

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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HB/CTB S3/2011

SUBSIDY CIRCULAR

WHO SHOULD READ	Housing Benefit and Council Tax Benefit managers and staff, Fraud managers and staff, and officers preparing subsidy claims and estimates
ACTION	For information
SUBJECT	Funding levels for Housing Benefit/Council Tax Benefit administration subsidy for 2012/13 and beyond

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 www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications
- have any queries about the
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HB /CTB administration subsidy for 2012/13

- 1 Following the Department for Communities and Local Government's announcement of the Local Government finance settlement, Local Authorities (LAs) began contacting the Department seeking assurances on HB/CTB administration subsidy funding post 2011/12.
- 2 The Department issued a bulletin (G2/2011) to clarify the position.
- 3 It was always the Department's intention to announce the overall funding once both core and recession funding was confirmed. However, as LAs have sought assurances on the core funding for 2012/13, to support their long term planning, the Department has issued this circular confirming the core HB administration funding at national level for 2012/13 immediately and will announce any recession funding, if secured from HMT, at the most opportune time. We are therefore only able to confirm core funding for 2012/13 at present which will total **£464.7m**.
- 4 However, it should be noted that knowing the overall national funding does not give LAs the assurance on their exact allocations, because when it comes to allocating subsidy at individual LA level, the amount paid will depend on its workload levels over the past twelve month period used in the calculation.

HB/CTB administration subsidy beyond 2013

- 5 The introduction of Universal Credit in 2013 will mean new claimant cases for housing benefit no longer being handled under the current system, thereby impacting on LA caseload. Before the migration begins the Department will also need to agree the methodology for distributing the overall subsidy allocation. As this policy is currently being worked through, it is too early to be able to announce any funding beyond 2012/13. As always, we will continue to consult with the Local Authority Associations and once we are in a position to give a firm undertaking about the financial position regarding HB/CTB administration subsidy for 2013/14, the Department will do so.