

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 2018/19 the total distributed amount of administration subsidy for HB is £216.81 million (rounded). *Appendix D* shows the individual allocations for each LA in England, Scotland and Wales.

1411 This funding was calculated by applying a flat rate efficiency saving reduction (applied after Universal Credit reduction) to the 2017/18 HB administration subsidy, which is consistent with DWPs' baseline funding.

Universal Credit roll out

1412 For 2018/19, the HB administration subsidy funding took into account the revised November 2017 Universal Credit roll out schedule. The Universal Credit reduction of £5.894 million (rounded) was deducted from the total amount of the 2018/19 HB administration subsidy for Great Britain. This was in addition to the £11.3 million previously deducted from the 2017/18 HB administration subsidy funding.

1413 The Universal Credit reduction is profiled across a number of financial years. The 2018/19 Universal Credit reduction takes into account the November 2017 Autumn Budget and Universal Credit announcements, along with a review of the reduction in the Universal Credit business case.

Distribution methodology

1414 For 2018/19, the HB administration subsidy was based on the 2017/18 allocation and applied the HB caseload estimates used in the 2017/18 allocations, before any Universal Credit reduction or efficiency reduction was applied.

1415 The Universal Credit reductions were calculated using total expected Universal Credit reduction up to 2018/19. These were based on the estimated individual LA's share of the expected national reduction in the HB working caseload.

1416 A flat rate reduction was then applied across all LA allocations, in line with the departmental efficiency savings. Allocations were then rounded to the nearest pound.

1417-1420

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