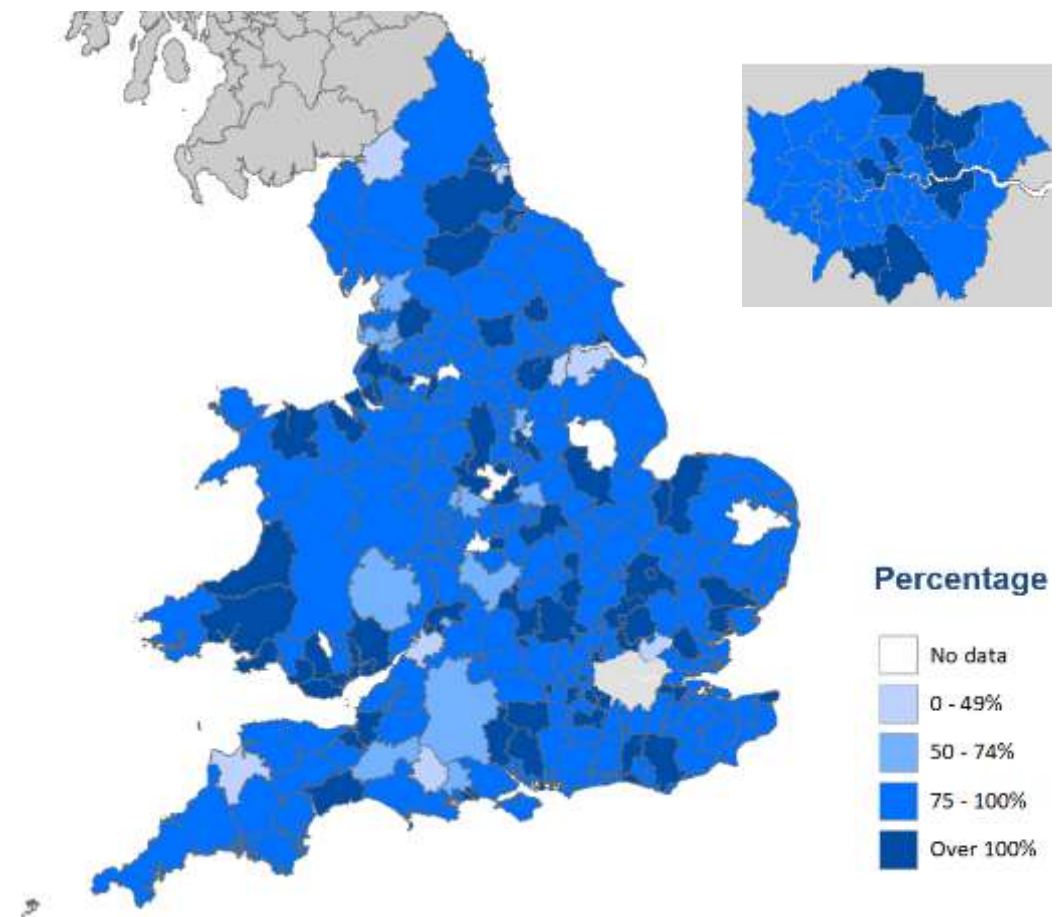


Discretionary Housing Payment (DHP) is a discretionary scheme that allows local authorities (LAs) to make monetary awards to people experiencing financial difficulty with housing costs who qualify for Housing Benefit (HB) or housing entitlement in Universal Credit (UC).

Main story

- In 2018/19, central government contributed **£153** million to DHP funding in England and Wales.
- The majority (**65** per cent) of LAs, who submitted returns, have reported spending **less than or equal** to their central government allocation of DHP funding, with **46** per cent of LAs spending **90-100** per cent. More than a third (**35** per cent) of LAs **topped up** their central government allocation using their own funding.
- **96** per cent of the total central government allocation was spent, amongst LAs submitting returns.

Map 1: Percentage of Central Government DHP allocation spent by local authority, April 2018 – March 2019.



Source: DHP financial returns for the period April 2018 to March 2019

At a glance

Page

Central Government Funding for DHPs	3
DHP Financial Returns	5
DHP Monitoring Returns	9
Where to find out more	13

Responsible Analyst: Andrew Stocks

Telephone: 0114 204 1777

Email: andrew.stocks@dwp.gov.uk

Author: Lukas Ambroza

Telephone: 020 7449 7025

Email: lukas.ambroza@dwp.gov.uk

DWP Press Office: 0203 267 5144

Comments? Feedback is welcome

Published 11 July 2019

Next edition December 2019

ISBN 978-1-78659-167-8

© Crown copyright

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 housing entitlement in 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>

Note:

- (i) Government funding for 2018/19 excludes additional funding later provided to Calderdale and Tower Hamlets due to a shortfall in the amount awarded following an earlier error in an allocation to each local authority.

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 includes information from the financial returns. The next release in this series will be the analysis of the mid-year monitoring returns for April 2019 to September 2019.

The current statistical release presents a summary of the end of year financial and monitoring returns, including a further breakdown by reform and intended purpose of DHP from these returns, covering the financial year from April 2018 to March 2019.

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-financial-year-2018-to-2019>

DHP Financial Returns

The figures presented below are based on the financial returns received from LAs (340 out of 348 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-2018-to-2019>

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

Table 2: DHP awards & expenditure compared with full year allocation

	Number of DHP awards	DHP allocation (£)	DHP spent excluding LA top up funding (£)	Spent as percentage of allocation	DHP spent including LA top up funding (£)	Spent as percentage of allocation
England	274,113	141,465,361	135,965,706	96%	141,980,844	100%
Wales	26,291	9,147,256	9,138,555	100%	9,451,358	103%
England and Wales	300,404	150,612,617	145,104,261	96%	151,432,202	101%

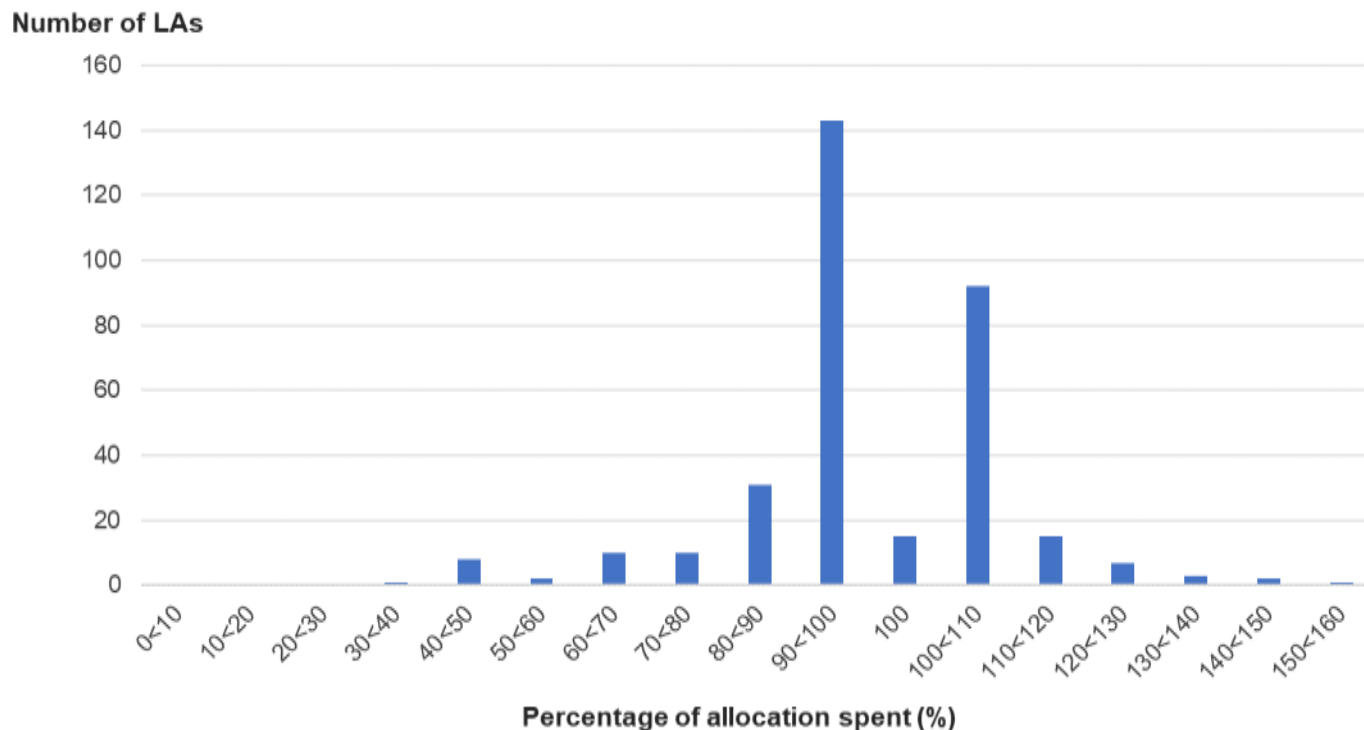
Source: DHP financial returns for the period April 2018 to March 2019

Note:

- (i) Eight LAs have not provided a financial return and therefore the DHP spend and allocation for these LAs has not been included.
- (ii) The government contribution for Calderdale and Tower Hamlets includes additional funding for 2018/19 due to a shortfall in the amount awarded following an earlier error in an allocation to each local authority.
- (iii) The number of DHP awards does not represent the number of claimants receiving DHPs. Claimants can receive more than one DHP award in a year.

Chart 1 and table 3 below show the distribution of DHP expenditure as a percentage of full-year allocation. The majority (65 per cent) of LAs have spent less than or equal to their full-year allocation, with **46** per cent of LAs spending **90-100** per cent of their allocation. Over a third (**35** per cent) of LAs **topped up** their central government allocation using their own funding.

Chart 1: DHP expenditure distribution



Source: DHP financial returns for the period April 2018 to March 2019

Note:

- (i) Eight LAs have not provided a financial return and therefore the DHP spend and allocation for these LAs has not been included.
- (ii) The government contribution for Calderdale and Tower Hamlets includes additional funding for 2018/19 due to a shortfall in the amount awarded following an earlier error in an allocation to each local authority.

Table 3: DHP expenditure distribution

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	0	0	0	0
20<30	0	0	0	0
30<40	1	1	<0.5	<0.5
40<50	8	9	2	3
50<60	2	11	1	3
60<70	10	21	3	6
70<80	10	31	3	9
80<90	31	62	9	18
90<100	143	205	42	60
100	15	220	4	65
100<110	92	312	27	92
110<120	15	327	4	96
120<130	7	334	2	98
130<140	3	337	1	99
140<150	2	339	1	100
150<160	1	340	<0.5	100

Source: DHP financial returns for the period April 2018 to March 2019

Note:

- (i) Eight LAs have not provided a financial return and therefore the DHP spend and allocation for these LAs has not been included.
- (ii) The government contribution for Calderdale and Tower Hamlets includes additional funding for 2018/19 due to a shortfall in the amount awarded following an earlier error in an allocation to each local authority.
- (iii) Percentages may not sum to 100 per cent due to rounding.

Table 4 shows the extent to which LAs spent more or less than their central government contribution towards DHPs. In England and Wales, 120 LAs spent more than their allocation, by around £6.3 million. Conversely 205 LAs in England and Wales spent less than their allocation, leaving approximately £5.5 million of DHP central government funding unspent. 15 English LAs spent exactly 100 per cent of their allocation.

Table 4: Amount over/under-spent

	Overspend count	Amount overspent	Underspend count	Amount underspent	Exact spend count
England	105	6,015,138	199	5,499,655	15
Wales	15	312,803	6	8,701	0
England and Wales	120	6,327,941	205	5,508,356	15

Source: DHP financial returns for the period April 2018 to March 2019

Note:

- (i) Eight LAs have not provided a financial return and therefore the DHP spend and allocation for these LAs has not been included.
- (ii) The government contribution for Calderdale and Tower Hamlets includes additional funding for 2018/19 due to a shortfall in the amount awarded following an earlier error in an allocation to each local authority.

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 28 June 2019. The underlying LA data are available on the DWP website: <https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2018-to-2019>

Table 5 shows the amount spend and the percentage of total spend attributed to each welfare reform measure.

Table 5: 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	29,747,191	22
RSRS	34,535,528	26
LHA	18,361,116	14
Combination of welfare reforms	6,188,451	5
Award not for welfare reforms	43,710,499	33
Total	132,542,785	100

Source: DHP Monitoring returns for the period April 2018 to March 2019.

Note:

- (i) The DHP expenditure shown here is for those LAs who have submitted a monitoring return.
- (ii) Figures may not sum due to rounding.

Table 6 compares the levels of DHP expenditure attributed to each welfare reform measure with the overall amounts nominally allocated for each reform measure from the overall DHP funding allocation for 2018/19.

Table 6: DHP expenditure compared with DHP allocation by reform measure

Welfare Reforms for which DHP was awarded	Amount spent (£)	Amount allocated (£)	Percentage of total spent (%)
Benefit Cap	29,747,191	46,036,205	65
RSRS	34,535,528	45,986,252	75
LHA	18,361,116	22,997,914	80

Source: DHP monitoring returns for the period April 2018 to March 2019

Note:

- (i) The DHP expenditure shown here is for those LAs who have submitted a monitoring return.
- (ii) Table excludes the non-reform and combined awards and does not include the core budget in the allocations.
- (iii) The government contribution for Calderdale and Tower Hamlets includes additional funding for 2018/19 due to a shortfall in the amount awarded following an earlier error in an allocation to each local authority.

Table 7 shows the percentage of total spend 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 a monitoring return with a breakdown of purpose
England	15	14	16	3	<0.5%	52	241 (74%)
Wales	18	8	13	3	<0.5%	59	13 (59%)
England and Wales	16	14	15	3	<0.5%	52	254 (73%)

Source: DHP monitoring returns for the period April 2018 to March 2019

Note:

- (i) The DHP expenditure shown here is for those LAs who have submitted a monitoring return, and completed the breakdown of expenditure on each reform by purpose of DHP. Thirty 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 8 shows the percentage of expenditure attributed to each purpose of DHP category, by reform measure.

Table 8: Percentage of DHP expenditure on each DHP purpose category, by reform measure

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 (%)
Benefit cap	6	8	42	<0.5	<0.5	44
RSRS	9	21	7	8	<0.5	55
LHA	10	22	13	2	<0.5	53

Source: DHP monitoring returns for the period April 2018 to March 2019.

Note:

- (i) The DHP expenditure shown here is for those LAs who have submitted a monitoring return, and completed the breakdown of expenditure on each reform by purpose of DHP. Thirty 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>