

1987 No. 1910

HOUSING, ENGLAND AND WALES
HOUSING, SCOTLAND
RATING AND VALUATION

The Housing Benefit (Implementation Subsidy) Order
1987

Made - - - - 6th November 1987

Laid before Parliament 16th November 1987

Coming into force - 7th December 1987

The Secretary of State for Social Services, with the consent of the Treasury^(a), in exercise of the powers conferred on him by section 30(4) of the Social Security Act 1986^(b), section 166(1) to (3) of the Social Security Act 1975^(c) and of all other powers enabling him in that behalf, after consultation in accordance with section 61(7) of the Social Security Act 1986 with organisations appearing to him to be representative of the authorities concerned, hereby makes the following order—

Citation, commencement and interpretation

1.—(1) This Order, which may be cited as the Housing Benefit (Implementation Subsidy) Order 1987, shall come into force on 7th December 1987.

(2) In this Order—

“the Act” means the Social Security Act 1986;

“administration costs” means the costs incurred by an authority in running the housing benefit scheme under Part II of the Social Security and Housing Benefits Act 1982^(d), including the costs of staff, staff training, office services, computer software, stationery and publicity materials but excluding the cost of benefit;

“authority” means a rating authority, housing authority or local authority within the meaning of sections 30(1) and 84(1) of the Act;

“estimate” means an estimate submitted to the Secretary of State by an authority on or before 27th April 1987 in the case of an estimate of implementation costs and on or before 31st December 1986 in the case of any other estimate;

“implementation costs” means the costs incurred in the 12 months ending with 31st March 1988 by an authority in implementing the housing benefit scheme under Part II of the Act, including the costs of staff, staff training, office services, computer software, stationery and publicity materials but excluding the cost of benefit;

“proportionate assessment” means an amount calculated under paragraph 2 of the Schedule to this Order;

(a) See section 83(5) of the Social Security Act 1986 (c.50).

(b) 1986 c.50.

(c) 1975 c.14; section 166(1) to (3) is applied by section 83(1) of the Social Security Act 1986.

(d) 1982 c.24.

“relevant financial year” means the 12 months ending with 31st March 1987;

“subsidy” means the subsidy payable by the Secretary of State to an authority for the financial year 1987–88 under section 30(4) of the Act in connection with the costs incurred by the authority in implementing the housing benefit scheme.

Calculation of subsidy

2. The Schedule to this Order shall have effect for specifying the manner in which, subject to section 30(9) of the Act, the subsidy payable to an authority is to be calculated.

Signed by authority of the Secretary of State for Social Services.

29th October 1987

Michael Portillo
Parliamentary Under-Secretary of State,
Department of Health and Social Security

We consent,

6th November 1987

Mark Lennox-Boyd
Peter Lloyd
Two of the Lords Commissioners of Her Majesty's Treasury

SCHEDULE

Article 2

CALCULATION OF THE SUBSIDY

1. Subject to paragraph 4 below the amount of subsidy payable to any authority shall be calculated as an amount equal to—

(a) the estimate of the implementation costs of that authority; or

(b) the sum which, in the case of that authority, is appropriate under paragraph 3 below;

whichever is the less.

2. For the purposes of paragraphs 3 and 4 below for each authority there shall be calculated a proportionate assessment, based on its estimates for the relevant financial year of its administration costs and of the number of recipients of housing benefit in its area, in accordance with the formula—

$$£25,000,000 \times \left(\frac{0.75A}{B} + \frac{0.25C}{D} \right)$$

where—

A is the amount of that estimate of administration costs;

B is the total amount of the estimates of administration costs for that year submitted by all authorities;

C is the number of recipients in that estimate of the number of recipients of housing benefit;

D is the total number of such recipients in the estimates for that year of the number of such recipients submitted by all authorities.

3. Where the proportionate assessment calculated for any authority is of an amount specified in any paragraph of column (1) of the Table below, the sum which for the purposes of paragraph 1(b) above is appropriate in the case of that authority is the sum specified opposite in column (2) or, as the case may be, a sum calculated as specified there.

Table

(1) <i>Proportionate Assessment</i>	(2) <i>Sum</i>
(i) £5,000 or less	£5,000
(ii) More than £5,000 but not more than £20,000	£20,000
(iii) More than £20,000 but not more than £200,000	110% of the proportionate assessment rounded down to the nearest pound
(iv) More than £200,000	£220,000 and 15.3% of the amount, rounded down to the nearest pound, by which the proportionate assessment exceeds £200,000

4. The amount of subsidy payable to any authority which has not submitted an estimate of its implementation costs shall—

- (a) if the proportionate assessment calculated for that authority is not more than £20,000, be calculated as an amount equal to the sum specified in column (2) of the Table in paragraph 3 above opposite paragraph (i) or (ii), as the case may be, of column (1);
- (b) if the proportionate assessment calculated for that authority is more than £20,000, be calculated as an amount equal, subject to rounding down to the nearest £1,000—
 - (i) to the proportionate assessment, if it is not more than £50,000;
 - (ii) in any other case, to the aggregate of the sums arrived at by calculating in respect of each portion of that assessment specified in column (1) of the Table below the percentage specified opposite to it in column (2).

Table

(1) <i>Portion of the Proportionate Assessment</i>	(2) <i>Percentage</i>
The first £50,000	100%
Any excess over £50,000 not exceeding £75,000	80%
Any excess over £75,000 not exceeding £100,000	60%
Any excess over £100,000 not exceeding £150,000	40%
Any excess over £150,000 not exceeding £200,000	20%
Any excess over £200,000	10%

EXPLANATORY NOTE

(This note is not part of the Order)

This Order specifies the manner in which the subsidy payable to authorities implementing the housing benefit scheme under Part II of the Social Security Act 1986 is to be calculated.