This factsheet presents some of the key statistics on housing benefit within the context of housing benefit reform.
Housing Benefit

This factsheet presents some of the key statistics on housing benefit within the context of housing benefit reform. Unless otherwise stated, data is based on Scottish claimant statistics as at February 2014.

Housing Benefit Timeline

Changes have been made to Housing Benefit (HB). Eventually, HB for working age tenants will be replaced by Universal Credit (UC) which will contain an element for housing costs, and Pension Credit will include a new housing credit to help towards rent.

Changes to Local Housing Allowance (LHA) applies to private rented sector:
- capping of weekly rates
- removal of 5 bed property rate
- calculating LHA rates at the 30th percentile of rents rather than the 50th percentile
- removal of £15 excess

Apr 2011

Staged increase for non-dependant deductions (for private and social sector tenants).

LHA uprating frozen.

Jan 2012

The Shared Accommodation Rate for single people in the private rented sector extended from age under 25 to age under 35.

Apr 2012

Introduction of the ‘bedroom tax’.

Apr 2013

Benefit cap fully in place. HB payments reduced if benefits exceed the cap level.

Sept 2013

Increases in LHA rates will be capped at a maximum of 1% except for those areas with the highest rent increases.

LHA rates updated by the lowest of either the actual increase in 30th percentile rents, or Consumer Price Index.

First UC new claims in Scotland followed by a phased migration of existing claimants.

Nov 2013

Pension Credit to be modified to include help for housing costs

2014-15

Oct 2015 to Oct 2017
There are 476,121 housing benefit claimants in Scotland. 79% live in the social rented sector. 21% live in the private rented sector.

The Average Weekly Housing Benefit award in the social rented sector is around £64 per week while it is around £89 pounds per week in the private rented sector.

Currently 13% of those claiming housing benefit are in employment.

Expenditure on HB has been rising, although at a slower rate in recent years. In 2012-13, expenditure across GB was £24bn – a rise of 50% since 2003-04. Over the same period, expenditure in Scotland has risen by 20% to £1.8bn.

The diagram below shows the year on year percentage change in HB expenditure for both the GB and Scotland. Figures are in real terms (2013-14 prices).
In Scotland, 18.5% of social rented sector (SRS) HB claimants (69,916) have had their HB reduced because of the ‘bedroom tax’. There may be others affected by the ‘bedroom tax’ who have already moved to a smaller property or who have received a reduction which means they no longer receive any HB.

Average reduction in housing benefit because of the ‘bedroom tax’ is currently £10.38 per week.
Discretionary Housing Payments (DHPs)

DHPs are administered by councils and help people who are struggling to pay their rent. The DWP has substantially increased its budget for DHPs, and the Scottish Government has also provided DHP funding for Scottish councils in 2013-14 and 2014-15.

In 2013-14, 362 DHP awards were granted, with an average award value of £335. Most DHP awards, 81%, have been made to help tenants affected by the ‘bedroom tax.’ Overall, 77% (£29m) of the available budget (£38m) was spent although there was considerable variation between councils.

Scotland’s allocation from the DWP in 2014-15 is £15m. Legislation limits the total amount that can be spent on DHPs in a year to 2.5 the DWP allocation. However, the UK Government has agreed to devolve to Scottish Ministers the power to set the statutory cap on DHP spending, which will allow Scottish Ministers to provide Scottish councils with £35m in 2014-15. This means a total of £50m will be available in 2014-15, a sum the Scottish Government expects will fully mitigate the impact of the bedroom tax.

Since the introduction of the benefit cap a total of 1,710 households in Scotland have had their benefit capped (up to Mar 2014).

At March 2014, 979 households were subject to the benefit cap.
Sources:

Berry, K (2011) SPICe Briefing SB 11-03 Housing Benefit Changes - Implications for Scotland. Available at: http://www.scottish.parliament.uk/parliamentarybusiness/23479.aspx

DWP Stat-XPlore Housing Benefit caseload tables. Available at: https://stat-xplore.dwp.gov.uk/


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