

Time began 6.00pm
Time ended 8.15pm

COUNCIL CABINET 16 FEBRUARY 2010

Present: Councillor Jones (Chair)

Councillors Allen, Care, Carr, Naitta, Skelton and
Troup

In attendance: Councillors Dhindsa and Jennings

191/09 Rent Levels and Housing Subsidy

The Council Cabinet considered a report on Rent Levels and Housing Subsidy. The report concerned a supported housing project run by a housing provider in Derby, Derbyshire Housing Aid. The project provided accommodation and intensive management support for vulnerable people. The rent and service charge at these addresses were high. The Housing Benefit legislation included rules which required authorities to restrict the rent or service charge where it was high and certain conditions were met. These rules varied depending on the nature of the tenancy. All of the residents at this project claim Housing Benefit. Currently the full rent and service charge were met through Housing Benefit. The government reimburses local authorities for the Housing and Council Tax Benefit they pay out through a series of subsidy payments. In most cases this subsidy compensated councils in full for the Housing and Council Tax Benefit payments they make.

However, in some cases, for example where the rent was high, the subsidy paid was less than the amount of benefit paid out and in these cases the council had to bear the cost of the difference. In this case we were currently losing subsidy because of the high rents being charged at this scheme. The report was originally to go before the November Council Cabinet meeting, but Council Cabinet deferred taking a decision to enable the Community Commission to consider the issues. The Community Commission met on 2 December 2009 and made some additional recommendations which had been included in the report.

The report:

- described the loss in Housing Benefit subsidy caused by meeting the full cost of the rent and service charge
- explains how the Housing Benefit regulations dealt with rents and service charges where they were considered high for this type of tenancy
- considered the option to restrict that the service charge element of the for all new Housing Benefit claims made for this project

- included recommendations made by the Scrutiny Commission on 2 December 2009.

Decision

1. That the Council accepts the offer of the housing provider to reduce the number of units in the scheme by 30 to 100.
2. The Council supports the housing provider in its attempts to partner with a Registered Social Landlord which would alleviate the loss of Housing Benefit subsidy.
3. To make sure that all referrals to this scheme go through single point of entry so the Council can better track the use of the scheme and assess the need for the scheme.
4. To review the referrals and outcomes from the scheme and carry out a further review of the rent and service charge levels during the 2010/11 financial year.