Michelle Ballantyne: I want to pick up on that issue. Will you clarify your understanding of the way in which DHPs are administered? You talk about mitigating the bedroom tax but, in reality, DHPs are means-tested awards. They are not necessarily there to directly mitigate the bedroom tax; people are asked whether they need the money and what their circumstances are, and an award is made to them on that basis. You said that the bedroom tax should be taken out and dealt with elsewhere. Are you saying that people who are in need for one reason should be looked at differently from people who are in need for another reason? Surely, when we are talking about means-tested need, they are the same thing in reality.

In order for DHPs to be applied for, the person must already be in receipt of Housing Benefit or Universal Credit Housing Costs, and these are means-tested. If a person has been deemed to require housing benefit, we are satisfied that they require help with housing costs and so it’s right for what they lose through the bedroom tax to be reimbursed to them. It makes some administrative sense that DHPs are used due to the person requiring to qualify for HB to access DHPs and so no further means testing needs to be done to ascertain the person’s need for assistance. We support the Scottish Government’s pledge to fully mitigate the bedroom tax as we believe and have experience that the households who are affected by it do not have the means to deal with it.

In terms of “people who are in need for one reason should be looked at differently from people who are in need for another reason”, that is not our intended meaning. I am saying that DHPs are now sometimes – in our experience – failing to support people that they were intended to support before the bedroom tax was implemented. Prior to the implementation of the bedroom tax, there was enough money to support nearly everyone who applied for it, for whatever reason they required it. It’s about recognising that DHPs are now struggling to
assist all those who need it. We recognise that additional funds are provided by the Scottish Government to help LAs mitigate the bedroom tax, but LAs are having to top this money up, and are prioritising bedroom tax applications over other applications because of the pledge of the Government to fully mitigate it.

It is right for the Government to mitigate the bedroom tax in its entirety, but we suggest there may be a better mechanism to do this than via DHPs; for example by doing it at source, which we believe has been proposed by the Scottish Government. This has the double bonus of not requiring households to have to submit repeat applications.

**Aoife Deery:** My issue with the bedroom tax being dealt with under the DHP system is that local authorities no longer have a discretionary choice to give DHPs for that reason. We believe that the bedroom tax should absolutely be dealt with and that people should not have to deal with it themselves, but the approach is no longer discretionary.

**Michelle Ballantyne:** But DHPs are still means tested. In most local authorities, people have to submit their income and expenditure when they apply, and they will get the money if the need exists. That is why I am asking for clarification.

**The Convener:** That is really helpful. However, if someone qualified to have their bedroom tax mitigated for the gap between the means-tested award that has already been applied and the rent, would means testing not already have been applied before DHP was used to mitigate the bedroom tax? It would be helpful to clarify that.

**Aoife Deery:** I see what you are saying, but that is slightly separate from the point that I made. Can I come back to Michelle Ballantyne on that question?

**Michelle Ballantyne:** Yes. Are you suggesting that everybody to whom the bedroom tax applies should get the money regardless of need? My understanding is that DHPs are means tested. If the two are separated out, how would that be managed?

Yes, we believe that everybody affected by the bedroom tax should receive money to make up the shortfall. DHPs are means tested in the sense that they require a person to be eligible for housing benefit or Universal Credit housing costs to access them. So further means testing need not occur when a person applies for a DHP, as their eligibility has already been
proved through their receipt of housing benefit or UC housing costs. Completing a means-
test again would be unnecessary and a waste of resources.

I understand by “the two”, this means DHP and bedroom tax; as such the bedroom tax could
be either lifted, or the Scottish Government could directly pay the DWP what it would cost to
mitigate all affected households and the DWP would amend the person’s housing benefit at
source to reflect that this has been paid and the person needs to take no further action.

The Convener: Ms Deery can speak for herself, but I think that she was making a separate
point. She might want to make it again so that it is not lost during the exchange. Will you
articulate again why you would like the bedroom tax funds not to sit within the DHP system?

Aoife Deery: I would definitely like to get back to Michelle Ballantyne on that point.

Michelle Ballantyne: That is fine.

Aoife Deery: I will reiterate what the convener asked me to reiterate. That could be an option
to look at, as there is not discretion. Local authorities have to mitigate the bedroom tax
because of the commitment that the Scottish Government has made. Therefore, there is no
longer a discretionary choice, and maybe there is a better mechanism by which people could
be helped if they are affected by the bedroom tax.

The Convener: I understand the point that you are making. Do you want to add anything in
relation to the means-testing aspect before I bring in other witnesses?

Aoife Deery: No, I will come back to you on that.