

1989 No. 607

HOUSING, ENGLAND AND WALES
HOUSING, SCOTLAND

The Housing Benefit (Subsidy) Order 1989

<i>Made</i> - - - -	<i>4th April 1989</i>
<i>Laid before Parliament</i>	<i>10th April 1989</i>
<i>Coming into force</i>	<i>1st May 1989</i>

The Secretary of State for Social Security, with the consent of the Treasury^(a), in exercise of the powers conferred by section 30(2), (3) and (11) of the Social Security Act 1986^(b), section 166(1) to (3A) 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 (Subsidy) Order 1989 shall come into force on 1st May 1989.

(2) In this Order, unless the context otherwise requires—

“the Act” means the Social Security Act 1986;

“the Regulations” means the Housing Benefit (General) Regulations 1987^(d);

“allowance” means a rent allowance;

“authority” means a housing, rating or local authority;

“rebate” means a rent or rate rebate;

“relevant year” means the year ending 31st March 1989;

“scheme” means the housing benefit scheme as defined in section 28 of the Act;

“subsidy” means subsidy under section 30(1) of the Act (rate rebate, rent rebate and rent allowance subsidy);

and other expressions shall have the same meaning as in the Regulations.

(3) In this Order “qualifying expenditure” means the total of rebates and allowances granted by the authority during the relevant year, less—

(a) the deductions specified in article 10; and

(b) where, under subsection (6) of section 28 of the Act (arrangements for housing benefit), the authority has modified any part of the scheme administered by it, any amount by which the total of the rebates or allowances which it granted under the scheme during the relevant year exceeds the total of those which it would have granted if the scheme had not been so modified.

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

(b) 1986 c.50; section 30(2) was amended by regulation 3 of S.I. 1988/458. Section 30(11) was added by the Social Security Act 1988 (c.7), Schedule 4, paragraph 20.

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

(d) S.I. 1987/1971, amended by S.I. 1988/661, 909, 1444 and 1971.

(4) In this Order, reference to a numbered article or Schedule is to the article in, or Schedule to, this Order bearing that number and, unless the context otherwise requires, reference in an article or a Schedule to a numbered paragraph is to the paragraph bearing that number in that article or that Schedule.

Amount of subsidy

2. The amount of an authority's subsidy for the relevant year—

- (a) for the purposes of section 30(2) of the Act (subsidy in respect of rebates or allowances) shall be the amount or total of the amounts calculated in accordance with article 3;
- (b) for the purposes of section 30(3) of the Act (subsidy in respect of the costs of administering housing benefit) may include an additional sum in respect of the cost of administering housing benefit calculated in accordance with Schedule 1.

Rebates and allowances

3.—(1) For the purposes of section 30(2) of the Act, an authority's subsidy for the relevant year shall, subject to paragraph (2), be—

- (a) in the case of an authority to which articles 4, 5, 6, 7 and 8 do not apply, 97 per cent. of its qualifying expenditure;
- (b) in the case of an authority to which at least one of those articles is relevant—
 - (i) 97 per cent. of so much of its qualifying expenditure as remains after deducting the amount of the rebates or allowances to which each of those articles which is relevant applies; and
 - (ii) the amount calculated in respect of the rebates or allowances under each such article,

plus, in each case, the addition, where applicable, under article 9.

(2) Where the authority is the Scottish Special Housing Association or a new town corporation in Scotland, its subsidy for the relevant year shall include a further sum being—

- (a) in the case of an authority to which sub-paragraph (a) of paragraph (1) applies, 3.5 per cent. of its qualifying expenditure but subject to the relevant maximum specified in column (2) of Schedule 2;
- (b) in the case of an authority to which sub-paragraph (b) of paragraph (1) applies, 3.5 per cent. of so much of its qualifying expenditure as remains after the deduction set out in paragraph (1)(b)(i), but subject to the relevant maximum specified in column (2) of Schedule 2.

Backdated payments

4.—(1) Subject to paragraph (2), where—

- (a) during the relevant year an authority has, under paragraph (15) of regulation 72 of the Regulations (time and manner in which claims are to be made), treated any claim for a rebate or allowance as made on a day earlier than that on which it is made; and
- (b) any part of that authority's qualifying expenditure is attributable to such earlier period,

that authority's subsidy for the relevant year in respect of such part shall be 25 per cent. of the qualifying expenditure so attributable.

(2) This article shall not apply in a case to which article 7 applies.

Treatment of rent increases

5.—(1) Subject to paragraph (3), where any part of an authority's qualifying expenditure is attributable to an increase exceeding 13 per cent. in the average of the eligible rents of the persons to whom it granted allowances, that authority's subsidy for the relevant year in respect of such part shall be 25 per cent. of an amount calculated in accordance with Schedule 3.

(2) In this article "rent" includes all the payments in respect of a dwelling specified in paragraph (1) of regulation 10 of the Regulations (rent), less, except where a person is separately liable for rates or charges for water, sewerage or allied environmental services, the deductions in respect of rates and such charges set out in paragraph (6) of that regulation.

(3) This article shall not apply in a case to which article 7 applies.

Treatment of high rents

6.—(1) Subject to paragraphs (3) and (4), where any part of the qualifying expenditure of an authority within an area listed in column (1) of Schedule 4 is attributable to any allowance granted in respect of a person whose weekly eligible rent exceeds the threshold specified in relation to that authority in column (2) of that Schedule the amount of the authority's subsidy under this article in respect of that allowance shall be calculated in accordance with paragraph (2).

(2) Where paragraph (1) applies—

- (a) if the allowance granted is the same as or less than the excess of eligible rent over the threshold, the amount shall be 25 per cent. of the qualifying expenditure attributable to such allowance;
- (b) if the allowance granted is greater than the excess of the eligible rent over the threshold, the amount shall be the aggregate of 25 per cent. of the portion of the qualifying expenditure attributable to such allowance which is equal to the excess and 97 per cent. of the balance.

(3) Paragraph (1) shall not apply to an allowance payable by an authority in respect of—

- (a) rents which exceed the threshold and which are registered in respect of a dwelling under Part IV, V or VI of the Rent Act 1977(a) or Part V, VI or VII of the Rent (Scotland) Act 1984(b) or which have been determined by a rent assessment committee in respect of a dwelling under Part I of the Housing Act 1988(c) or Part II of the Housing (Scotland) Act 1988(d);
- (b) rents which exceed the threshold but which have been referred to the rent officer and not registered by him because he is satisfied the rent is at or below the fair rent level and he has in writing so notified the authority; or
- (c) rents which exceed the threshold where the relevant tenancy is one to which, before 15th January 1989, the provisions of sections 56 to 58 of the Housing Act 1980 applied(e).

(4) This article shall not apply in a case to which article 7 applies.

Treatment of certain residential accommodation

7.—(1) Where any part of an authority's qualifying expenditure is attributable to rebates or allowances granted under the Social Security and Housing Benefits Act 1982(f) to persons in respect of accommodation provided under—

- (a) sections 21 to 24 and 26 of the National Assistance Act 1948(g) (provision of accommodation);

(a) 1977 c.42.

(b) 1984 c.58.

(c) 1988 c.50.

(d) 1988 c.43.

(e) 1980 c.51; sections 56 to 58 were partially repealed by section 140 of, and Schedule 18 to, the Housing Act 1988.

(f) 1982 c.24.

(g) 1948 c.29; section 21 was amended by the Local Government Act 1972 (c.70), Schedule 23, paragraphs 1 and 2 and Schedule 30; the National Health Service Reorganisation Act 1973 (c.32), Schedule 4, paragraph 44 and Schedule 5; the Housing (Homeless Persons) Act 1977 (c.48), Schedule; the National Health Service Act 1977 (c.49), Schedule 15, paragraph 5; the Health Services Act 1980 (c.53), Schedule 1, Part I, paragraph 5. Section 22 was amended by the Social Work (Scotland) Act 1968 (c.49), section 87(4) and Schedule 9, Part I; the Supplementary Benefits Act 1976 (c.71), Schedule 7, paragraph 3; the Housing (Homeless Persons) Act 1977 (c.48), Schedule; the Social Security Act 1980 (c.30), section 20, Schedule 4, paragraph 2(1) and Schedule 5, Part II; the Health and Social Services and Social Security Adjudications Act 1983 (c.41), section 20(1)(a) and the Social Security Act 1986 (c.50), section 86 and Schedule 10, Part II, paragraph 32. Section 24 was amended by the National Assistance (Amendment) Act 1959 (c.30), section 1(1); the National Health Service (Scotland) Act 1972 (c.58), Schedule 6, paragraph 82; the Local Government Act 1972 (c.70), Schedule 23, paragraph 2; the National Health Service Reorganisation Act 1973 (c.32), Schedule 4, paragraph 45 and the Housing (Homeless Persons) Act 1977 (c.48), Schedule. Section 26 was amended by the Health Services and Public Health Act 1968 (c.46), section 44 and Schedule 4 and the Social Work (Scotland) Act 1968 (c.49), Schedule 9, Part I and applied by section 87(3); the Local Government Act 1972 (c.70), Schedule 23, paragraph 2; the Housing (Homeless Persons) Act 1977 (c.48), Schedule and the Health and Social Services and Social Security Adjudications Act 1983 (c.41), section 20(1)(b).

(b) section 21(1) of, and paragraph 1 or 2 of Schedule 8 to, the National Health Service Act 1977(a) (prevention, care and after-care); or
(c) section 59 of the Social Work (Scotland) Act 1968(b) (provision of residential and other establishments) where board is available to the claimant,
that authority's subsidy for the relevant year in respect of such part shall be 90 per cent. of the qualifying expenditure so attributable.

(2) This article shall not apply in a case to which article 8 applies.

Overpayment of rebates or allowances

8.—(1) Where any part of an authority's qualifying expenditure is attributable to an overpayment of rebates or allowances its subsidy for the year in respect of such part shall be calculated in accordance with paragraph (2).

(2) Subject to paragraph (3), the amount of that subsidy shall be—

- (a) in the case of an overpayment caused by an error of the authority making the payment, 15 per cent. of the qualifying expenditure attributable to the overpayment;
- (b) in the case of an overpayment caused by an error of a local office of the Department of Social Security, 97 per cent. of so much of the qualifying expenditure attributable to the overpayment as has not been recovered by the authority; or
- (c) in the case of any other overpayment, 30 per cent. of the qualifying expenditure attributable to the overpayment.

(3) This article shall not apply in a case to which paragraph (15) of regulation 72 of the Regulations (time and manner in which claims are to be made) applies.

Addition to subsidy

9. Where, following the loss, destruction or non-receipt, or alleged loss, destruction or non-receipt, of original instruments of payment, an authority makes duplicate payments and the original instruments have been or are subsequently encashed, the addition referred to in article 3(1) shall be equal to 30 per cent. of the amount of the duplicate payments.

Deductions to be made in calculating subsidy in respect of rebates or allowances

10. The deductions referred to in article 1(3) are of the following amounts where—

- (a) a tenant of an authority, who is in receipt of rent rebate, while continuing to occupy, or when entering into occupation of, a dwelling as his home, either under his existing tenancy agreement or by entering into a new tenancy agreement—
 - (i) is during, or was at any time prior to, the relevant year able to choose whether or not to be provided with any services, facilities or rights and chooses or chose to be so provided; or
 - (ii) is during, or was at any time prior to, the relevant year able to choose either to be provided with any services or facilities or, whether or not in return for an award or grant from the authority, to provide such services or facilities for himself; or
 - (iii) would be able during, or would have been able at any time prior to, the relevant year to exercise the choice set out in sub-paragraph (i) or (ii) of this paragraph if he were not or had not at that time been in receipt of a rent rebate,

the amounts attributable during the relevant year to such services, facilities or rights whether they are or would be expressed as part of the sum fixed as rent, otherwise reserved as rent or expressed as an award or grant from the authority;

(b) during the relevant year a person becomes entitled to a rent-free period which

(a) 1977 c.49; paragraphs 1 and 2 of Schedule 8 were amended by section 30, Schedule 10, Part I of the Health and Social Services and Social Security Adjudications Act 1983 (c.41); paragraph 1 was also amended by the Education Reform Act 1988 (c.40), section 237 and Schedule 12, Part I, paragraph 22; paragraph 2 was also amended by section 148, Schedule 4, of the Mental Health Act 1983 (c.20).

(b) 1968 c.49.

- has not been, or does not fall to be, taken into account in calculating the amount of rent rebate to which he is entitled under the Regulations, the amount of rebate which is or was payable to him in respect of such rent-free period;
- (c) during the relevant year an award in the form of a payment of money or monies worth, a credit to the person's rent account or in some other form is made by an authority to one of its tenants in receipt of rent rebate, whether or not the person is immediately entitled to the award, the amount or value of the award, but no such deduction shall be made in respect of an award—
- (i) made to a tenant for a reason unrelated to the fact that he is a tenant;
 - (ii) made under a statutory obligation;
 - (iii) made under section 137 of the Local Government Act 1972(a) (Power of local authorities to incur expenditure for certain purposes not otherwise authorised);
 - (iv) except where paragraph (a)(ii) applies, made as reasonable compensation for reasonable repairs or redecoration the tenant has, or has caused to be, carried out whether for payment or not and which the authority would otherwise have carried out or have been required to carry out; or
 - (v) of a reasonable amount made as compensation for loss, damage or inconvenience of a kind which occurs only exceptionally suffered by the tenant by virtue of his occupation of his home;
- (d) during the relevant year the weekly amount of rebate or allowance is increased under paragraph (8) of regulation 69 of the Regulations (calculations of weekly amounts), the amount of such increase;
- (e) during the relevant year a rebate has been paid in advance and an overpayment has occurred because a change in the circumstances of the recipient has reduced or eliminated entitlement to such rebate, the amount overpaid calculated from the end of the second benefit week after the recipient has disclosed such change of circumstances to the authority;
- (f) during the relevant year an overpayment of rebate or allowance has occurred in circumstances to which regulation 91A of the Regulations(b) (payment on account of a rent or rate rebate), or regulation 4A of the Housing Benefit (Transitional) Regulations 1987(c) (payments on account of housing benefit) applies, the amount of such overpayment;
- (g) during the relevant year rebate or allowance has been granted under the Social Security and Housing Benefits Act 1982 in excess of entitlement to a person in respect of accommodation provided under—
- (i) sections 21 to 24 and 26 of the National Assistance Act 1948 (provision of accommodation);
 - (ii) section 21(1) of and paragraph 1 or 2 of Schedule 8 to the National Health Service Act 1977 (prevention, care and after-care); or
 - (iii) section 59 of the Social Work (Scotland) Act 1968 (provision of residential and other establishments) where board is available to the claimant,
- the amount of such overpayment.

Modification of subsidy on payments in excess of entitlement made before 1st April 1988

11.—(1) Notwithstanding any provision made under the Social Security and Housing Benefits Act 1982 in respect of housing benefit paid in excess of entitlement, where an overpayment of benefit to which any such provision applies made before 1st April 1988 under that Act is discovered on or after 1st July 1988, an authority's subsidy in respect of such a payment shall be calculated as set out in paragraph (2).

(2) The amount of that subsidy shall be—

- (a) in the case of an overpayment caused by an error of the authority making the payment, 15 per cent. of the overpayment;
- (b) in the case of an overpayment caused by an error of a local office of the

(a) 1972 c.70; section 137 was amended by the Local Government (Miscellaneous Provisions) Act 1982 (c.30), section 44; the Local Government Finance Act 1982 (c.32), section 34, Schedule 5, paragraph 5; and by the Local Government Act 1986 (c.10), section 3.

(b) Regulation 91A was inserted by S.I. 1988/661, regulation 8.

(c) S.I. 1987/1972; regulation 4A was inserted by S.I. 1988/458, regulation 2.

Department of Social Security, 97 per cent. of so much of the overpayment as has not been recovered by the authority; or

(c) in the case of any other overpayment, 30 per cent. of the overpayment.

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

28th March 1989

Peter Lloyd
Parliamentary Under-Secretary of State,
Department of Social Security

We consent,

4th April 1989

David Maclean
Kenneth Carlisle
Two of the Lords Commissioners
of Her Majesty's Treasury

SCHEDULE 1

Article 2

CALCULATION OF SUBSIDY IN RESPECT OF ADMINISTRATION COSTS

1. Subject to paragraphs 3, 4, 5 and 6, the additional sum which may be paid to an authority under section 30(3) of the Act (referred to in this Schedule as "the additional sum") shall be calculated in accordance with the following formula—

$$A \times \left(\frac{0.6B}{C} + \frac{0.4D}{E} \right)$$

Where—

A is the amount available as subsidy in respect of the costs of administering housing benefit being—

- (a) in the case of new town corporations in England, Wales or Scotland, the Development Board for Rural Wales, or the Scottish Special Housing Association, £1,861,106; or
- (b) in the case of authorities other than those specified in sub-paragraph (a) of this paragraph—
 - (i) in England, £110,935,584;
 - (ii) in Wales, £4,879,336; or
 - (iii) in Scotland, £10,158,941;

B is the estimate of administration costs for the two years immediately preceding the relevant year submitted by that authority before 11th December 1987;

C is the total of such estimates submitted by all authorities in the category specified in sub-paragraph (a), (b)(i), (b)(ii) or (b)(iii), as the case may be, of the definition of **A**;

D is the figure for that authority's workload, calculated in accordance with paragraph 2;

E is the total of the figures for the workload, of all authorities in the category specified in sub-paragraph (a), (b)(i), (b)(ii) or (b)(iii), as the case may be, of the definition of **A**.

2. The figure for an authority's workload shall be the aggregate of the amounts obtained by applying the relevant formula to each of the categories of rebates and allowances applicable to that authority listed in column (1) of Table 2 below, that formula being—

- (a) in the case of an authority specified in column (1) of Table 1 below, $F \times G \times H$;
- (b) in the case of any other authority, $F \times G$

Where—

F is the estimate, submitted by that authority before 11th December 1987, of the number of persons in each of the categories listed in column (1) of Table 2 below who are likely to receive rebates or allowances from it during the year immediately preceding the relevant year;

G is the figure specified in relation to that category in whichever of columns (2) to (6) of that Table is appropriate to that authority;

H is the cost adjustment figure specified in column (2) of Table 1 below.

TABLE 1

(1)	(2)
<i>Authority</i>	<i>Cost Adjustment Figure</i>
BARKING	1.094
BARNET	1.094
BASILDON	1.033
BASILDON NEW TOWN	1.033
BEXLEY	1.094
BRACKNELL	1.033
BRENT	1.094
BRENTWOOD	1.033
BROMLEY	1.094
BROXBOURNE	1.049
CAMDEN	1.121
CITY OF LONDON	1.204
CHILTERN	1.033
CRAWLEY	1.033
CRAWLEY NEW TOWN	1.033
CROYDON	1.094
DACORUM	1.033
DARTFORD	1.049
EALING	1.094
EAST HERTFORDSHIRE	1.033
ELMBRIDGE	1.049
ENFIELD	1.094
EPPING FOREST	1.049
EPSOM AND EWELL	1.049
GREENWICH	1.121
GUILDFORD	1.033
HACKNEY	1.121
HAMMERSMITH	1.121
HARRINGEY	1.094
HARLOW	1.033
HARROW	1.094
HAVERING	1.094
HEMEL HEMPSTEAD NEW TOWN	1.049
HERTSMERE	1.049
HILLINGDON	1.094
HOUNSLOW	1.094
ISLINGTON	1.121
KENSINGTON AND CHELSEA	1.121
KINGSTON UPON THAMES	1.094
LAMBETH	1.121
LEWISHAM	1.121
MERTON	1.094
MOLE VALLEY	1.033
NEWHAM	1.094
REDBRIDGE	1.094
REIGATE AND BANSTEAD	1.049
RICHMOND UPON THAMES	1.094
RUNNYMEDE	1.033
SEVENOAKS	1.033
SLOUGH	1.049
SOUTH BUCKINGHAMSHIRE	1.049
SOUTHWARK	1.121
SPELTHORNE	1.049
ST ALBANS	1.033
SURREY HEATH	1.033
SUTTON	1.094
TANDRIDGE	1.033
THREE RIVERS	1.049
THURROCK	1.033
TOWER HAMLETS	1.121
WALTHAM FOREST	1.094
WANDSWORTH	1.121

(1) <i>Authority</i>	(2) <i>Cost Adjustment Figure</i>
WATFORD	1.049
WAVERLEY	1.033
WELWYN HATFIELD	1.033
WESTMINSTER	1.121
WINDSOR AND MAIDENHEAD	1.033
WOKING	1.033

TABLE 2

(1) <i>Category of case</i>	(2) <i>Non-metropolitan authorities and new town corporations in England</i>	(3) <i>Non-metropolitan authorities and new town corporations in Scotland and the Scottish Housing Association</i>	(4) <i>Non-metropolitan authorities and new town corporations in Wales and the Development Board for Rural Wales</i>	(5) <i>Metropolitan authorities</i>	(6) <i>London Boroughs</i>
<i>Cases to which regulation 9(1) of the Housing Benefits Regulations 1985(a) applied</i>					
(a) Tenants of an authority—					
(i) rent rebate	7.98	8.27	9.55	8.49	8.83
(ii) rate rebate	7.93	8.32	8.99	8.36	9.05
(b) Other tenants—					
(i) rent allowance	43.86	46.23	43.46	38.85	42.55
(ii) rate rebate	39.52	40.76	35.12	36.26	40.81
(c) Persons other than tenants—					
(i) rate rebate	7.31	7.03	8.55	7.12	7.66
<i>Other cases</i>					
(a) Tenants of an authority—					
(i) rent rebate	8.02	6.55	8.94	9.48	9.43
(ii) rate rebate	6.74	5.57	7.58	7.90	8.12
(b) Other tenants—					
(i) rent allowance	33.20	23.65	33.60	36.91	35.67
(ii) rate rebate	31.21	22.60	31.18	33.40	36.72
(c) Persons other than tenants—					
(i) rate rebate	5.33	4.44	5.40	5.53	6.33

3.—(1) If the additional sum, as calculated under paragraph 1—

- (a) exceeds 140 per cent. of an amount calculated in accordance with sub-paragraph (2) of this paragraph, the additional sum for that authority for that year shall be 140 per cent. of such amount; or
- (b) is less than 90 per cent. of an amount calculated in accordance with sub-paragraph (2) of this paragraph, the additional sum for that authority for that year shall be 90 per cent. of such amount.

(a) S.I. 1985/677.

- (2) The amount referred to in paragraph (1) shall be—
- (a) in the case of a new town corporation in England, Wales or Scotland, the Development Board for Rural Wales, or the Scottish Special Housing Association, 100 per cent.; or
 - (b) in the case of an authority other than one specified in sub-paragraph (a) of this paragraph—
 - (i) in England, 60 per cent.;
 - (ii) in Wales, 70 per cent.; or
 - (iii) in Scotland, 65 per cent.,
 of that authority's estimate of administration costs for the financial year ending 31st March 1988 submitted by that authority before 11th December 1987.

4. Where the total of the additional sums calculated under paragraphs 1 and 3 is less or more than—

- (a) for new town corporations in England, Wales or Scotland, the Development Board for Rural Wales or the Scottish Special Housing Association, £1,861,106; or
- (b) for authorities other than those specified in sub-paragraph (a) of this paragraph—
 - (i) in England, £110,935,584;
 - (ii) in Wales, £4,879,336; or
 - (iii) in Scotland, £10,158,941,

the amount of the additional sum for an authority to which paragraph 3 does not apply shall be calculated, subject to paragraph 5, in accordance with the following formula—

$$J \times \frac{L}{K}$$

Where—

J is the additional sum calculated under paragraph 1 in respect of the authority;

K is the total of the additional sums calculated under paragraph 1 in respect of all authorities, to which paragraph 3 does not apply, in the category specified in sub-paragraph (a), (b)(i), (b)(ii) or (b)(iii) of this paragraph respectively;

L is the balance of the total amount specified in paragraph 1 available as subsidy in respect of the cost of administering housing benefit for authorities in the category specified in sub-paragraph (a), (b)(i), (b)(ii) or (b)(iii) of this paragraph respectively, after deduction of the additional sums for such authorities to which paragraph 3 applies.

5.—(1) If the additional sum for an authority for the relevant year as calculated under paragraph 4—

- (a) exceeds 140 per cent. of the amount for that authority for that year calculated under paragraph 3(2), the additional sum for that authority for that year shall be 140 per cent. of such amount; or
- (b) is less than 90 per cent. of the amount for that authority for that year calculated under paragraph 3(2), the additional sum for that authority for that year shall be 90 per cent. of such amount.

6. Until the aggregate of the additional sums calculated under paragraphs 3, 4 and 5 equals the amount available as subsidy in respect of the cost of administering housing benefit for authorities in the category specified in sub-paragraph (a), (b)(i), (b)(ii) or (b)(iii) respectively of paragraph 4, the formula set out in paragraph 4 and paragraph 5 shall, subject to the modifications specified below, continue to apply to calculate the additional sum for those authorities to which neither paragraph 3 nor paragraph 5 has applied; and for that purpose—

- (a) **J** shall apply as if the additional sum were the sum calculated under paragraph 4, or, if by virtue of this paragraph there has been more than one calculation, last calculated under that paragraph in respect of the authority;
- (b) **K** shall apply as if the total of the additional sums were the total of the additional sums calculated under paragraph 4, or, if by virtue of this paragraph there has been more than one calculation, last calculated under that paragraph, in respect of all authorities to which paragraph 5 did not apply in that calculation; and
- (c) **L** shall apply as if the amount to be deducted to determine the balance of the total amount available were the additional sums for authorities to which, in the calculation under paragraphs 4 and 5, or, if there has been more than one calculation under those paragraphs, the last such calculation, paragraph 5 applied.

SCHEDULE 2

Article 3

MAXIMUM AMOUNTS OF SUBSIDY PAYABLE IN RESPECT OF CERTAIN
AUTHORITIES IN SCOTLAND

(1) <i>Authority granting rebates or allowances</i>	(2) <i>Maximum amount of subsidy</i>
	£
Scottish Special Housing Association	1,130,866
Cumbernauld	127,374
East Kilbride	177,474
Glenrothes	110,173
Irvine	65,085
Livingston	144,718

SCHEDULE 3

Article 5

CALCULATION OF SUBSIDY IN RESPECT OF RENT INCREASES

For the purposes of article 5(1) the amount shall be calculated in accordance with the following formula—

$$A - \left(\frac{A \times 113}{B} \right)$$

Where—

A is the amount of the qualifying expenditure attributable to allowances granted by the authority in the relevant year;

B is the average of the eligible rents of those persons in receipt, on 31st May 1989, of an allowance from the authority, expressed as a percentage of the average of the eligible rents of those persons so in receipt on 31st March 1988.

SCHEDULE 4

Article 6

THRESHOLD ABOVE WHICH REDUCED SUBSIDY IS PAYABLE ON
RENT ALLOWANCES

(1) <i>Area</i>	(2) <i>Threshold (weekly sum)</i>
	£
Barking	56.58
Barnet	77.32
Bexley	57.32
Brent	62.43
Bromley	71.67
Camden	88.09
City of London	85.97
Croydon	74.41
Ealing	70.55
Enfield	60.69
Greenwich	55.13

(1) <i>Area</i>	(2) <i>Threshold (weekly sum)</i>
	£
Hackney	59.55
Hammersmith	61.85
Haringey	63.91
Harrow	66.02
Havering	63.53
Hillingdon	66.71
Hounslow	69.75
Islington	64.15
Kensington & Chelsea	76.31
Kingston upon Thames	71.15
Lambeth	62.89
Lewisham	54.41
Merton	72.77
Newham	54.88
Redbridge	55.54
Richmond upon Thames	74.83
Southwark	56.41
Sutton	68.96
Tower Hamlets	58.83
Waltham Forest	48.73
Wandsworth	69.64
Westminster	114.89
Avon	52.34
Bedfordshire	43.00
Berkshire	50.83
Buckinghamshire	48.51
Cambridgeshire	47.33
Cheshire	45.80
Cleveland	41.71
Cornwall	51.95
Cumbria	31.00
Derbyshire	38.42
Devon	51.53
Dorset	45.32
Durham	38.89
East Sussex	53.27
Essex	47.30
Gloucestershire	49.15
Greater Manchester	50.30
Hampshire	47.68
Hereford and Worcester	46.45
Hertfordshire	42.88
Humberside	34.89
Isles of Scilly	51.95
Isle of Wight	43.22
Kent	54.63
Lancashire	60.48
Leicestershire	39.19
Lincolnshire	41.53
Merseyside	41.96
Norfolk	47.38
Northamptonshire	43.69
Northumberland	43.50
Nottinghamshire	40.98
North Yorkshire	43.55
Oxfordshire	54.48
Shropshire	44.65
Somerset	45.42
South Yorkshire	36.84
Staffordshire	39.19
Suffolk	44.65

(1) Area	(2) Threshold (weekly sum)
	£
Surrey	52.34
Tyne and Wear	39.27
Warwickshire	38.76
West Midlands	39.05
West Sussex	50.98
West Yorkshire	38.93
Wiltshire	49.69
Clwyd	40.70
Dyfed	44.00
Gwent	39.61
Gwynedd	35.24
Mid-Glamorgan	41.63
Powys	38.54
South Glamorgan	48.31
West Glamorgan	39.32
Borders	72.00
Central	72.99
Dumfries & Galloway	60.94
Fife	61.72
Grampian	63.50
Highland	54.50
Lothian	62.08
Orkneys	37.06
Shetlands	37.06
Strathclyde	55.03
Tayside	64.88
Western Isles	54.50

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision for the calculation of housing benefit subsidy payable under section 30(2) and (3) of the Social Security Act 1986 to authorities who grant rebates or allowances under that Act or the Social Security and Housing Benefits Act 1982, in the year ending 31st March 1989.

The Order sets out the manner in which the total figure for an authority's subsidy in respect of rebates and allowances for the year is calculated (articles 2(a) and 3 to 10 and Schedules 2, 3 and 4), and the manner of calculating the additional sum payable to an authority in respect of the cost of administering housing benefit (article 2(b) and Schedule 1).

The Order also makes provision for the modification of the provisions for subsidy in respect of payments of housing benefit in excess of entitlement, made before 1st April 1988 under section 32 of the Social Security and Housing Benefits Act 1982 and discovered after 1st July 1988 (article 11).

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