

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

April 2015 – March 2016

Biannual

Financial year 2015/16

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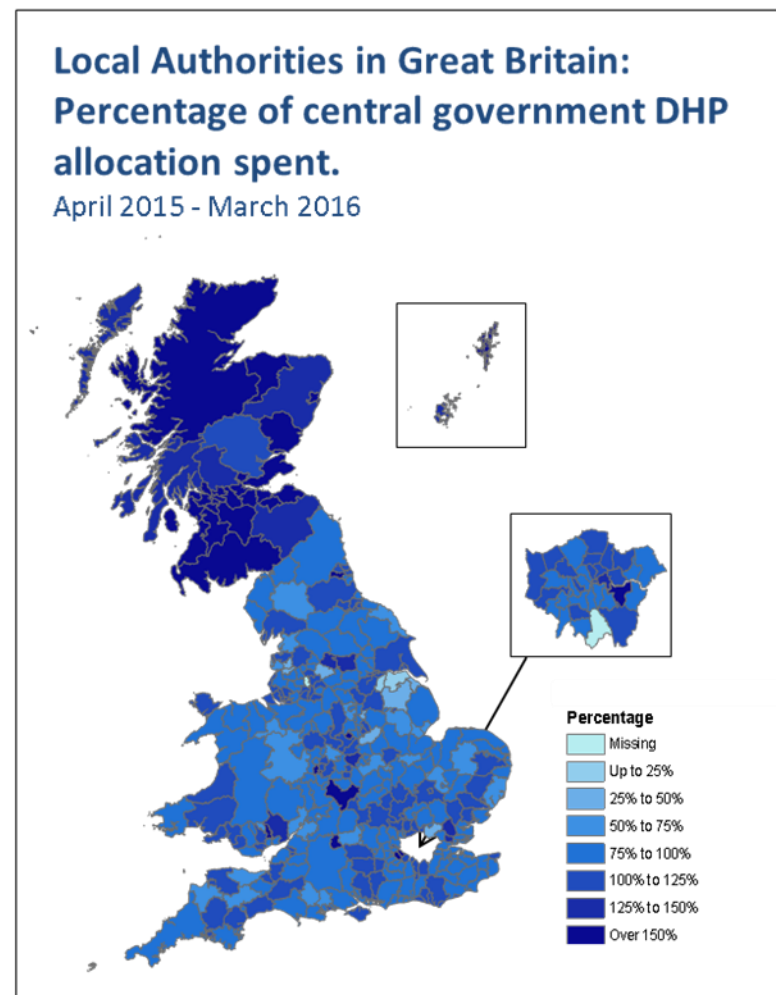
Coverage: Great Britain

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 who have housing costs rental liability in their Universal Credit (UC) award.

## Main stories

- In 2015/16, central government contributed £125 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: 60 per cent of LAs, GB excl. Scotland: 65 per cent).
- Total spending on DHPs in GB excluding Scotland (including additional funding provided by LAs) was broadly equal to the total central government allocation. When Scottish LAs are included, spending was around 131 per cent of the total allocation.



## 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 who have housing costs rental liability in their Universal Credit (UC) award.

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 and UC, 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.

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).

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 2014.

This Official Statistic is released twice yearly with both 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 2016.

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 2015 to March 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>

## **DHP Financial Returns**

These figures presented below are based on the financial returns received from LAs (377 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-201516>

**Table 2** compares the reported DHP expenditure for the financial year 2015/16 with the overall central government allocation for 2015/16 by country.

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

	DHP spent (Apr 2015 - March 2016) (£)	DHP allocation YEAR (£)	Spent as percentage of allocation (%)
<b>England</b>	105,656,437	103,517,385	102
<b>Scotland</b>	49,022,979	13,331,287	368
<b>Wales</b>	6,634,253	6,699,256	99
<b>Great Britain</b>	161,313,669	123,547,928	131
<b>Great Britain (excl Scotland)</b>	112,290,690	110,216,641	102

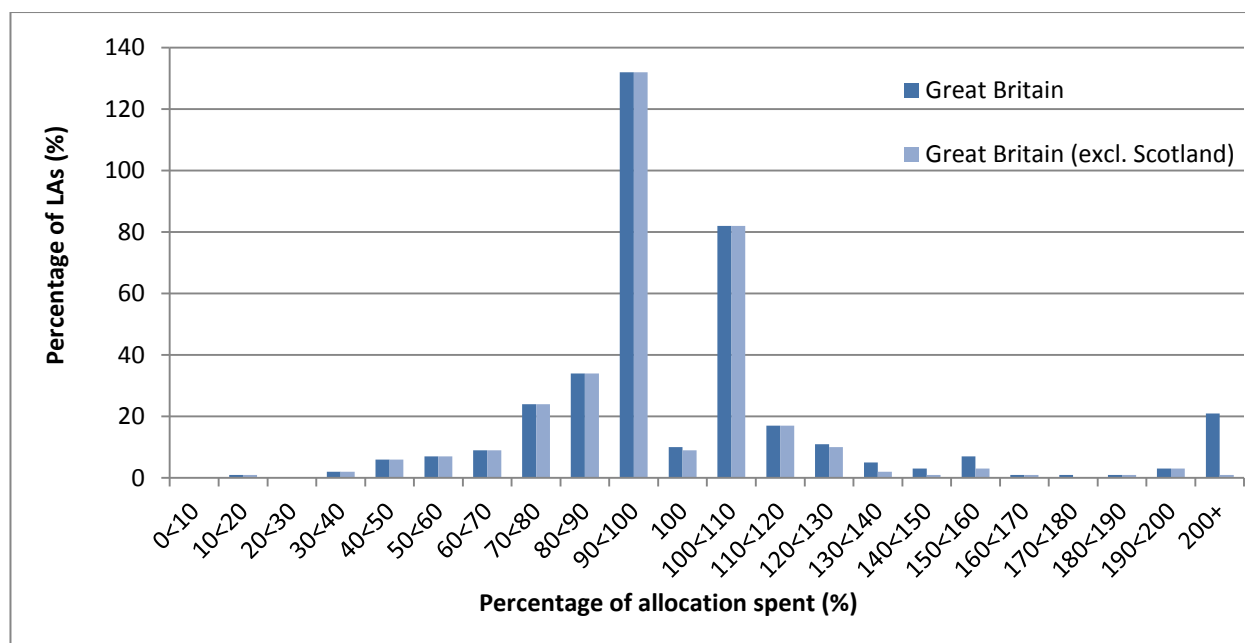
Source: DHP financial returns for the period April 2015 to March 2016.

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

Note: In 2015/16, the Scottish Government 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.

**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 (60 per cent) of LAs in Great Britain have spent less than, or exactly, their full-year allocation.

**Chart 1: DHP expenditure-as-percentage-of-allocation distribution for both Great Britain, and Great Britain excl. Scotland**



Source: DHP financial returns for the period April 2015 to March 2016.

Note: Three 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**

<b>Percentage of allocation spent (%)</b>	<b>Number of LAs</b>	<b>Cumulative Number LAs</b>	<b>Percentage of LAs</b>	<b>Cumulative percentage of LAs</b>
<b>0&lt;10</b>	0	0	0%	0%
<b>10&lt;20</b>	1	1	0%	0%
<b>20&lt;30</b>	0	1	0%	0%
<b>30&lt;40</b>	2	3	1%	1%
<b>40&lt;50</b>	6	9	2%	2%
<b>50&lt;60</b>	7	16	2%	4%
<b>60&lt;70</b>	9	25	2%	7%
<b>70&lt;80</b>	24	49	6%	13%
<b>80&lt;90</b>	34	83	9%	22%
<b>90&lt;100</b>	132	215	35%	57%
<b>100</b>	10	225	3%	60%
<b>100&lt;110</b>	82	307	22%	81%
<b>110&lt;120</b>	17	324	5%	86%
<b>120&lt;130</b>	11	335	3%	89%
<b>130&lt;140</b>	5	340	1%	90%
<b>140&lt;150</b>	3	343	1%	91%
<b>150&lt;160</b>	7	350	2%	93%
<b>160&lt;170</b>	1	351	0%	93%
<b>170&lt;180</b>	1	352	0%	93%
<b>180&lt;190</b>	1	353	0%	94%
<b>190&lt;200</b>	3	356	1%	94%
<b>200+</b>	21	377	6%	100%

Source: DHP financial returns for the period April 2015 to March 2016

Note: Percentages may not sum to 100 per cent due to rounding. Three 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	0	1	0%	0%
30<40	2	3	1%	1%
40<50	6	9	2%	3%
50<60	7	16	2%	5%
60<70	9	25	3%	7%
70<80	24	49	7%	14%
80<90	34	83	10%	24%
90<100	132	215	38%	62%
100	9	224	3%	65%
100<110	82	306	24%	89%
110<120	17	323	5%	94%
120<130	10	333	3%	97%
130<140	2	335	1%	97%
140<150	1	336	0%	97%
150<160	3	339	1%	98%
160<170	1	340	0%	99%
170<180	0	340	0%	99%
180<190	1	341	0%	99%
190<200	3	344	1%	100%
200+	1	345	0%	100%

Source: DHP financial returns for the period April 2015 to March 2016

Note: Percentages may not sum to 100 per cent due to rounding. Three 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, 152 LAs spent more than their allocation, by around £43 million. Excluding Scotland, the number of LAs over-spending decreased to 121, and the amount over-spent to around £7 million. Conversely 215 LAs in Great Britain spent less than their allocation, leaving almost £5 million DHP funding unspent. 9 English LAs and 1 Scottish LA 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
<b>England</b>	111	6,650,279	203	4,511,227	9
<b>Scotland</b>	31	35,691,692	0	0	1
<b>Wales</b>	10	224,208	12	289,211	0
<b>Great Britain</b>	152	42,566,179	215	4,800,438	10
<b>Great Britain (excl Scotland)</b>	121	6,874,487	215	4,800,438	9

Source: DHP financial returns for the period April 2015 to March 2016

Note: Three 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 'what you need to know' 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 319 LAs who responded by 16 May 2016. The underlying LA data are available on the DWP website:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-201516>

**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)
<b>Benefit Cap</b>	14,137,230	13,370,363	10%	14%
<b>RSRS</b>	83,511,947	43,441,387	60%	46%
<b>LHA</b>	14,113,934	12,760,340	10%	13%
<b>Combination of welfare reforms</b>	2,012,593	1,870,241	1%	2%
<b>Award not for welfare reforms</b>	26,004,424	23,809,358	19%	25%
<b>Total</b>	<b>139,772,991</b>	<b>95,244,552</b>	<b>100%</b>	<b>100%</b>

Source: DHP monitoring returns for the period April 2015 to March 2016

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 2015/16, the Scottish Government 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.

**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 2015/16.

**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)
<b>Benefit Cap</b>	14,137,230	13,370,363	19,874,056	18,744,643	71%	71%
<b>RSRS</b>	83,511,947	43,441,387	50,566,977	42,325,903	165%	103%
<b>LHA</b>	14,113,934	12,760,340	20,896,543	20,007,728	68%	64%

Source: DHP monitoring returns for the period April 2015 to March 2016

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 2015/16, the Scottish Government 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.

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
<b>England</b>	14	23	12	6	0	45	243 (75%)
<b>Scotland</b>	1	17	3	1	0	76	23 (72%)
<b>Wales</b>	14	15	9	4	0	57	12 (55%)
<b>Great Britain</b>	10	21	10	5	0	54	278 (73%)
<b>Great Britain (excl Scotland)</b>	14	22	12	6	0	46	255 (73%)

Source: DHP monitoring returns for the period April 2015 to March 2016.

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 purpose for DHP 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)
<b>Benefit cap</b>	5	5	25	26	43	43	1	1	0	0	26	25
<b>RSRS</b>	6	10	23	27	4	6	6	9	0	0	61	47
<b>LHA</b>	12	13	27	26	12	12	3	3	0	0	46	46

Source: DHP monitoring returns for the period April 2015 to March 2016.

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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