



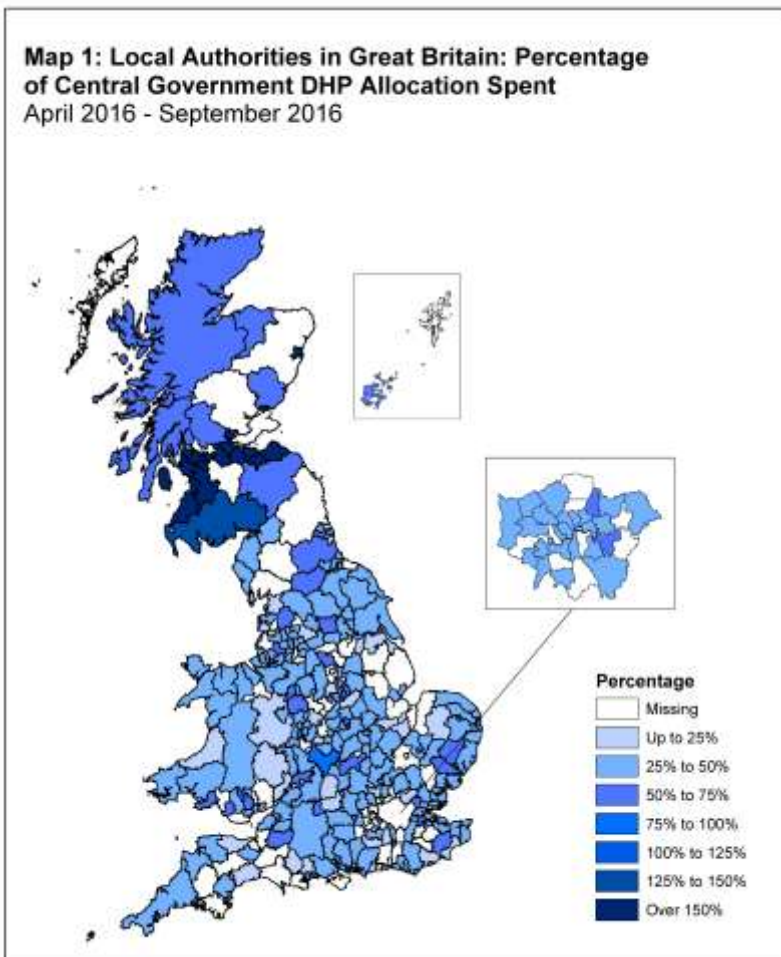
# Use of Discretionary Housing Payments Great Britain

## Analysis of Mid Year Returns from Local Authorities April 2016 - September 2016

This statistical release presents a summary of Local Authorities' (LA) expenditure on Discretionary Housing Payments (DHPs) for the first six months of 2016/17. The analysis uses the voluntary monitoring returns from LAs that have been collected twice yearly since 2013/14. To reflect the different rules that apply to DHPs in Scotland, analysis has been conducted for both Great Britain (GB) and GB excluding Scotland.

### Main findings:

- In 2016/17, the central government contributed **£150** million to DHP funding.
- The majority of LAs submitting returns reported spending less than **50** per cent of their central government allocation of DHP funding (GB: **80** per cent of LAs, GB excl. Scotland: **88** per cent).
- Total spending on DHPs in GB excluding Scotland (including additional funding provided by some LAs) was **38** per cent of the total central government allocation, amongst LAs submitting returns. When Scottish LAs are included, spending was **52** per cent of the total allocation.



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### CONTACT:

#### Responsible Analyst:

Andrew Stocks  
0114 294 8829  
[andrew.stocks@dwp.gsi.gov.uk](mailto:andrew.stocks@dwp.gsi.gov.uk)

Department for Work and  
Pensions  
Level 1, East Wing,  
Rockingham House,  
West Street,  
Sheffield.  
S1 4ER

# 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).

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 2014.

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 monitoring and financial returns, April 2016 to March 2017.

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

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>

# 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 2016/17, central government allocated £150 million of DHP funding to be distributed amongst LAs.

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

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

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).

# Scotland

In 2016/17, the Scottish Government has made an extra £35 million available to fund DHPs above the £13.3 million contribution from central government; bringing the total funding for Scottish LAs to £48.3 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.

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 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 the 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, which are available using the following link:

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

## Results

### DHP Monitoring Returns

The figures presented below are based on the monitoring returns received from LAs (296 out of 380 at the time of publication). These returns contain information on actual expenditure from April to September 2016 (mid-financial year). The underlying LA data is available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-april-to-september-2016>

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

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

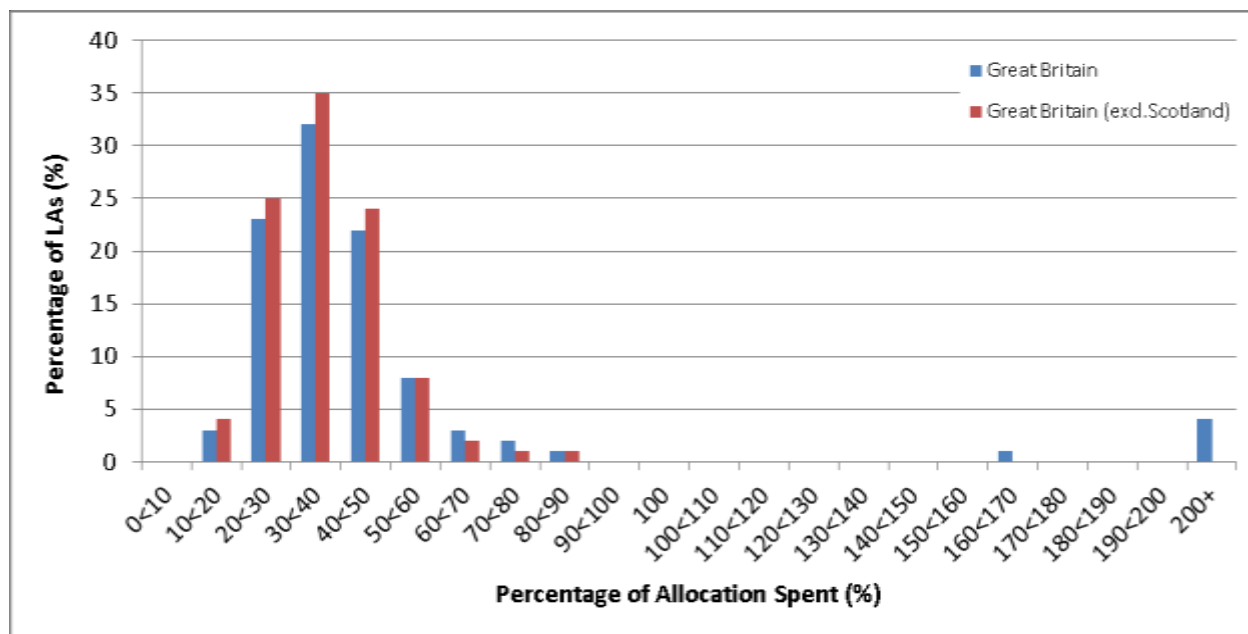
	<b>DHP spend (Apr 2016 - September 2016) (£)</b>	<b>DHP allocation 2016/17 (£)</b>	<b>Spend as percentage of allocation</b>
<b>England</b>	39,037,450	103,055,500	38%
<b>Scotland</b>	21,938,192	12,090,876	181%
<b>Wales</b>	2,770,004	6,524,458	42%
<b>Great Britain</b>	63,745,646	121,670,834	52%
<b>Great Britain (excl Scotland)</b>	41,807,454	109,579,958	38%

Source: DHP monitoring returns for the period April 2016 to September 2016

Notes: The DHP allocations are included for only those LAs who have provided returns, and hence are lower than the total allocations.

**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 (80 per cent) of LAs in Great Britain who have supplied monitoring returns have spent less than the half of their full-year allocation.

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



Source: DHP monitoring returns for the period April 2016 to September 2016

**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	1	1	<0.5%	<0.5%
10<20	10	11	3%	4%
20<30	67	78	23%	26%
30<40	95	173	32%	58%
40<50	65	238	22%	80%
50<60	23	261	8%	88%
60<70	9	270	3%	91%
70<80	6	276	2%	93%
80<90	2	278	1%	94%
90<100	0	278	0%	94%
100	0	278	0%	94%
100<110	1	279	<0.5%	94%
110<120	0	279	0%	94%
120<130	0	279	0%	94%
130<140	1	280	<0.5%	95%
140<150	0	280	0%	95%
150<160	0	280	0%	95%
160<170	3	283	1%	96%
170<180	1	284	<0.5%	96%
180<190	0	284	0%	96%
190<200	0	284	0%	96%
200+	12	296	4%	100%

Source: DHP monitoring returns for the period April 2016 to September 2016

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

**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	1	1	0%	<0.5%
10<20	10	11	4%	4%
20<30	67	78	25%	29%
30<40	95	173	35%	64%
40<50	65	238	24%	88%
50<60	23	261	8%	96%
60<70	5	266	2%	98%
70<80	3	269	1%	99%
80<90	2	271	1%	100%
90<100	0	271	0%	100%
100	0	271	0%	100%
100<110	1	272	0%	100%
110<120	0	272	0%	100%
120<130	0	272	0%	100%
130<140	0	272	0%	100%
140<150	0	272	0%	100%
150<160	0	272	0%	100%
160<170	0	272	0%	100%
170<180	0	272	0%	100%
180<190	0	272	0%	100%
190<200	0	272	0%	100%
200+	0	272	0%	100%

Source: DHP monitoring returns for the period April 2016 to September 2016

Note: 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: Percentage 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)
<b>Benefit Cap</b>	5,816,043	5,450,063	9%	13%
<b>RSRS</b>	38,216,869	17,884,517	60%	43%
<b>LHA</b>	6,394,768	5,958,881	10%	14%
<b>Combination of welfare reforms</b>	737,775	702,196	1%	2%
<b>Award not for welfare reforms</b>	12,580,190	11,811,798	20%	28%
<b>Total</b>	63,745,646	41,807,454	100%	100%

Source: DHP Monitoring returns for the period April 2016 to September 2016

Note: Percentages may not sum to 100 per cent 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 2016/17.

**Table 5: 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)
<b>Benefit Cap</b>	5,816,043	5,450,063	32,247,464	30,583,302	18%	18%
<b>RSRS</b>	38,216,869	17,884,517	48,605,565	40,393,995	79%	44%
<b>LHA</b>	6,394,768	5,958,881	24,678,042	23,636,925	26%	25%

Source: DHP Monitoring returns for the period April 2016 to September 2016

Note: The DHP allocations are included for only those LAs who have provided returns, and hence are lower than the total allocations.

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

**Table 6: DHP percentage expenditure with a breakdown of purpose**

	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>	13%	21%	11%	7%	0%	48%	226 (89%)
<b>Scotland</b>	2%	26%	2%	1%	0%	69%	22 (92%)
<b>Wales</b>	11%	13%	9%	2%	0%	64%	13 (76%)
<b>Great Britain</b>	10%	22%	8%	5%	0%	55%	261 (88%)
<b>Great Britain (excl Scotland)</b>	13%	20%	11%	6%	0%	49%	239 (88%)

Source: DHP Monitoring returns for the period April 2016 to September 2016

Note: 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. 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, for Great Britain and Great Britain excluding Scotland.

**Table 7: 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)
<b>Benefit cap</b>	2%	2%	26%	27%	44%	43%	0%	0%	0%	0%	27%	27%
<b>RSRS</b>	4%	7%	26%	25%	3%	5%	6%	11%	0%	0%	61%	52%
<b>LHA</b>	11%	11%	26%	26%	11%	11%	3%	3%	0%	0%	48%	49%

Source: DHP Monitoring returns for the period April 2016 to September 2016

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

## Methodology

The monitoring returns are voluntary returns provided by LAs that contain details on the amount spent from April 2016 to the end of September 2016. Because the returns are voluntary, information is not always provided by all LAs.

The figures presented are based on, nationally, 296 LAs who responded by 1 December 2016. This represents 78 percent of all LAs in Great Britain. Further to this, the LAs that did submit monitoring returns are a representative spread of each country in Great Britain; England, Wales and Scotland all having a greater than 75 per cent return rate.

**Table 8: Percentage of LAs providing a monitoring return**

	England	Wales	Scotland	Great Britain	Great Britain (excl Scotland)
Percentage of local authorities providing a monitoring return (%)	78%	77%	75%	78%	78%

Source: DHP Monitoring returns for the period April 2016 to September 2016

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

The monitoring return template asks LAs to report actual expenditure rather than committed expenditure to take account of differing DHP funding allocation policies.

In addition LAs are asked to report the purposes for which DHPs have been awarded. This additional financial information about the intended purpose of DHP awards was provided by 261 LAs across Great Britain, which is equivalent to 69 percent.

Because of the earlier changes in the method of recording; annual changes in the central Government allocation; and also, because the LAs who provide returns vary each year, we are unable to make meaningful comparisons of expenditure with previous years.

**Table 9: Percentage of LAs providing a monitoring return with a breakdown of purpose**

	England	Wales	Scotland	Great Britain	Great Britain (excl Scotland)
Percentage of local authorities providing a monitoring return with a breakdown of purpose (%)	69%	59%	69%	69%	69%

Source: DHP Monitoring returns for the period April 2016 to September 2016

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](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 purpose of successful DHP claims 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 5 January 2017 were accepted and included in the analysis. No results were altered without the explicit consent of the submitting local authority.

There are two other sources of information that could be used to help understand the quality of the data collected:

- the previous years' official statistic and ad hoc publications:  
<https://www.gov.uk/government/collections/discretionary-housing-payments-statistics>
- and the Scottish Government's official statistic on use of DHPs in Scotland:  
<http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/dhp/30Sep2015>

## Definitions

### **Removal of the Spare Room Subsidy (RSRS)**

In April 2013 the removal of the spare room subsidy 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 reduction in their housing benefit.

### **Benefit Cap**

Rolled out from April 2013 and fully implemented from September 2013, the benefit cap is a limit on the total amount of benefit that most working age households can receive. Since November 2016 the maximum amount couples and households with children can receive is £20,000 a year (£23,000 in Greater London) and £13,400 a year (£15,410 in Greater London) 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.

### **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 administration.

## **Enquiries**

### **Media enquiries:**

Telephone: 0203 267 5112

### **Responsible Analyst:**

Andrew Stocks

Telephone: 0114 294 8829

Email: [andrew.stocks@dwp.gsi.gov.uk](mailto:andrew.stocks@dwp.gsi.gov.uk)

### **Author:**

Ali Ahmed

Telephone: 0207 449 7261

Email: [ali.ahmed1@dwp.gsi.gov.uk](mailto:ali.ahmed1@dwp.gsi.gov.uk)

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>