

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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HB/CTB S5/2012

SUBSIDY CIRCULAR

WHO SHOULD READ	Housing Benefit and Council Tax Benefit managers and staff. Fraud managers and staff. Officers preparing subsidy claims and estimates
ACTION	For information
SUBJECT	HB subsidy arrangements 2013/14: Details of the specific grant for administration costs

Guidance Manual

The information in this circular does not affect the content of the HB/CTB Guidance Manual.

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
 - **technical content of this circular**,
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HB main subsidy arrangements and additional subsidy 2013/14: Details of the administration subsidy distribution

Introduction

- 1 This circular contains details of the Housing Benefit (HB) main administration subsidy and additional administration subsidy which, following consultation with the Local Authority Associations (LAAs), will apply for 2013/14.
- 2 In 2013/14 Council Tax Benefit (CTB) will be abolished. Council Tax support will be the responsibility of the Department for Communities and Local Government (DCLG) and the Devolved Administrations (DAs). However, in order to keep disruption to local authority (LA) finances at an absolute minimum DWP and DCLG have agreed to maintain administrative funding at comparative levels to 2012/13 with DCLG and the DAs being responsible for funding any new burdens impact of the replacement schemes.
- 3 Provision for the 2013/14 subsidy arrangements will be made by an Amendment Order to the Income-related (Subsidy to Authorities) Order 1998, which will also be subject to consultation with the LAAs before it is laid before Parliament.

Details of the DWP administration subsidy distribution in 2013/14

- 4 For 2013/14 the total distributed amount of administration subsidy is £444m. The *Appendix* shows the individual allocations for each LA in England, Scotland and Wales. A cap of 0% and a net of -10%, compared to 2012/13 allocations, has been applied to provide an element of stability in funding.
- 5 The distribution of the additional administration subsidy of £22m is also shown in the *Appendix*. No net or cap has been applied to this funding stream.

Distribution methodology

- 6 We will allocate each LA a share of the total administration subsidy that reflects its share of the national HB/CTB work done, with adjustments that reflect some differences in regional costs based upon Single Housing Benefit Extract (SHBE) data for the period from April 2011 to March 2012.
- 7 The methodology uses weightings that reflect the time needed to administer cases of different tenure types. The weightings in *Table 1* are derived from the report 'Costs of Administering Housing and Council Tax Benefits' (ISBN 1841239836).

Table 1

New Claims case types	Weightings
Rent Rebates – not receiving income-based Jobseeker's Allowance (JSA(IB)), Income Support (IS) or Pension Credit (guarantee credit)	1.56
Rent Rebates – receiving JSA(IB), IS or Pension Credit (guarantee credit)	1.09
Council Tax Benefit – not receiving JSA(IB), IS or Pension Credit (guarantee credit)	1.47
Council Tax Benefit – receiving JSA(IB), IS or Pension Credit (guarantee credit)	1.00
Housing Associations – not receiving JSA(IB), IS or Pension Credit (guarantee credit)	1.60
Housing Associations – receiving JSA(IB), IS or Pension Credit (guarantee credit)	1.13
Rent Allowances (other than Housing Associations) – not receiving JSA(IB), IS or Pension Credit (guarantee credit)	1.72
Rent Allowances (other than Housing Associations) – receiving JSA(IB), IS or Pension Credit (guarantee credit)	1.23
Live Claims case types	
Council Tax Benefit only	1.52
Rent Rebates	1.51
Housing Associations	2.00
Rent Allowances (other than Housing Associations)	2.13

Labour cost adjustments

- 8 For **labour costs**, we used the most up to date information on the Annual Survey of Hours and Earnings (ASHE) to derive the labour cost indices split between England, Scotland and Wales. The DCLG Labour Cost Adjustment (LCA) ratios will be applied to the English LAs).
- 9 *Table 2* shows a summary of the regional values used for the 2013/14 distribution.

Table 2

ASHE survey	Weight
England	1.0096
Wales	0.9362
Scotland	0.9432
CLG LCAs	
City of London	1.5550
Inner London	1.3050
West Outer London	1.1705
Berkshire, Surrey and West Sussex Fringe	1.1599
Berkshire Non-Fringe	1.1286
Buckinghamshire Non-Fringe	1.1231
Hertfordshire and Buckinghamshire Fringe	1.1102
Kent and Essex Fringe	1.1081
Rest Outer London	1.1081
Oxfordshire	1.0747
Hampshire & Isle of Wight	1.0558
Avon	1.0553
Cambridgeshire	1.0511
Bedfordshire and Hertfordshire Non-Fringe	1.0467
Wiltshire	1.0317
Greater Manchester	1.0258
Warwickshire	1.0239
Cheshire	1.0214
Gloucestershire	1.0210
Northamptonshire	1.0144
West Midlands	1.0117
Essex Non-Fringe	1.0116
Kent Non-Fringe	1.0087
Dorset	1.0086
Nottinghamshire	1.0073
Merseyside	1.0053
West Yorkshire	1.0013
Cumbria	1.0001
Rest of England	1.0000

Accommodation factors

- 10 For **accommodation factors**, we used the information of the Property Market Report provided by the Valuation Office Agency (VOA). These have been used to derive the indices to represent a split of accommodation costs between England, Scotland and Wales. The DCLG's Rates Cost Adjustment (RCA) ratios will be applied to the English LAs.
- 11 DCLG RCA ratios from the Environmental, Protective and Cultural Services (EPCS) aspect of the Local Government Finance Settlement have been applied to the English LAs.
- 12 *Table 3* shows a summary of the regional values used for the 2013/14 distribution.

Table 3

VOA-Property Market Report	Weight
England	1.0310
Wales	0.6800
Scotland	0.9590
DCLG's RCAs	
City of London	4.0104
Inner London	3.1457
Outer London	1.4659
London Fringe	1.6348
Rest of the South East	1.2229
South East Fringe	1.2207
Northern ACA area	1.1724
Rest of England	1.0000

Treatment of stock transfers

- 13 All Large Scale Voluntary Transfers (LSVTs) which are identifiable from the SHBE data covering April 2011–March 2012 have been taken into account in the 2013/14 distribution.

The formula

- 14 The subsidy is distributed among LAs by taking HB and CTB caseloads into account, with different weightings for different case types such as private or LA housing, and adjustments to compensate for variations in accommodation and labour costs between regions.

- 15 The administration subsidy for a particular LA is equal to a fraction of the total administration subsidy. This fraction is calculated using the Adjusted Caseloads and the labour and accommodation indices which are scaled by the average which has been weighted by caseload.

Factor = Adjusted Caseload x [0.25 + 0.65 x Scaled Labour indices + 0.1 x Scaled Accommodation indices]

Admin Subsidy = Factor x Total Admin Subsidy / Sum of Factors for all LAs

- 16 The Adjusted Caseloads for HB and CTB are calculated by applying the relevant weighting to each aspect of the caseload (both live load and new claim volumes using the weights from *Table 1*) and summing the total.

Details of the DWP additional administration subsidy distribution 2013/14

- 17 Alongside the £444m administration subsidy, an additional amount of £22m is also to be distributed for 2013/14.
- 18 This additional subsidy will be provided solely for the purpose of assisting LAs in their statutory duty to administer and process HB claims and directly related enquiries during the economic downturn.
- 19 This additional resource will not form part of future baselines.
- 20 The methodology for distributing this funding is the same as for the core administration subsidy.

Payments of subsidy

- 21 Payments of interim administration subsidy will be made in monthly instalments beginning in April. The overall grant available to support HB administration costs is cash limited and so there is no provision for any adjustments to be made to individual LA allocations.

Queries

- 22 If you have a query about the 2013/14 administration subsidy distribution, contact
Email: HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK
- 23 If you have a query about the payment arrangements, please contact
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2013/14 Individual LA allocations

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
England		
Adur	360,367	17,818
Allerdale	592,208	29,288
Amber Valley	734,113	36,309
Arun	992,923	49,078
Ashfield	815,147	40,356
Ashford	674,921	33,638
Aylesbury Vale	815,233	40,343
Babergh	430,688	21,309
Barking & Dagenham	1,773,086	87,637
Barnet	2,559,480	145,168
Barnsley	1,848,835	91,426
Barrow in Furness	510,224	25,276
Basildon	1,283,394	63,502
Basingstoke and Deane	855,419	42,317
Bassetlaw	741,642	37,010
Bath & North East Somerset	987,115	48,846
Bedford	1,096,198	54,257
Bexley	1,409,283	69,687
Birmingham	10,389,914	514,041
Blaby	376,436	18,622
Blackburn with Darwen	1,208,587	59,880
Blackpool	1,733,139	85,680
Bolsover	524,869	25,947
Bolton	2,370,241	117,965
Boston	469,311	24,022
Bournemouth	1,595,816	78,932
Bracknell Forest	620,712	30,686
Bradford	4,378,273	216,574
Braintree	883,611	43,741
Breckland	793,907	39,272
Brent	3,196,771	158,122
Brentwood	323,339	15,979
Brighton and Hove	2,543,540	125,914
Bristol	3,613,496	178,861
Broadland	512,030	25,333
Bromley	1,743,591	86,182
Bromsgrove	369,734	18,283
Broxbourne	641,106	31,727
Broxtowe	569,376	28,178
Burnley	890,574	50,730

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Bury	1,300,426	64,331
Calderdale	1,606,800	79,443
Cambridge	622,151	30,787
Camden	2,439,742	120,801
Cannock Chase	669,302	33,089
Canterbury	804,103	39,786
Carlisle	648,541	32,074
Castle Point	498,900	24,695
Central Bedfordshire	1,219,146	60,388
Charnwood	795,868	39,335
Chelmsford	788,957	39,029
Cheltenham	671,038	33,210
Cherwell	735,159	36,407
Cheshire East	1,905,050	95,228
Cheshire West and Chester	1,909,615	94,503
Chesterfield	799,272	39,540
Chichester	604,095	29,894
Chiltern	344,392	17,044
Chorley	587,170	29,045
Christchurch	285,082	14,095
City of London	113,842	4,884
Colchester	995,750	49,219
Copeland	448,225	22,182
Corby	525,163	30,962
Cornwall	3,744,423	185,184
Cotswold	401,312	19,858
Coventry	2,727,737	134,962
Craven	248,045	12,275
Crawley	805,062	39,828
Croydon	3,064,136	151,606
Dacorum	761,906	37,730
Darlington	827,642	40,954
Dartford	548,118	27,092
Daventry	342,657	16,955
Derby	1,789,513	88,501
Derbyshire Dales	292,114	14,443
Doncaster	2,522,827	124,742
Dover	784,268	38,775
Dudley	2,151,706	106,506
Durham	4,380,089	216,478
Ealing	2,824,796	139,793
East Cambridgeshire	408,636	20,208
East Devon	675,862	33,420
East Dorset	384,160	18,986
East Hampshire	488,766	24,184

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
East Hertfordshire	602,664	29,794
East Lindsey	1,088,672	53,872
East Northamptonshire	436,354	21,591
East Riding of Yorkshire	1,936,695	95,762
East Staffordshire	678,943	33,597
Eastbourne	848,096	41,981
Eastleigh	567,878	28,069
Eden	218,260	10,788
Elmbridge	543,398	26,877
Enfield	3,116,405	154,024
Epping Forest	614,221	30,400
Epsom and Ewell	312,217	15,441
Erewash	708,872	35,104
Exeter	772,738	38,530
Fareham	426,204	21,078
Fenland	724,983	35,857
Forest Heath	354,177	17,515
Forest of Dean	508,950	25,276
Fylde	406,458	20,382
Gateshead	1,638,810	81,042
Gedling	687,474	33,988
Gloucester	907,799	44,885
Gosport	632,901	31,455
Gravesham	664,042	32,845
Great Yarmouth	915,383	45,285
Greenwich	2,733,483	135,210
Guildford	626,599	30,999
Hackney	3,790,068	187,516
Halton	1,111,237	54,981
Hambleton	405,187	20,042
Hammersmith and Fulham	1,894,785	93,778
Harborough	287,055	14,210
Haringey	2,913,573	144,136
Harlow	679,301	33,601
Harrogate	702,820	34,798
Harrow	1,720,255	85,147
Hart	246,764	12,217
Hartlepool	1,014,509	50,202
Hastings	1,004,969	49,779
Havant	787,417	38,964
Havering	1,380,485	68,307
Herefordshire	1,024,858	50,701
Hertsmere	601,629	29,756
High Peak	549,240	27,143
Hillingdon	1,971,251	97,520

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Hinckley and Bosworth	486,859	24,066
Horsham	495,441	24,502
Hounslow	1,955,025	96,739
Huntingdonshire	846,108	41,821
Hyndburn	744,603	36,832
Ipswich	982,748	49,491
Isle of Wight	1,160,178	57,428
Isles of Scilly	4,623	216
Islington	2,822,565	139,718
Kensington and Chelsea	1,612,839	79,815
Kettering	560,743	27,726
King's Lynn & West Norfolk	954,346	47,222
Kingston upon Hull	2,631,913	130,165
Kingston upon Thames	924,315	45,685
Kirklees	2,938,327	145,346
Knowsley	1,621,257	80,223
Lambeth	3,873,117	191,591
Lancaster	880,815	43,585
Leeds	5,492,207	271,834
Leicester	2,855,320	141,175
Lewes	565,044	27,932
Lewisham	3,842,441	190,054
Lichfield	456,904	22,616
Lincoln	767,271	37,930
Liverpool	5,877,279	290,778
Luton	1,495,472	73,924
Maidstone	795,300	39,320
Maldon	304,656	15,075
Malvern Hills	368,087	18,211
Manchester	5,382,698	266,189
Mansfield	800,117	39,602
Medway	1,901,395	94,013
Melton	220,747	10,922
Mendip	660,595	32,661
Merton	1,329,953	65,812
Mid Devon	423,547	20,933
Mid Suffolk	365,618	18,096
Mid Sussex	505,919	25,040
Middlesbrough	1,556,404	77,022
Milton Keynes	1,819,087	89,952
Mole Valley	341,531	16,882
New Forest	809,329	40,050
Newark and Sherwood	612,769	30,330
Newcastle under Lyme	754,212	37,384
Newcastle upon Tyne	2,395,348	118,555

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Newham	3,030,678	148,684
North Devon	652,825	32,306
North Dorset	327,308	16,420
North East Derbyshire	535,207	26,460
North East Lincolnshire	1,532,358	75,794
North Hertfordshire	744,057	36,792
North Kesteven	490,485	24,255
North Lincolnshire	1,214,776	60,087
North Norfolk	631,809	31,248
North Somerset	1,394,025	69,010
North Tyneside	1,601,886	79,178
North Warwickshire	340,372	16,837
North West Leicestershire	467,087	23,111
Northampton	1,476,860	73,102
Northumberland	2,152,183	106,445
Norwich	1,233,175	61,008
Nottingham	2,974,332	149,109
Nuneaton and Bedworth	823,756	40,758
Oadby and Wigston	233,429	11,550
Oldham	1,906,394	94,784
Oxford	900,038	44,511
Pendle	757,158	37,468
Peterborough	1,544,602	78,219
Plymouth	2,162,899	107,021
Poole	863,193	42,697
Portsmouth	1,864,698	92,208
Preston	1,035,608	51,217
Purbeck	243,378	12,036
Reading	1,177,901	58,256
Redbridge	1,713,969	84,703
Redcar and Cleveland	1,264,129	62,576
Redditch	548,743	27,188
Reigate and Banstead	659,974	32,625
Ribble Valley	203,441	10,064
Richmond upon Thames	931,194	46,101
Richmondshire	205,893	10,519
Rochdale	1,823,041	95,047
Rochford	360,015	17,814
Rossendale	478,888	23,718
Rother	572,700	28,317
Rotherham	1,898,189	93,871
Rugby	571,882	28,313
Runnymede	402,756	19,947
Rushcliffe	413,897	20,461
Rushmoor	589,640	29,160

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Rutland	139,243	6,890
Ryedale	275,543	13,806
Salford	2,415,826	119,614
Sandwell	3,013,350	149,091
Scarborough	964,419	47,726
Sedgemoor	768,458	37,982
Sefton	2,129,767	105,257
Selby	380,782	18,848
Sevenoaks	516,399	25,547
Sheffield	3,868,847	191,428
Shepway	810,740	40,095
Shropshire	1,656,712	82,042
Slough	1,129,359	55,828
Solihull	1,133,411	56,112
South Bucks	243,552	12,054
South Cambridgeshire	482,616	23,878
South Derbyshire	399,796	19,779
South Gloucestershire	1,410,069	69,772
South Hams	458,955	22,710
South Holland	497,428	24,612
South Kesteven	696,685	34,474
South Lakeland	417,461	22,429
South Norfolk	600,801	29,742
South Northamptonshire	287,374	14,201
South Oxfordshire	479,097	23,694
South Ribble	543,316	26,889
South Somerset	954,454	47,206
South Staffordshire	505,897	25,024
South Tyneside	1,367,692	67,662
Southampton	1,906,914	94,298
Southend on Sea	1,426,447	70,564
Southwark	3,573,707	176,935
Spelthorne	472,002	23,338
St Albans	503,947	24,929
St Edmundsbury	543,521	26,910
St Helens	1,507,351	74,573
Stafford	582,629	28,792
Staffordshire Moorlands	435,949	21,554
Stevenage	588,214	29,101
Stockport	1,733,490	85,773
Stockton on Tees	1,576,108	77,914
Stoke on Trent	2,172,270	107,490
Stratford on Avon	558,614	27,570
Stroud	517,218	25,593
Suffolk Coastal	564,032	27,927

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Sunderland	2,746,296	135,869
Surrey Heath	321,720	15,924
Sutton	1,254,961	62,036
Swale	948,635	46,906
Swindon	1,345,188	66,562
Tameside	1,951,514	96,496
Tamworth	451,289	22,319
Tandridge	347,353	17,207
Taunton Deane	659,237	32,586
Teignbridge	759,873	37,585
Telford and Wrekin	1,326,404	65,595
Tendring	1,231,917	60,954
Test Valley	536,255	26,533
Tewkesbury	396,792	19,630
Thanet	1,377,125	68,131
Three Rivers	424,302	20,974
Thurrock	1,048,417	51,921
Tonbridge and Malling	582,676	28,830
Torbay	1,415,794	70,044
Torridge	432,554	21,386
Tower Hamlets	4,011,815	198,517
Trafford	1,372,806	67,904
Tunbridge Wells	541,894	26,826
Uttlesford	279,606	13,840
Vale of White Horse	482,253	23,877
Wakefield	2,739,853	135,468
Walsall	2,658,971	131,624
Waltham Forest	2,321,031	114,827
Wandsworth	2,546,831	126,128
Warrington	1,245,860	62,442
Warwick	622,327	30,831
Watford	602,836	29,809
Waveney	876,040	43,365
Waverley	460,999	22,817
Wealden	620,802	30,700
Wellingborough	544,230	26,919
Welwyn Hatfield	634,018	31,346
West Berkshire	722,868	35,787
West Devon	302,999	15,292
West Dorset	529,070	26,165
West Lancashire	667,915	33,019
West Lindsey	556,740	27,543
West Oxfordshire	468,865	23,174
West Somerset	259,980	12,870
Westminster	2,423,060	119,907

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Weymouth and Portland	526,341	26,036
Wigan	2,261,092	111,951
Wiltshire	2,280,072	112,745
Winchester	466,448	23,062
Windsor and Maidenhead	603,808	29,875
Wirral	2,691,091	133,097
Woking	447,904	22,158
Wokingham	427,380	21,021
Wolverhampton	2,478,989	122,645
Worcester	656,515	32,482
Worthing	684,376	33,852
Wychavon	567,013	28,025
Wycombe	853,975	42,489
Wyre	781,721	38,674
Wyre Forest	688,970	34,109
York	986,773	48,839

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Wales		
Blaenau Gwent	692,053	34,845
Bridgend	1,052,182	52,063
Caerphilly	1,303,309	64,454
Cardiff	2,524,531	124,989
Carmarthenshire	1,196,050	59,190
Ceredigion	436,253	21,568
Conwy	829,384	41,022
Denbighshire	701,376	34,689
Flintshire	877,195	43,373
Gwynedd	806,129	39,843
Isle of Anglesey	467,178	23,092
Merthyr Tydfil	531,398	26,281
Monmouthshire	454,907	22,520
Neath Port Talbot	1,191,756	58,922
Newport	1,142,828	56,505
Pembrokeshire	749,777	37,110
Powys	738,202	36,488
Rhondda Cynon Taf	1,904,668	94,207
Swansea	1,789,953	88,567
Torfaen	778,180	38,492
Vale of Glamorgan	757,897	37,502
Wrexham	865,918	43,565

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Scotland		
Aberdeen	1,183,042	58,544
Aberdeenshire	1,062,189	47,820
Angus	697,967	34,564
Argyll and Bute	597,699	29,588
Clackmannanshire	380,159	18,823
Comhairle nan Eilean Siar	196,526	9,622
Dumfries and Galloway	1,142,046	56,547
Dundee	1,456,470	72,164
East Ayrshire	995,966	49,304
East Dunbartonshire	442,850	21,931
East Lothian	579,940	28,705
East Renfrewshire	321,400	15,915
Edinburgh	3,249,727	160,973
Falkirk	1,070,210	52,983
Fife	2,474,460	122,483
Glasgow	7,032,731	343,074
Highland	1,383,110	65,833
Inverclyde	817,062	39,546
Midlothian	544,932	26,948
Moray	478,956	23,694
North Ayrshire	1,256,124	62,235
North Lanarkshire	2,680,139	132,640
Orkney	111,630	5,527
Perth and Kinross	827,343	40,964
Renfrewshire	1,444,689	71,571
Scottish Borders	770,492	38,156
Shetland	91,107	4,318
South Ayrshire	828,679	41,031
South Lanarkshire	2,141,311	106,068
Stirling	447,836	22,167
West Dunbartonshire	1,007,211	49,781
West Lothian	1,205,780	59,706