



Department for Work & Pensions



Scotland Office



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Councillor Dick Walsh
Leader of the Council
Argyll and Bute Council
Headquarters
Kilmory
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PA31 8RT

25 June 2014

Dear Dick,

DISCRETIONARY HOUSING PAYMENTS – SECTION 63 ORDER

We are writing to provide you with information about the agreement reached between the UK Government and the Scottish Government in relation to Discretionary Housing Payments (DHPs).

On 2 May, the Parliamentary Under Secretary of State for Scotland wrote to the Deputy First Minister, on behalf of the UK Government, to offer to transfer the power to set the DHP cap to Scottish Ministers. This offer was accepted and officials in both Governments have prepared a draft Order in Council that will provide Scottish Ministers with the executive power to set the DHP cap in Scotland.

The Order must be debated and approved by both Houses of Parliament and the Scottish Parliament. The Deputy First Minister and Parliamentary Under Secretary of State for Scotland have spoken by phone on several occasions and we have confirmed our shared commitment to delivering the Order through its Parliamentary stages as quickly as possible.

We are committed to delivering the Order within the current financial year (2014-15). This will ensure that Scottish Ministers are able to use their new executive power to set the DHP cap level in Scotland prior to the end of this financial year. It will be for the Scottish Government to determine the revised cap and to deliver the necessary secondary legislation through the Scottish Parliament to set the revised DHP cap in Scotland. However we can confirm Local Authorities will be able to incur expenditure beyond the current DHP cap ahead of the legislation completing all its Parliamentary stages.

The Scottish Government's intention for the revised cap is to either remove it completely, or to set it at a level high enough to meet the Scottish Government's clearly stated policy intentions. This will allow local authorities the flexibility to add their own resources in order to support people who need extra help with their housing costs, within the DHP framework set out by DWP.

We trust that this letter offers the assurance your local authority requires on the steps that we are taking in this area.

We are copying this letter to Bruce West in your finance department and Sally Loudon, Chief Executive of Argyll and Bute Council.

LORD FREUD

DAVID MUNDELL

NICOLA STURGEON