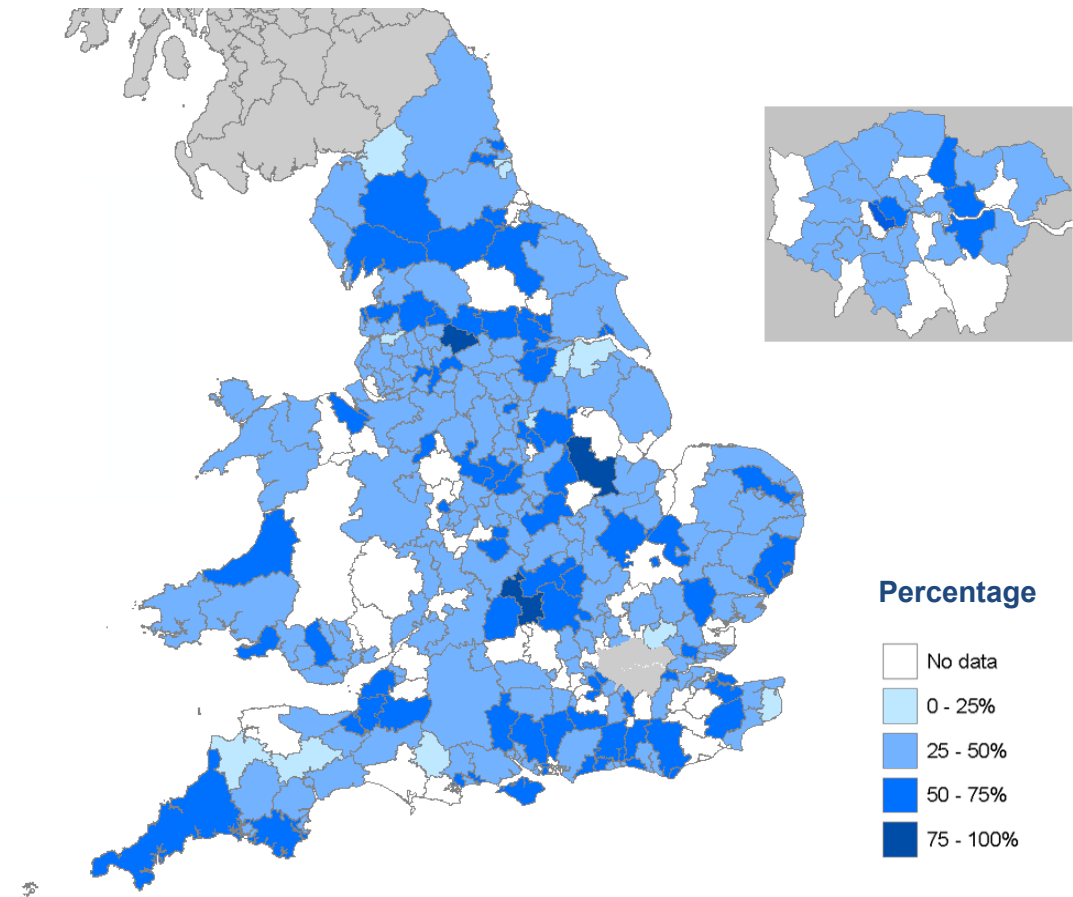


Discretionary Housing Payment (DHP) is a discretionary scheme that allows local authorities (LAs) to make monetary awards to people experiencing financial difficulty with housing costs who qualify for Housing Benefit (HB) or the housing costs element of Universal Credit (UC).

Main stories

- In 2018/19, central government contributed **£153** million to DHP funding in England and Wales.
- The majority of LAs, who submitted returns, have reported spending less than **50** per cent of 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 **45** 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 2018 – September 2018.



Source: DHP Monitoring returns for the period April 2018 to September 2018

At a glance

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Responsible Analyst: Andrew Stocks

Telephone: 0114 294 8829

Email: andrew.stocks@dwp.gsi.gov.uk

Author: Lukas Ambroza

Telephone: 020 7449 7025

Email: lukas.ambroza@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 2018/19, central government allocated £153 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 2018/19.

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	2018/19
	Great Britain	Great Britain	Great Britain	Great Britain	Great Britain	Great Britain	England & Wales	England & Wales
Core	20	20	20	20	15	20	18	18
Local Housing Allowance	10	40	40	40	25	30	27	27
RSRS	-	-	55	60	60	60	54	54
Benefit cap	-	-	65	45	25	40	67.5	54
Total	30	60	180	165	125	150	166.5	153
Additional over Core	10	40	160	145	110	130	148.5	135

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 2018/19 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 being 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 end of year financial and monitoring returns for April 2018 to March 2019.

The current statistical release presents a summary of the mid year monitoring returns, including a further breakdown by reform and intended purpose of DHP from these returns, covering the financial year from April 2018 to September 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-april-to-september-2018>

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 284 English and Welsh LAs (out of 348 at the time of publication) who responded by 24 November 2018. The underlying LA data are available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-april-to-september-2018>

Table 2 compares the reported DHP expenditure in the mid-financial year 2018/19 with the overall central government allocation for 2018/19 by country.

Table 2: DHP expenditure compared with full year allocation

	DHP spent (Apr 2018 - Sept 2018) (£)	DHP Allocation 18/19 (£)	Spent as percentage of allocation (%)
England	54,129,765	119,273,586	45%
Wales	3,515,193	7,700,790	46%
England and Wales	57,644,959	126,974,376	45%

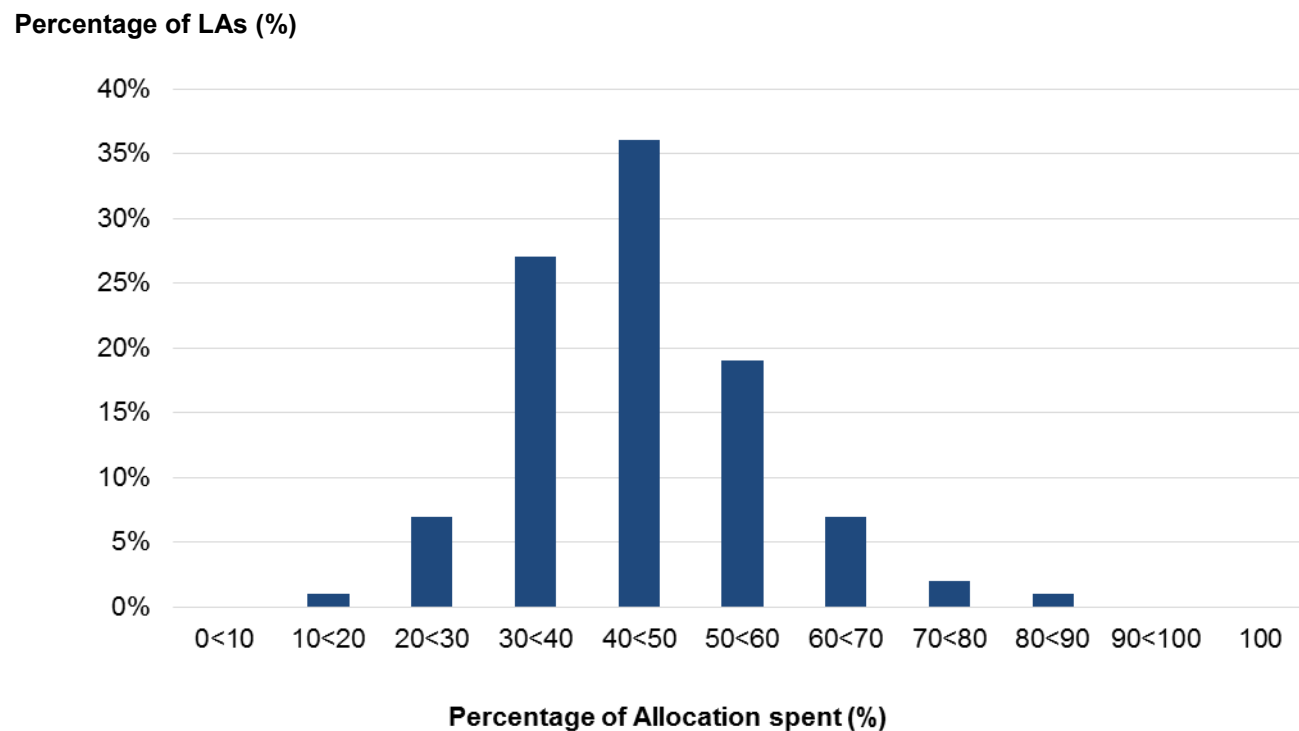
Source: DHP Monitoring returns for the period April 2018 to September 2018.

Note:

- (i) The DHP allocations are included for only those LAs who have provided monitoring returns, and hence are lower than the total allocations.
- (ii) Figures may not sum due to rounding.

Chart 1 and **table 3** below show the distribution of DHP expenditure as a percentage of full-year allocation for England and Wales. The majority (71 per cent) of LAs in England and Wales, who have supplied monitoring returns, have spent less than half of their full-year allocation.

Chart 1: DHP expenditure distribution for England and Wales



Source: DHP financial returns for the period April 2018 to September 2018.

Table 3: DHP expenditure distribution for England and Wales

Percentage of allocation spent (%)	Number of LAs	Cumulative Number LAs	Percentage of LAs (%)	Cumulative percentage of LAs (%)
0<10	0	0	0	0
10<20	4	4	1	1
20<30	21	25	7	9
30<40	76	101	27	36
40<50	101	202	36	71
50<60	55	257	19	90
60<70	20	277	7	98
70<80	5	282	2	99
80<90	2	284	1	100
90<100	0	284	0	100
100	0	284	0	100

Source: DHP monitoring returns for the period April 2018 to September 2018

Note:

- (i) Percentages may not sum to 100 per cent due to rounding.

Table 4 shows the amount spent and the percentage of total spend attributed to each welfare reform measure.

Table 4: Proportion of DHP expenditure on each welfare reform for England and Wales

Welfare Reforms for which DHP was awarded	Amount spent (£)	Percentage of total spent (%)
Benefit Cap	14,377,010	25
RSRS	15,680,239	27
LHA	8,348,298	14
Combination of welfare reforms	2,228,542	4
Award not for welfare reforms	17,010,870	30
Total	57,644,959	100

Source: DHP Monitoring returns for the period April 2018 to September 2018

Note:

- (i) Figures and percentages may not sum due to rounding.

Table 5 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 2018/19.

Table 5: DHP expenditure compared with DHP allocation by reform measure for England and Wales

Welfare Reforms for which DHP was awarded	Amount spent (£)	Amount allocated (£)	Spent as percentage of allocation (%)
Benefit Cap	14,377,010	44,818,896	32
RSRS	15,680,239	44,794,598	35
LHA	8,348,298	22,545,555	37

Source: DHP Monitoring returns for the period April 2018 to September 2018

Note:

- (i) The DHP allocations are included for only those LAs who have provided returns, and hence are lower than the total allocations.
- (ii) Table excludes the non-reform and combined awards and does not include the core budget in the allocations.

Table 6 shows the percentage of total spend by country attributed to each purpose of DHP category.

Table 6: 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 monitoring return financial purpose of award data
England	14	16	17	4	<0.5	49	241 (74%)
Wales	16	8	13	3	<0.5	60	12 (55%)
England and Wales	14	16	17	4	<0.5	49	253 (73%)

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

Notes:

- (i) The DHP expenditure shown here are for only those LAs who have provided monitoring returns, and completed the breakdown of expenditure on each reform by purpose of DHP. Thirty-one 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 7 shows the percentage of expenditure attributed to each purpose of DHP category, by reform measure.

Table 7: Percentage of DHP expenditure on each DHP purpose category, by reform measure

	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 (%)
Benefit cap	6	12	42	<0.5	<0.5	39
RSRS	9	23	8	10	<0.5	50
LHA	11	24	14	2	<0.5	49

Source: DHP Monitoring returns for the period April 2018 to September 2018

Notes:

- (i) The DHP allocation proportions shown here are for those LAs who have submitted monitoring returns, and completed the breakdown of expenditure on each reform by purpose of DHP. Thirty-one 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>

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>