

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 28th SEPTEMBER 2010**

**Question**

“In the light of large rises in rent levels in the private sector and the rent rise announced by the Jersey Homes Trust, what actions, if any, will the Minister consider putting in place to protect low-income households in the short term, while we await his longer term plans?”

Will the Minister further assure members that any proposals he brings to stage 2 of the CSR will protect low-income households?”

**Answer**

I am grateful for this question as it provides an opportunity for me to clarify responsibilities in this area.

Supporting low income households in being able to afford to adequately house themselves is a matter which, since the introduction of Income Support, has been the responsibility of the Minister for Social Security and his Income Support system.

It has been agreed that one of the States 2011 CSR savings will be to freeze the housing component of Income Support at 2010 levels. As a reaction to that and to protect social housing tenants in the short term I elected not to raise the capped level of the fair rents chargeable for social rented accommodation, as had been planned in October this year.

It is a fact that social housing rents are already significantly behind market levels and it is unrealistic to think that social housing rents can be frozen indefinitely. We should all be concerned that the variance to market rent levels provides a hidden subsidy for a proportion of tenants.

It is clear that rental values and house prices are closely correlated and driven by the general supply and demand for housing in the Island. It follows that the best way to remedy rising rents and house prices is to balance supply and demand, while providing social housing, benefits, and affordable housing schemes, such as Jersey Homebuy, to those least able to afford adequate housing on their own.

When it comes to providing financial assistance, the most effective way of helping low income families is through the Income Support system and not for the continuation of hidden subsidies which mask the problem and hide the true cost of social benefits.

A review of Income Support is planned and I will be working closely with the Minister for Social Security in respect of the housing component. We will ensure, through that process, that the impact of any future CSR savings on low income households is properly assessed.

In the long term, I am of the view that the only sustainable way of ensuring that those on limited incomes can adequately house themselves is through the provision of suitable affordable homes. I am committed to seeing the social housing sector grow and am relying on the Minister for Planning & Environment to ensure that the Draft Island Plan 2010 delivers sufficient numbers of affordable homes over the next 10 years.