

Scottish Government update February 2020

Scotland's Housing Network
Welfare Reform Forum



Scottish Government
Riaghaltas na h-Alba
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Discretionary Housing Payments



Responsibility for DHPs devolved on 1 April 2017

DHP methodology for 2020/21 submitted to Settlement and Distribution Group for approval

DHP funding in 2019/20

- Bedroom Tax Mitigation: Estimated £52.3m
- Other DHPs: £10.9m
- Admin: £1.2m

Allocation forecast to deliver DHPs to care experienced young people in final stage of preparation



Annual Welfare Reform Housing and Social Security

The Annual Welfare Reform Housing and Social Security second follow up paper was published 7 January 2020.

An annual £3.7 billion in benefits is being cut from Scotland by 2020/2021 and more people are being pushed into debt, rent arrears and crisis.

As at March 2019, rent arrears on all council properties in Scotland was £74m, up £9m (14.0%) on last year, representing 6.2% of Standard Rental Income from these properties.

These arrears have been rising steadily year on year since March 2013

Despite the relatively lower increase in private rents in Scotland we recognise the role housing costs can play in poverty, exacerbated by UK Government welfare cuts.



Bedroom Tax Mitigation & Abolition

The Scottish Government has committed to abolishing the bedroom tax using devolved powers on social security – continue to mitigate through DHPs.

Initial LA budget forecasting indicate some Local Authorities may have less/more funding.

DHP Allocations will be issued to Local Authorities by middle of March 2020.

Mitigation will continue until abolition in place and full migration of existing UC caseload, estimated to be September 2024.



Local Housing Allowance and Benefit Cap

Local Housing Allowance

End of 4 year LHA benefit freeze from April 2020

Rise of up to 1.7% in line with Consumer Price Index

76 out of 90 LHA rates will remain below 30th percentile

Only 4 rates restored to 30% percentile

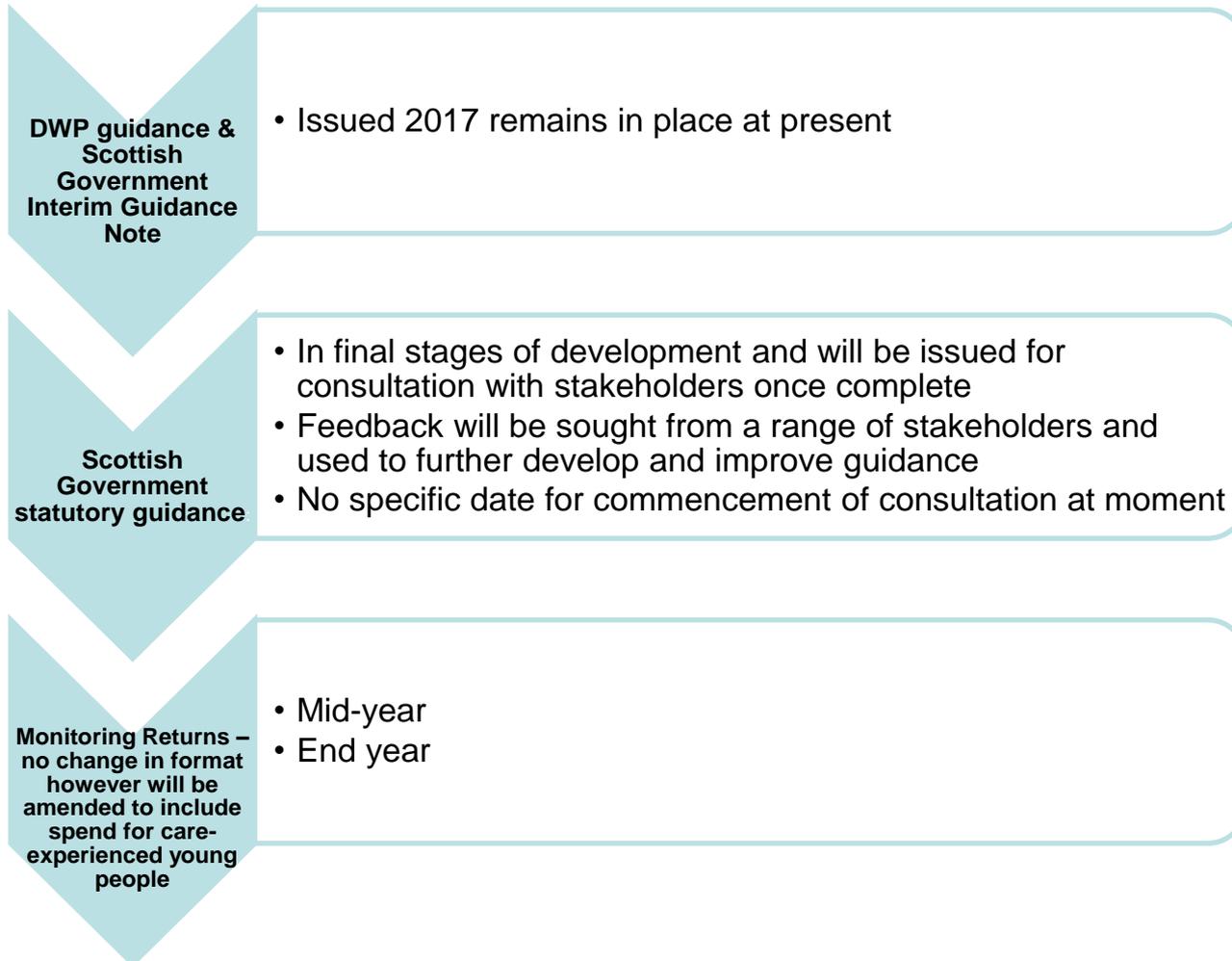
Benefit Cap

In 2019, over 3,300 households across Scotland were affected by the benefit cap. Among households whose Housing Benefit was capped, the average loss was over £3,000

Over 90 percent of benefit capped families contained children, and two thirds of households were headed by a lone parent



Guidance and Monitoring



Universal Credit Scottish choices

- Since October 2017, offers of:
 - Payment of housing costs directly to landlords; and
 - Twice monthly payments.
- Aim to provide more choice for people to manage their finances, protect tenancies and reduce build up of rent arrears.
- What's happened in the last six months?
 - DWP's housing payment changes;
 - Take up rates steady; and
 - Evaluation plans.

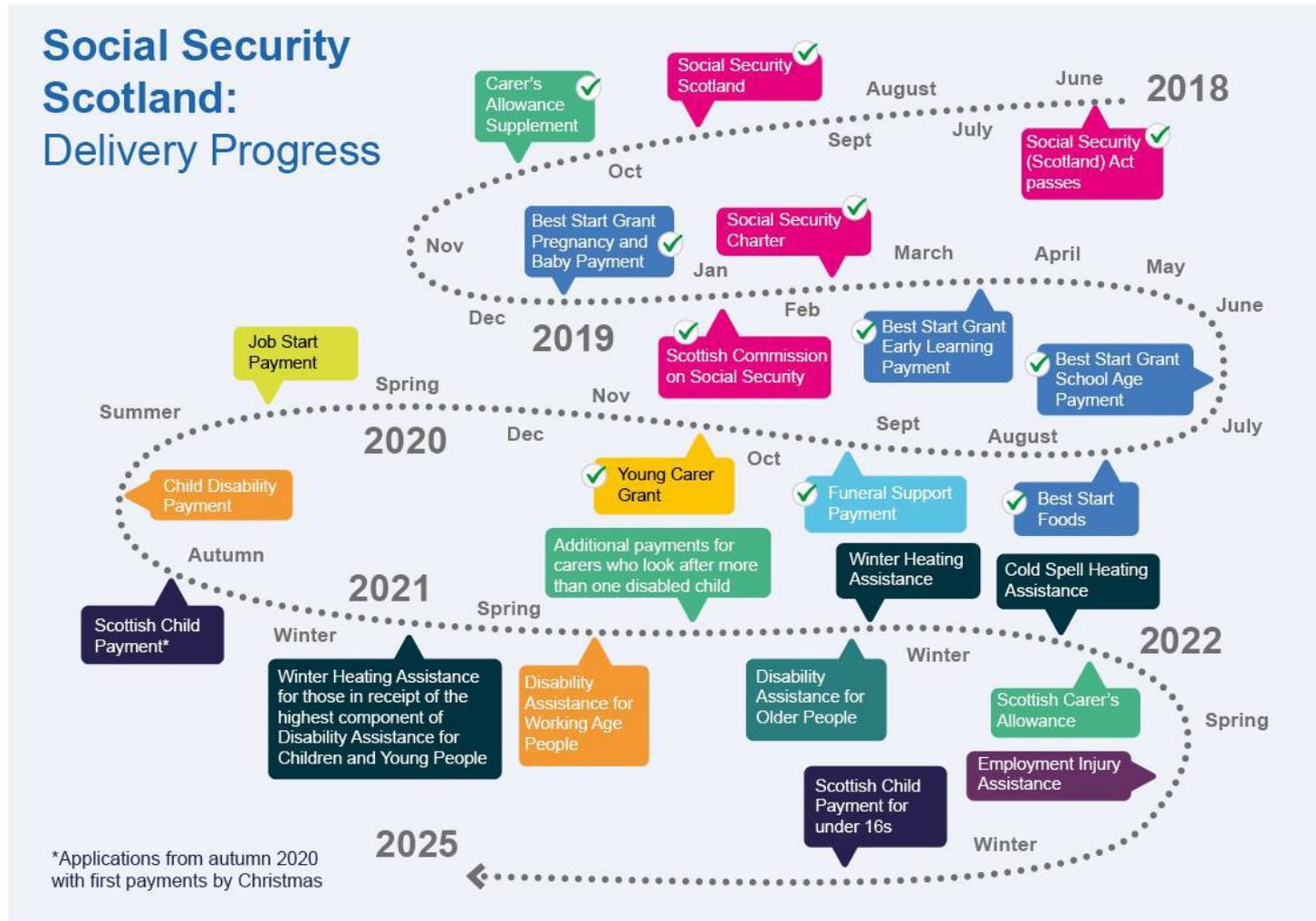


Split (or separate) payments

- Policy aim remains: to provide everyone in receipt of Universal Credit with access to an independent income, based on their individual needs.
- Policy and delivery assessments gaining pace.
- Current proposal is based on household characteristics, rather than exact pounds and pence.
- Expect a more formal announcement in summer.



Social Security Scotland – delivery progress



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Thank you, any questions?



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