

EQUALITY, POVERTY AND SOCIAL SECURITY

Discretionary Housing Payments in Scotland: as at 30 September 2020

Frequency of publications

The next publication, covering the period for 1 April 2020 to 31 March 2021 will be released in May 2021.

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 six-month period from 1 April 2020 to 30 September 2020. This provides greater detail than the [Scotland-level data](#) being published monthly due to heightened interest in figures during the COVID-19 pandemic.

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 has also collected management information on DHPs from Local Authorities from 1 April 2020 to 30 September 2020. Management 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 DWP in previous years (and still collected in England and Wales). [Management information](#) on expenditure by funding stream has been included in this publication. Differences between management information and the official statistics are explained in the [About the Data](#) section.

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/publication/experimental-statistics-official-statistics-in-development/>

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Funding for 2020/21

The Scottish Government's total published budget for DHPs in 2020/21 is £70.6 million. This includes two funding streams for DHPs: "Bedroom Tax Mitigation" also known as the Removal of the Spare Room Subsidy (RSRS) (£59.7 million) and "Other DHPs" (£10.9 million)⁵. On 20th May 2020, the Scottish Government announced that an additional £5 million would be made available to support tenants financially affected by the COVID-19 outbreak to sustain their tenancies, bringing the total budget to £75.6 million.

The distribution of this funding has been agreed by Local Authority leaders⁶ and the Scottish Government (**Table 1 and figure below**) as follows:

- £63.7 million of funding has been provided to date. This includes the "Other DHPs" funding stream (£15.9 million, including the additional £5 million announced in May) and 80% of the "Bedroom Tax Mitigation" stream (£47.8 million, "Tranche 1 Bedroom Tax Mitigation").
- The remaining 20% of the "Bedroom Tax Mitigation" stream ("Tranche 2 Bedroom Tax Mitigation", £11.9 million 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.

A further £3m was announced on 1st September 2020 in the Programme for Government, but this has yet to be distributed⁷.

	Bedroom Tax Mitigation	Other DHPs			Total
Budget 2020/21	£59.7 m	£10.9 m			£70.6 m
COVID-19 support		£5 m			£75.6 m
Total estimated funding at start of 2019/20 used for allocating funds	£59.7 m <small>Based on forecasted cost of bedroom tax mitigation at start of 2019/20</small>	Core £2.2 m	Local Housing Allowance £1.9 m	Benefit Cap £11.8 m	£75.6 m
Funding to date <small>(Local Government Finance Order)</small>	£47.8 m <small>"Tranche 1 bedroom tax" allocation</small>	£15.9 m			£63.7 m
Funding to reimburse Local Authorities for spending on bedroom tax mitigation	Estimated £11.9 m <small>"Tranche 2 bedroom tax"</small>				

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

⁵ Scottish Budget: 2020- 2021, Table 14.04, <https://www.gov.scot/publications/scottish-budget-2020-21/>

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

⁷ The Government's Programme for Scotland 2020-2021, <https://www.gov.scot/publications/protecting-scotland-renewing-scotland-governments-programme-scotland-2020-2021/>

DHP Applications, Determinations and Awards and Award Total Value

Applications figures are for those applications received during the period 1 April to 30 September 2020, while figures for determinations and awards are for the applications processed during the same period (**Table 2**).

In Scotland, between 1 April 2020 and 30 September 2020:

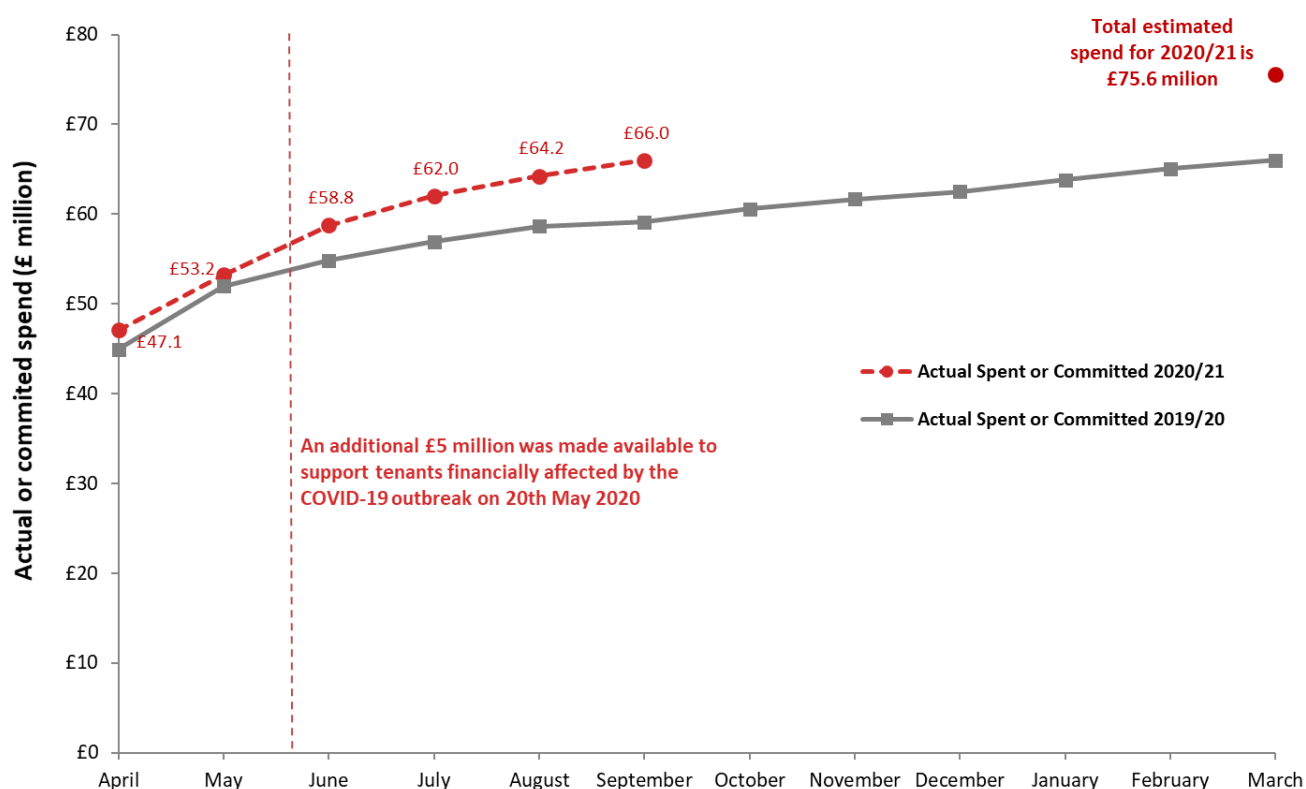
- Local authorities received a total of 93,250 applications for DHPs and made 110,995 decisions, determining whether or not to make an award. Five local authorities made more decisions than applications received – the reasons for this are explained in [data quality section](#).
- Local authorities made 108,915 DHP awards, with an average award value of £606. 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 shortfalls in weekly rent through the use of DHPs. Five 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 £66.0 million (equal to the total value of awards at the end of the last financial year, see **Chart 1**), with 29 Local Authorities having spent or committed to spend more than they did as at September 2019.
- For further comparisons with previous years, see the DHP notes of the monthly [Scotland-level data](#)

Expenditure on Discretionary Housing Payments in 2020/21

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 2020 to 30 September 2020. Committed spend occurs, for example, if a Local Authority decides to award funds for the whole of 2020/21, 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 2020/21, with a comparison of the spend profile for 2019/20. Actual or committed spending increased after an additional £5 million was made available to support tenants financially affected by the COVID-19 outbreak.

Chart 1: Actual or committed spend profile – 2020/21 and 2019/20



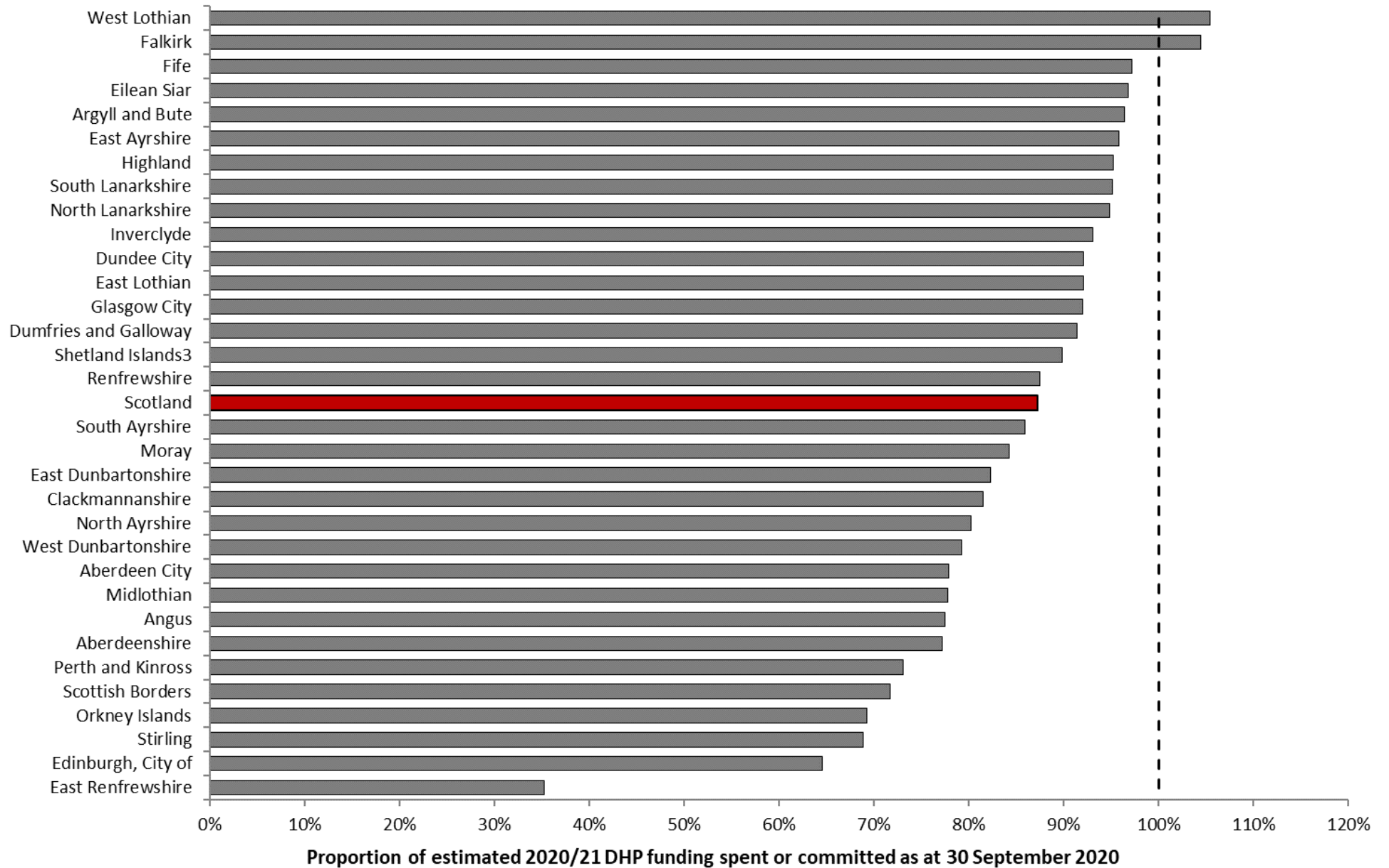
Expenditure on Discretionary Housing Payments in 2020/21 compared to estimated funding required for 2020/21

Table 4 shows that, as of 30 September 2020, Local Authorities had spent 87% of the total budget of £75.6 million, comprising the £70m estimated total funding required for DHPs at the beginning of the year when allocations were made for 2020/21 plus the additional £5m allocated in May. At the same point last year, we estimated that Local Authorities had spent 94% of their £63.2 million funding for 2019/20.

There is considerable variation across the Local Authorities (as shown in **Chart 2 and Table 4**). Between 1 April 2020 and 30 September 2020, two Local Authorities had spent more than their share of the estimated total funding for the year (£75.6 million). Collectively these local authorities exceeded their estimated funding allocation by around £250,000. There are a number of reasons that local authorities will have spent more than initially estimated, with some Local Authorities choosing to provide their own additional funding (see [Background Notes](#)). It is also possible that the initial estimate of the cost of mitigating the bedroom tax (RSRS) was too low.

The remaining 30 local authorities have an estimated £9.9 million remaining to be spent in total. Of these, 14 have spent less than their funding announced to date for Tranche 1 Bedroom Tax Mitigation and other DHPs, by around £3.2 million, while the other 16 have spent more than their funding announced to date but still less than their estimated funding for the whole year. An underspend within a Local Authority does not indicate that the bedroom tax has not been fully mitigated.

Chart 2: Proportion of estimated 2020/21 DHP funding spent as at 30 September 2020

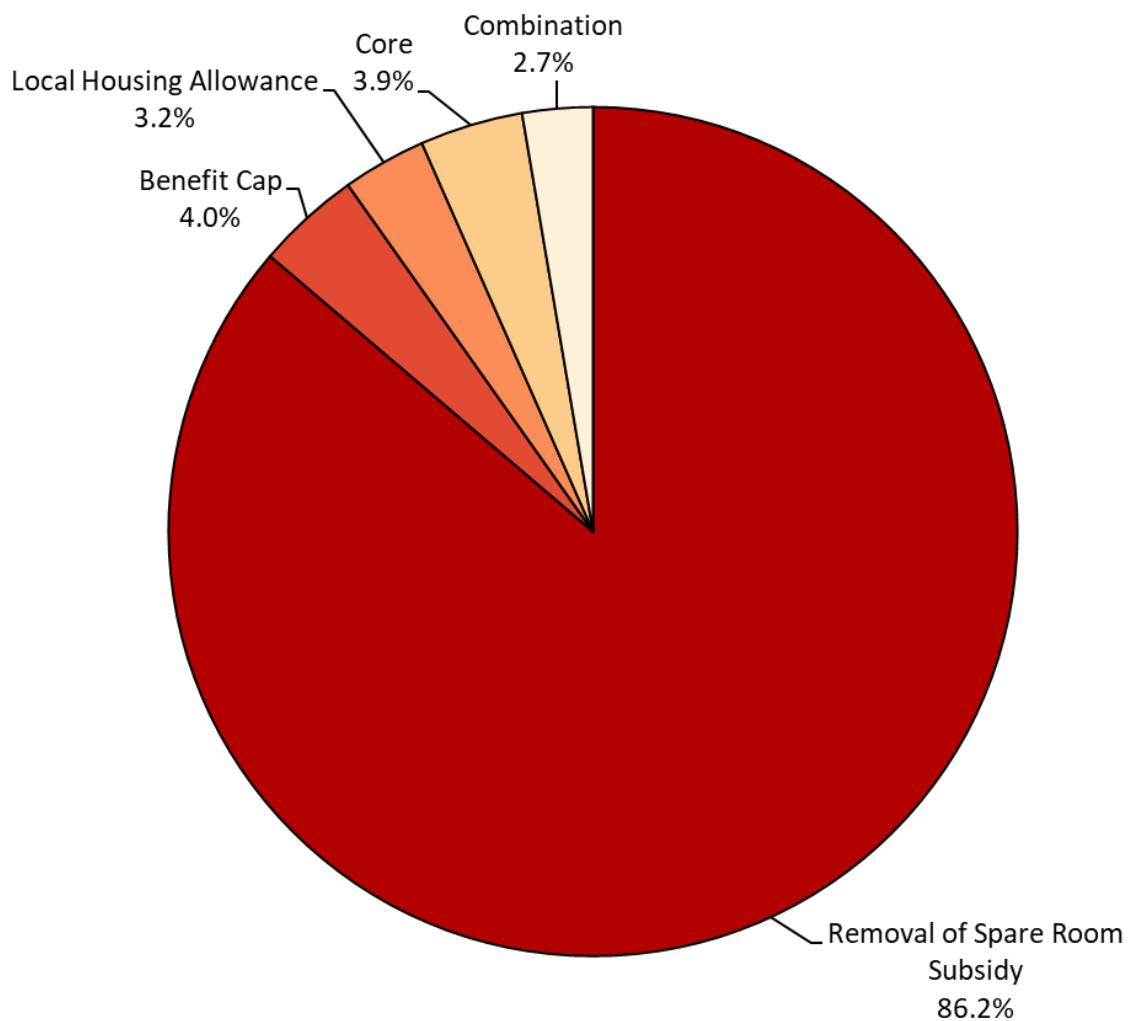


Management Information: expenditure by funding stream

The management information expenditure figures are for the actual spend on DHP awards for the 6 months from 1 April 2020 to 30 September 2020.

Chart 3 shows the proportion of DHP actual spend by award purpose⁸. The majority was spent mitigating the Removal of the Spare Room Subsidy (£30.1 m, 86.2%), with a smaller proportion used to support claimants affected by the introduction of the benefit cap (£1.4 m, 4.0%) and reductions in Local Housing Allowance (£1.1 m, 3.2%). A further £1.4 m (3.9%) was spent on Core (non-welfare reform) awards and £930,000 (2.7%) on awards that covered a combination of purposes.

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



⁸ 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 (£1.4 m, 17%). Conversely, Local Authorities have spent almost all (91%, £1.4 m) of the estimated allowance for Core funding and Local Housing Allowance (£1.1 m, 85%).

Chart 4: Management Information - Proportion of estimated 2020/21 DHP funding spent (actual) by funding stream

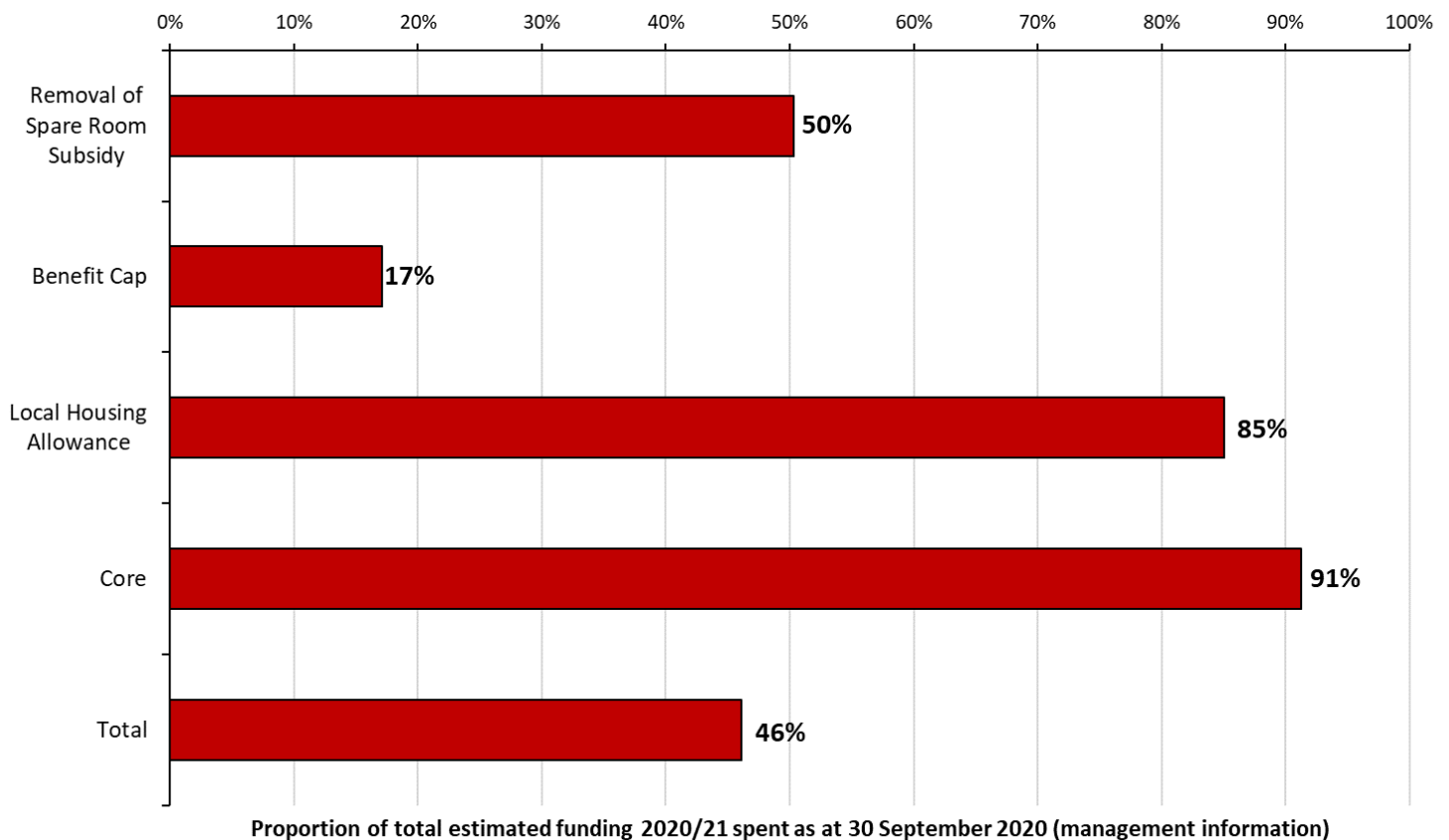
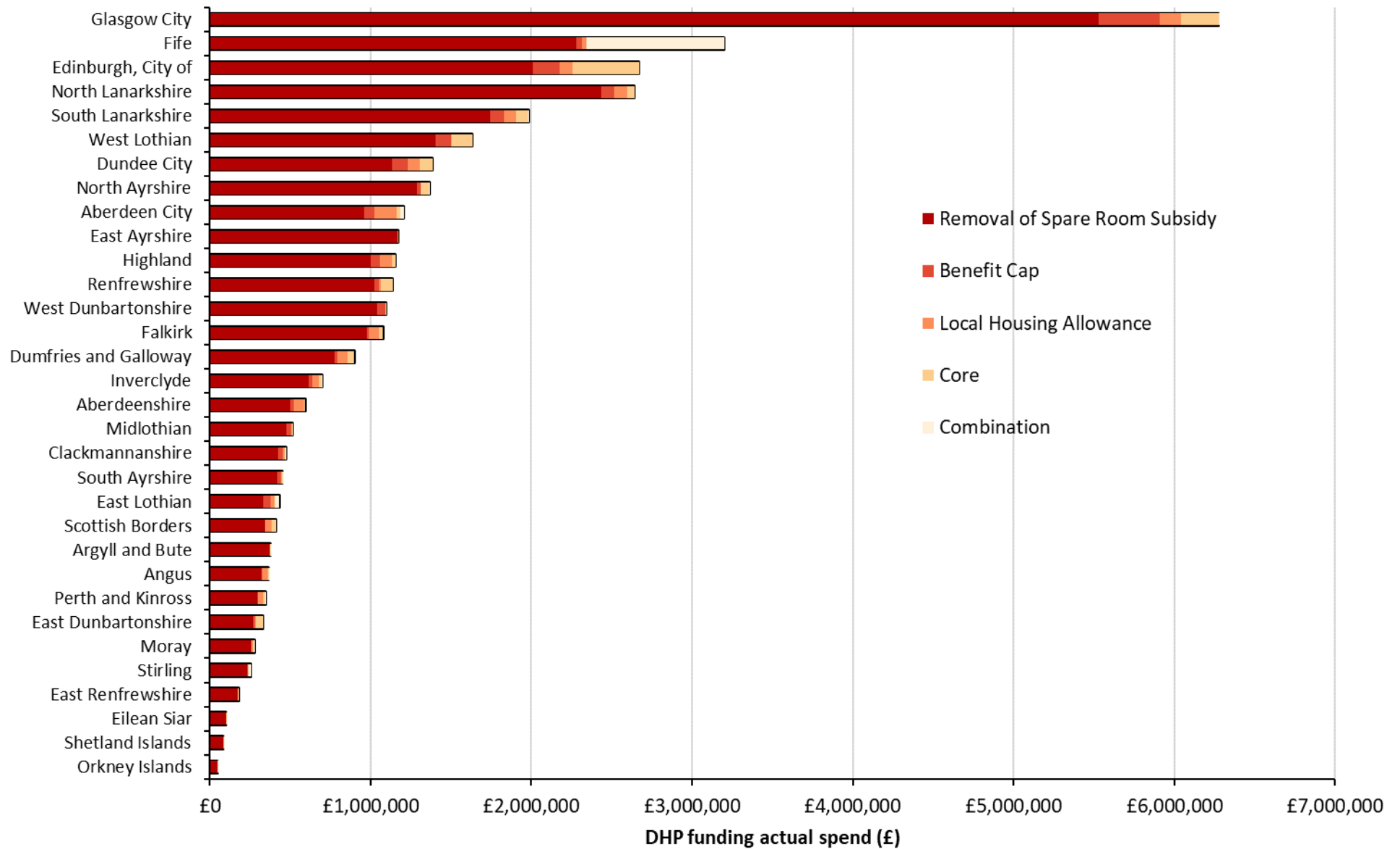


Chart 5 shows the variation in the breakdown of Local Authority spending, with some spending more than their share of the estimated total funding for certain streams, such as on Local Housing Allowance and Core, whilst spending proportionally less or nothing on other funding streams.

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



Background

As of April 2017, full responsibility for Discretionary Housing payments (DHPs) has been transferred to the Scottish Government. 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, deciding 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 Allowance⁹. 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.

⁹ 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 fully funds the mitigation of the Removal of the Spare Room Subsidy (RSRS), also known as the “bedroom tax”. The budget for “Bedroom Tax Mitigation” is based on the forecasted cost of reimbursing Local Authorities for RSRS losses during 2020/21.

The Local Authority allocations for “Other DHPs”: “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.

The total amount allocated to “Other DHPs” was £10.9 million for 2020/21 plus an additional £5 million made available to support tenants financially affected by the COVID-19 outbreak to sustain their tenancies. The estimated cost for “Bedroom Tax Mitigation” is in addition to this allocation. At the point at which allocations were made at the beginning of 2020/21 the estimate for the full cost of Bedroom Tax Mitigation was £59.7 million, and as such the estimated end year total spend on DHPs used in this document, for instance in Charts 1 and 2, is £75.6 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](https://stat-xplore.dwp.gov.uk/)¹⁰, 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.

¹⁰ 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

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:

<https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/dhp/DHPGuidance>

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 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 2020/21 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.
- Applications, determination and awards for Moray are lower than previous years, which may be due to a change in their reporting system. These values may not include applications extended from previous years or determinations where an award has not been made. Expenditure figures have been unaffected.

Management Information

In addition to the statistical data above, the Scottish Government requests management information on DHPs from each Local Authority. This information is collected biannually, on 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.

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.

As part of our quality assurance process, we also compare mid-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 equal to or 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.

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.

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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/>

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

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