

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY M. TADIER OF ST. BRELADE
ANSWER TO BE TABLED ON TUESDAY 8TH MARCH 2016**

Question

Further to the Minister's answer to oral question 9264 asked on 23rd February 2016 regarding Income Support accommodation components, can she clarify what she means when she says of the 1,898 Income Support households in private sector rental, 48% are 'below the cap' and 52% 'above the cap'?

Further to her comments that 'components were never designed to be incredibly generous; they are a modest assistance to low income families who are required to rent in the private sector', is it the case that, with the move to 90% market rents for social housing providers, these components will now exceed the maximum components for those renting in the private sector; and if so, what is the justification for this?

Answer

The figure quoted relates to the proportion of households renting in the private sector who are paying more towards their weekly rent than the maximum value ('cap') of the Income Support accommodation component. This could be for a number of reasons, including people who occupied a property before claiming Income Support and do not wish to move. For example, this could include a claimant who has recently been made redundant and receives financial support from Income Support whilst finding new employment. In other cases, an individual may make a specific decision to spend a greater proportion of their weekly income on their rent, for example a single person may choose to rent a property with a small garden. It is important to consider this statistic with the understanding that the private sector has a wide range of accommodation, and that there will be many factors that people take into account when deciding where to live.

The maximum accommodation components for Income Support households renting in the private sector were approved by the States as part of P.1/2014, the Income Support Regulations which allowed the Social Security Department to meet its obligations under P.33/2103 "The Reform of Social Housing." These maximum levels increased the rates that preceded them, and were calculated by the Housing Department using market rental data across individual Housing Department properties. An average market rent of all of the units of a specific property type was calculated, to give a figure that represented the average rent for each comparable property type in the open market. This gives the basis for the maximum accommodation component that is linked to the standard of property available to people renting in social housing. This change provided ongoing additional support of £1,000,000 per annum to private sector tenants as part of the Housing Transformation Programme. Support for accommodation costs has also been fully protected within the MTFP, and so rental components for private sector tenants are due to rise in each of the next 4 years.

The changes to support for social housing rents were also set out very clearly as part of P.1/2014, The move for Income Support to meet the cost of 90% market rents for social housing tenants allowed social housing providers to charge rents that "more closely reflect their realistic value on the open market, receiving a rental income that will in turn be re-invested in the maintenance of existing stock and the development of essential social housing projects." This support for Jersey's strong social housing sector is critical if we are going to improve the quality and increase the supply of affordable social housing in the Island.

It is correct that in some cases the social housing component will exceed the private sector component for a particular size of property. The private sector caps are currently set at 95% of the average of social sector rentals. By definition, there will be some social rents above the average and some below the average. Therefore, as social sector tenants have their full rental cost included in their accommodation component,

some social sector tenants will receive components above the maximum available in the private sector and some will receive components below.