



Department for
Communities and
Local Government

Brandon Lewis MP
Minister of State for Housing and Planning

*Department for Communities and Local
Government*

Bridget Phillipson MP
House of Commons
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Dear Ms Phillipson,

17 MAR 2016

Thank you for your letter of 3 March to the Rt Hon Greg Clark MP, enclosing correspondence from your constituents about welfare reform and supported accommodation. I am replying as Minister for Housing and Planning.

The Government's decision on rent reductions was based on the need to put welfare spending on a sustainable footing, whilst protecting the most vulnerable. The housing benefit bill for the social sector in England has risen by a quarter over ten years, reaching £13.2 billion in 2014/15. We believe that the social housing sector should play its part to help reduce the deficit.

We have always said that the most vulnerable will be supported through the welfare reforms and we recognise that rent reductions may have a bigger impact on some providers and some specific types of housing. The Government is in the process of reviewing supported housing and initial findings are expected to be available in the spring. With this in mind, we have decided to put in place a one-year exception for all supported housing, almshouses, co-operative housing associations and community land trusts from the rent reduction. This will give us the time to get the review right and to consider workable and sustainable solutions for this sector. This means providers will be able to continue to apply the CPI + 1% rent increases in 2016/17.

The detail will be set out in Regulations which we will be bringing forward shortly following Royal Assent of the Welfare Reform and Work Bill. We intend that the Regulations will be in place for the start of the new financial year.


BRANDON LEWIS MP

SIGNED ON BEHALF
OF MINISTER IN
HIS/HER
ABSENCE