

# HB Alerts

<b>Circular Reference:</b>		<b>S3 2010</b>	
<b>Subject:</b>	Further Subsidy Changes for Temporary Accommodation Cases	<b>Effective Date:</b>	<b>01/04/2010</b>
<p><b>Summary</b></p> <p>Circular S7 2009 outlined the new subsidy calculation for temporary accommodation cases from 1<sup>st</sup> April 2010. Following a further review, two additional caps have been added to the subsidy arrangements for temporary accommodation cases that come in force from the 1<sup>st</sup> April 2010 also. These will apply to new and existing claims that came under the subsidy 'threshold and caps scheme' in 2009/10. The circular lists the types of accommodation affected.</p> <p>It is expected that the new caps will mostly impact on London based authorities. The new caps are set at subsidy payable up to £500 per week for properties located in the BRMAs identified as group A in the circular, and £375 per week for the remaining London Authorities not included in group A and elsewhere. These Authorities will be known as group B.</p> <p>Group A BRMAs:</p> <ul style="list-style-type: none"><li>• Central London</li><li>• Inner West</li><li>• Inner North</li><li>• Inner South West</li><li>• Inner East</li><li>• Inner South East</li><li>• Outer South West</li></ul> <p>Subsidy payable for temporary accommodation will be the lowest amount calculated as follows:</p> <ul style="list-style-type: none"><li>• The amount of HB payable (week or part week) or</li><li>• Amount determined by subsidy formula: LHA – 10% + £60 (for non-London authorities) or +£40 (for London authorities)</li><li>• £500 or £375 subsidy cap dependant on BRMA being group A or B</li></ul> <p>There is also some consideration by the DWP to apply exemption from the caps, but only for exceptional cases and a final decision is yet to be made. Further guidance will be issued when ready.</p> <p>It is anticipated that subsidy payable for Housing Association Leasing Schemes (HALS) will also follow this calculation method from April 2011.</p>			
<p><b>Suggested Action</b></p> <p>Ensure all staff involved in subsidy calculation and system programming are made aware of the changes introduced with effect from 1<sup>st</sup> April 2010.</p>			
<b>Other References:</b>		<b>S7 v 2009</b>	