov.uk/wp-content/uploads/2010/12/images-assessmentanddesignationofexperimentalstatistic_tcm97-44327-1.pdf

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Funding for 2019/20

The Scottish Government's total published budget for DHPs in 2019/20 was £63.2 million. This included 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)⁵. The distribution of this funding was been agreed by Local Authority leaders⁶ and the Scottish Government as follows:

- £52.7 million was made available at the start of 2019/20. This included the "Other DHPs" funding stream (£10.9 million) and 80% of the "Bedroom Tax Mitigation" stream (£41.8 million, "Tranche 1 Bedroom Tax Mitigation") (**Table 1**).
- The remaining 20% of the "Bedroom Tax Mitigation" stream ("Tranche 2 Bedroom Tax Mitigation", nearly £10.5 million) was held back. Including both the Tranche 1 and estimated Tranche 2 amounts, the total estimated funding for 2019/20 was £63.2 million (**Table 1**).

A second tranche of funding to reimburse Local Authorities for their spending over and above Tranche 1 funding was calculated in May 2020 based on [management information](#) supplied by Local Authorities. In total this amounted to £12.4 million. This brought total Scottish Government funding to £65.1 million in 2019/20. It is estimated that Local Authorities funded around £900,000 for "Other DHPs" in addition to the amount funded by Scottish Government (**Table 1**).

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

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

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

	Bedroom Tax Mitigation	Other DHPs			Total
Budget 2019/20	£52.3 m	£10.9 m			£63.2 m
Total estimated funding at start of 2019/20	£52.3 m Based on forecasted cost of bedroom tax mitigation at start of 2019/20	Core	Local Housing Allowance	Benefit Cap	£63.2 m
		£1.5 m	£1.3 m	£8.1 m	
	80% ↓				
Initial funding (Local Government Finance Order)	£41.8 m "Tranche 1 bedroom tax" allocation = 80% of estimated total required. £10.5 m (20%) held back for Tranche 2.	£10.9 m			£66.0 m
Final tranche 2 funding	£12.4 m calculated based on management information received from local authorities.	n/a			
Additional local authority funding	n/a	£0.9 m			

Official statistics: Applications, determinations, awards and award total value

Applications figures are for applications received during the period 1 April 2019 to 31 March 2020, while figures for determinations and awards are for any applications processed during the same period.

Between 1 April 2019 and 31 March 2020:

- Local authorities received a total of 119,715 applications for DHPs and made 135,920 decisions, determining whether or not to make an award (**Table 2**).
- Three Local Authorities made more decisions than applications received – the reasons for this are explained in [data quality section](#).
- Local authorities made 128,650 DHP awards, with an average award value of £513, and total award value of £66.0 million (**Table 2**).
- Four Local Authorities made more awards than applications received – the reasons for this are explained in [data quality section](#)

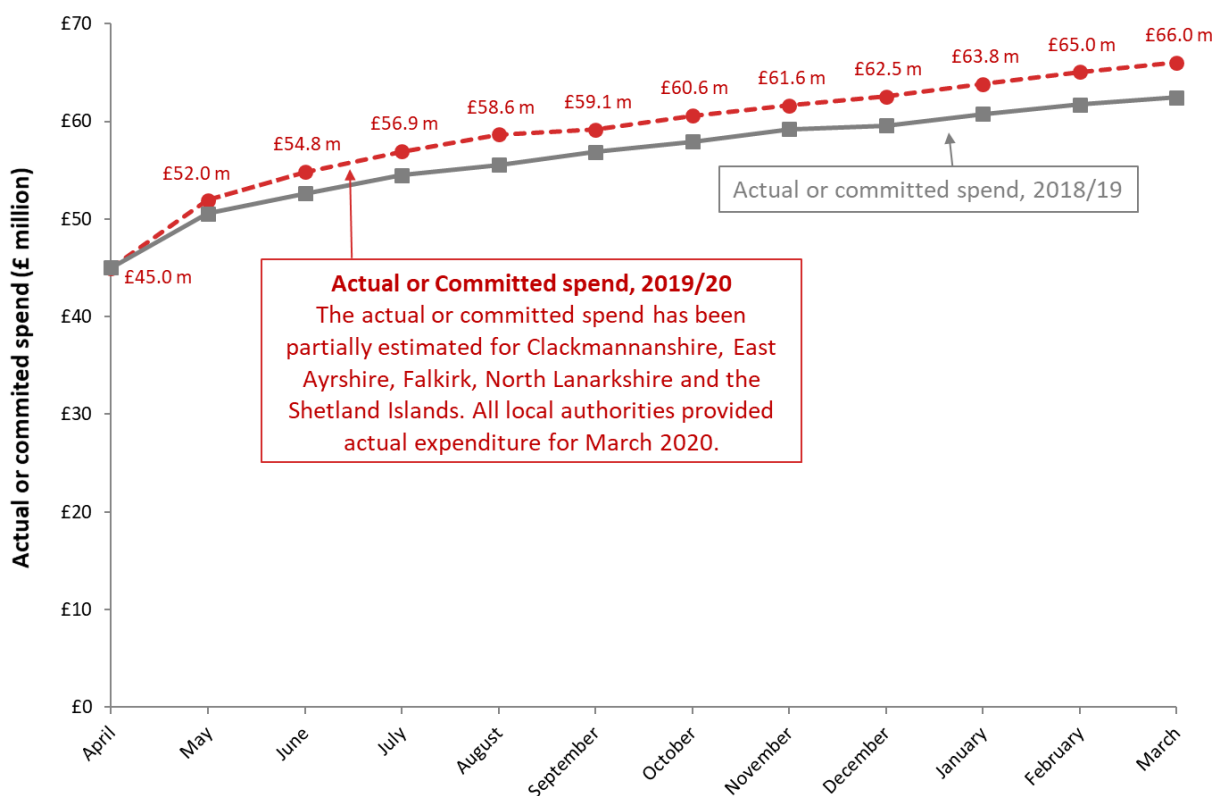
Official statistics: Expenditure profile in 2019/20

The expenditure statistics in this publication are for the amounts spent or committed to be spent on DHP awards for the financial year 1 April 2019 to 31 March 2020. 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. Actual or committed expenditure was higher in all months in 2019/20 than in 2018/19 except for April, where expenditure was the same in both financial years. The expenditure profiles are relatively flat because they show both actual and committed expenditure recorded each month for up the end of the financial year.

There was no clear effect of COVID-19 on monthly expenditure in March 2020 compared to previous months in 2019/20, or compared to the expenditure profile of 2018/19 (**Chart 1**). Expenditure in March 2020 increased by around £950,000 compared to February 2020, which was less than the increase from January 2020 to February 2020 (**Table 3**). To be eligible for a DHP, an applicant must be claiming Housing Benefit or the housing element of Universal Credit. It is possible that any impact of COVID-19 on DHPs will occur with a lag, after people begin claiming these benefits.

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

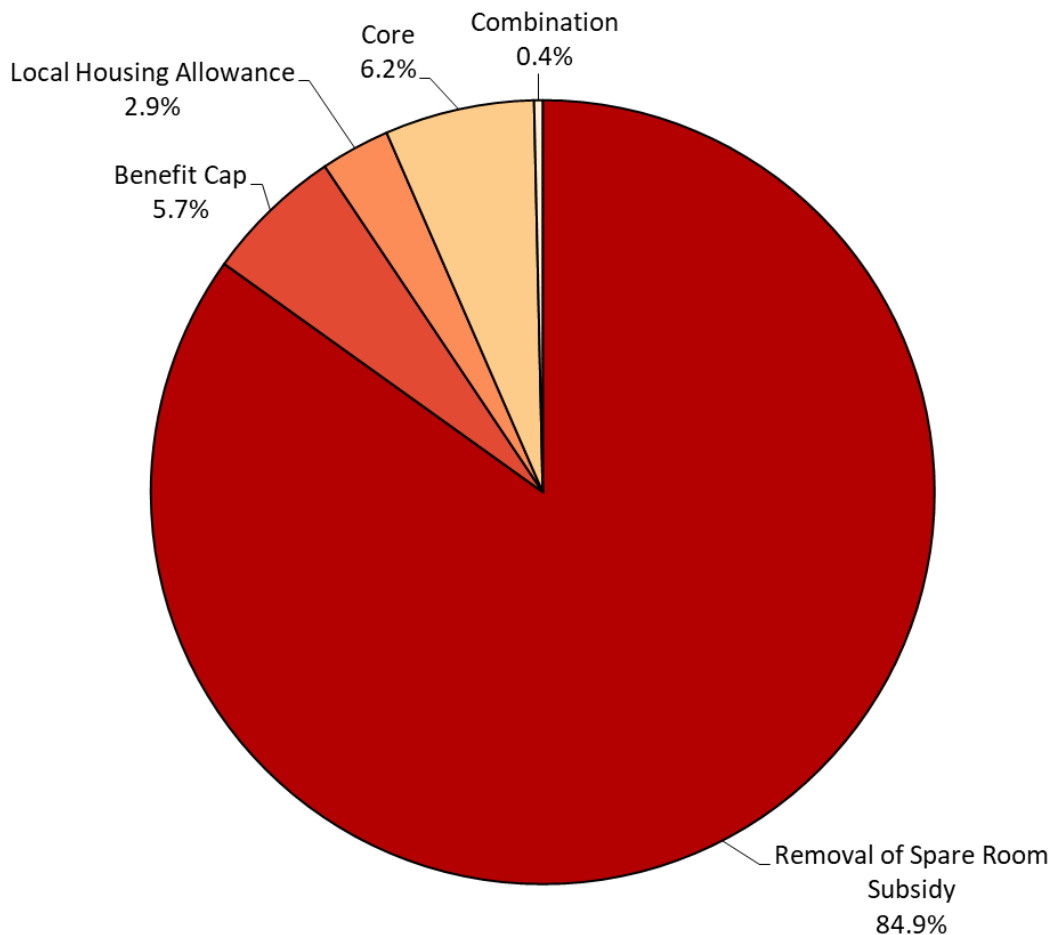


Management information: expenditure by funding stream

The management information expenditure figures are for the actual spend on DHP awards for the 12 months from 1 April 2019 to 31 March 2020.

Chart 3 shows the proportion of DHP actual spend by award purpose⁷. The majority was spent mitigating the Removal of the Spare Room Subsidy (£56.0 m, 84.9%), with a smaller proportion used to support claimants affected by the introduction of the benefit cap (£3.8 m, 5.7%) and reductions in Local Housing Allowance (£1.9 m, 2.9%). A further £4.1 m (6.2%) was spent on Core (non-welfare reform) awards and around £200,000 (0.4%) on awards that covered a combination of purposes.

Chart 3: Management Information - Proportion of DHP actual spend by funding stream



⁷ For examples of DHP award purposes see the [Background Notes](#)

Table 5 and **Chart 4** show the total actual spend as a proportion of the estimated funding allocated for each funding stream.

Local Authorities spent a much smaller proportion of their funding on the Benefit Cap than the allocated funding for this purpose (£3.8 m, 47%). Conversely, Local Authorities spent more than double (272%, £4.1 m) the estimated allowance for Core funding (£1.5 m). Approximately half of this spend (£2.0 m) was by two Local Authorities – City of Edinburgh and Fife.

Chart 4: Management Information - Proportion of estimated 2019/20 DHP funding spent (actual) by funding stream

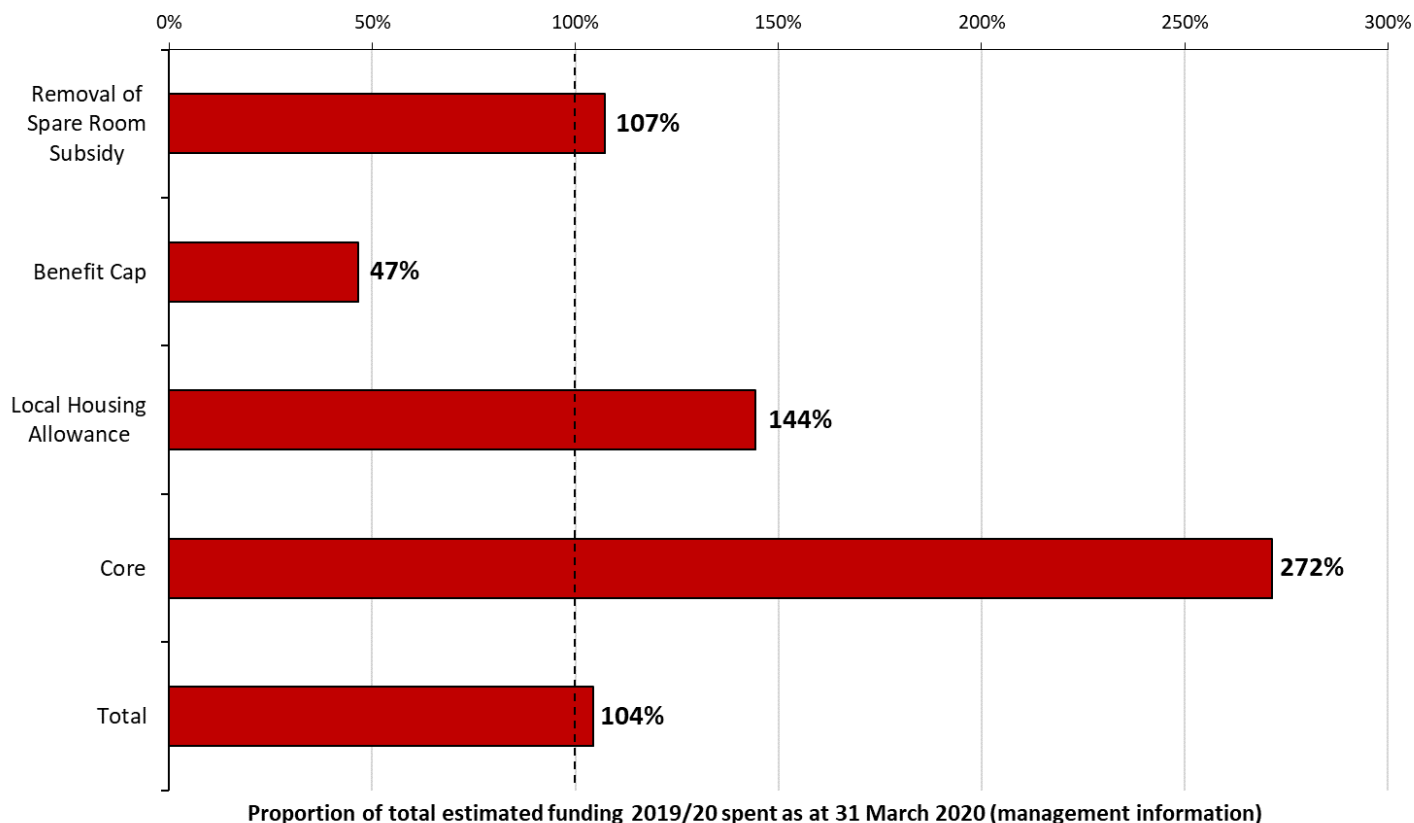
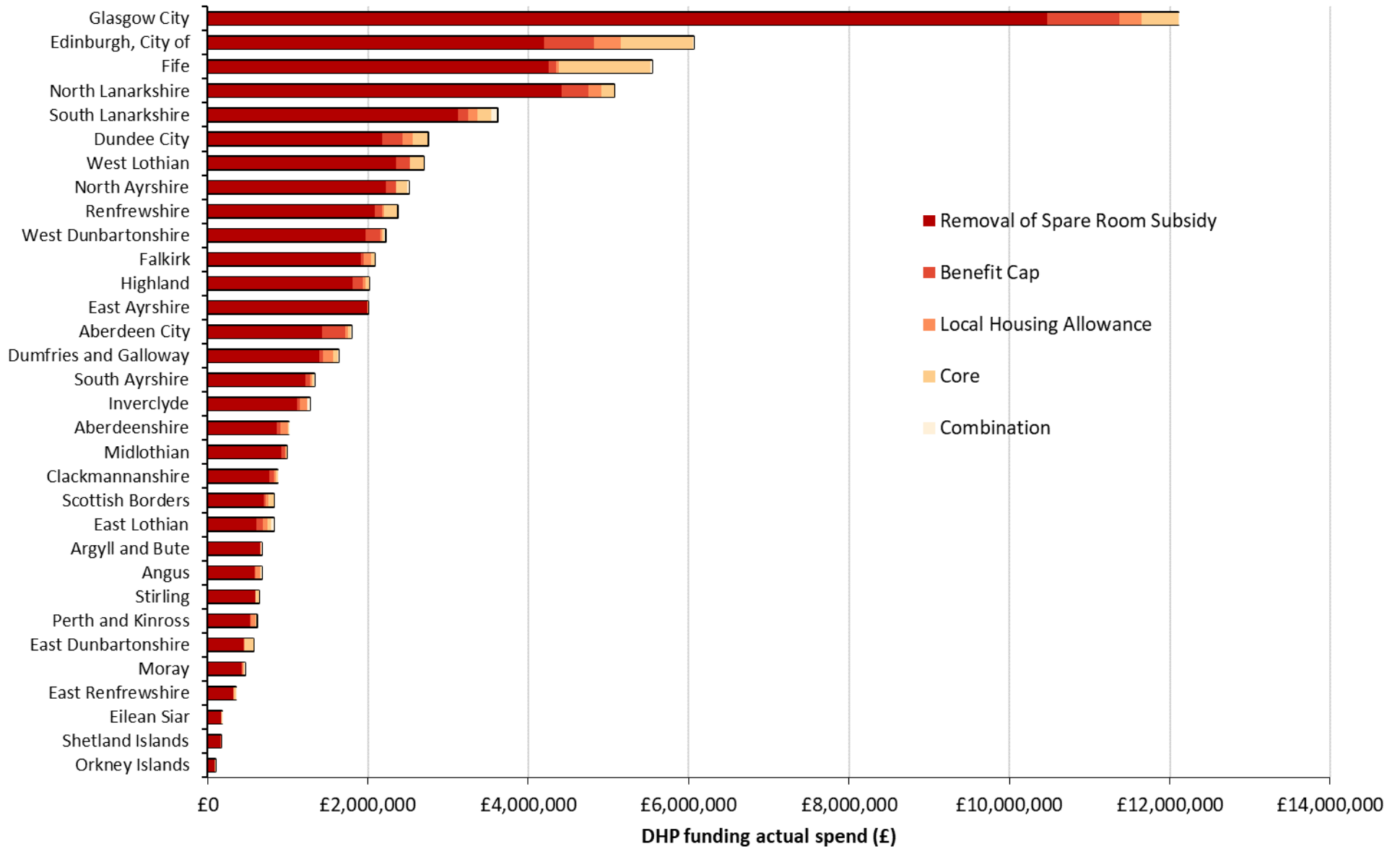


Chart 5 shows the considerable variation in the breakdown of Local Authority spending, with some spending more than their share of the estimated total funding for certain streams, such as on Local Housing Allowance and Core, whilst spending proportionally less or nothing on other funding streams.

Whilst the Scottish Government provides funding under the different streams, this is a notional split and Local Authorities use their discretion around how they use their funding. This variation in the recorded actual spend is due to local demand, plus differences in recording methods between Local Authorities.

Chart 5: Management Information - DHP actual funding spent by each Local Authority broken down by funding stream



Expenditure compared to estimated funding required for 2019/20

Official statistics show that, as of 31 March 2020, Local Authorities had spent 104% of the £63.2 million estimated total funding required for DHPs at the beginning of the year when allocations were made for 2019/20 (**Table 4**). At the same point last year, we estimated that Local Authorities had spent 103% of their £60.9 million funding for 2018/19.

There is considerable variation across the Local Authorities in the percentage of estimated required funding spent (**Chart 2 and Table 4**).

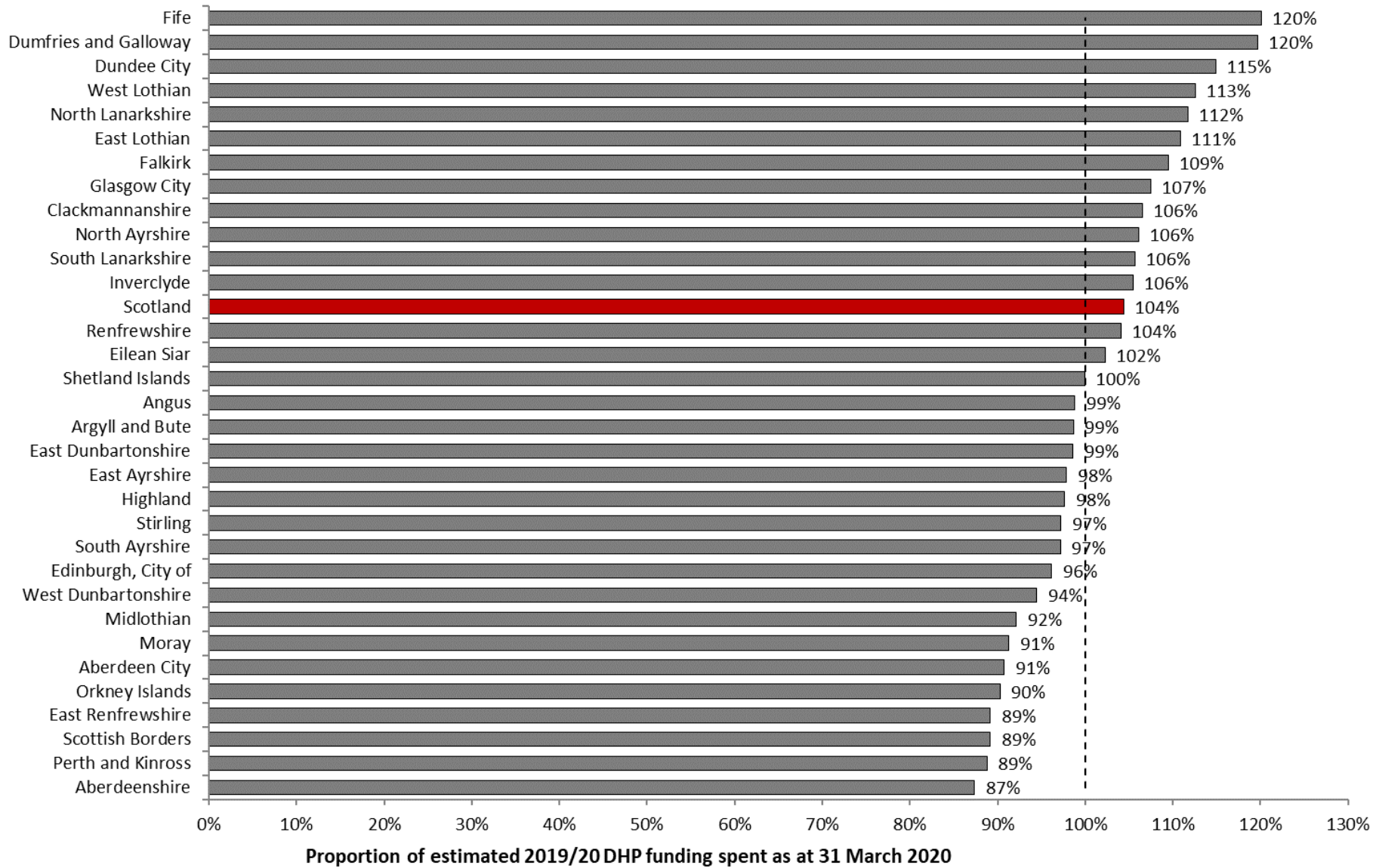
Between 1 April 2019 and 31 March 2020, 14 Local Authorities had spent more than their share of the estimated total funding for the year. Collectively these Local Authorities exceeded their estimated funding allocation by around £4.0 million, although the excess spend in each Local Authorities varied from around £4,000 to around £928,000.

Of these Local Authorities, seven appear to have provided their own additional funding for DHPs, totaling around £900,000 (**Table 1**). Management information also shows that in each of the 14 Local Authorities that spent more than originally estimated, the cost of mitigating the RSRS had initially been underestimated (**Table 5**).

Eighteen Local Authorities collectively spent around £1.2 million less than their estimated share of DHP funding, although this varied from a negligible amount to around £241,000 not spent at Local Authority level (**Table 4**). However, all these Local Authorities did spend more than their initial funding announced for Tranche 1 “Bedroom Tax Mitigation” and “Other DHPs” (**Table 4**).

Where Local Authorities did not spend their estimated share of funding for the full year, management information shows that RSRS funding had been slightly overestimated in seven cases, with these Local Authorities spending 90-97% of their estimated RSRS funding (**Table 5**). An underspend within a Local Authority does not indicate that the RSRS had not been fully mitigated. Management information also suggests that for all eighteen Local Authorities, the funding for “Other DHPs” was initially overestimated (**Table 5**).

Chart 2: Proportion of estimated 2019/20 DHP funding spent as at 31 March 2020



Background

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.

DHPs 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

The Scottish Government provides Local Authorities with two forms of DHP based on forecasts by Scottish Fiscal Commission – one to mitigate the UK Government's Removal of the Spare Room Subsidy (RSRS, also known as the "Bedroom Tax") and another to provide support to claimants affected by some of the key welfare reforms, such as the benefit cap.

Local Authority Delivery

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 RSRS and reductions in Local Housing Allowance⁸. 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.

⁸ 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

Funding Methodology

The Scottish Government is fully funding the mitigation of the RSRS through DHPs. The majority of the DHP budget goes to mitigate the RSRS with an additional £10.9 million distributed to councils, to cover other welfare reform and core (non-welfare reform) awards.

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 mitigating the RSRS 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.

As spending depends on the demand for DHPs, the actual spend can differ from the forecast depending on take up, however the Scottish Government has committed to mitigate RSRS in full. Councils receive 80% of the anticipated expenditure up front and the remaining 20% when the actual spend is known.

The [management information](#) collected by the Scottish Government is used to calculate the Tranche 2 payments for the mitigation of the RSRS. Where a council underspends their “Other DHPs” allocation, their Tranche 2 payment is adjusted to take into account that underspend. 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.

About the Data

Source of Official Statistics

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 and those rolled over from the previous year should be a new application for the purpose of the statistics).
- 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>

Source of management information

The Scottish Government requests management information on DHPs biannually – 30 September and 31 March via a template which is emailed to each Local Authority. Local Authorities are asked to provide a breakdown of the total actual spend across five funding streams – Removal of the Spare Room Subsidy (RSRS, also known as the “Bedroom Tax”), Benefit Cap, Local Housing Allowance, Core (non welfare reform) and a combination figure.

Data quality

Official Statistics

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, as figures are for the year to date. Where this is not the case, we contact the Local Authority and query their responses.

Based on the above guidance we would expect the number of determinations and awards to be less than the number of applications. However, for some Local Authorities this is not always the case. From April 2019 to March 2020 this includes Dundee City, East Dunbartonshire, East Renfrewshire, Glasgow City and Moray. These Local Authorities have reporting systems and processes set up so that a single application can have multiple determinations and awards attached to it. For example, where Local Authorities extend an application (typically RSRS cases) from the previous year this is not counted as a new application (as per the guidance) but as an additional decision or award on the same application. In recent years, this has also occurred where Local Authorities have made 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.

This publication contains the latest up-to-date figures but it should be noted that there could 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.

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.
- Falkirk, North Lanarkshire and Shetland Islands were unable to provide a full monthly breakdown for expenditure up to September 2019. Monthly values were estimated from the previous year's trend.
- Expenditure information has been estimated for Clackmannanshire (February 2020) and East Ayrshire (January and February 2020) by taking the midpoint(s) of expenditure for months supplied before and after missing months.

Management information

To check the quality of the management information, we compared the end-year management information with the mid-year management information.

In some cases Local Authorities have confirmed that there were errors in their mid-year figures:

- Falkirk mid-year figure for “Combination” was a combination of RSRS and “Other”, and should have been reported as RSRS.
- Moray mid-year figures for “Other” and “Combination” were entered incorrectly.
- Shetland mid-year figure for “Other” was an error – this should have been allocated to RSRS.

The majority of Local Authorities are able to provide a breakdown of their actual spend by the five funding streams, although some have problems detailing their spend due to their reporting methods.

The proportion of estimated funding spent has been checked, and where a very high or very low proportion of “Other DHP” funding has been spent these figures have been confirmed with Local Authorities.

Comparison of statistics and management information

We also compared end-year total expenditure from management information with the official statistics collection.

At the mid-year point, we would expect that the management information figures would be lower than the Official Statistics and approximately 50% of the total estimated funding spent. This is because the Official Statistics includes actual spend and committed spend, whereas the management information includes only the actual spend. Where this is not the case, we contact the Local Authority and query their responses.

However at the end of the year, total expenditure in management information figures and Official Statistics should be the same, as they both represent actual spend by the end of March. For this publication, any discrepancies in total expenditure between the management information and Official Statistics greater than £1 were investigated and corrected.

Local authorities indicated that initial discrepancies were due to (i) figures for Official Statistics being reported earlier than the informal management information figures, and/or (ii) Official Statistics not taking into account all reconciliations, such as overpayments, whereas management information did take reconciliations into account. In each case Local Authorities confirmed that management information figures provided the correct end of year expenditure, taking account of reconciliations. Discrepancies have been corrected, and in all cases the total award value in the Official Statistics matches the total expenditure in the management information in this publication to within £1.

Comparisons with other UK Discretionary Housing Payment Statistics

The Department for Work and Pensions (DWP) publishes statistics on DHPs 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

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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

<https://www.gov.scot/collections/sg-social-security-scotland-stats-publications/#discretionaryhousingpaymentstatistics>

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.

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