

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

1st Floor, Caxton House, Tothill Street, London SW1H 9NA

HB/CTB S9/2011

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/CTB subsidy arrangements 2012/13: 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 www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/
- have any queries about the
 - **technical content of this circular**,
Email: HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK
 - **distribution of this circular**,
Email: HOUSING.CORRESPONDENCEANDPQS@DWP.GSI.GOV.UK

Crown Copyright 2011

Recipients may freely reproduce this circular.

Contents

para

**HB/CTB subsidy arrangements 2012/13: Details of the administration
subsidy distribution**

Introduction	1
Details of the DWP administration subsidy distribution in 2012/13.....	3
Distribution methodology	5
Labour cost adjustments.....	8
Accommodation factors	10
Treatment of Stock Transfers	13
The formula.....	14
Details of the DWP additional administration subsidy distribution 2012/13	17
Payments of subsidy.....	21
Queries	22
2012/13 Individual LA allocations	Appendix A

HB/CTB main subsidy arrangements and additional subsidy 2012/13: Details of the administration subsidy distribution

Introduction

- 1 This circular contains details of the Housing Benefit (HB) and Council Tax Benefit (CTB) main subsidy arrangements and additional subsidy which, following consultation with the Local Authority Associations (LAAs), will apply for 2012/13.
- 2 Provision for the 2012/13 subsidy arrangements will be made by Amendment Orders 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 2012/13

- 3 For 2012/13 the total distributed amount of administration subsidy is £464.7m. *Appendix A* shows the individual allocations for each local authority (LA) in England, Scotland and Wales. A cap of 0% and a net of -10%, compared to 2011/12 allocations, has been applied to provide an element of stability in funding.
- 4 The distribution of the additional administration subsidy of £46m is also shown in *Appendix A*. No net or cap has been applied to this funding stream.

Distribution methodology

- 5 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.
- 6 The distribution methodology uses new claims information based upon Single Housing Benefit Extract (SHBE) data for the period from April 2010 to February 2011, and caseload information from April 2010 to March 2011.
- 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 The methodology also reflects differences in labour costs. It uses the Annual Survey of Hours and Earnings (ASHE) 2010 to derive the labour cost indices split between England, Scotland and Wales. It also applies Labour Cost Adjustments (LCA) ratios to the English LAs, as provided in the Local Government Finance Settlement published by the Department for Communities and Local Government (DCLG).
- 9 *Table 2* shows a summary of the regional values used for the 2012/13 distribution.

Table 2

ASHE survey	Weight
England	1.0050
Wales	0.9340
Scotland	0.9859
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 The distribution methodology uses figures from the Valuation Office Agency's Property Market Report from January 2008 to derive the accommodation costs indices split between England, Scotland and Wales.
- 11 DCLG Rates Cost Adjustment (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 2012/13 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 2010 – March 2011 have been taken into account in the 2012/13 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 2012/13

- 17 As advised in HB/CTB circular S6/2011, an additional amount of £46m is also to be distributed for 2012/13.
- 18 This additional subsidy will be provided solely for the purpose of assisting LAs in their statutory duty to administer and process HB/CTB 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. As always, the overall grant available to support HB and CTB 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 2012/13 administration subsidy distribution, contact
Email: HBCTB.SUBSIDYQUERIES@DWP.GSI.GOV.UK
- 23 If you have a query about the payment arrangements, please contact
Michael Mina
Tel: 01253 333864
Fax: 01253 333172
Email: michael.mina@dwp.gsi.gov.uk

2012/13 Individual LA allocations

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
England		
Adur	368,550	36,479
Allerdale	611,449	60,379
Amber Valley	760,877	75,309
Arun	1,002,502	99,229
Ashfield	877,522	86,850
Ashford	674,921	66,804
Aylesbury Vale	863,269	85,443
Babergh	452,329	44,870
Barking	1,788,053	176,969
Barnet	2,559,480	253,328
Barnsley	1,901,533	188,200
Barrow in Furness	562,316	55,662
Basildon	1,351,243	133,749
Basingstoke and Deane	893,152	88,397
Bassetlaw	741,642	73,413
Bath and N E Somerset	1,042,476	103,177
Bedford	1,168,738	115,686
Bexley	1,447,058	143,223
Birmingham	10,898,275	1,078,633
Blaby	392,698	39,915
Blackburn with Darwen	1,338,600	132,492
Blackpool	1,762,178	174,399
Bolsover	533,152	52,776
Bolton	2,370,241	244,162
Boston	469,311	46,447
Bournemouth	1,656,267	163,926
Bracknell Forest	631,286	62,855
Bradford	4,558,012	451,146
Braintree	947,452	93,775
Breckland	827,387	81,889
Brent	3,320,939	328,690
Brentwood	324,179	32,089
Brighton and Hove	2,728,424	270,068
Bristol	3,859,910	382,021
Broadland	536,943	53,145

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Bromley	1,760,748	174,277
Bromsgrove	379,677	37,578
Broxbourne	679,666	67,273
Broxtowe	604,305	59,810
Burnley	890,574	88,151
Bury	1,357,767	134,392
Calderdale	1,641,240	162,442
Cambridge	691,279	68,425
Camden	2,638,293	261,131
Cannock Chase	681,703	67,467
Canterbury	846,244	83,761
Carlisle	669,465	66,260
Castle Point	532,986	52,753
Central Bedfordshire	1,337,938	132,417
Charnwood	801,356	79,314
Chelmsford	824,083	81,572
Cheltenham	712,320	70,503
Cherwell	800,695	79,252
Cheshire East	1,905,050	188,556
Cheshire West and Chester	2,023,375	200,258
Chesterfield	834,734	82,619
Chichester	638,873	63,231
Chiltern	365,791	35,750
Chorley	587,170	58,116
Christchurch	290,766	28,780
City of London	126,491	10,721
Colchester	1,006,211	99,589
Copeland	475,227	47,041
Corby	525,163	59,934
Cornwall	3,868,107	382,842
Cotswold	423,098	41,878
Coventry	2,867,074	283,773
Craven	262,235	25,955
Crawley	842,347	83,369
Croydon	3,221,064	318,799
Dacorum	827,947	81,955
Darlington	873,072	86,415
Dartford	553,072	54,743
Daventry	361,379	35,768
Derby	1,847,499	182,853

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Derbyshire Dales	298,953	29,588
Doncaster	2,584,263	255,766
Dover	800,109	79,191
Dudley	2,299,239	227,571
Durham	4,405,492	436,088
Ealing	2,993,557	296,320
East Cambridgeshire	420,625	41,632
East Devon	694,025	68,691
East Dorset	386,170	38,224
East Hampshire	514,477	50,924
East Hertfordshire	613,145	60,690
East Lindsey	1,150,358	113,851
East Northamptonshire	459,876	45,517
East Riding of Yorkshire	1,984,557	196,425
East Staffordshire	717,077	70,978
Eastbourne	907,689	89,841
Eastleigh	573,288	56,740
Eden	220,018	21,778
Elmbridge	563,991	55,824
Enfield	3,135,134	312,225
Epping Forest	653,483	64,680
Epsom and Ewell	322,808	31,950
Erewash	771,051	76,315
Exeter	772,738	76,479
Fareham	439,842	43,536
Fenland	751,194	74,352
Forest Heath	364,637	36,088
Forest of Dean	508,950	50,374
Fylde	406,458	40,227
Gateshead	1,687,630	167,046
Gedling	700,761	69,364
Gloucester	928,786	91,936
Gosport	632,901	62,640
Gravesham	689,811	68,278
Great Yarmouth	956,811	94,700
Greenwich	2,843,185	281,476
Guildford	655,834	64,919
Hackney	3,977,522	393,640
Halton	1,168,087	115,612
Hambleton	421,467	41,713

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Hammersmith and Fulham	2,015,315	199,462
Harborough	307,640	30,447
Haringey	3,045,407	301,424
Harlow	706,060	69,887
Harrogate	758,628	75,085
Harrow	1,835,830	181,713
Hart	265,377	26,267
Hartlepool	1,072,083	106,111
Hastings	1,102,475	109,121
Havant	831,221	82,272
Havering	1,454,648	143,973
Herefordshire	1,071,448	106,046
Hertsmere	623,464	61,714
High Peak	550,529	54,491
Hillingdon	2,061,367	204,033
Hinckley and Bosworth	492,600	48,759
Horsham	511,725	50,649
Hounslow	2,062,132	204,109
Huntingdonshire	854,407	84,568
Hyndburn	775,211	76,725
Ipswich	982,748	97,271
Isle of Wight	1,240,018	122,736
Isles of Scilly	5,137	454
Islington	3,020,633	298,996
Kensington and Chelsea	1,708,258	169,097
Kettering	574,374	56,846
Kings Lynn and West Norfolk	1,005,602	99,532
Kingston upon Hull	2,719,636	269,206
Kingston upon Thames	931,565	92,210
Kirklees	3,059,312	301,539
Knowsley	1,709,692	169,226
Lambeth	4,036,864	400,813
Lancaster	929,054	91,952
Leeds	5,850,544	579,056
Leicester	2,918,689	288,897
Lewes	573,144	56,730
Lewisham	3,988,067	402,179
Lichfield	488,296	48,331
Lincoln	779,336	77,131
Liverpool	6,164,350	610,195

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Luton	1,514,841	149,935
Maidstone	811,277	80,298
Maldon	321,052	31,778
Malvern Hills	386,266	38,228
Manchester	5,546,125	548,906
Mansfield	852,430	84,371
Medway	1,945,975	192,614
Melton	231,898	23,111
Mendip	674,748	66,782
Merton	1,405,828	139,136
Mid Devon	426,250	42,187
Mid Suffolk	389,723	38,575
Mid Sussex	538,711	53,318
Middlesbrough	1,648,524	163,162
Milton Keynes	1,868,613	184,944
Mole Valley	345,603	34,210
New Forest	856,002	84,725
Newark and Sherwood	654,093	64,736
Newcastle under Lyme	754,212	74,653
Newcastle upon Tyne	2,550,524	252,438
Newham	3,367,420	322,548
North Devon	690,589	68,349
North Dorset	327,308	32,396
North East Derby	544,921	53,934
North East Lincoln	1,591,393	157,508
North Hertfordshire	763,904	75,611
North Kesteven	504,616	49,944
North Lincolnshire	1,262,883	124,997
North Norfolk	653,961	64,729
North Somerset	1,496,265	148,099
North Tyneside	1,617,244	160,067
North Warwickshire	354,646	35,103
North West Leicester	491,862	48,687
Northampton	1,577,624	156,148
Northumberland	2,229,360	220,648
Norwich	1,290,964	127,780
Nottingham	2,974,332	294,403
Nuneaton and Bedworth	866,494	85,763
Oadby and Wigston	245,779	24,326
Oldham	1,906,394	194,023

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Oxford	929,078	91,950
Pendle	800,386	79,057
Peterborough	1,544,602	152,891
Plymouth	2,162,899	214,063
Poole	897,757	88,854
Portsmouth	1,916,101	189,655
Preston	1,069,996	105,898
Purbeck	251,317	24,875
Reading	1,217,970	120,545
Redbridge	1,717,759	170,016
Redcar and Cleveland	1,354,075	134,013
Redditch	607,928	60,165
Reigate and Banstead	669,231	66,242
Ribble Valley	212,026	20,985
Richmond upon Thames	1,001,731	98,695
Richmondshire	205,893	17,289
Rochdale	1,823,041	180,436
Rochford	379,588	37,571
Rossendale	523,256	51,791
Rother	585,847	57,988
Rotherham	1,956,333	193,649
Rugby	615,957	60,960
Runnymede	439,506	43,499
Rushcliffe	420,203	41,589
Rushmoor	608,439	60,215
Rutland	147,120	14,561
Ryedale	275,543	27,271
Salford	2,609,918	258,296
Sandwell	3,165,092	313,273
Scarborough	1,020,859	101,045
Sedgemoor	774,704	76,701
Sefton	2,139,619	211,662
Selby	407,075	40,287
Sevenoaks	539,953	53,444
Sheffield	4,072,403	403,049
Shepway	836,565	82,801
Shropshire	1,801,096	178,260
Slough	1,145,668	113,398
Solihull	1,218,932	120,646
South Bucks	259,395	25,675

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
South Cambridgeshire	506,326	50,115
South Derbyshire	418,367	41,409
South Gloucestershire	1,486,702	150,297
South Hams	484,453	47,949
South Holland	523,226	51,789
South Kesteven	735,459	72,792
South Lakeland	417,461	41,323
South Norfolk	644,377	63,772
South Northamptonshire	287,787	28,484
South Oxfordshire	494,858	48,980
South Ribble	576,833	57,091
South Somerset	988,048	97,793
South Staffordshire	526,676	52,126
South Tyneside	1,430,484	141,586
Southampton	1,961,740	194,163
Southend on Sea	1,487,957	147,273
Southwark	3,853,164	381,333
Spelthorne	483,393	47,849
St Albans	525,162	51,984
St Edmundsbury	586,479	58,048
St Helens	1,578,745	156,261
Stafford	583,095	58,775
Staffordshire Moorlands	444,975	44,041
Stevenage	616,532	61,022
Stockport	1,825,146	180,661
Stockton on Tees	1,600,316	161,017
Stoke on Trent	2,292,412	226,893
Stratford on Avon	620,682	61,427
Stroud	545,930	54,040
Suffolk Coastal	609,168	60,294
Sunderland	2,877,521	284,817
Surrey Heath	343,162	33,966
Sutton	1,272,377	125,948
Swale	972,346	96,240
Swindon	1,418,117	140,347
Tameside	2,001,221	198,070
Tamworth	465,932	46,116
Tandridge	347,353	34,380
Taunton Deane	666,805	66,000
Teignbridge	789,316	78,123

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Telford and Wrekin	1,367,295	135,336
Tendring	1,295,878	128,264
Test Valley	564,321	55,854
Tewkesbury	415,007	41,078
Thanet	1,442,938	142,827
Three Rivers	429,960	42,558
Thurrock	1,141,585	112,995
Tonbridge and Malling	612,888	60,665
Torbay	1,482,964	146,773
Torridge	441,297	43,677
Tower Hamlets	4,235,525	420,131
Trafford	1,427,058	141,243
Tunbridge Wells	581,476	57,552
Uttlesford	298,625	29,555
Vale of White Horse	520,491	47,471
Wakefield	2,801,797	277,326
Walsall	2,848,723	281,948
Waltham Forest	2,429,939	240,504
Wandsworth	2,774,873	274,640
Warrington	1,245,860	128,274
Warwick	687,079	68,005
Watford	618,731	61,240
Waveney	938,063	92,845
Waverley	491,324	47,511
Wealden	639,056	63,251
Wellingborough	565,101	55,932
Welwyn Hatfield	646,933	64,035
West Berkshire	777,711	76,981
West Devon	302,999	29,988
West Dorset	545,709	54,010
West Lancashire	679,179	67,226
West Lindsey	582,607	57,661
West Oxfordshire	472,657	46,783
West Somerset	278,797	27,595
Westminster	2,563,016	259,382
Weymouth and Portland	548,366	54,274
Wigan	2,441,777	241,671
Wiltshire	2,340,669	231,680
Winchester	476,450	47,155
Windsor and Maidenhead	634,776	62,834

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Wirral	2,785,666	275,724
Woking	468,017	46,324
Wokingham	474,867	47,001
Wolverhampton	2,598,246	257,167
Worcester	689,360	68,226
Worthing	711,355	70,409
Wychavon	571,620	56,579
Wycombe	853,975	84,526
Wyre	818,535	81,011
Wyre Forest	740,787	73,321
York	1,050,137	103,939
Wales		
Blaenau Gwent	692,053	71,702
Bridgend	1,108,910	109,754
Caerphilly	1,344,177	133,041
Cardiff	2,720,949	269,296
Carmarthenshire	1,267,415	125,443
Ceredigion	444,817	44,026
Conwy	860,171	85,134
Denbighshire	725,629	71,816
Flintshire	898,349	88,914
Gwynedd	811,667	80,335
Isle of Anglesey	472,399	46,756
Merthyr Tydfil	549,335	54,367
Monmouthshire	488,011	48,300
Neath and Port Talbot	1,216,886	123,229
Newport	1,168,143	115,612
Pembrokeshire	798,554	79,037
Powys	745,412	73,779
Rhondda Cynon Taff	1,975,876	195,557
Swansea	1,884,851	186,545
Torfaen	809,431	80,116
Vale of Glamorgan	799,561	79,137
Wrexham	865,918	87,986
Scotland		
Aberdeen	1,252,097	123,939
Aberdeenshire	1,180,210	116,806

Local Authority	Main administration subsidy (£)	Additional administration subsidy (£)
Angus	759,142	75,136
Argyll and Bute	641,063	63,453
Clackmannanshire	410,991	40,678
Comhairle nan Eilean Siar	218,362	21,406
Dumfries and Galloway	1,235,146	122,253
Dundee	1,615,488	159,891
East Ayrshire	1,068,479	105,761
East Dunbartonshire	481,684	47,677
East Lothian	618,880	61,253
East Renfrewshire	348,425	34,146
Edinburgh	3,569,212	353,255
Falkirk	1,151,304	113,950
Fife	2,645,167	261,829
Glasgow	7,814,146	742,644
Highland	1,536,789	152,102
Inverclyde	907,847	89,854
Midlothian	561,491	55,575
Moray	500,341	49,521
North Ayrshire	1,390,773	137,647
North Lanarkshire	2,844,735	281,584
Orkney	120,451	12,043
Perth and Kinross	893,879	88,471
Renfrewshire	1,594,434	157,813
Scottish Borders	837,804	82,921
Shetland	101,230	10,020
South Ayrshire	895,854	88,671
South Lanarkshire	2,352,028	231,404
Stirling	478,380	47,348
West Dunbartonshire	1,014,118	100,016
West Lothian	1,306,520	129,310