

EQUALITY, POVERTY AND SOCIAL SECURITY

Discretionary Housing Payments in Scotland: 1 April to 30 September 2022

Introduction

This publication provides information on Discretionary Housing Payments (DHPs) in Scotland over the six month period from 1 April to 30 September 2022. The next publication, covering the period for 1 October 2022 to 31 March 2023 will be released in May 2023.

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](#) as “newly developed or innovative 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.

The Scottish Government also collected management information on DHPs from local authorities from 1 April to 30 September 2022. 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.

A supplementary spreadsheet containing five tables and five charts has been published. [Electronic versions of this document and supplementary tables](#) and charts are available.

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Funding for 2022/23

The total estimated cost of DHP awards in 2022/23 was £79.0 million. An additional £1.2 million was allocated for admin funding taking The Scottish Government’s total published [budget](#) for DHPs to £80.2 million.

This includes two funding streams for DHPs: “Bedroom Tax Mitigation” (£68.1 million) and “Other DHPs” (£10.9 million). The Bedroom Tax is also known as the Removal of the Spare Room Subsidy (RSRS).

The “Other DHPs” funding stream includes funding for core (non welfare reform DHPs, £1.5 million), to support claimants affected by reductions in Local Housing Allowance (£1.3 million) and the introduction of the benefit cap (£8.1 million).

The distribution of funding has been agreed by local authority leaders, represented by [COSLA](#), and the Scottish Government (**Table 1 and figure below**) as follows:

- to date £67.8 million of funding has been provided.
- tranche 1 funding included “Other DHPs” funding for 2022/23 (£10.9 million) and 80% of the estimated cost of “Bedroom Tax Mitigation” (£54.5 million).
- the remaining 20% of the estimated cost of “Bedroom Tax Mitigation” (£13.6 million) has been held back to reimburse local authorities for spending over and above Tranche 1.

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

	Bedroom Tax Mitigation	Other DHPs	Total
Total estimated funding at start of 2022/23	£68.1 m	£10.9 m	£79.0 m
Initial Tranche 1 funding (Local Government Finance Order)	£54.5 m (80% of estimated total required)	£10.9 m	£65.4 m
Tranche 2 funding	£13.6 m (20% of estimated total required)	n/a	£13.6 m

An “Other DHP” underspend of £2.4 million carried forward from 2021/22 and redistributed to local authorities for 2022/23.

In its [Programme for Government](#), The Scottish Government announced the intention to use the [Emergency Budget Review](#) to provide local authorities with DHP funding to mitigate the Benefit Cap as fully as possible, and give local authorities more flexibility to take account of energy bills in their prioritisation of households for DHPs. At the time of release, The Scottish Government had not allocated this additional funding to local authorities.

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

Applications figures are for applications received during the period 1 April 2022 to 30 September 2022, while figures for determinations and awards are for any applications processed during the same period (**Table 2**). Between 1 April 2022 and 30 September 2022:

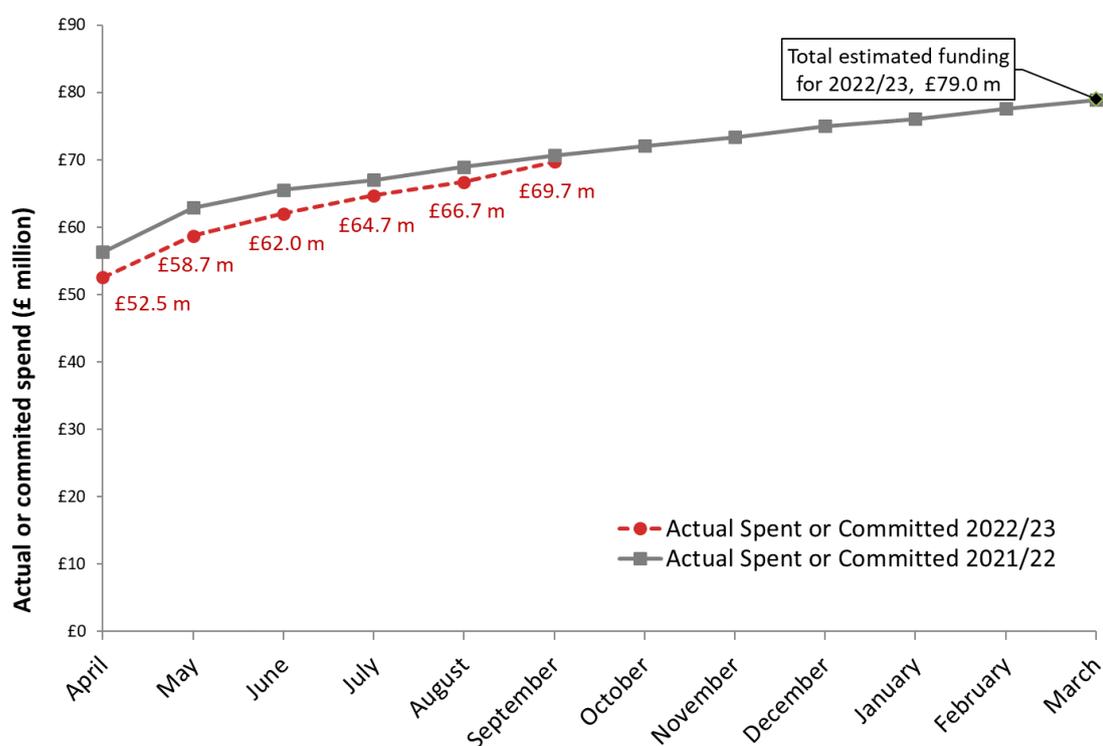
- local authorities received a total of 97,065 applications for DHPs and made 114,925 decisions. Twelve local authorities made more decisions than they received applications – the reasons for this are explained in [data quality section](#).
- during the same period local authorities made 111,935 DHP awards. Twelve local authorities made more awards than they received applications. One reason for this is that multiple awards can be made on one application.
- the total value of awards was £69.7 million, which was 1% less than at the same point in the previous year (**Chart 1**), and the average award value was £623, which was lower than at the same point in the previous year (£642).

Official statistics: Expenditure profile in 2022/23

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 2022. Committed spend occurs, for example, if a local authority decides to award funds for the whole of 2022/23, but this may be paid out in instalments throughout the year rather than in one lump sum. Whilst these figures generally increase month on month in each local authority area, some awards committed through to the end of the financial year may be cancelled, for example if a person moves house and no longer requires DHP assistance. As a result, this can lead to small monthly reductions in DHP expenditure in some local authorities.

Chart 1 and **Table 3** show monthly value of DHP awards in Scotland during the financial year 2022/23, with a comparison of the spend profile for 2021/22. In 2022/23, spending started at a lower level than in 2021/22 but the difference has narrowed up to September 2022.

Chart 1: Actual or committed spend profile – 2021/22 and 2022/23



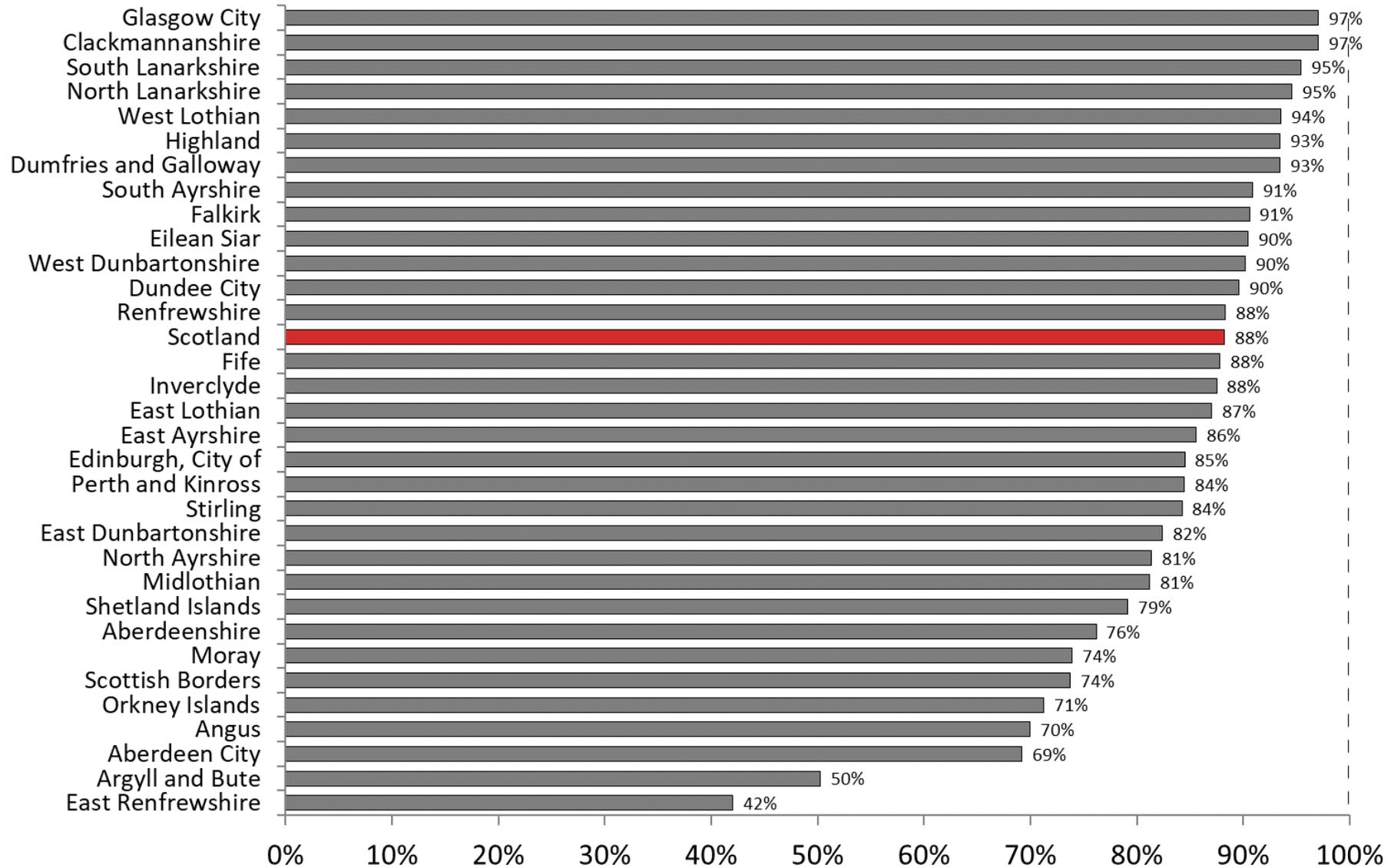
Expenditure compared to estimated funding required for 2022/23

As of 30 September 2022, local authorities had spent 88% (£69.7 million) of the total budget of £79.0 million (**Table 4**). At the same point last year, we estimated that local authorities had spent £70.6 million, which was 86% of the total estimated funding for 2021/22 (£82.2 m).

Overall, we estimate that local authorities have around £11.6 million remaining from their total estimated budgets.

As shown in **Chart 2** and **Table 4** show there is considerable variation across local authorities. Twelve local authorities had spent at least 90% of their estimated budget for DHPs (Glasgow City, Clackmannanshire, South Lanarkshire, North Lanarkshire, West Lothian, Highland and Dumfries and Galloway, South Ayrshire, Falkirk, Na h-Eileanan Siar, West Dunbartonshire, Dundee), whereas three local authorities had spent less than 70% of their estimated budget (Aberdeen City, Argyll and Bute and East Renfrewshire).

Chart 2: Proportion of estimated 2022/23 DHP funding spent as at 30 September 2022



Management information: expenditure by funding stream

Management information expenditure figures are for the actual spend on DHP awards from 1 April to 30 September 2022.

Table 5 and Chart 3 shows the proportion of DHP actual spend by award purpose. For examples of DHP award purposes see the [Background Notes](#).

The majority of funding was spent by local authorities to mitigate the Removal of the Spare Room Subsidy (£32.6 m, 87.0%), with smaller proportions used to support claimants affected by the introduction of the benefit cap (£1.0 m, 2.7%) and reductions in Local Housing Allowance (£1.4 m, 3.8%). A further £2.1 m (5.5%) was spent on Core (non-welfare reform) awards and around £391,000 (1.0%) on awards that covered a combination of purposes.

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

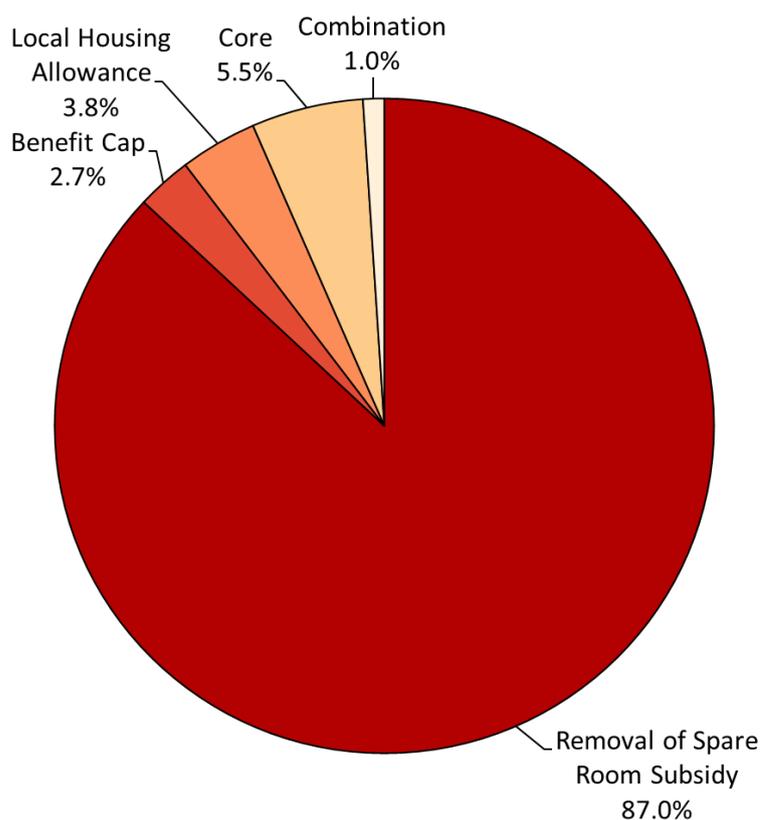


Table 5 and **Chart 4** show the total actual spend as a proportion of the estimated funding allocated for each funding stream.

Local authorities spent a much smaller proportion of their funding on the Benefit Cap than the allocated funding for this purpose (£1.0m, 13%). Conversely, local authorities spent 137% (£2.1m) of the estimated allowance for Core funding (£1.5m).

Chart 4: Management Information - Proportion of estimated 2022/23 funding spent (actual) by funding stream

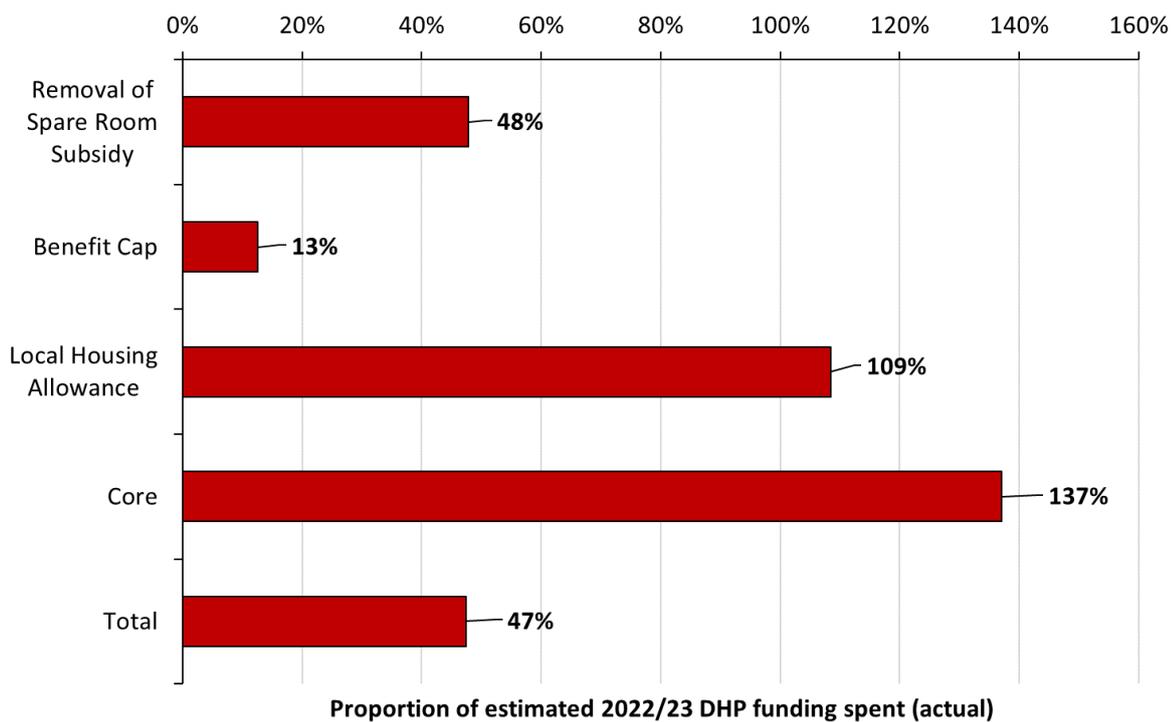
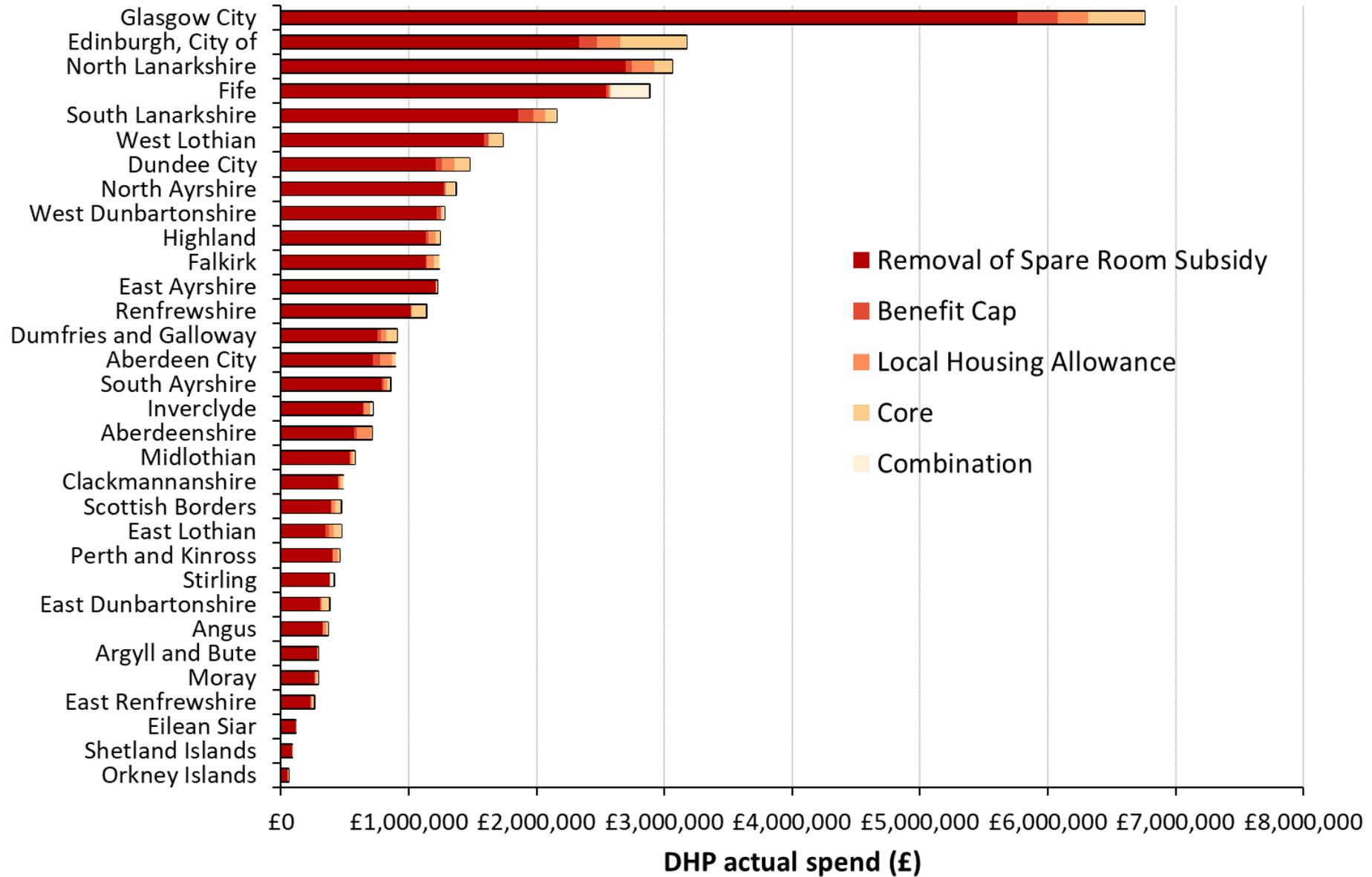


Chart 5 shows the expenditure profile of each local authority, with some spending more than their share of the estimated total funding for certain streams, such as on Local Housing Allowance and Core, whilst spending proportionally less or nothing on other funding streams.

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 rates.

Further information on how DHPs are administered can be found in the [guidance manual](#):

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 2022/23.

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.

An "Other DHPs" underspend of around £2.4 million was carried forward from 2021/22 and the amount allocated to "Other DHPs" for 2022/23 was £10.9 million. therefore the total funding available for "Other DHPs" in 2022/23 is £13.3 million. 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 2022/23 the estimate for the full cost of Bedroom Tax Mitigation was £68.1 million, and as such the estimated end year total funding for DHPs used in this document, for instance in Charts 1 and 2, is £81.4 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 2 payments for the mitigation of the bedroom tax.

In parallel, an estimate of RSRS losses will be made by using eleven months of data taken from [Stat-Xplore](#), and grossing up to twelve months. Stat-Xplore contains information on the number of claimants on Housing Benefit affected by the RSRS and the average deduction for each claimant, which together can be used to estimate the total funding required to fully mitigate RSRS losses in each local authority area. 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.

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 online.

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 2022/23 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 that 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.

Comparisons with other UK Statistics

The Department for Work and Pensions (DWP) publishes [statistics](#) on Discretionary Housing Payments. 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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e-mail: 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

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.

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