

Deputy First Minister
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Michael McMahon MSP
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Welfare Reform Committee
TG.01
The Scottish Parliament
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Dear Michael

I write to advise the Committee of additional Scottish Government funding to help to mitigate against the impact of UK Government welfare reforms.

Up to £20 million will be made available in 2014-15 to enable Local Authorities, for a second consecutive year, to top up their Discretionary Housing Payment (DHP) budgets to the maximum permitted under UK legislation.

The Department for Work and Pensions (DWP) has indicated that the DHP allocations will not be decided until later in the year, and possibly early in 2014. The funding provided by the Scottish Government will be determined by the allocation from DWP to Scottish Local Authorities. Each Local Authority will be offered 150% of the DWP allocation. This percentage is in line with the current Order under section 70 of the Child Support, Pensions and Social Security Act 2000.

Final funding arrangements will be confirmed as part of the Budget Bill, following consultation on the Draft Budget.

Best wishes

NICOLA STURGEON