



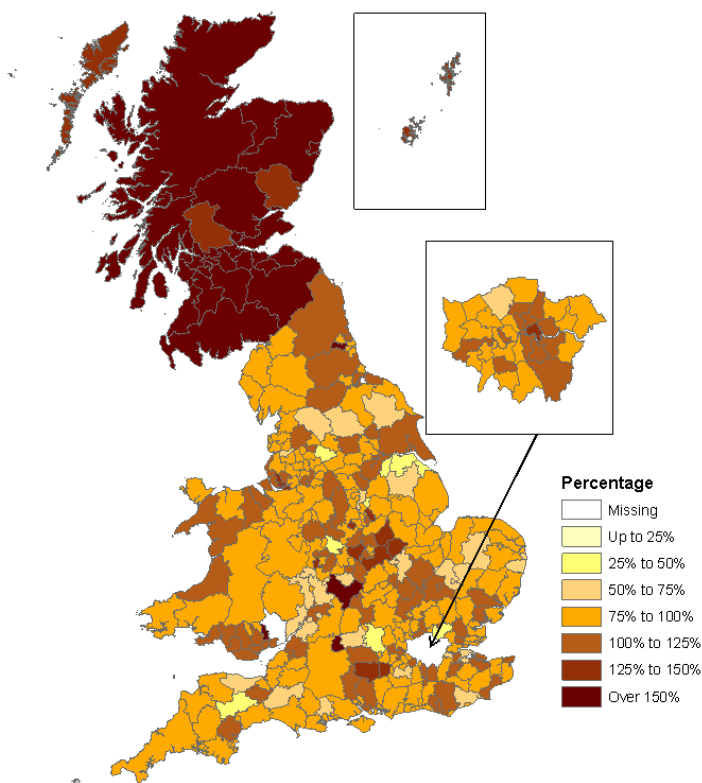
Use of Discretionary Housing Payments GB - Analysis of End of Year Returns from Local Authorities April 2014 - March 2015

This statistical release presents a summary of Local Authorities' (LA) expenditure of Discretionary Housing Payments (DHPs) in 2014/15. This analysis uses two sets of information: the financial returns the Department requires LAs to provide at the end of each financial year for accounting purposes and the voluntary monitoring returns from LAs that are being collected twice yearly since 2013/14. To reflect the different rules that now apply to DHPs in Scotland, analysis has been conducted for both Great Britain (GB) and GB excluding Scotland.

Main findings:

- The majority of LAs have reported spending less than or 100 per cent of their central government allocation of DHP funding (GB: 62 per cent of LAs, GB excl. Scotland: 67 per cent).
- Total spending on DHPs in GB excluding Scotland (including additional funding provided by some LAs) was broadly equal to the total central government allocation. When Scottish LAs are included, spending was around 121 per cent of the total allocation.
- The largest proportion of the total DHP expenditure was associated with the Removal of the Spare Room Subsidy (GB: 55 per cent of the total expenditure, GB excl. Scotland: 45 per cent).

Chart 1: Local Authorities in Great Britain: Percentage of central government DHP allocation spent.
April 2014 - March 2015



Source: DHP financial returns for the period April 2014 to March 2015.

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Introduction

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;
- the removal of the spare room subsidy (RSRS) in the social rental sector; and,
- the local housing allowance (LHA) reforms.

DHPs are awarded at the discretion of each LA and can provide help with ongoing housing costs or one-off expenses (e.g. moving costs).

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 monitoring returns were collated as management information to help inform policy development of the administration of DHP and the allocation of funds in subsequent years. These returns provide supplementary information on how LAs are using DHP funding to support those affected by the welfare reforms.

Due to the high profile nature of the information, last year it was deemed in the public interest to publish as a pair of ad hoc releases. This year, due to the ongoing high profile and public nature of DHP usage, and in line with the official statistics guidance it has been published as an ongoing Official Statistic. Previous releases of this series are provided at the link below:

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

Any future collection of management information on the usage of DHPs will be collated and released as an Official Statistic biannually with both yearly releases covering information collected through the monitoring return, and the end year release also including information from the financial returns. The next release in this series will be the analysis of mid-year monitoring returns, April to September 2015.

This statistical release presents a summary of the financial returns, as well as a further financial breakdown by reform and intended purpose of DHP from the monitoring returns, covering the full financial year from April 2014 to March 2015.

These statistics have not been assessed by the UK Statistics Authority, and have not been designated as National Statistics.

Background

The Government first introduced DHP funding in 2001, allocating £15 million to support HB claimants in need of further financial assistance towards housing costs. This core amount was increased and maintained at £20 million from 2002 to 2011, when a series of welfare reforms were introduced. Since the recent welfare reforms, central government has increased its contribution towards DHPs to provide transitional support to households affected by the reforms. In total in 2014/15, central government contributed £165 million of DHP funding to be distributed amongst LAs.

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

DHP allocation	2011/12	2012/13	2013/14	2014/15
Core	20	20	20	20
Local Housing Allowance	10	40	40	40
RSRS	-	-	55	60
Benefit cap	-	-	65	45
Total	30	60	180	165
Additional over Core	10	40	160	145

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 2014/15 was agreed following consultation and feedback with LA associations. As far as possible, the allocation of the additional funds reflected the distribution of estimated impacts of the recent welfare reforms in each area. Although DHP funding was notionally allocated for each reform, LAs have discretion about how they use the funding.

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 £150,000 of their own funds, giving them a total possible expenditure of £250,000).

Scotland

In 2014/15, the Scottish Government has made an extra £35 million available to fund DHPs above the £15.2 million contribution from central government; bringing the total funding for Scottish LAs to £50.2 million. The additional funding from Scottish Government was made available with the explicit intention of being used to fully mitigate the removal of the spare room subsidy policy.

In November, 2014, the power to determine the limit of LA expenditure on DHP was devolved. Following this, the Scottish Government laid the DHP (Limit on Total Expenditure) Revocation (Scotland) Order (<http://www.legislation.gov.uk/ssi/2014/298/contents/made>) to remove the upper limit on DHP expenditure in Scotland. As a result, the limit of two and a half times the central government contribution no longer applies in Scotland.

As the funding position in Scotland is now different from that in the rest of GB, this publication reports results which exclude Scottish LAs (GB excluding Scotland) as well as results for GB as a whole. The analysis makes no further specific reference to the additional funding stream provided by Scottish Government, and it is not included in the central government DHP allocation presented. The Scottish Government releases a series of publications providing detail on its overall DHP use and is available using the following link:

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

Results

DHP Financial Returns

The figures presented below are based on the financial returns received from LAs (378 out of 380 at the time of publication). These returns contain information on actual expenditure during the financial year. The underlying LA data is available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-201415>

Table 2 compares the reported DHP expenditure for the financial year 2014/15 with the overall DHP central government allocation for 2014/15 by country.

Table 2: DHP expenditure compared with full year allocation

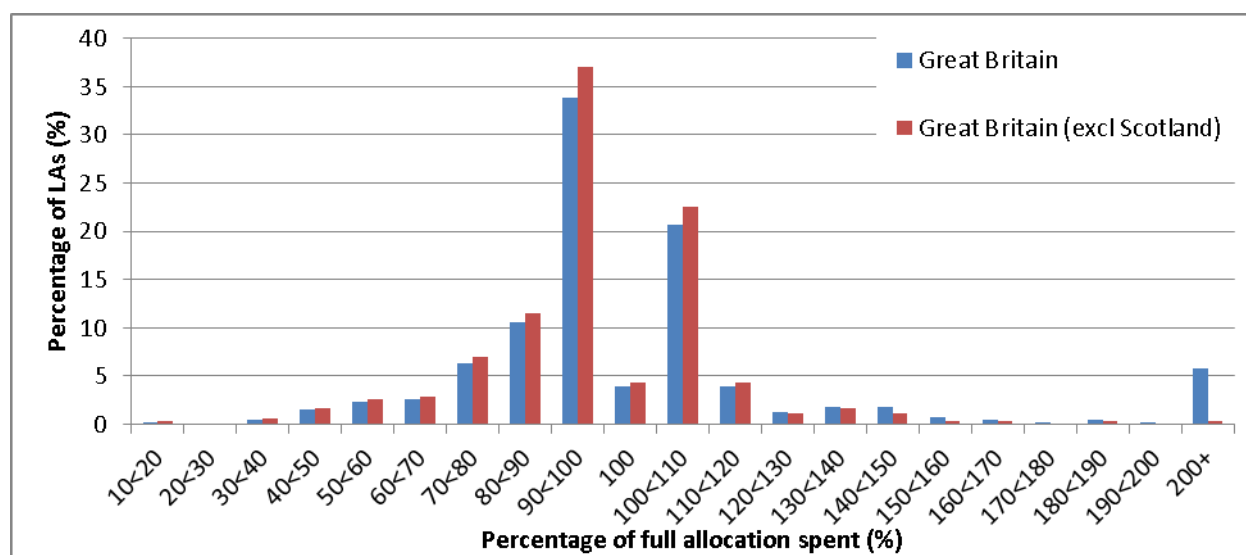
	DHP spend (Apr 2014 - March 2015) (£)	DHP allocation 2014/15 (£)	Spend as percentage of allocation
England	140,615,097	141,279,705	100%
Scotland	50,352,309	15,230,343	331%
Wales	8,047,690	7,766,472	104%
Great Britain	199,015,096	164,276,520	121%
Great Britain (excl Scotland)	148,662,787	149,046,177	100%

Source: DHP financial returns for the period April 2014 to March 2015

Notes: Two LAs have not provided financial returns and therefore the DHP spending and allocation for these LAs have not been included.

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 (62 per cent) of LAs in Great Britain have spent less than, or exactly, 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 2014 to March 2015

Notes: Two LAs have not provided financial returns and therefore the DHP spending and allocation 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
10<20	1	1	0%	0%
20<30	0	1	0%	0%
30<40	2	3	1%	1%
40<50	6	9	2%	2%
50<60	9	18	2%	5%
60<70	10	28	3%	7%
70<80	24	52	6%	14%
80<90	41	93	11%	25%
90<100	125	218	33%	58%
100	15	233	4%	62%
100<110	80	313	21%	83%
110<120	15	328	4%	87%
120<130	5	333	1%	88%
130<140	7	340	2%	90%
140<150	7	347	2%	92%
150<160	3	350	1%	93%
160<170	2	352	1%	93%
170<180	1	353	0%	93%
180<190	2	355	1%	94%
190<200	1	356	0%	94%
200+	22	378	6%	100%

Source: DHP financial returns for the period April 2014 to March 2015

Note: Percentages may not sum to 100 per cent due to rounding. Two of the LAs have not provided financial returns and therefore, the DHP spending and allocation 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
10<20	1	1	0%	0%
20<30	0	1	0%	0%
30<40	2	3	1%	1%
40<50	6	9	2%	3%
50<60	9	18	3%	5%
60<70	10	28	3%	8%
70<80	24	52	7%	15%
80<90	41	93	12%	27%
90<100	125	218	36%	63%
100	15	233	4%	67%
100<110	80	313	23%	90%
110<120	15	328	4%	95%
120<130	4	332	1%	96%
130<140	6	338	2%	98%
140<150	4	342	1%	99%
150<160	1	343	0%	99%
160<170	1	344	0%	99%
170<180	0	344	0%	99%
180<190	1	345	0%	100%
190<200	0	345	0%	100%
200+	1	346	0%	100%

Source: DHP financial returns for the period April 2014 to March 2015

Note: Percentages may not sum to 100 per cent due to rounding. Two LAs have not provided financial returns and therefore the DHP spending and allocation 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, 145 LAs spent more than their allocation, by around £42 million. Excluding Scotland, the number of LAs over-spending decreases to 113, and the amount over-spent to around £7 million. Conversely 218 LAs in Great Britain spent less than their allocation, leaving almost £7 million DHP funding unspent. A total of 15 English LAs in Great Britain spent exactly 100 per cent of their allocation.

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	100	6,272,177	210	6,936,785	15
Scotland	32	35,121,966	0	0	0
Wales	13	331,010	8	49,792	0
Great Britain	145	41,725,153	218	6,986,577	15
Great Britain (excl Scotland)	113	6,603,187	218	6,986,577	15

Source: DHP financial returns for the period April 2014 to March 2015

Note: Two LAs have not provided financial returns and therefore the DHP spending and allocation 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 346 LAs who responded by 21 May 2015. The underlying LA data is available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-201415>

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	27,237,415	26,004,412	15%	19%
RSRS	100,822,172	60,966,278	55%	45%
LHA	19,860,935	17,306,741	11%	13%
Combination of welfare reforms	2,184,073	1,932,018	1%	1%
Award not for welfare reforms	33,453,246	29,986,616	18%	22%
Total	183,557,841	136,196,065	100%	100%

Source: DHP Monitoring returns for the period April 2014 to March 2015

Note: Percentages may not sum to 100 per cent due to rounding. The DHP allocations shown here have been adjusted to reflect only those LAs who have submitted returns.

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 2014/15.

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	27,237,415	26,004,412	39,809,608	38,487,247	68%	68%
RSRS	100,822,172	60,966,278	56,388,511	47,323,818	179%	129%
LHA	19,860,935	17,306,741	36,288,490	34,698,915	55%	50%

Source: DHP Monitoring returns for the period April 2014 to March 2015

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.

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

Table 7: DHP percentage 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	13	22	16	5	0	43	232 (71%)
Scotland	3	25	4	1	0	67	26 (81%)
Wales	9	9	10	5	0	58	13 (59%)
Great Britain	11	23	13	4	0	49	271 (71%)
Great Britain (excl Scotland)	13	22	16	5	0	44	245 (70%)

Source: DHP Monitoring returns for the period April 2014 to March 2015

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. 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, for Great Britain and Great Britain excluding Scotland.

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

Welfare Reforms for which DHP was awarded	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	5	5	13	13	55	57	0	0	0	0	26	25
RSRS	7	9	28	29	6	7	6	8	0	0	54	46
LHA	12	13	31	31	11	12	1	2	0	0	44	42

Source: DHP Monitoring returns for the period April 2014 to March 2015

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.

Methodology

DHP Financial Returns

All LAs are required to supply their end-year DHP financial returns to the Department for accounting purposes. This details how much of the government contribution towards DHPs LAs have spent, including any additional expenditure above this amount within the financial year. This information is the definitive measure of LAs' DHP expenditure for 2014/15. The analysis of this data focuses on comparing total spend (including other funding streams) against the central government allocations.

Although the financial returns in 2013/14 and 2014/15 both measure actual expenditure, any comparison of expenditure across the two years should be treated with caution as government contribution to DHPs differed across the years. As well as this the number of people affected by different welfare reforms and requiring support from DHP may be different from one year to another. Data relating to 2013/14 is available from the following location:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-2013-to-2014>

DHP Monitoring Returns

The monitoring returns are voluntary returns provided by LAs that contain details on the amount spent from April 2014 to the end of March 2015. Because the returns are voluntary, information is not always provided by all LAs.

The figures presented are based on, nationally, 346 LAs who responded by 21 May 2015. This represents 91 per cent of all LAs in Great Britain. Further to this, the LAs that did submit monitoring returns are of a representative spread of each country in Great Britain; England, Wales and Scotland, all having a greater than 85 per cent return rate.

Table 9: Proportion of LAs providing monitoring return financial reform data

	England	Wales	Scotland	Great Britain	Great Britain (excl Scotland)
Percentage of local authorities providing financial reform data (%)	91	94	86	91	91

Source: DHP Monitoring returns for the period April 2014 to March 2015

The analysis of the monitoring returns focuses on comparing total spend (including other funding streams) against the central government allocations.

In order to better inform the public debate, the monitoring return template for 2014/15 was changed to request information on total expenditure rather than committed expenditure to take account of differing DHP funding allocation policies. Because of this change in the method of recording, we are unable to make direct comparisons between last year's, and this year's monitoring return expenditure figures.

As noted in the mid-year 2014/15 publication, concerns with the quality of the awards data collected led to the information being excluded from the publication. As information on actual spend would not be affected by the same quality issues, for the end of year position, it was requested that LAs, alongside overall actual spend, replace the awards volumes by purpose with actual spend by purpose.

Before making this change, we consulted with the Practitioners Operational Group (POG) to ensure that their software would enable them to provide this extra financial breakdown of the purpose of the DHP award. During this consultation we were made aware that not all software providers currently produced this financial information, and software changes would be required to facilitate this. We therefore requested that LAs completed the full template if possible, but where they were unable to, to continue provide financial information by reform.

This additional financial information about the intended purpose of the DHP award was provided by 271 LAs across Great Britain, this is equivalent to 71 per cent.

Table 10: Proportion of LAs providing monitoring return financial purpose of award data

	England	Wales	Scotland	Great Britain	Great Britain (excl Scotland)
Percentage of local authorities providing financial purpose of award data (%)	71	81	59	71	70

Source: DHP Monitoring returns for the period April 2014 to March 2015

Individual LAs are free to choose how they record and collate the information; however a template spreadsheet was provided to guide the process. This template can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/424525/a6-2015.pdf

DHP awards were classified using the following housing welfare reform categories:

- Benefit cap;
- Removal of the spare room subsidy in the social rental sector;

- Local housing allowance reforms;
- Combination of reforms;
- Other (non welfare reform)

The intended outcomes of the successful DHP claim were classified using the following categories:

- to help secure a move to alternative accommodation (e.g. rent deposit);
- to help with short-term rental costs until the claimant is able to move to alternative accommodation;
- to help with short-term rental costs while the claimant seeks employment;
- to help with on-going rental costs for disabled persons in adapted accommodation;
- to help with on-going rental costs for foster carers;
- to help with short-term rental costs for any other reason.

DWP did not require details of individual claims, only requesting the total amount spent under each category and under each outcome.

This data cannot be used to make reliable projections of future spending. The amounts spent in the next financial year will be dependent on the level of future claims for DHPs and LAs' decisions on the management of the available DHP funding.

Data Quality

This publication reports the data as provided by LAs, without detailed verification. However during the quality assurance process, any discrepancies observed were reviewed in discussion with local authorities where possible. Any resubmissions of corrected returns received by 10 June 2015 were accepted and included in the analysis. No results were altered without the explicit consent of the submitting local authority.

There are three other sources of information that could be used to help understand the quality of the data collected: The mid-year official statistic publication: <https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-april-to-september-2014>, the previous years ad hoc publication: <https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments>, and the Scottish Government's official statistic on use of DHPs in Scotland: <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/dhp/DHP31March2015>.

Definitions

Removal of the Spare Room Subsidy (RSRS)

In April 2013 the removal of the spare room subsidy policy came into effect. This policy applied to working age social rented sector housing benefit claimants (pensioner households are exempt). Where claimants are deemed to occupy more bedrooms than they need, as defined by the social sector size criteria, they are subject to a weekly reduction in their housing benefit.

Benefit Cap

Rolled out from April and fully implemented from September 2013, the benefit cap is a limit on the total amount of benefit that most working age households can get to £500 for couples and households with children and to £350 for single person households.

LHA reforms

Tenants who rent from a private landlord and receive housing benefit generally have their claim assessed under the Local Housing Allowance (LHA) rules. These determine the maximum amount payable in a given area depending on the household characteristics of the claimant. Reforms to the LHA system since April 2011 have generally restricted the eligible rent that can be met through housing benefit.

Actual and Committed Expenditure

Actual expenditure is the amount actually paid during the period in question. Committed expenditure is both the actual amount paid during the period, and any payments promised for future periods. For example, a £600, 6-month award made in August 2014, would be reported as £200 actual spend, or £600 committed expenditure.

Local Authority Associations

The Local Authority Associations Steering Group is the main forum for DWP to consult with local authority associations. It considers significant strategic issues on the design and administration of Housing Benefit and other DWP issues that affect these.

Practitioners Operational Group (POG)

The Practitioners Operational Group is a forum for DWP to consult with local authorities on all operational issues relating to Housing Benefit. POG are responsible for considering all operational issues relating to Housing Benefit and Council Tax Benefit administration.

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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-pensions/about/statistics>