

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](https://www.gov.uk) website,

The first year for which this manual should be used when claiming subsidy is 2016/17 and is referred to in this manual as the “relevant year”

DWP

March 2017

Housing Benefit

Subsidy Guidance Manual

DWP Department for
Work and Pensions

Record of amendments

- 1 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			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 Benefit
IOW	In and Out of Work
IRL	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

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.
- 2 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 31.03.2017 '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.
- 4 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

- 6 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

- 9 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

- 10 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

- 11 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.....	1000
Queries.....	1010

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	1171
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
Average weekly rent (Q)	1225
Definition of a ‘dwelling’	1126
Average weekle rent calculation.....	1127
Amount of deduction from subsidy	1260
Rent rebate subsidy limitation calculations for LAs in Wales	1270
Calculation of Q.....	1275
Amount of deduction	1280
Legislation	1290
Derogations	1300
Queries.....	1330

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 payments of subsidy

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 subsidy not separately identified elsewhere on the claim form

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