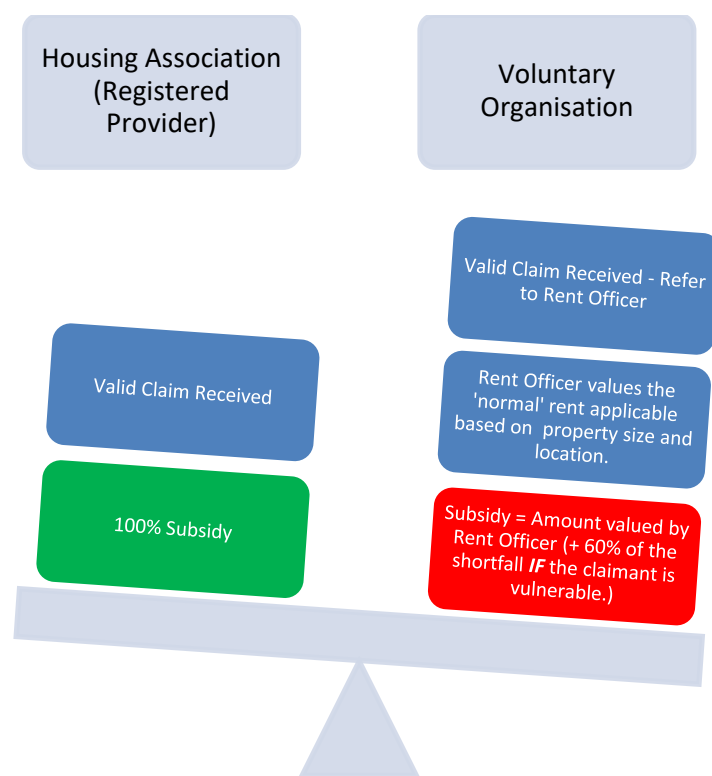


## 1. Appendix 1: Housing Benefit Subsidy Levels for Exempt Accommodation Claims

- 1.1. Housing benefit for supported accommodation is one of the most complex areas of housing benefit as well as one of the main areas of housing benefit subsidy loss for local authorities. The often significant housing benefit subsidy losses to local authorities for housing benefit payments in respect of supported accommodation means that unitary and lower tier local authorities are currently funding some of the costs of supported accommodation through unsubsidised housing benefit payments.
- 1.2. As referred to in paragraph 3.9.1 of the main report, there are 4 possibilities for the types of organisation eligible to receive exempt rates of HB; however only housing associations (HAs) attract full government subsidy for the money paid out by local authorities in respect of exempt HB claims.
- 1.3. The 3 other types of organisation that could provide the supported accommodation and receive the exempt rates of HB<sup>1</sup> will in most cases apply for and receive a similar level of income from exempt HB, but the local authority administering these payments will receive a much lower level of subsidy purely due to the type of organisation that is providing the accommodation. In East Staffordshire the subsidy available in respect of non-HA exempt HB claims equated to 26% of the cost of supported housing in 2020-21.<sup>2</sup>
- 1.4. Figure 1: Subsidy calculation in respect of Exempt HB payments.



<sup>1</sup> Non-metropolitan county council, registered charity or voluntary organisation.

<sup>2</sup> The Council received the equivalent of 26% in subsidy (£187,919/£730,775) against the full cost of supported housing cost in 20-21.

- 1.5. The graphic of figure 2 is weighted down by to the right by the voluntary organisations due the cost burden that is borne by the Council. The total amount payable in HB payments to these non-HA providers of supported accommodation has been increasing year on year. In practice the additional 60% of the shortfall payable in respect of vulnerable<sup>3</sup> residents is secured in approx. 60% of cases.<sup>4</sup>

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<sup>3</sup> The vulnerable group includes pensioners and lone parents with children living with them along with people who are disabled

<sup>4</sup> In 2023/24 the Council had 186 housing benefit claim for exempt rates from voluntary sector providers, and of those 112 cases were classed as vulnerable. This percentage is based on costs for which 60% subsidy was received (cell 96), as opposed to costs for which 0% subsidy was received (cell 97) in 2023/24.