Housing Benefit

Subsidy Guidance Manual



March 2018

HB Subsidy Guidance Manual

Amendment 12

To: All holders of the Housing Benefit Subsidy Guidance

Manual

Subject: Amendment 12 to the Housing Benefit Subsidy Guidance

Manual

Content: This amendment gives details of the subsidy arrangements for

the relevant year

Action: This is a full reprint of the HB Subsidy Guidance Manual. It is

being published online, on the GOV.UK website,

The first year for which this manual should be used when claiming subsidy is 2017/18 and is referred to in this manual as the "relevant year"

Record of amendments

- Amendments are serially numbered so that holders can check they have received the full series.
- 2 Incorporate amendments immediately and record that you have done so below.

Serial number	Initials	Date	Serial number	Initials	Date
1	Incorporated	Dec 05	19		
2	Incorporated	Oct 06	20		
3	Incorporated	Feb 08	21		
4	Incorporated	Apr 09	22		
5	Incorporated	May 10	23		
6	Incorporated	Feb 11	24		
7	Incorporated	Mar 12	25		
8	Incorporated	Mar 13	26		
9	Incorporated	Mar 14	27		
10	Incorporated	Mar 15	28		
11	Incorporated	Apr 16	29		
12	Incorporated	Mar 17	30		
13	Incorporated	Mar 18	31		
14			32		
15			33		
16			34		
17			35		
18			36		

Abbreviations

ADMIN Administrative

ASHE Annual Survey of Hours and Earnings

B+B Board and Lodgings

BRMA Broad Rental Market Area

CRR Claim Related Rent
CTB Council Tax Benefit

DCLG Department for Communities and Local Government

DRI Disproportionate Rent Increase

DWP Department for Work and Pensions

EP Extended Payments

ESA Employment and Support Allowance

ESA(C) Employment and Support Allowance Contributory Based

ESA(IB) Employment and Support Allowance Income Based

HA Housing Association

HAL Housing Association Leasing

HAMA Housing Association Managing Agents

HAT Housing Action Trust

HB Housing Benefit

HMRC Her Majesty's Revenue and Customs

HRA Housing Revenue Account

HRAS Housing Revenue Account Subsidy

IB Incapacity BenefitIOW In and Out of WorkIRL Indicative Rent Level

IS Income Support

JSA(IB) Income-based Jobseeker's Allowance

LA Local Authority

LAA Local Authority Association
LCA Labour Cost Adjustment
LHA Local Housing Allowance

PoA Payment on Account

RCA Rates Cost Adjustment

RSL Registered Social Landlord

HB Subsidy Guidance Manual

SDA Severe Disablement Allowance
SHBE Single Housing Benefit Extract

VOA Valuation Office Agency

WG Welsh Government

About this manual

Background

- 1 From 2010/11 the Subsidy Guidance Manual changed to a different format to previous editions.
- In the past each edition was written for a specific year. This edition is generic and can be used for any year from 2010/11 until 31.03.2018 'the relevant year' means the year for which subsidy is being claimed.
- 3 Some parts of the manual do refer to a specific year, for example, Appendix A, and this is noted.
- In the future the only parts of the manual that will be updated will be those where there has been a change in policy or there is a need to refer to a specific year.
- 5 The Subsidy Guidance Manual amendments will be available at www.gov.uk

What this manual contains

- This manual details the subsidies the Department for Work and Pensions (DWP) will pay Local Authorities (LAs) for certain costs of the Housing Benefit (HB).
- 7 This guidance covers subsidies for
 - benefit costs
 - · administration costs
- 8 This manual is also supported by
 - several appendices
 - a key word index

Cross references

Whenever possible all main guidance for a particular issue is contained in the same section. Sometimes you will be referred to another part of the manual or another document for further related information, rather than repeating that same information.

Language of the manual

- Some ordinary words and phrases have been used within the manual with a specific meaning to aid ease of reading and understanding.

 These words and phrases are
 - 'you' is used to mean the person within the local authority making the decision
 - 'home' or 'accommodation' is used rather than 'dwelling they occupy as their home'
 - 'authority' or 'authorities' is used to denote authorities' responsibilities especially if talking about the administration arrangements within an authority

Queries

If you have any queries concerning the content of this manual, contact details are given at the end of each subject

12-99

Contents

Section 1: Introduction	
Subsidy legislation	102
Section 2: Benefit costs	
Benefit costs	200
Qualifying expenditure	210
Queries	212
Section 3: Backdating	
Backdated claims	300
Completion of the subsidy claim form	320
Claims from persons of Pension Credit age	330
Working age men aged 60 – 64	340
Queries	350
Section 4: Overpayments	
Overpaid benefit	400
The treatment of overpayments on the subsidy claim form	420
Current year overpayments	421
Prior year overpayments	423
LA error/Admin delay thresholds	430
Backdated payments and overpayments	440
Underlying entitlement	450
Calculating change of address overpayments	454
Netting spanning two financial years	459
HB paid to Crown tenants	470
Duplicate payments	480
Universal Credit	489
Queries	490

Section 5: Disproportionate rent increase rule (Scottish and Welsh authorities only)

Disproportionate increases in rents rebated through HB	500
Exemption categories	510
Category (A) – open and transparent rent-setting policies	511
Category (B) – rents increased by a common percentage	512
The DRI calculation	520
Definitions	530
Queries	540
Section 6: Temporary accommodation	
Subsidy rules from April 2011	600
Scope of the revised scheme	604
Subsidy changes applicable from 1 April 2011	610
Subsidy under the scheme	622
Upper subsidy caps	624
Self contained accommodation	627
The LHA rate for the size of the property	628
Number of bedrooms	632
Subsidy for board and lodging (B&B) and non self-contained (licensed) accommodation	635
Subsidy for leased and other self-contained (licensed) accommodation	637
Claiming subsidy	640
Audit requirements	650
Queries	660

Section 7: Rent allowances

Introduction	700
Rent allowance cases	710
Regulated tenancies	720
Subsidy and regulated tenancies	740
The eligible rent – the pre-1996 rules (old scheme cases)	750
Continuously entitled to benefit	751
Exempt accommodation	752
Calculation of subsidy in pre-1996 cases	760
Rates of subsidy for pre-1996 cases	770
Maximum rent cases (new scheme cases)	780
Subsidy in maximum rent cases	790
Registered Social Landlord cases	800
Rent officer referrals in respect of RSL tenancies	810
Subsidy in RSL cases	820
Local Housing Allowance cases	830
Cases exempt from the LHA rules	840
Subsidy in LHA cases	850
Referral to the rent officer	860
Referral to the officer in certain Housing Association schemes	870
Further applications for rent officer determinations	880
Re-determinations	890
Supply of rent officer information to claimants	900
Failure to refer relevant cases to the rent officer	910
Transfer of housing authority stock to the private sector	920
Representative cases in hostels	930
Hostel cases – tenancies entered into before 2/15 January 1989	940
Joint tenancies	950
Sub-tenancies	960
Payments on account and indicative rent levels (IRL)	970
Overpayment recovery action	990
Subsidy in payment on account and IRL cases	
Queries	

Section 8: Expenditure not to be included as qualifying expenditure because it does not attract subsidy

Introduction	1100
Differential rent schemes (The modular improvement rule)	1110
Rent-free weeks and credits	1120
Awards to tenants	1130
Prior year overpayments	1134
Recovered overpayments resulting from payments on account	1136
Uncashed payments of HB	1140
Queries	1150
Modified schemes	1160
Benefit awards to war pensioners or war widows/widowers	1170
Additional subsidies to LAs operating a discretionary	
local scheme	
Queries	1180
Section 9: Rent rebate subsidy limitation	
Introduction	1200
Data collection	1210
Rent rebate subsidy limitation calculations for LAs in England	1220
Subsidy limitation rent calculation	1221
	400=
Average weekly rent (Q)	1225
Average weekly rent (Q) Definition of a 'dwelling'	
	1126
Definition of a 'dwelling'	1126 1127
Definition of a 'dwelling' Average weekle rent calculation	1126 1127 1260
Definition of a 'dwelling' Average weekle rent calculation Amount of deduction from subsidy	1126 1127 1260 1270
Definition of a 'dwelling' Average weekle rent calculation Amount of deduction from subsidy Rent rebate subsidy limitation calculations for LAs in Wales	1126 1127 1260 1270 1275
Definition of a 'dwelling'	1126 1127 1260 1270 1275
Definition of a 'dwelling'	1126 1127 1260 1270 1275 1280

Section 10: Administration costs	
Introduction	1400
Details of the DWP Administration subsidy distribution	
in the relevant year	1410
Distribution methodology	1411
Payment of subsidy	1421
Queries	1430
Section 11: In-year instalments of subsidy and subsidy	d payments of
In-year instalments of subsidy	1500
Payments of subsidy	1510
Queries	1520
Section 12: Extended payments of HB	
Extended payments	1600
Subsidy for extended payments	1610
Subsidy for overpayments of extended payments	1620
Queries	1630
Section 13: Expenditure attracting full rate su separately identified elsewhere on the cla	
Introduction	1700
Cell 023 – England and Wales	1710
Cell 023 – Scotland	1720
Cell 061 – England and Wales only	1730
Cell 110	1740
Queries	1760

Appendices

Summary of 2016/17 benefit subsidy	
arrangements	Appendix A
Effective dates of rent officers' determination	Appendix B
Subsidy arrangements for hostel accommodation	Appendix C
Administration Subsidy distribution for 2016/17	Appendix D
Weekly limit rents for LAs in England 2016/17	Appendix E
Amounts for rent rebate subsidy deduction calculation for LAs in Wales 2016/2017	Appendix F
Subsidy arrangements for Temporary Accommodation	Appendix G