

Section 2: Benefit costs

- 200 The benefit subsidy arrangements set out in this guidance manual apply to all HB lawfully paid in the relevant year. They also apply to all overpayments identified in that period.
- 201 LAs receive, for the greater part of the qualifying benefit expenditure they incur, a direct subsidy of 100%. However, in areas of expenditure wherein LAs have most scope to monitor and control costs, lower rates apply.
- 202 The areas of benefit spending which attract a lower rate of subsidy are:
- Certain types of overpaid benefit and duplicate payments see *Section 4, Overpayments, Overpaid benefit* later in this manual.
 - Disproportionate increases in rents rebated through HB, see *Section 5, Disproportionate rent increase rule* later in this manual.
 - Rent rebate payments above a specified level in respect of homeless people in board and lodging, licensed and short-term accommodation, see *Section 6, Temporary accommodation* later in this manual.
 - Rent allowance paid above or without the required rent officer determination see *Section 7, Rent Allowances* later in this manual
 - Rent allowance payments above a specified level in respect of temporary or short-term accommodation where a Registered Housing Association is the landlord, see *Section 6, Temporary accommodation* later in this manual.

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Qualifying expenditure

- 210 'Qualifying expenditure' is the total of HB paid by an LA during the relevant financial year, subject to certain deductions. The deductions are:
- Modular improvement schemes (rent rebate only), unless the authority qualifies for exemption.
 - Rent free weeks and credits.
 - Awards to tenants.
 - Prior year overpayments – including recovered Departmental error overpayments.
 - Uncashed instruments of payment.
 - Recovered payments on account which occurred in a previous year, and
 - expenditure on modified schemes.
- 211 The term 'paid' should be taken to mean benefit lawfully awarded and paid or credited in relation to the relevant year even though physical payments of benefit made to claimants, by rent allowance or

as a rebate, may not reflect actual benefit paid because of deductions from ongoing entitlement to recover overpayments.

Queries

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

Housing Delivery Division

Email: HBSUBSIDY.QUERIES@DWP.GSI.GOV.UK

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