

## EQUALITY, POVERTY AND SOCIAL SECURITY

# Discretionary Housing Payments in Scotland: 1 April to 30 September 2021

### Frequency of publications

The next publication, covering the period for 1 October 2021 to 31 March 2022 will be released in May 2022

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: <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 to 30 September 2021.

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 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 collected management information on DHPs from local authorities from 1 April to 30 September 2021. 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>

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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/wp-content/uploads/2010/12/images-assessmentanddesignationofexperimentalstatistic\\_tcm97-44327-1.pdf](https://www.statisticsauthority.gov.uk/wp-content/uploads/2010/12/images-assessmentanddesignationofexperimentalstatistic_tcm97-44327-1.pdf)

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# Funding for 2021/22

The Scottish Government's total published budget for DHPs in 2021/22 was £82.2 million. This includes two funding streams for DHPs: "Bedroom Tax Mitigation" (£71.3 million) and "Other DHPs" (£10.9 million)<sup>5</sup>. The Bedroom Tax is also known as the Removal of the Spare Room Subsidy (RSRS). The distribution of funding has been agreed by local authority leaders<sup>6</sup> and the Scottish Government (**Table 1 and figure below**) as follows:

- To date £67.9 million<sup>7</sup> of funding has been provided in two tranches.
- Tranche 1 included the "Other DHPs" funding stream (£10.9 million) and 50% of the "Bedroom Tax Mitigation" stream (£35.6 million).
- Tranche 2 included a further 30% (£21.4 million) of the "Bedroom Tax Mitigation" stream.
- The remaining 20% (£14.3 million) of the "Bedroom Tax Mitigation" stream has been held back to reimburse local authorities for spending over and above Tranche 1 and Tranche 2.

	Bedroom Tax Mitigation	Other DHPs			Total
<b>Total estimated funding at start of 2021/22</b>	£71.3 m Based on forecasted cost of bedroom tax mitigation at start of 2021/22	Core £1.5 m	Local Housing Allowance £1.3 m	Benefit Cap £8.1 m	£82.2 m
<b>Initial Tranche 1 funding (Local Government Finance Order)</b>	£35.6 m Tranche 1 = 50% of estimated total required. Remainder held back for Tranches 2 and 3.		£10.9 m		£46.5 m
<b>Tranche 2 funding</b>	£21.4 m Tranche 2 = 30% of estimated total required. Remainder held back for Tranche 3.		n/a		£21.4 m
<b>Final Tranche 3 funding</b>	£14.3 m Tranche 3 = 20% of estimated total required.		n/a		

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

<sup>5</sup> Scottish Budget: 2021-2022, <https://www.gov.scot/publications/scottish-budget-2021-22/>

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

<sup>7</sup> Admin. funding of £1.2 million was also included in the Local Government Finance Order taking the total Tranche 1 payment to £47.7 million.

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

Applications figures are for applications received during the period 1 April 2021 to 30 September 2021, while figures for determinations and awards are for any applications processed during the same period (**Table 2**). Between 1 April 2021 and 30 September 2021:

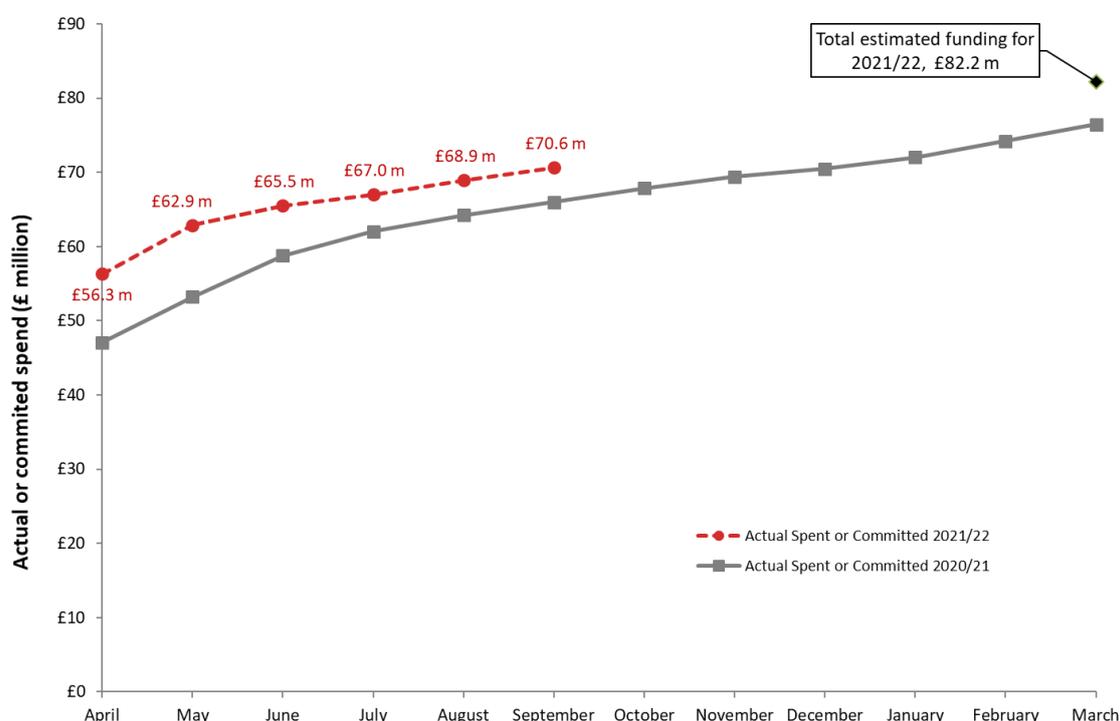
- Local authorities received a total of 93,975 applications for DHPs and made 112,235 decisions. Four local authorities made more decisions than they received applications – the reasons for this are explained in [data quality section](#).
- During the same period local authorities made 109,980 DHP awards. Six local authorities made more awards than they received applications. 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 was £70.6 million, which was 7% greater than at the same point in the previous year (**Chart 1**), and the average award value was £642, which was higher than at the same point in the previous year (£606).

# Official statistics: Expenditure profile in 2021/22

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 to 30 September 2021. Committed spend occurs, for example, if a local authority decides to award funds for the whole of 2021/22, 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 2021/22, with a comparison of the spend profile for 2020/21. In 2021/22, DHP spending started at a higher level than in 2020/21 but up to September 2021 has not increased as quickly, narrowing the difference. The difference in spending profiles may be to some extent due to the additional £8 million made available during 2020/21 to support tenants financially affected by the COVID-19 outbreak<sup>8</sup>.

**Chart 1: Actual or committed spend profile – 2020/21 and 2021/22**



<sup>8</sup> £5 million was made available to support tenants financially affected by the COVID-19 outbreak on 20<sup>th</sup> May 2020 and a further £3 million was announced on 1<sup>st</sup> September 2020.

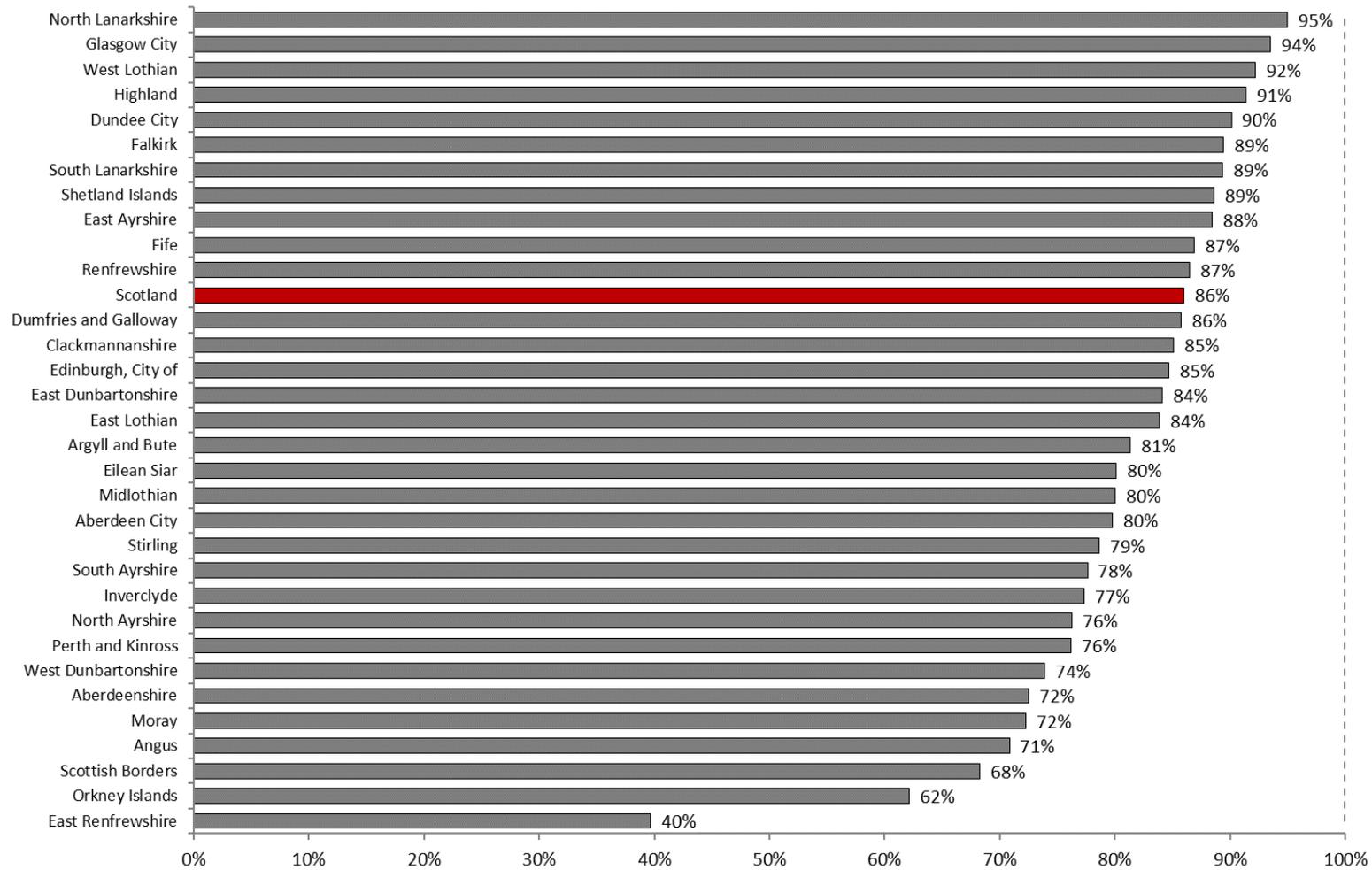
## Expenditure to compared to estimated funding required for 2021/22

As of 30 September 2021, local authorities had spent 86% (£70.6 million) of the total budget of £82.2 million (**Table 4**). At the same point last year, we estimated that local authorities had spent £66.0 million, which was 87% of the total estimated funding for 2020/21 (£75.6 m).

Overall, we estimate that local authorities have around £11.5 million remaining from their total estimated budgets.

As shown in **Chart 2** and **Table 4** show there is considerable variation across local authorities. Five local authorities had spent at least 90% of their estimated budget for DHPs (North Lanarkshire, Glasgow City, West Lothian, Highland and Dundee City), whereas three local authorities had spent less than 70% of their estimated budget (East Renfrewshire, Orkney Island and Scottish Borders).

**Chart 2: Proportion of estimated 2021/22 DHP funding spent as at 30 September 2021**

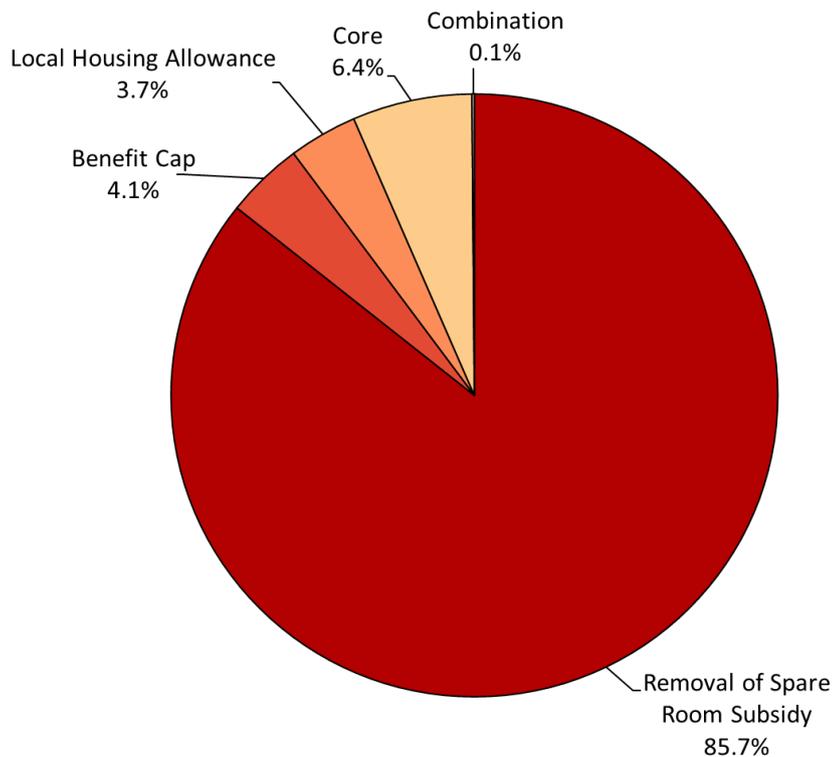


# Management information: expenditure by funding stream

Management information expenditure figures are for the actual spend on DHP awards from 1 April to 30 September 2021.

**Table 5 and Chart 3** shows the proportion of DHP actual spend by award purpose<sup>9</sup>. The majority was spent mitigating the Removal of the Spare Room Subsidy (£32.3 m, 85.7%), with a smaller proportion used to support claimants affected by the introduction of the benefit cap (£1.6 m, 4.1%) and reductions in Local Housing Allowance (£1.4 m, 3.7%). A further £2.4 m (6.4%) was spent on Core (non-welfare reform) awards and around £49,000 (0.1%) on awards that covered a combination of purposes.

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



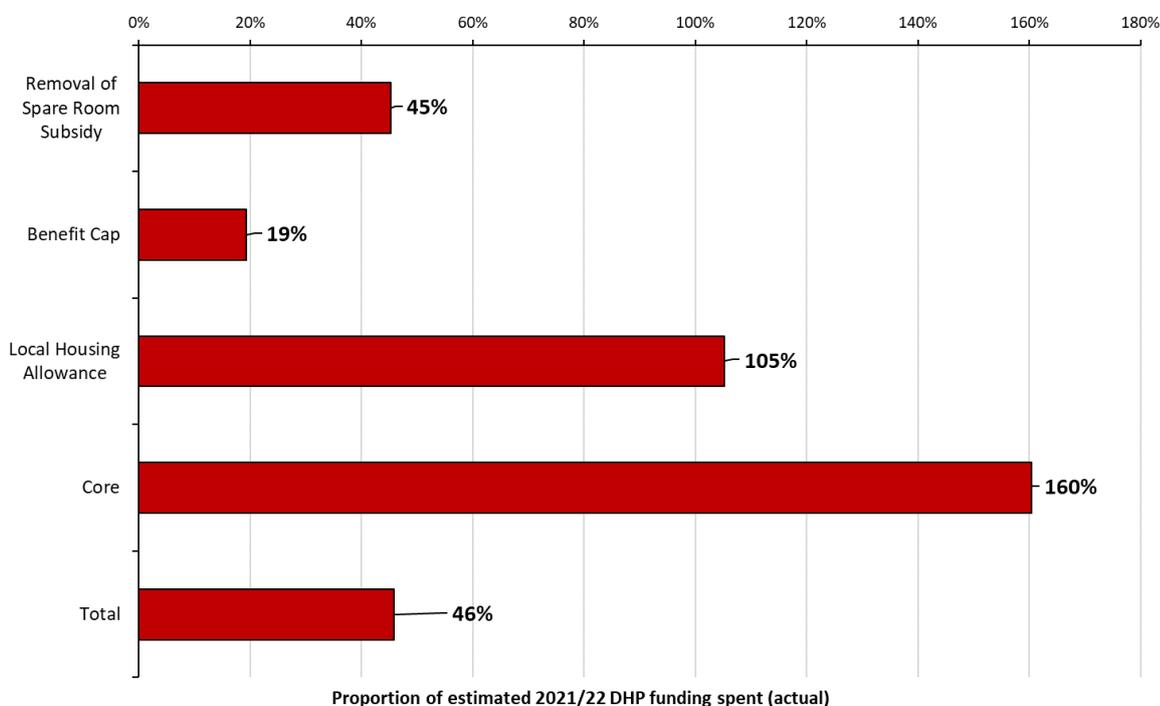
<sup>9</sup> For examples of DHP award purposes see the [Background Notes](#)

**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 (£1.6m, 19%). Conversely, local authorities spent 160% (£2.4m) of the estimated allowance for Core funding (£1.5m).

In addition to their estimated budgets, £5.1 million that was available to local authorities in 2020/21 to help with the impacts of the Covid-19 has been rolled over to 2021/22. This additional funding is not included in **Table 5** or **Chart 4**.

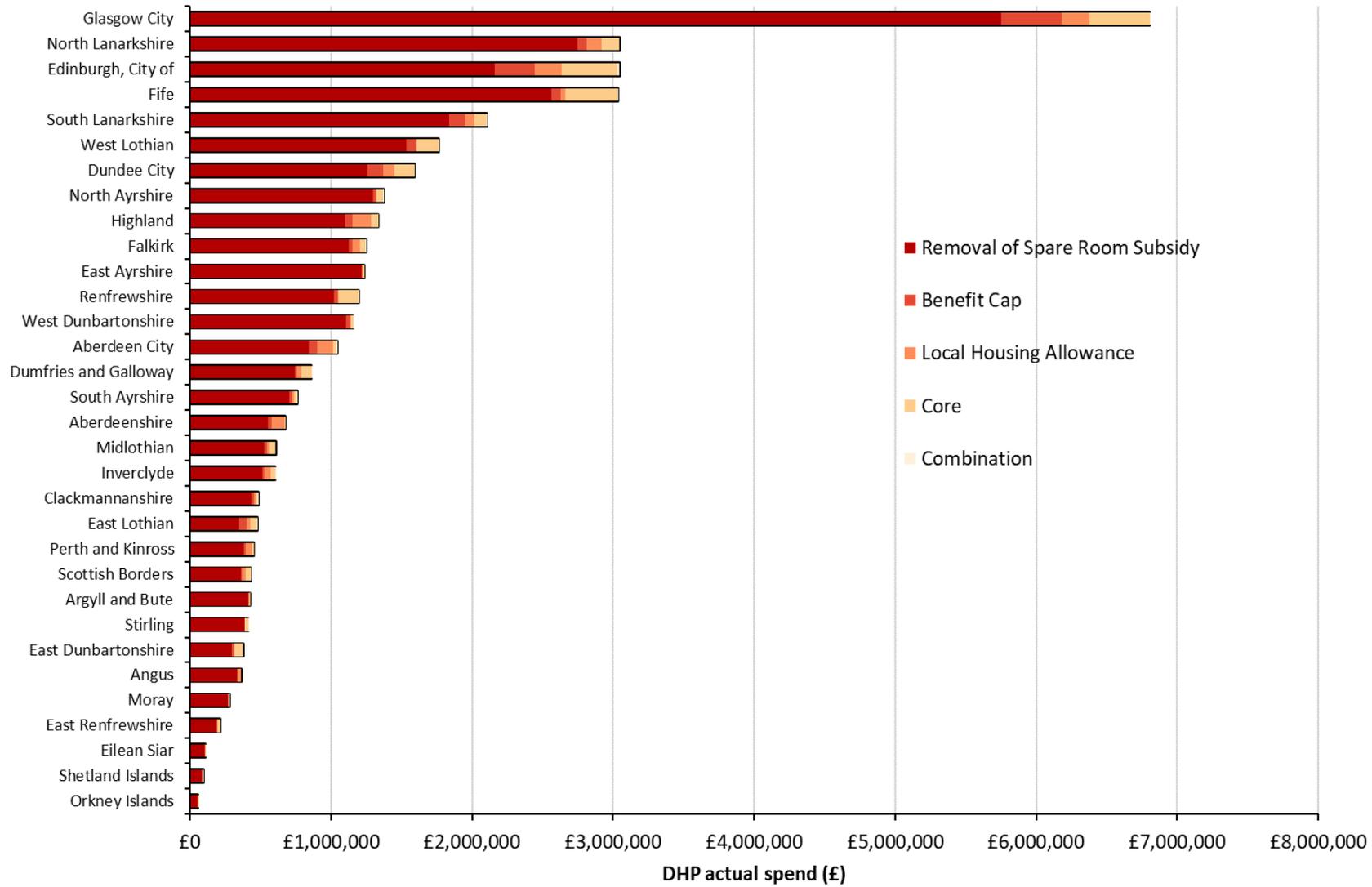
**Chart 4: Management Information - Proportion of estimated 2021/22 DHP funding spent (actual) by funding stream**



**Chart 5** shows the expenditure profile of each local authority, 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 have 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, 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 the 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>10</sup> rates.

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<sup>10</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 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 mitigating tenant’s RSRS losses during 2021/22.

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 2021/22. 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 2021/22 the estimate for the full cost of Bedroom Tax Mitigation was £71.3 million, and as such the estimated end year total spend on DHPs used in this document, for instance in Charts 1 and 2, is £82.2 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 Tranche 3 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>11</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.

In addition to the above, £5.1 million of unspent funds that were available for Other DHPs to help local authorities with the impact of the Covid-19 pandemic in 2020/21 have been rolled over to 2021/22 and redistributed to help local authorities with the delayed impacts of the pandemic.

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<sup>11</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

## 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 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:

<https://www.gov.scot/publications/guidance-on-monitoring-of-discretionary-housing-payments-in-scotland/>

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 to 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 2021/22 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.
- Since April 2020, Moray’s applications, determinations and awards figures have been 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.
- Due to a software issue Falkirk’s committed spend was estimated based on their actual spend, which may affect expenditure figures in the Official Statistics during the year. However, it will not affect the end of year expenditure figure in the Official Statistics as this includes actual spend only.

## **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.

## **Comparison of statistics and management information**

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 to query their responses.

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

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. 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 approximately £1.

## **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.

### **Correspondence and enquiries**

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Office of the Chief Statistician, Telephone: 0131 244 0442  
e-mail: [statistics.enquiries@scotland.gov.uk](mailto:statistics.enquiries@scotland.gov.uk)

### **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

<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](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**

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If you would like to be consulted about statistical collections or receive notification of publications, please register your interest at [www.gov.scot/scotstat](http://www.gov.scot/scotstat)  
Details of forthcoming publications can be found at [www.gov.scot/statistics](http://www.gov.scot/statistics)

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