

# Use of Discretionary Housing Payments – Analysis of end of year returns from Local Authorities

Data for April 2017 – March 2018

Biannual

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England and Wales

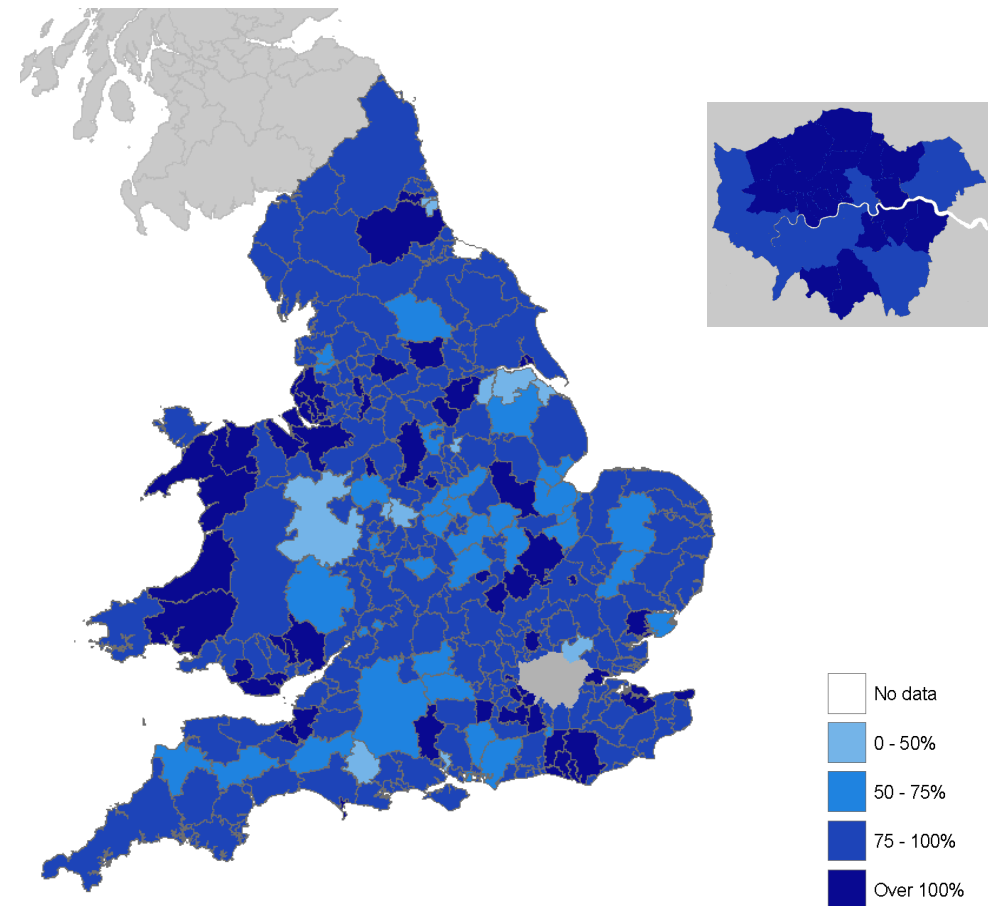
Official Statistics

Discretionary Housing Payment (DHP) is a discretionary scheme that allows local authorities (LAs) to make financial awards to people experiencing financial difficulty with housing costs who qualify for Housing Benefit (HB) or the housing costs element of Universal Credit (UC).

## Main stories

- In 2017/18, central government contributed **£166.5** million to DHP funding in England and Wales.
- The majority of LAs, who submitted returns, have reported spending **less than or equal to** their central government allocation of DHP funding (**71** per cent of LAs).
- Total spending on DHPs in England and Wales (including additional funding provided by LAs) was **99** per cent of the total central government allocation, amongst LAs submitting returns.

**Map 1: Percentage of Central Government DHP allocation spent by local authority, April 2017 – March 2018**



Source: DHP financial returns for the period April 2017 to March 2018

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**Responsible Analyst:** Andrew Stocks

[Andrew.Stocks@dwp.gsi.gov.uk](mailto:Andrew.Stocks@dwp.gsi.gov.uk)

**Author:** Samuel Mackley

[Samuel.Mackley@dwp.gsi.gov.uk](mailto:Samuel.Mackley@dwp.gsi.gov.uk)

**DWP Press Office:** 0203 267 5144

Comments? Feedback is welcome

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## What you need to know

### About DHPs

Discretionary Housing Payment (DHP) is a discretionary scheme that allows local authorities (LAs) to make financial awards to people experiencing financial difficulty with housing costs who qualify for Housing Benefit (HB) or the housing costs element of Universal Credit (UC).

As part of the welfare reforms package introduced from 2011, the government has significantly increased its contribution towards DHPs to help LAs support those affected by some of the key changes to HB, namely:

- The introduction of the benefit cap, which is administered through HB and UC;
- The removal of the spare room subsidy (RSRS) in the social rental sector; and,
- The local housing allowance (LHA) reforms.

In total in 2017/18, central government allocated £166.5 million of DHP funding to be distributed amongst English and Welsh LAs. **Table 1** shows central government funding for DHPs for the financial years 2011/12 to 2017/18.

### DHPs and Scotland

DHPs for Scotland were devolved from 1 April 2017, under the Scotland Act 2016 implementing the Smith Commission Agreement.

Information and statistics on DHPs in Scotland can be found here:

<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/dhp>

# Central Government Funding for DHPs

**Table 1: DHP government funding (£million)**

DHPs	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Great Britain	Great Britain	Great Britain	Great Britain	Great Britain	Great Britain	England & Wales
<b>Core</b>	20	20	20	20	15	20	18
<b>Local Housing Allowance</b>	10	40	40	40	25	30	27
<b>RSRS</b>	-	-	55	60	60	60	54
<b>Benefit cap</b>	-	-	65	45	25	40	67.5
<b>Total</b>	<b>30</b>	<b>60</b>	<b>180</b>	<b>165</b>	<b>125</b>	<b>150</b>	<b>166.5</b>
<b>Additional over Core</b>	10	40	160	145	110	130	148.5

Source: Housing Benefit subsidy circulars available from:

<https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-subsidy-circulars>

The allocation methodology of the central government contribution towards DHPs to each LA in 2017/18 was shared with the LA Associations for England and Wales. Although DHP funding was notionally allocated for each reform, LAs have discretion about how they actually use the funding.

DHPs are awarded at the discretion of each LA and can provide help with on-going housing costs or one-off expenses (e.g. moving costs). In addition to the central government contribution, English and Welsh LAs are able to top up DHP funding up to a maximum of two and a half times this figure using their own funds (for instance, a local authority receiving £100,000 as DHP central government funding could top up this amount with up to £150,000 of their own funds, giving them a maximum possible total expenditure of £250,000).

At the end of each financial year, the Department requires that LAs provide details of their DHP expenditure for financial accounting purposes. This data includes details of how much of their central government contribution an LA has spent, and any additional expenditure above that.

Reflecting the need for additional accountability following the large increase in funds for DHPs, from 2013/14, LAs were requested to provide details of their use of DHP funds. This monitoring information is collected twice yearly; in the middle and at the end of the financial year. These returns are collated as management information to help inform policy development of the administration of DHP and the allocation of funds in subsequent years. They also provide information on how LAs are using DHP funding to support those affected by the different welfare reforms.

Due to the high profile and public nature of DHP usage, and in line with the Official Statistics guidance, the financial and monitoring returns from LAs have been published as an on-going Official Statistic since December 2013.

This Official Statistic is released biannually with both yearly releases covering information collected through the monitoring return, and the end of year release also including information from the financial returns. The next release in this series will be the analysis of the mid-year monitoring returns for April 2018 to September 2018.

The current statistical release presents a summary of the end of year financial and monitoring returns, including a further breakdown by reform and intended purpose of DHP from these returns, covering the financial year from April 2017 to March 2018. These statistics have not been assessed by the UK Statistics Authority, and have not been designated as National Statistics.

Previous releases of this series are provided at the link below:

<https://www.gov.uk/government/collections/discretionary-housing-payments-statistics>

Further information on the statistics in this release is available at the link below:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2017-to-2018>

## DHP Financial Returns

The figures presented below are based on the financial returns received from LAs (347 out of 348 at the time of publication). These returns contain information on actual expenditure during the financial year. The underlying LA data are available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2017-to-2018>

**Table 2** compares the reported DHP expenditure for the financial year 2017/18 with the overall central government allocation for 2017/18 by country.

**Table 2: DHP expenditure compared with full year allocation**

	DHP spent (£)	DHP allocation (£)	Spent as percentage of allocation
<b>England</b>	153,833,528	156,265,295	98%
<b>Wales</b>	9,909,910	9,744,151	102%
<b>England and Wales</b>	163,743,438	166,009,446	99%

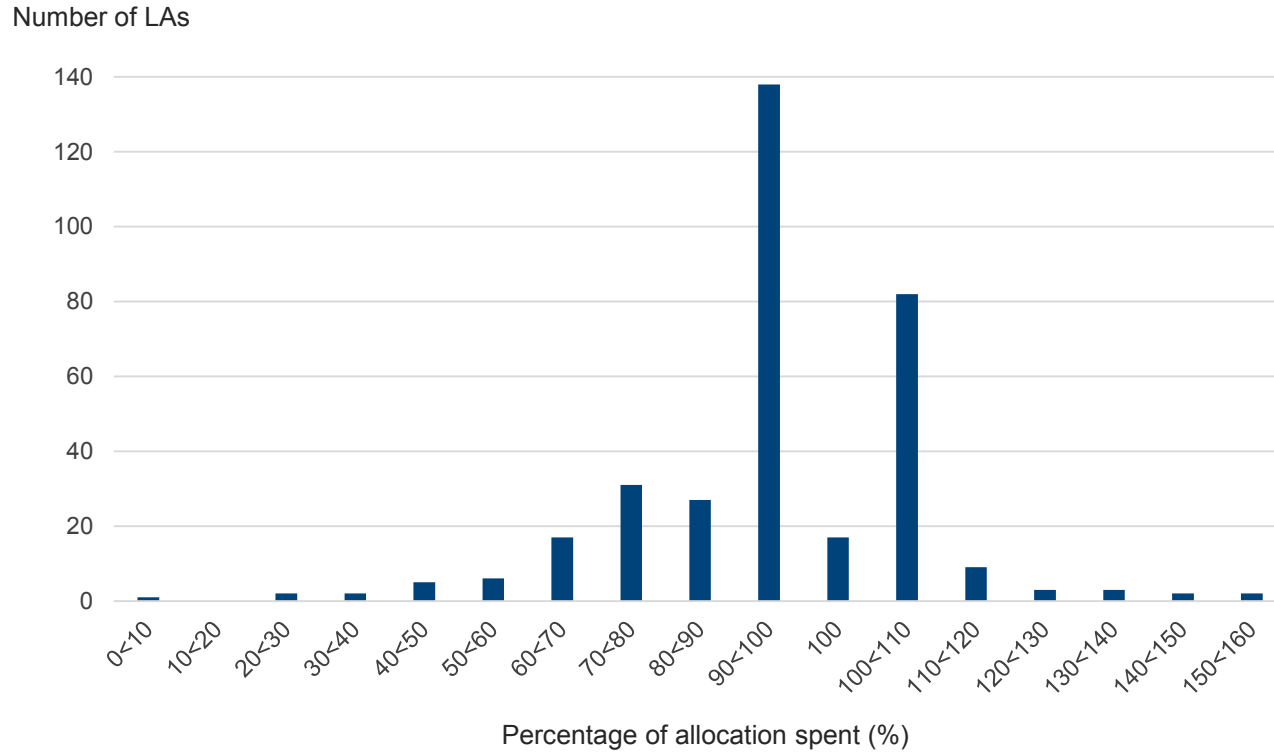
Source: DHP financial returns for the period April 2017 to March 2018

Note:

- (i) One LA has not provided a financial return and therefore the DHP spend and allocation for the LA has not been included.

Chart 1 and table 3 below show the distribution of DHP expenditure as a percentage of full-year allocation. The majority (66 per cent) of LAs have spent less than their full-year allocation.

### Chart 1: DHP expenditure distribution



Source: DHP financial returns for the period April 2017 to March 2018

Note:

- (i) One LA has not provided a financial return and therefore the DHP spend and allocation for the LA has not been included.

**Table 3: DHP expenditure distribution**

Percentage of allocation spent (%)	Number of LAs	Cumulative Number LAs	Percentage of LAs	Cumulative percentage of LAs
0<10	1	1	<0.5%	<0.5%
10<20	0	1	0	<0.5%
20<30	2	3	1	1
30<40	2	5	1	1
40<50	5	10	1	3
50<60	6	16	2	5
60<70	17	33	5	10
70<80	31	64	9	18
80<90	27	91	8	26
90<100	138	229	40	66
100	17	246	5	71
100<110	82	328	24	95
110<120	9	337	3	97
120<130	3	340	1	98
130<140	3	343	1	99
140<150	2	345	1	99
150<160	2	347	1	100

Source: DHP financial returns for the period April 2017 to March 2018

Note:

- (i) One LA has not provided a financial return and therefore the DHP spend and allocation for the LA has not been included.
- (ii) Percentages may not sum to 100 per cent due to rounding.

**Table 4** shows the extent to which LAs spent more or less than their central government contribution towards DHPs. In England and Wales, 101 LAs spent more than their allocation, by around £6.3 million. Conversely 229 LAs in England and Wales spent less than their allocation, leaving approximately £8.6 million of DHP funding unspent. 17 English LAs and 0 Welsh LAs spent exactly 100 per cent of their allocation.

**Table 4: Amount over/under-spent**

	Overspend count	Amount overspent	Underspend count	Amount underspent	Exact spend count
<b>England</b>	85	6,070,072	223	8,501,839	17
<b>Wales</b>	16	247,686	6	81,927	0
<b>England and Wales</b>	101	6,317,758	229	8,583,766	17

Source: DHP financial returns for the period April 2017 to March 2018

Note:

- (i) One LA has not provided a financial return and therefore the DHP spend and allocation for the LA has not been included.



## DHP Monitoring Returns

The figures presented in this section are taken from the monitoring returns described in the methodology section, illustrating how much funding LAs have spent on each reform, and the intended purpose of the DHP. These results are based on the returns from 291 LAs who responded by 29 June 2018. The underlying LA data are available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2017-to-2018>

**Table 5** shows the amount spent and the percentage of total spend attributed to each welfare reform measure.

**Table 5: Proportion of DHP expenditure on each welfare reform**

Welfare Reforms for which DHP was awarded	Amount spent (£)	Percentage of total spent
Benefit Cap	38,607,090	28%
RSRS	37,486,400	27%
LHA	17,265,654	13%
Combination of welfare reforms	4,438,715	3%
Award not for welfare reforms	39,220,486	29%
<b>Total</b>	<b>137,018,345</b>	<b>100%</b>

Source: DHP monitoring returns for the period April 2017 to March 2018

Note:

- (i) The DHP expenditure shown here is for those LAs who have submitted a monitoring return.
- (ii) Percentages may not sum to 100 per cent due to rounding.

**Table 6** compares the levels of DHP expenditure attributed to each main welfare reform measure with the overall amounts nominally allocated to each reform measure from the overall DHP funding allocation for 2017/18.

**Table 6: DHP expenditure compared with DHP allocation by reform measure**

<b>Welfare Reforms for which DHP was awarded</b>	<b>Amount spent (£)</b>	<b>Amount allocated (£)</b>	<b>Percentage of total spent</b>
<b>Benefit Cap</b>	38,607,090	55,782,970	69%
<b>RSRS</b>	37,486,400	46,059,023	81%
<b>LHA</b>	17,265,654	22,662,292	76%

Source: DHP monitoring returns for the period April 2017 to March 2018

Note:

- (i) The DHP expenditure shown here is for those LAs who have submitted a monitoring return.
- (ii) Table excludes the non-reform and combined awards and does not include the core budget in the allocations.

**Table 7** shows the percentage of total spend attributed to each purpose of DHP category.

**Table 7: DHP expenditure by purpose of DHP**

	To help secure and move to alternative accommodation (e.g. rent deposit) (%)	To help with short term rental costs while the claimant secures and moves to alternative accommodation (%)	To help with short term rental costs while the claimant seeks employment (%)	To help with on-going rental costs for disabled person in adapted accommodation (%)	To help with on-going rental costs for a foster carer (%)	To help with on-going rental costs for any other reason (%)	Number and percentage of local authorities providing a monitoring return with a breakdown of purpose
<b>England</b>	12	15	17	4	<0.5%	52	239 (73%)
<b>Wales</b>	16	10	14	4	<0.5%	56	13 (59%)
<b>England and Wales</b>	12	15	17	4	<0.5%	52	252 (72%)

Source: DHP monitoring returns for the period April 2017 to March 2018

Note:

- (i) The DHP expenditure shown here is for those LAs who have submitted a monitoring return, and completed the breakdown of expenditure on each reform by purpose of DHP. Thirty-eight LAs provided a monitoring return without providing a breakdown for purpose of DHP and are not included in this table.
- (ii) Percentages may not sum to 100 per cent due to rounding.

**Table 8** shows the percentage of expenditure attributed to each purpose of DHP category, by reform measure.

**Table 8: Percentage of DHP expenditure on each DHP purpose category, by reform measure**

<b>Welfare Reforms for which DHP was awarded</b>	<b>To help secure and move to alternative accommodation (e.g. rent deposit) (%)</b>	<b>To help with short term rental costs while the claimant secures and moves to alternative accommodation (%)</b>	<b>To help with short term rental costs while the claimant seeks employment (%)</b>	<b>To help with on-going rental costs for disabled person in adapted accommodation (%)</b>	<b>To help with on-going rental costs for a foster carer (%)</b>	<b>To help with on-going rental costs for any other reason (%)</b>
<b>Benefit cap</b>	5	9	40	<0.5	<0.5	46
<b>RSRS</b>	8	24	6	10	<0.5	51
<b>LHA</b>	10	24	13	2	<0.5	51

Source: DHP monitoring returns for the period April 2017 to March 2018.

Note:

- (i) The DHP expenditure shown here is for those LAs who have submitted a monitoring return, and completed the breakdown of expenditure on each reform by purpose of DHP. Thirty-eight LAs provided a monitoring return without providing a breakdown for purpose of DHP and are not included in this table.
- (ii) Percentages may not sum to 100 per cent due to rounding.

## Where to find out more

This document, the statistics release and supporting tables can be found here:

<https://www.gov.uk/government/collections/discretionary-housing-payments-statistics>

Statistics on Housing Benefit, LHA and RSRS are available here:

<https://www.gov.uk/government/statistics/housing-benefit-caseload-statistics>

Statistics on the benefit cap are available here:

<https://www.gov.uk/government/collections/benefit-cap-statistics>

Information on Official Statistics is available via the UK Statistics Authority website:

<http://www.statisticsauthority.gov.uk/>

Information about statistics at DWP is available via the Department's website:

<https://www.gov.uk/government/organisations/department-for-work-and-pensions/about/statistics>