

Use of Discretionary Housing Payments, England and Wales: Analysis of Mid Year returns from Local Authorities

Data for April 2017 to September 2017

Biannual

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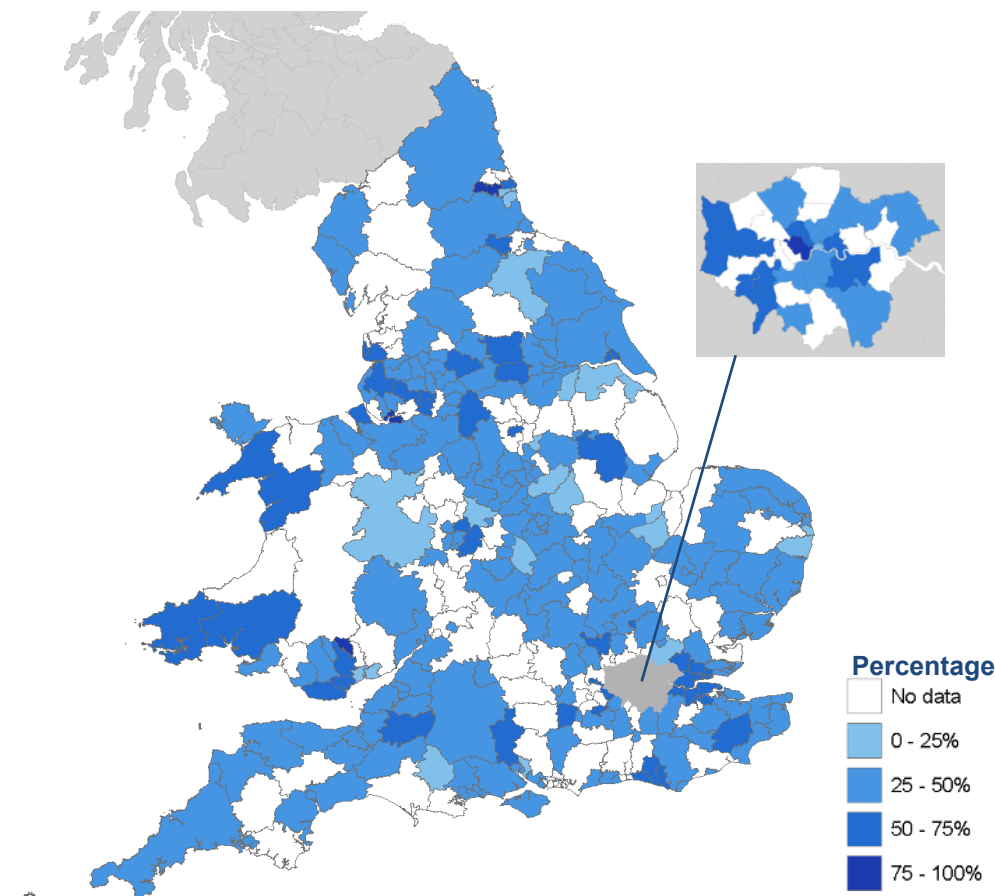
Official Statistics

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 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 **50** per cent of their central government allocation of DHP funding (**78** per cent of LAs).
- Total spending on DHPs in England and Wales (including additional funding provided by LAs) was **44** 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 to September 2017



Source: DHP Monitoring returns for the period April 2017 to September 2017

What you need to know

About DHPs

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 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>

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
Core	20	20	20	20	15	20	18
Local Housing Allowance	10	40	40	40	25	30	27
RSRS	-	-	55	60	60	60	54
Benefit cap	-	-	65	45	25	40	67.5
Total	30	60	180	165	125	150	166.5
Additional over Core	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 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 2017 to March 2018.

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 2017 to September 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 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 243 English and Welsh LAs (out of 348 at the time of publication) who responded by 24 November 2017. The underlying LA data are available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-april-to-september-2017>

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

Table 2: DHP expenditure compared with full year allocation

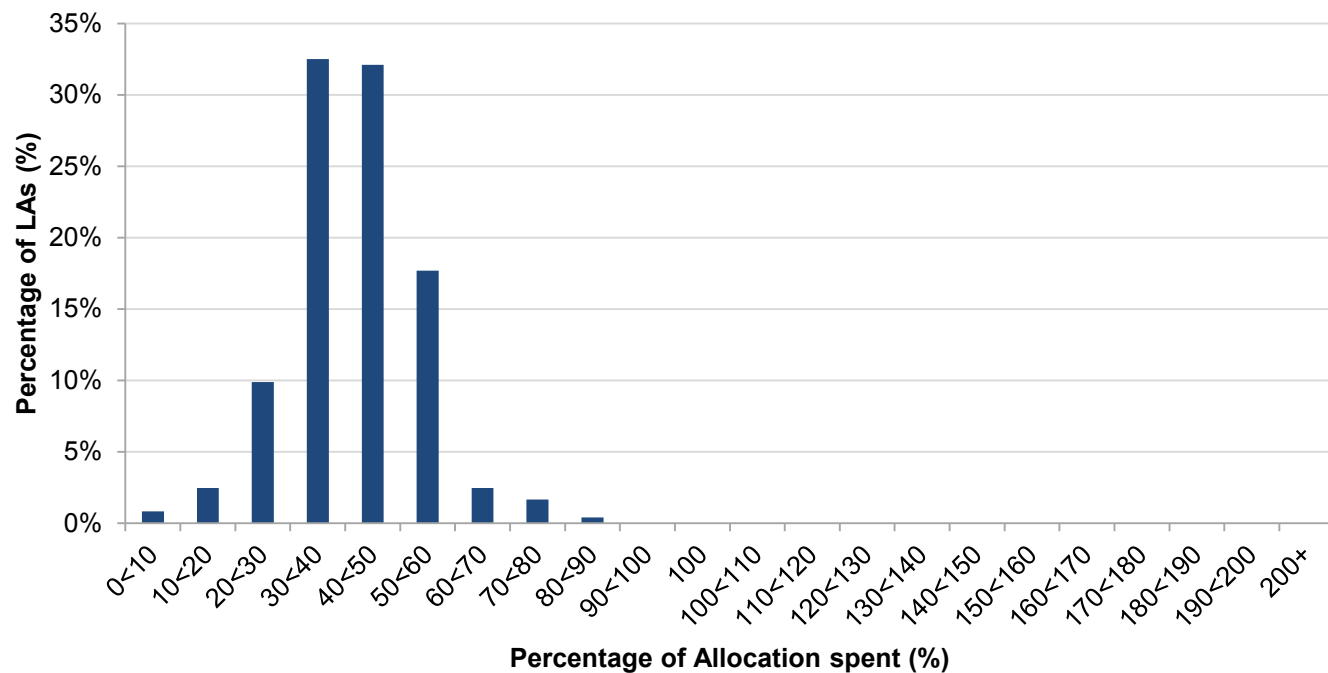
	DHP spent (Apr 2017 - Sept 2017) (£)	DHP Allocation 17/18 (£)	Spent as percentage of allocation (%)
England	49,781,991	112,773,299	44%
Wales	3,214,662	7,258,912	44%
England and Wales	52,996,653	120,032,211	44%

Source: DHP Monitoring returns for the period April 2017 to September 2017

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

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 (78 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 2017 to September 2017.

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	2	2	1	1
10<20	6	8	2	3
20<30	24	32	10	13
30<40	79	111	33	46
40<50	78	189	32	78
50<60	43	232	18	95
60<70	6	238	2	98
70<80	4	242	2	100
80<90	1	243	<0.5	100
90<100	0	243	0	100
100	0	243	0	100
100<110	0	243	0	100
110<120	0	243	0	100
120<130	0	243	0	100
130<140	0	243	0	100
140<150	0	243	0	100
150<160	0	243	0	100
160<170	0	243	0	100
170<180	0	243	0	100
180<190	0	243	0	100
190<200	0	243	0	100
200+	0	243	0	100

Source: DHP monitoring returns for the period April 2017 to September 2017

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: 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	16,871,501	32
RSRS	14,729,637	28
LHA	6,360,892	12
Combination of welfare reforms	1,168,714	2
Award not for welfare reforms	13,865,909	26
Total	52,996,653	100

Source: DHP Monitoring returns for the period April 2017 to September 2017

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 2017/18.

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	16,871,501	48,897,418	35
RSRS	14,729,637	39,267,420	38
LHA	6,360,892	18,988,719	33

Source: DHP Monitoring returns for the period April 2017 to September 2017

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 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	11	16	18	4	0	50	201 (62%)
Wales	9	13	16	3	0	59	12 (55%)
England and Wales	11	16	18	4	0	51	213 (61%)

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

Notes: 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. 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	4	10	39	0	0	46
RSRS	7	26	7	10	1	49
LHA	9	25	14	2	0	49

Source: DHP Monitoring returns for the period April 2017 to September 2017

Notes: 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.

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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