

Use of Discretionary Housing Payments – Analysis of End of Year returns from Local Authorities

April 2016 – March 2017

Biannual

Financial year 2016/17

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Official Statistics

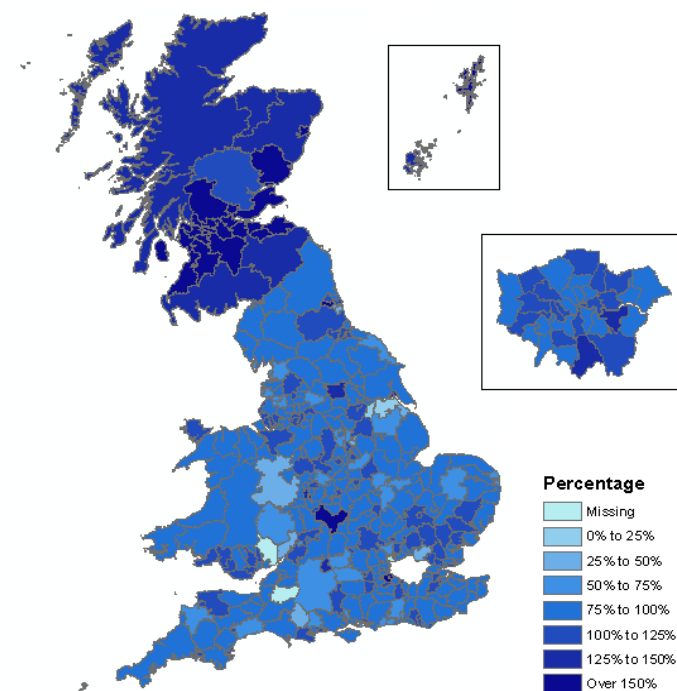
Discretionary Housing Payment (DHP) is a discretionary scheme that allows local authorities (LAs) to make monetary awards to people experiencing financial difficulty with housing costs who qualify for Housing Benefit (HB) or the housing costs element of Universal Credit (UC).

Main stories

- In 2016/17, central government contributed £150 million to DHP funding.
- The majority of LAs have reported spending less than or 100 per cent of their central government allocation of DHP funding (GB: 67 per cent of LAs, GB excl. Scotland: 73 per cent).
- Total spending on DHPs in GB excluding Scotland (including additional funding provided by LAs) was similar to the total central government allocation at 98 per cent. When Scottish LAs are included, spending was around 123 per cent of the total allocation.

Local Authorities in Great Britain: Percentage of central government DHP allocation spent.

April 2016 - March 2017



What you need to know

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).

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 2016/17, central government allocated £150 million of DHP funding to be distributed amongst LAs. **Table 1** shows central government funding for DHPs for the financial years 2011/12 to 2016/17.

Table 1: DHP government funding for Great Britain (£million)

DHPs	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Core	20	20	20	20	15	20
Local Housing Allowance	10	40	40	40	25	30
RSRS	-	-	55	60	60	60
Benefit cap	-	-	65	45	25	40
Total	30	60	180	165	125	150
Additional over Core	10	40	160	145	110	130

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 2016/17 was shared with the LA Associations for England, Scotland 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 mid-year monitoring returns for April to September 2017.

The current statistical release presents a summary of the financial and monitoring returns, including a further breakdown by reform and intended purpose of DHP from these returns, covering the financial year from April 2016 to March 2017.

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>

DHP Financial Returns

The figures presented below are based on the financial returns received from LAs (375 out of 380 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-201617>

Table 2 compares the reported DHP expenditure for the financial year 2016/17 with the overall central government allocation for 2016/17 by country.

Table 2: DHP expenditure compared with full year allocation

	DHP spent (Apr 2016 - March 2017) (£)	DHP allocation YEAR (£)	Spent as percentage of allocation (%)
England	123,614,419	126,478,961	98
Scotland	51,734,446	15,192,689	341
Wales	7,707,297	7,706,471	100
Great Britain	183,056,162	149,378,121	123
Great Britain (excl Scotland)	131,321,716	134,185,432	98

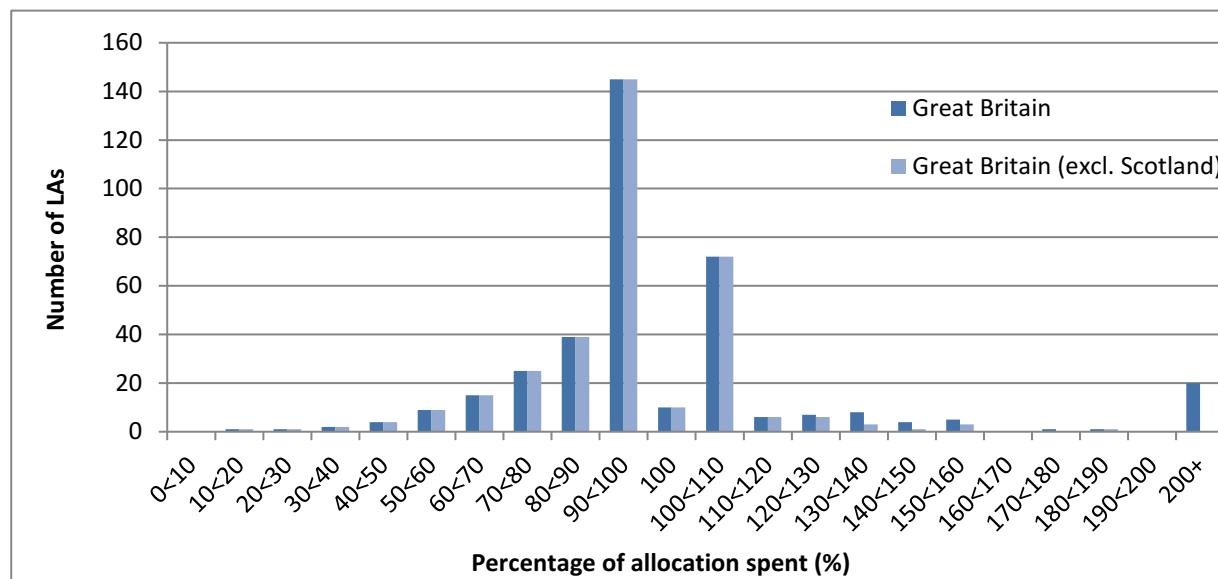
Source: DHP financial returns for the period April 2016 to March 2017.

Note: Five of the LAs have not provided financial returns and therefore, the DHP spending and allocations for these LAs have not been included.

Note: In 2016/17, the Scottish Government made an extra £36.5 million available to fund DHPs above the £15.2 million contribution from central government; bringing the total funding for Scottish LAs to £51.7 million. The additional funding from the Scottish Government was made available with the explicit intention of being used to fully mitigate the removal of the spare room subsidy policy.

Chart 1 and **tables 3a** and **3b** below show the distribution of DHP expenditure as a percentage of full-year allocation for both Great Britain, and Great Britain excluding Scotland. The majority (64 per cent) of LAs in Great Britain have spent less than their full-year allocation.

Chart 1: DHP expenditure distribution for both Great Britain, and Great Britain excluding Scotland



Source: DHP financial returns for the period April 2016 to March 2017.

Note: Five of the LAs have not provided financial returns and therefore, the DHP spending and allocations for these LAs have not been included.

Table 3a: DHP expenditure distribution for Great Britain

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	1	1	0	0
20<30	1	2	0	1
30<40	2	4	1	1
40<50	4	8	1	2
50<60	9	17	2	5
60<70	15	32	4	9
70<80	25	57	7	15
80<90	39	96	10	26
90<100	145	241	39	64
100	10	251	3	67
100<110	72	323	19	86
110<120	6	329	2	88
120<130	7	336	2	90
130<140	8	344	2	92
140<150	4	348	1	93
150<160	5	353	1	94
160<170	0	353	0	94
170<180	1	354	0	94
180<190	1	355	0	95
190<200	0	355	0	95
200+	20	375	5	100

Source: DHP financial returns for the period April 2016 to March 2017

Note: Percentages may not sum to 100 per cent due to rounding.

Note: Five of the LAs have not provided financial returns and therefore, the DHP spending and allocations for these LAs have not been included.

Table 3b: DHP expenditure distribution for Great Britain excluding Scotland

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	1	1	0	0
20<30	1	2	0	1
30<40	2	4	1	1
40<50	4	8	1	2
50<60	9	17	3	5
60<70	15	32	4	9
70<80	25	57	7	17
80<90	39	96	11	28
90<100	145	241	42	70
100	10	251	3	73
100<110	72	323	21	94
110<120	6	329	2	96
120<130	6	335	2	98
130<140	3	338	1	99
140<150	1	339	0	99
150<160	3	342	1	100
160<170	0	342	0	100
170<180	0	342	0	100
180<190	1	343	0	100
190<200	0	343	0	100
200+	0	343	0	100

Source: DHP financial returns for the period April 2016 to March 2017

Note: Percentages may not sum to 100 per cent due to rounding.

Note: Five of the LAs have not provided financial returns and therefore, the DHP spending and allocations for these LAs have not been included.

Table 4 shows the extent to which LAs in each country spent more or less than their central government contribution towards DHPs. In Great Britain, 124 LAs spent more than their allocation, by around £41 million. Excluding Scotland, the number of LAs over-spending was 92, and the amount over-spent by was around £4.4 million. Conversely 241 LAs in Great Britain spent less than their allocation, leaving approximately £7.2 million of DHP funding unspent. 9 English LAs and 1 Welsh LA spent exactly 100 per cent of their allocation, whereas all 32 Scottish LAs overspent their Government Contribution.

Table 4: Amount over/under-spent by Country

	Over spend		Under spend		Exact spend
	Count	Amount over-spent by (£)	Count	Amount under-spent by (£)	Count
England	85	4,268,993	228	7,133,535	9
Scotland	32	36,541,757	0	0	0
Wales	7	103,166	13	102,340	1
Great Britain	124	40,913,916	241	7,235,875	10
Great Britain (excl Scotland)	92	4,372,159	241	7,235,875	10

Source: DHP financial returns for the period April 2016 to March 2017

Note: Five of the LAs have not provided financial returns and therefore, the DHP spending and allocations for these LAs have 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 336 LAs who responded by 19 May 2017. The underlying LA data are available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-201617>

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 for both Great Britain and Great Britain excluding Scotland

Welfare Reforms for which DHP was awarded	Amount spent (£)		Percentage of total spent (%)	
	Great Britain	Great Britain (excl Scotland)	Great Britain	Great Britain (excl Scotland)
Benefit Cap	29,705,021	27,881,498	18	23
RSRS	85,541,734	41,974,347	50	35
LHA	16,155,519	14,952,415	10	12
Combination of welfare reforms	2,534,275	2,345,940	1	2
Award not for welfare reforms	35,637,325	33,458,247	21	28
Total	169,573,874	120,612,447	100	100

Source: DHP monitoring returns for the period April 2016 to March 2017

Note: Percentages may not sum to 100 per cent due to rounding.

The DHP allocations shown here reflect only those LAs who have submitted monitoring returns.

Note: In 2016/17, the Scottish Government made an extra £36.5 million available to fund DHPs above the £15.2 million contribution from central government; bringing the total funding for Scottish LAs to £51.7 million. The additional funding from the Scottish Government was made available with the explicit intention of being used to fully mitigate the removal of the spare room subsidy policy.

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 2016/17.

Table 6: DHP expenditure compared with DHP allocation by reform measure for both Great Britain, and Great Britain excluding Scotland

Welfare Reforms for which DHP was awarded	Amount spent (£)		Amount allocated (£)		Spent as percentage of allocation (%)	
	Great Britain	Great Britain (excl Scotland)	Great Britain	Great Britain (excl Scotland)	Great Britain	Great Britain (excl Scotland)
Benefit Cap	29,705,021	27,881,498	36,743,130	34,797,520	81	80
RSRS	85,541,734	41,974,347	54,897,289	45,230,493	156	93
LHA	16,155,519	14,952,415	27,517,182	26,267,952	59	57

Source: DHP monitoring returns for the period April 2016 to March 2017

Note: The DHP allocations shown here are for those LAs who have submitted monitoring returns. Table excludes the non-reform and combined awards and does not include the core budget in the allocations.

Note: In 2016/17, the Scottish Government made an extra £36.5 million available to fund DHPs above the £15.2 million contribution from central government; bringing the total funding for Scottish LAs to £51.7 million. The additional funding from the Scottish Government was made available with the explicit intention of being used to fully mitigate the removal of the spare room subsidy policy.

Table 7 shows the percentage of total spend by country 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 monitoring return financial purpose of award data
England	14	17	15	5	0	49	257 (79%)
Scotland	1	19	3	1	0	76	27 (84%)
Wales	12	12	11	3	0	61	13 (59%)
Great Britain	10	17	12	4	0	56	297 (78%)
Great Britain (excl Scotland)	14	17	15	5	0	49	270 (78%)

Source: DHP monitoring returns for the period April 2016 to March 2017.

Note: The DHP allocations shown here are for those LAs who have submitted monitoring returns, and completed the breakdown of expenditure on each reform by purpose of DHP. Table excludes the non-reform and combined awards.

Table 8 shows the percentage of expenditure attributed to each purpose of DHP category, by reform measure, for Great Britain and Great Britain excluding Scotland.

Table 8: Percentage of DHP expenditure on each DHP purpose category, by reform measure for both Great Britain, and Great Britain excluding Scotland

	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 (%)	
	Great Britain	Great Britain (excl Scotland)	Great Britain	Great Britain (excl Scotland)	Great Britain	Great Britain (excl Scotland)	Great Britain	Great Britain (excl Scotland)	Great Britain	Great Britain (excl Scotland)	Great Britain	Great Britain (excl Scotland)
Benefit cap	6	6	11	12	39	40	0	0	0	0	43	42
RSRS	5	10	22	26	4	6	6	11	0	0	62	48
LHA	12	13	25	24	12	12	3	3	0	0	48	48

Source: DHP monitoring returns for the period April 2016 to March 2017.

Note: The DHP allocations shown here are for those LAs who have submitted monitoring returns, and completed the breakdown of expenditure on each reform by purpose of DHP. Table excludes the non-reform and combined awards.

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>

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