

## Section 10: Administration costs

### Introduction

1400 Authorities were notified of their DWP HB administration subsidy allocation before the start of the relevant year. The overall DWP HB administration subsidy is cash-limited and there is no provision for any adjustment to be made to individual LA allocations. The DWP HB administration subsidy distribution for the relevant year is shown at *Appendix D*.

1401-1409

### Details of the DWP administration subsidy distribution in the relevant year

1410 For 2017/18 the total distributed amount of administration subsidy for HB is £235.94 million. *Appendix D* shows the individual allocations for each LA in England, Scotland and Wales.

1411 This funding was calculated by applying a flat rate reduction of 5.55% as an efficiency saving (applied before Universal Credit savings are deducted) to the 2016/17 HB administration subsidy, which is consistent with DWP's baseline funding.

### Universal Credit roll out

1412 For 2017/18, the HB administration subsidy funding took into account the Universal Credit roll out schedule. Universal Credit savings of £11.3 million were deducted from the total amount of the HB administration subsidy for Great Britain.

### Distribution methodology

1413 In previous years, DWP allocated each LA a share of the total HB administration subsidy that reflected its share of the national HB work done, with adjustments that reflected some differences in regional costs along with netting and capping protection used to avoid large fluctuations in the allocation.

1414 For 2017/18, the allocations were based on the 2016/17 allocation and then applying a flat rate reduction of 5.55%. Allocations were then rounded to the nearest pound.

1415 Universal Credit savings were calculated using forecasts to estimate the impact Universal Credit roll out is expected to have on changes in the HB working age caseload at a local level.

1416-1420

### **Payments of subsidy**

1421      Payments of interim HB administration subsidy will be made in 12 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 authority's allocations.

1422-1429

### **Queries**

1430      If you have any queries concerning the content of this section,  
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