

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 4TH JULY 2017**

Question

Given the website of Andium Homes shows the ‘average rent’ for 1-bed and 2-bed flats, and 3-bed houses, as being £165.92, £212.58 and £271.69 per week respectively, and that the Income Support rental accommodation component “*is available for up to the full amount of rent charged*”, will the Minister –

- (a) advise whether the true average rents for these tenancies are £193.59, £248.05 and £330.14 per week respectively and, if so, request from Andium Homes an explanation of why their figures differ;
- (b) state what action she will take to ensure Andium Homes publishes accurate averages;
- (c) request from Andium Homes clarification of whether, in respect of the Income Support rental accommodation component, it is available up to the maximum rent shown or some other figure;
- (d) provide, for the three categories of tenancy, an example of the “*circumstances*” in which individual households would have their rent either fully paid or part paid, including any change in rent paid by Income Support brought about by a change of circumstances (e.g. an increase in earnings);
- (e) indicate what figures apply in the same circumstances to private sector rents; and
- (f) state whether these policies are financially sustainable in the long term?

Answer

Parts (a) and (b)

The Deputy’s Written Question of 6th May 2017 requested average weekly Andium Homes’ rents for new tenancies on one- and two-bedroom flats and three-bedroom houses. As noted in the response, the average weekly rents shown on Andium Homes’ website comprise all tenancies. This include where tenants are paying rent according to the old States rents policy, and where tenants have moved to the 90 per cent rents policy if their tenancy commenced after 1st April 2014. The average weekly rents shown on Andium Homes’ website are therefore accurate.

Parts (c) – (e)

For social housing tenants, Income Support will recognise the full amount of rent that is being charged, providing that the property is an appropriate size for the household’s needs. The full amount of rent is also recognised by Income Support if a tenant is under-occupying his/her property but has applied to downsize to an appropriately-sized property. If a household receives additional income from wages, pensions or other benefits, then the full amount of rent will be recognised in the Income Support calculation, and the overall Income Support payment will be reduced according to the rules that address each kind of income.

The above is also applicable in the private rented sector, where Income Support provides reasonable help towards the cost of renting up to a set maximum value of the accommodation component for a property that is an appropriate size for the household’s needs. Where a household receives additional income, again, this will be taken into account in the Income Support calculation.

Part (f)

Income Support expenditure on accommodation costs has been fully protected in the MTFP and rental components for private sector tenants are due to rise in each year up to 2019. These costs are regularly reviewed, and at the start of each MTFP period, budgets and cash limits will be set in order to cover estimated expenditure. The level of Income Support rental component payments over the period of the next MTFP and beyond will be affected by a range of factors, including the level of inflation and earnings growth, the mix of property types and the growth of one housing sector comparative to another. The Minister for Housing will continue to work closely with the Minister for Social Security at the time to ensure that Income Support spending on housing remains sustainable.