



Department for
Communities and
Local Government

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Our Ref:

24 December 2015

Ms Caroline Wilkins
Chief Executive
Oldham Council
Civic Center
West Street
Oldham, OL1 1BB

Dear Ms Wilkins

Thank you for your letter of 11 November to Ed Neave about the Government's proposal to reduce social rents. I have been asked to reply.

The Government was elected in May 2015 to put welfare spending on a sustainable footing and reduce the deficit whilst protecting the most vulnerable. At the Election the Government committed to £12 billion of welfare savings and the scale of the housing benefit bill means that housing benefit must play its part in this to help reduce the deficit.

We recognise that you have some concerns about the Government's proposal to reduce social rents, but hope that you will appreciate that the Government has sought to achieve a balance between reducing the housing benefit bill in the social sector in England which rose to £13.2bn in 2014/15 and protecting the most vulnerable. That is why provisions have been included in the Welfare Reform and Work Bill, currently before Parliament, to give the Secretary of State the power to exempt providers or except certain accommodations if compliance with the rent reduction requirement will result in severe financial difficulties. However, we do not expect local authorities or private registered providers to plan on the basis that they will receive an exemption automatically as they should be looking to reduce rents and make savings, they are well placed to do so.

We want to continue to engage with councils as they develop their plans to meet the rent reductions and should you want to contact officials for further discussion on the policy, our contact details are: Alison.Cremin@communities.gsi.gov.uk (telephone 030344 41619) and Margaret.Uhure@communities.gsi.gov.uk (telephone 030344 43784).

Yours sincerely,

Margaret Uhure

HOUSING REVENUE ACCOUNT DIVISION