

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 19th MARCH 2013**

Question

Following the lodging of P.33/2013 and the presentation of R.15/2013, will the Minister release to members the Wilcox Report and other research documentation into the social impact of the Housing Transformation Programme previously withheld under exemption 3.2 (a)(xiv) - policy in development?

Given the intention of the Minister for Housing to maintain the payment in real terms of the housing component of Income Support (IS) (currently £26.1 million in 2013), will he give a detailed breakdown of the £67 million paid out in weekly benefit to IS claimants in 2011 in terms of adult, single parent, child, household, and rental (and other) components, giving a further breakdown of the rental component into States, Trust and private sector landlords?

Will he also demonstrate for members how the figures contained on page 52 of P.33/2013 showing a low cost for additional rent to be paid by IS can be related to the figures given in P.33 of overall change of rents from 69% (currently) to 90% of private sector rent levels?

Will the Minister provide for members a similar chart for incomes, given under 5.14 of P.33 (page 54) for those not in receipt of IS, for those who are receiving IS

Answer

As noted at paragraph 2.27 of P.33, the Housing Department “...appointed experienced and respected advisers to assist in the development of policy proposals including financial advisers Sector Treasury Services Ltd, legal advisers Trowers and Hamlins LLP and governance and regulation advisers Cambridge University Technical Services Ltd.”

Professor Wilcox produced one draft report on behalf of Sector Treasury Services Ltd. This report was never finalised. Professor Wilcox’s draft report relates to proposals that do not form part of the current proposition and it is based on information that is now out of date, in particular the 2001 Census.

I can confirm that I intend to publish a report on possible changes to private sector rental support in parallel with the proposed HTP changes, and subject to the agreement of the Minister for Housing, Sector Treasury Services Limited’s draft report, which includes a discussion of some options in respect of support for private sector rentals, can be made available at that time to any States Member that requests it.

Contrary to the wording of the question, the Minister for Housing does not make any payments in respect of the housing component of income support. Since 2008, the Housing Department has made an annual return from its rental income to the States Treasury. There is no specific link between the value of this annual return and the allocation of funds to the Social Security Department in respect of Income Support.

The Income Support report for 2011 (R.126/2012) provides a wide range of information on income support components. For example, table 20 on page 19 provides an analysis of the £24.4 million identified as the cost of accommodation components across the full range of tenure types.

The net expenditure of £66.9 million on Income Support weekly payments in 2011 can be allocated to components and tenure types as follows:

Component	States Housing	Trust	Private/Other	Total
Adult	£9,935,000	£2,024,000	£9,751,000	£21,710,000
Single Parent	£1,014,000	£256,000	£543,000	£1,813,000
Child	£3,650,000	£929,000	£1,749,000	£6,328,000
Household	£4,192,000	£831,000	£2,662,000	£7,685,000
Rental	£13,719,000	£3,101,000	£7,605,000	£24,425,000
Other	£2,267,000	£381,000	£2,331,000	£4,979,000
Total	£34,777,000	£7,522,000	£24,641,000	£66,940,000

The Housing Department has undertaken the calculations contained in P.33, including the table on page 52. The additional cost shown in that table relates to the change of policy proposed by the HTP. i.e. the move from capping rents at current “fair rent” levels to capping at 90% of market rental. The costs in that table are quoted excluding inflation and, for example, cannot be compared directly with the table on page 45, which includes the impact of inflation. The figures on page 45 also include the additional income that will be generated from the completion of additional rental units. It should be noted that the proposed policy is to only implement the fair rent level following a change of tenancy. This minimises the increased cost of Income Support in the early years of the HTP.

The table on page 54 of P.33 provides some information on the household income of Housing Department tenants who are not receiving income support. The information in this table has been collated from a range of data sources available to the two departments and it only provides a general and approximate indication of the range of income levels.

Detailed information on income available to income support households is available in the 2011 Income Support report. The table below shows the distribution of the level of total annual income from all sources for Housing Department tenants who are in receipt of Income Support, as at 31st December 2011. Total income levels include Income Support payments but do not include income from savings and investments.

Income in bands	No of IS households in States rental accommodation
Up to £10k	27
£10k-£15k	795
£15k-£20k	758
£20k-£25k	652
£25k-£30k	385
£30k-£35k	255
£35k-£40k	89
£40k-£45k	32
£45k plus	20
Grand Total	3,013

The information in this table is taken directly from Income Support records and is not directly comparable with the information provided in the table on page 54.