

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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HB/CTB S3/2008

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	Rent Rebate Subsidy Limitation information 2008/2009

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/hbctb
- have any queries about the
 - **technical content of this circular**, contact Tara Taggart
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Rent Rebate Subsidy Limitation

Introduction

- 1 This circular contains details of Rent Rebate Subsidy Limitation arrangements. Provision for the 2008/09 arrangements have been made by Amendment Order to the *Income-related Benefits (Subsidy to Authorities) Order 1998*. This order was subject to consultation with the Local Authority Associations (LAAs) before being laid before Parliament.

Rent Rebate Subsidy Limitation Scheme (England and Wales)

- 2 In England the existing processes to collect base data to inform limit rents in England continues for 2008/09. In June 2007, the Department for Communities and Local Government (CLG) sent out the Base Data Return to Local Authorities (LAs). The deadline for final audited returns to be received by CLG was 10 October 2007. This data, together with assumptions that an LA is following the policy of rent restructuring, was used by CLG to inform calculations of limit rents for English LAs.
- 3 Following the resolution of external audit queries, CLG
 - forwarded the final calculated limit rents to Department for Work and Pensions (DWP) in December 2007
 - published these figures on its website alongside the Housing Revenue Account (HRA) Subsidy Determination for 2008/09 so that each LA was aware of its limit rent prior to setting its rents for 2008/09
- 4 English limit rents are pre-set in DWP secondary legislation in advance of the relevant financial year.
- 5 In Wales
 - limit rents are not currently pre-set, but are calculated using data collected on the Subsidy estimates and claim forms submitted to the National Assembly for Wales (NAW) throughout the year
 - data is collected by NAW through alternative returns to inform the limit rent calculation
 - NAW continues to collect the required data from Welsh LAs and advise DWP of the various amounts necessary for any limitation calculation
- 6 The Secretary of State for Work and Pensions has therefore made an amending Subsidy Order (*SI 2008 No. 695*), following a statutory consultation period, publishing limit rents for English LAs together with the specified amounts and guideline rent increases for Welsh authorities, to be used in both England and Wales to determine limitation deductions. See
 - *Appendix A* for weekly limit rents, for English authorities, and
 - *Appendix B* for specified amounts and guideline rent increases for Welsh authorities

Subsidy limitation rent calculation

- 7 From 1 April 2007 the average weekly rent in England and Wales is calculated by dividing the total rent charged by the total number of weeks in the year for which rent was charged. Include rent free weeks when calculating the number of weeks for which rent was charged. This includes weeks on dwellings that were in the HRA for part of the year but were not in the HRA at the time of the count.

Example

The total rent charged is £50,000 and the total number of weeks in which rent was charged was 1000 making the average weekly rent for a dwelling £50. The total number of weeks is the sum of all the weeks charged on all the dwellings that were in the HRA at any time during the relevant year, including rent free weeks. Void dwellings are excluded from the calculation.

- 8 In England a similar formula will also be applied to calculate the average weekly un-pooled service charges. (As amended by *Schedule (paragraphs 2 and 3) of the Income-related Benefits (Subsidy to Authorities) Amendment (No. 2) Order 2006; S.I. 2006 No 559*). This calculation remains unchanged for 2008/09.

Advance claims

- 9 Due to timing differences between CLG/NAW and DWP, Rent Rebate Subsidy Limitation will not be applied at the initial estimate stage, it will
- take effect from the mid-year estimate stage (ie from October 2008's subsidy instalment)
 - be made retrospective

Final claims

- 10 For English authorities, the DWP claim form will contain the formulae necessary for the limitation calculation. For Welsh authorities the NAW HRA subsidy claim form will contain the formulae necessary for LAs to calculate limitation to be applied as a percentage of their rent rebate subsidy otherwise due after filling in the limitation cells in the final HRA Subsidy claim form, extract and insert the final subsidy limitation percentage on to the DWP subsidy claim form in order to calculate final subsidy.
- 11 When certifying the DWP final subsidy claim form for Welsh authorities, the auditor checks that the transcription has occurred correctly. If there are audit queries raised on the HRA subsidy final claim form that affect the limitation percentage, CLG/NAW will make sure DWP are aware of this, so that audit changes can feed through to both claims.

Queries

- 12 If you have any queries on this subject, contact
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Weekly rent limits for authorities in England 2008/09

Authority	Weekly rent limit
Adur	£70.12
Alnwick	£54.63
Arun	£73.85
Ashfield	£51.41
Ashford	£70.61
Babergh	£67.42
Barking and Dagenham	£68.78
Barnet	£81.49
Barnsley	£54.95
Barrow in Furness	£59.74
Basildon	£65.50
Bassetlaw	£55.79
Berwick upon Tweed	£52.50
Birmingham	£62.91
Blaby	£57.70
Blackpool	£53.71
Blyth Valley	£50.18
Bolsover	£58.09
Bolton	£55.42
Bournemouth	£64.34
Bracknell Forest	£76.67
Braintree	£69.74
Brent	£87.94
Brentwood	£73.57
Bridgnorth	£63.48
Brighton and Hove	£66.72
Bristol	£61.43
Broxtowe	£55.61
Bury	£59.44
Cambridge	£74.73
Camden	£92.04
Cannock Chase	£59.09
Canterbury	£69.39
Caradon	£56.46
Carrick	£54.78
Castle Morpeth	£54.36
Castle Point	£71.94
Charnwood	£56.00
Cheltenham	£64.44
Chesterfield	£58.50
Chester-le-Street	£54.45
Chorley	£51.34
City of London	£83.88
City of York	£61.37
Colchester	£67.04
Corby	£58.09
Crawley	£75.46
Croydon	£85.22
Dacorum	£78.06

Authority	Weekly rent limit
Darlington	£54.83
Dartford	£69.61
Daventry	£66.26
Derby	£59.51
Doncaster	£54.48
Dover	£68.10
Dudley	£62.81
Durham	£55.09
Ealing	£83.58
Easington	£52.36
East Devon	£61.09
East Riding	£58.64
Eastbourne	£60.62
Ellesmere Port and Neston	£58.96
Enfield	£78.35
Epping Forest	£74.97
Exeter	£57.44
Fareham	£69.15
Fenland	£63.88
Gateshead	£56.71
Gedling	£56.13
Gloucester	£62.24
Gosport	£66.31
Gravesham	£69.76
Great Yarmouth	£56.22
Greenwich	£77.02
Guildford	£82.92
Hackney	£79.90
Hammersmith and Fulham	£87.19
Harborough	£62.68
Haringey	£82.71
Harlow	£69.25
Harrogate	£64.14
Harrow	£89.25
Havering	£71.94
High Peak	£57.23
Hillingdon	£88.24
Hinckley and Bosworth	£58.95
Hounslow	£79.89
Ipswich	£61.54
Islington	£88.42
Kensington and Chelsea	£98.23
Kettering	£61.17
Kings Lynn and West Norfolk	£61.11
Kingston upon Hull	£56.13
Kingston upon Thames	£88.75
Kirklees	£55.45
Lambeth	£82.12
Lancaster	£58.96
Leeds	£55.64
Leicester	£56.73
Lewes	£69.01
Lewisham	£73.33

Authority	Weekly rent limit
Lincoln	£51.34
Liverpool	£60.40
Luton	£65.39
Manchester	£61.84
Mansfield	£55.84
Medway Towns	£63.61
Melton	£57.32
Merton	£81.58
Mid Devon	£61.12
Mid Suffolk	£63.59
Milton Keynes	£63.46
Mole Valley	£79.56
New Forest	£75.65
Newark and Sherwood	£58.83
Newcastle upon Tyne	£56.65
Newham	£72.75
North Cornwall	£57.83
North East Derbyshire	£58.42
North Kesteven	£57.31
North Shropshire	£60.65
North Tyneside	£56.07
North Warwickshire	£64.24
North West Leicestershire	£58.95
Northampton	£62.26
Norwich	£60.02
Nottingham	£56.43
Nuneaton and Bedworth	£58.64
Oadby and Wigston	£58.89
Oldham	£55.12
Oswestry	£60.05
Oxford City	£77.85
Plymouth	£51.63
Poole	£65.86
Portsmouth	£64.68
Reading	£82.49
Redbridge	£85.02
Redditch	£59.77
Ribble Valley	£56.15
Richmondshire	£60.13
Rochdale	£56.00
Rochford	£68.20
Rotherham	£54.87
Rugby	£64.11
Runnymede	£83.65
Rutland	£63.52
Salford	£59.74
Salisbury	£71.30
Sandwell	£64.20
Sedgefield	£53.84
Sedgemoor	£62.19
Selby	£60.57
Sheffield	£53.41
Shepway	£65.14

Authority	Weekly rent limit
Slough	£80.32
Solihull	£63.27
South Bedfordshire	£74.36
South Cambridgeshire	£76.72
South Derbyshire	£60.13
South Holland	£56.78
South Kesteven	£58.24
South Lakeland	£66.16
South Northants	£73.02
South Tyneside	£55.03
Southampton	£64.28
Southend-on-Sea	£67.11
Southwark	£80.34
St Albans	£82.47
Stevenage	£75.31
Stockport	£56.04
Stockton on Tees	£59.59
Stoke-on-Trent	£55.82
Stroud	£64.53
Sutton	£78.58
Swindon	£61.86
Tamworth	£62.14
Tandridge	£73.60
Taunton Deane	£62.34
Tendring	£63.83
Thanet	£64.63
Three Rivers	£77.88
Thurrock	£64.99
Torridge	£55.91
Tower Hamlets	£80.85
Uttlesford	£75.94
Waltham Forest	£75.38
Wandsworth	£94.15
Wansbeck	£50.39
Warrington	£58.65
Warwick	£69.73
Watford	£80.05
Waveney	£60.19
Waverley	£82.29
Wealden	£64.86
Wear Valley	£54.82
Wellingborough	£60.12
Welwyn Hatfield	£77.82
West Lancashire	£58.33
Westminster	£96.08
Wigan	£57.65
Winchester	£76.24
Woking	£82.10
Wokingham	£83.06
Wolverhampton	£59.82
Wycombe	£81.88

Guideline rent increases for authorities in Wales 2008/09

Authority	(1) Specified Amount 'O'	(2) Guideline rent increase
Blaenau Gwent	50.17	2.04
Caerphilly	56.78	3.05
Cardiff	63.45	3.06
Carmarthenshire	53.63	3.26
Ceredigion	56.56	2.77
Conwy	56.53	3.87
Denbighshire	51.93	2.98
Flintshire	54.68	3.60
Gwynedd	54.34	3.46
Isle of Anglesey	52.22	2.74
Merthyr Tydfil	50.21	2.50
Monmouthshire	-	-
Neath Port Talbot	51.83	2.58
Newport	58.46	3.33
Pembrokeshire	53.69	3.39
Powys	56.47	2.77
Rhondda, Cynon, Taff	-	-
Swansea	54.74	3.05
Torfaen	59.24	3.17
Vale of Glamorgan	60.66	2.97
Wrexham	52.68	3.75