

SCHEDULE 2

Article 2(3)

Schedule to be substituted for Schedule 1A to the 1998 Order

“SCHEDULE 1A

Article 12(1)(c)

Additional amount of subsidy: Activities to reduce fraud and error

Interpretation

1. In this Schedule—

“participating authority” means an authority which notified the Secretary of State on or before 29th February 2016 that it is participating in the Fraud and Error Reduction Incentive Scheme in the administration of housing benefit described in the Housing Benefit Circular HB A17/2014(1) and extended as described in the Housing Benefit Circular HB A2/2016(2);

“performance”, in relation to any participating authority and any period, means the amount by which payments of housing benefit by the authority are reduced in that period as a result of relevant activities;

“performance period” means the period of 3 months beginning with any of 1st April 2016, 1st July 2016, 1st October 2016 or 1st January 2017;

“relevant activities” means activities carried out by a participating authority in order to reduce fraud and error in payments of housing benefit.

Additional amount: relevant year beginning with 1st April 2016

2.—(1) This paragraph and paragraphs 3 and 4 have effect for the purpose of determining the additional amount of subsidy, if any, payable to a participating authority under article 12(1)(c) for the relevant year beginning with 1st April 2016.

(2) The additional amount is determined as follows—

Step 1

Calculate the percentage (“the out-performance percentage”), if any, by which the performance of the authority exceeds its baseline performance in the performance period beginning with 1st April 2016 (see paragraph 3 for the meaning of “baseline performance”).

Step 2

Work out which band in column (1) of the following Table the authority falls into in accordance with paragraph 4.

Step 3

Look up the percentage (“the additional amount percentage”) specified in column (2) of the following Table in the row applicable to the authority’s band.

Step 4

Multiply the additional amount percentage by the administration subsidy for the authority.

Step 5

Repeat Steps 1 to 4 for each of the other three performance periods.

Step 6

Add the amounts determined for each performance period under Step 4.

(1) <https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars-2014>.

(2) <https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars-2016>.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Table

<i>Band (1)</i>	<i>Additional amount percentage (2)</i>
Band 1	0 per cent.
Band 2	0.45 per cent.
Band 3	0.59 per cent.
Band 4	0.74 per cent.
Band 5	0.90 per cent.
Band 6	1.25 per cent.
Band 7	1.65 per cent.
Band 8	2.10 per cent.
Band 9	2.60 per cent.
Band 10	3.15 per cent.
Band 11	3.75 per cent.

(3) In this paragraph, “administration subsidy” in relation to an authority, means the amount specified in relation to that authority in—

- (a) the Annex to HB Subsidy Circular S9/2015 for authorities in England⁽³⁾
- (b) the Annex to HB Subsidy Circular S10/2015 for authorities in Scotland⁽⁴⁾;
- (c) the Annex to HB Subsidy Circular S11/2015 for authorities in Wales⁽⁵⁾.

Baseline performance

3.—(1) For the purposes of paragraph 2, a reference to the “baseline performance” of a participating authority in a performance period is to the amount determined in accordance with subparagraphs (2) to (5).

(2) For the performance period beginning with 1st April 2016 the baseline performance is the higher of the following amounts—

- (a) the amount by which, in the Secretary of State’s opinion, the total payments of housing benefit made by the authority in the period of 3 months beginning with 1st April 2014 were reduced as a result of relevant activities; and
- (b) the average of—
 - (i) the amount specified in paragraph (a); and
 - (ii) the amount by which, in the Secretary of State’s opinion, the total payments of housing benefit made by the authority in the period of 3 months beginning with 1st April 2013 were reduced as a result of relevant activities.

(3) For the performance period beginning with 1st July 2016 the baseline performance is the higher of the following amounts—

- (a) the amount by which, in the Secretary of State’s opinion, the total payments of housing benefit made by the authority in the period of 3 months beginning with 1st July 2014 were reduced as a result of relevant activities; and

⁽³⁾ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487602/s9-2015.pdf

⁽⁴⁾ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487606/s10-2015.pdf

⁽⁵⁾ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487607/s11-2015.pdf

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (b) the average of—
 - (i) the amount specified in paragraph (a); and
 - (ii) the amount by which, in the Secretary of State’s opinion, the total payments of housing benefit made by the authority in the period of 3 months beginning with 1st July 2013 were reduced as a result of relevant activities.
- (4) For the performance period beginning with 1st October 2016 the baseline performance is the higher of the following amounts—
 - (a) the amount by which, in the Secretary of State’s opinion, the total payments of housing benefit made by the authority in the period of 3 months beginning with 1st October 2013 were reduced as a result of relevant activities; and
 - (b) the average of—
 - (i) the amount specified in paragraph (a); and
 - (ii) the amount by which, in the Secretary of State’s opinion, the total payments of housing benefit made by the authority in the period of 3 months beginning with 1st October 2012 were reduced as a result of relevant activities.
- (5) For the performance period beginning with 1st January 2017 the baseline performance is the higher of the following amounts—
 - (a) the amount by which, in the Secretary of State’s opinion, the total payments of housing benefit made by the authority in the period of 3 months beginning with 1st January 2014 were reduced as a result of relevant activities; and
 - (b) the average of—
 - (i) the amount specified in paragraph (a); and
 - (ii) the amount by which, in the Secretary of State’s opinion, the total payments of housing benefit made by the authority in the period of 3 months beginning with 1st January 2013 were reduced as a result of relevant activities.

Determination of out-performance percentages

4.—(1) A participating authority falls into the band set out in column (2) of the relevant Table in the row applicable to the authority’s out-performance percentage.

(2) The “relevant Table” in relation to a participating authority means whichever of Tables 1 to 6 in sub-paragraphs (6) to (11) the Secretary of State determines applies to the authority in the relevant year.

(3) The determination in sub-paragraph (2) is based on the caseload management information percentage relating to the authority for the relevant year beginning with 1st April 2014 (6).

(4) For the purpose of sub-paragraph (3), “caseload management information percentage” is calculated in accordance with the following formula—

$$\left(\frac{A}{B}\right) \times 100$$

where—

A is the amount by which payments of housing benefit made by the authority were reduced in that relevant year;

(6) Authorities to which Table 1 applies had the greatest caseload management information percentage and authorities to which Table 6 applies, conversely, had the least. See <https://www.gov.uk/government/statistics/housing-benefit-entitlement-reductions-2015-to-2016-experimental>. Hard copies are available from the Department for Work and Pensions, Caxton House, Tothill Street, London SW1H 9NA.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

B is the amount by which, in the Secretary of State’s opinion, payments of housing benefit made by the authority should have been reduced in that relevant year.

- (5) The Secretary of State’s opinion in sub-paragraph (4) is based on—
 - (a) the size of the authority’s individual housing benefit caseload;
 - (b) the types of housing benefit claimants in that caseload; and
 - (c) the value of the housing benefit reductions that tend to occur in that caseload in the normal course of events, given the rent levels found in the authority’s area and other relevant factors.
- (6) Table 1 is as follows—

<i>Authority’s out-performance percentage (1)</i>	<i>Band (2)</i>
Less than 2.5 per cent.	Band 1
At least 2.5 per cent. but less than 3.5 per cent.	Band 2
At least 3.5 per cent. but less than 4.5 per cent.	Band 3
At least 4.5 per cent. but less than 5.5 per cent.	Band 4
At least 5.5 per cent. but less than 7.5 per cent.	Band 5
At least 7.5 per cent. but less than 9.5 per cent.	Band 6
At least 9.5 per cent. but less than 11.5 per cent.	Band 7
At least 11.5 per cent. but less than 13.5 per cent.	Band 8
At least 13.5 per cent. but less than 15.5 per cent.	Band 9
At least 15.5 per cent. but less than 17.5 per cent.	Band 10
At least 17.5 per cent.	Band 11

- (7) Table 2 is as follows—

<i>Authority’s out-performance percentage (1)</i>	<i>Band (2)</i>
Less than 3 per cent.	Band 1
At least 3 per cent. but less than 4 per cent.	Band 2
At least 4 per cent. but less than 5 per cent.	Band 3
At least 5 per cent. but less than 6 per cent.	Band 4
At least 6 per cent. but less than 8 per cent.	Band 5
At least 8 per cent. but less than 10 per cent.	Band 6
At least 10 per cent. but less than 12 per cent.	Band 7
At least 12 per cent. but less than 14 per cent.	Band 8
At least 14 per cent. but less than 16 per cent.	Band 9
At least 16 per cent. but less than 18 per cent.	Band 10
At least 18 per cent.	Band 11

- (8) Table 3 is as follows—

<i>Authority's out-performance percentage (1)</i>	<i>Band (2)</i>
Less than 3.5 per cent.	Band 1
At least 3.5 per cent. but less than 4.5 per cent.	Band 2
At least 4.5 per cent. but less than 5.5 per cent.	Band 3
At least 5.5 per cent. but less than 6.5 per cent.	Band 4
At least 6.5 per cent. but less than 8.5 per cent.	Band 5
At least 8.5 per cent. but less than 10.5 per cent.	Band 6
At least 10.5 per cent. but less than 12.5 per cent.	Band 7
At least 12.5 per cent. but less than 14.5 per cent.	Band 8
At least 14.5 per cent. but less than 16.5 per cent.	Band 9
At least 16.5 per cent. but less than 18.5 per cent.	Band 10
At least 18.5 per cent.	Band 11

(9) Table 4 is as follows—

<i>Authority's out-performance percentage (1)</i>	<i>Band (2)</i>
Less than 4 per cent.	Band 1
At least 4 per cent. but less than 5 per cent.	Band 2
At least 5 per cent. but less than 6 per cent.	Band 3
At least 6 per cent. but less than 7 per cent.	Band 4
At least 7 per cent. but less than 9 per cent.	Band 5
At least 9 per cent. but less than 11 per cent.	Band 6
At least 11 per cent. but less than 13 per cent.	Band 7
At least 13 per cent. but less than 15 per cent.	Band 8
At least 15 per cent. but less than 17 per cent.	Band 9
At least 17 per cent. but less than 19 per cent.	Band 10
At least 19 per cent.	Band 11

(10) Table 5 is as follows—

<i>Authority's out-performance percentage (1)</i>	<i>Band (2)</i>
Less than 4.5 per cent.	Band 1
At least 4.5 per cent. but less than 5.5 per cent.	Band 2
At least 5.5 per cent. but less than 6.5 per cent.	Band 3
At least 6.5 per cent. but less than 7.5 per cent.	Band 4
At least 7.5 per cent. but less than 9.5 per cent.	Band 5
At least 9.5 per cent. but less than 11.5 per cent.	Band 6
At least 11.5 per cent. but less than 13.5 per cent.	Band 7

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

<i>Authority's out-performance percentage (1)</i>	<i>Band (2)</i>
At least 13.5 per cent. but less than 15.5 per cent.	Band 8
At least 17.5 per cent. but less than 19.5 per cent.	Band 9
At least 17.5 per cent. but less than 19.5 per cent.	Band 10
At least 19.5 per cent.	Band 11

(11) Table 6 is as follows—

<i>Authority's out-performance percentage (1)</i>	<i>Band (2)</i>
Less than 5 per cent.	Band 1
At least 5 per cent. but less than 6 per cent.	Band 2
At least 6 per cent. but less than 7 per cent.	Band 3
At least 7 per cent. but less than 8 per cent.	Band 4
At least 8 per cent. but less than 10 per cent.	Band 5
At least 10 per cent. but less than 12 per cent.	Band 6
At least 12 per cent. but less than 14 per cent.	Band 7
At least 14 per cent. but less than 16 per cent.	Band 8
At least 16 per cent. but less than 18 per cent.	Band 9
At least 18 per cent. but less than 20 per cent.	Band 10
At least 20 per cent.	Band 11.”