

STATES OF JERSEY



COST OF LIVING CRISIS – MEASURES AFFECTING ANDIUM HOMES RENT INCREASES

**Lodged au Greffe on 13th September 2022
by Deputy R.J. Ward of St. Helier Central
Earliest date for debate: 4th October 2022**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

that tenants of Andium Homes who downsize within the Andium estate, or who move from one Andium property into another refurbished Andium home, should not face inappropriate sudden increases in rent upon moving and to request the Minister for Treasury and Resources, as shareholder representative, to instruct Andium Homes to implement a scheme whereby any increase in rent in such circumstances is suspended for 1 year from the start of the new tenancy, with any such increase then introduced incrementally over a period of between 5 and 10 years depending upon the tenant's ability to pay.

DEPUTY R.J. WARD OF ST. HELIER CENTRAL

REPORT

We have a recognised cost of living crisis that is impacting those with the lowest incomes the most, with rental stress being the main factor for many. Some tenants of Andium Homes face a significant increase in rents following moves due to refurbishment of homes. Furthermore, some who chose to downsize may face a similar rent or even an increase. It should be noted that some of these increases in rent could be up to £400 per month.

This proposition seeks to suspend any such increases for 1 year in order that tenants may have more time to deal with the financial impact. This would include time for those drawn into an income support claim to be given advice and help in applying for this support to meet the increased rental cost. Following the initial one year rental freeze, I propose that any increase should be introduced incrementally over a reasonable period and that this should be accompanied by a review of the ability to pay.

This will be particularly important for pensioners on a fixed income and families that face significant cost increase in the current high inflation climate. It could be argued that not acting creates a benefits dependency that masks high rental levels from our social housing provider.

Unfortunately, specific numbers of those who would be aided by this proposition are not readily available and I plan to pose a written question to the Minister for Housing to ascertain these. However, I have been informally advised by that Minister that 27 tenants would be affected currently. For reference the Andium Homes 2021 Annual Report [the Annual Report] states that the number of major Refurbishments completed in 2021 was 69.¹

Andium is the main social housing provider for Jersey and wholly owned by the States of Jersey. As such there is a responsibility beyond just the collection of rents and returns to government. Although I have chosen not to propose the action within this proposition, a full review of the impact of these rent rises is required as all tenants, regardless of longevity of tenure, are moved to the 80% market rate, particularly as there is no cap on private rents. The importance of the social housing rents policy is noted in the Annual Report:

Rental income is our key funding source and so the adoption of the new 80% rent policy presents a challenge to our business model. However, our business model is not reliant on rental income in isolation, it is reliant on the relationship between the social housing rents policy and the financial return we deliver to the Government each year.

The Annual Report also further indicates:

A number of our tenancies pre-date the current rent policy, and others have fallen behind 80% of market as the market has increased at a higher rate than our tenancies.

This necessarily drives rents up to unmanageable levels for tenants and this is being fully exposed by the change to tenancy agreements when tenants are moved into

¹ <https://www.andiumhomes.je/wp-content/uploads/Andium-Homes-Annual-Report-2021.pdf>

refurbished accommodation. It should be noted that there is little choice but to accept this increase when moving tenancy.

The report of the proposition which brought about changes to Social Housing [P.33/2013] mentioned the impact of increase in rents following refurbishment (emphasis added):

*.... the achievement of Decent Homes Standards will require refurbishment of 578 properties during the 10 year period, **the hidden rent subsidy will be progressively removed, but in a way that allows individual Tenants to plan for increases.***

This demonstrates the need for increases to be incremental and time to be given to plan for increases.

To conclude, this proposition will remove the sudden shock of significant rent increases at a time when there is a recognition of a growing cost of living crisis. It addresses the need for incremental increase and offers the chance to review the impact of these increases on individuals. Driving people into reliance upon income support due to having a fixed income such as a pension needs to be reviewed as a policy. A clear definition of ability to pay needs to be produced and applied in these cases. This proposition offers the opportunity to take a year to do this whilst rent increases are deferred.

Children Rights Impact Assessment

An assessment of the impact of this proposition on the rights of children has been carried out and is appended to this report.

Financial and manpower implications

The cost of this proposition is unclear as the total numbers affected needs to be determined. On the basis of the information held at the time of lodging it is anticipated that 27 tenants may be affected. Therefore, the cost to the Government of Jersey should be minimal and would be primarily in the form of reduced financial returns to Government from Andium Homes.

Child Right Impact Assessment

Impact Assessment by Deputy R Ward

STAGE 1: SCREENING

Question 1: Name the measure / proposal and briefly describe its overall aim
Proposition to agree that tenants of Andium should not be charged increased rents when downsizing or moving into a refurbished property.
Question 2: What children's rights does it impact upon?
Article 3 The best interests of the child must be a top priority in all things that affect children. Article 4 Governments must do all they can to make sure every child can enjoy their rights. Article 6 Every child has the right to life. Governments must do all they can to ensure that children survive and develop to their full potential. Article 27 Every child has the right to a standard of living that is good enough to meet their physical, social and mental needs. Governments must help families who cannot afford to provide this.
Question 3: What children and young people will be affected?
Any children whose families are tenants of Andium Homes Limited.
Question 4: What is the likely impact of the proposal / measure on children?
Potential to improved quality of life, health and wellbeing, and home environment
Question 5: Is a full child rights impact assessment required? Explain your reasons
Yes: this proposition has the potential to impact upon children

If a full child rights impact assessment is required proceed to stage 2

STAGE 2: SCOPING (Background and Rights Framework)

Question 6: Name the measure / proposal being assessed and describe the overall aim
Proposition to agree that tenants of Andium should not be charged increased rents when downsizing or moving into a refurbished property.

Question 7: Which human rights instruments and articles are relevant to the measure / proposal?

Human Rights Instrument	Article	Further analysis on the expected / actual effect
UNCRC	Article 3	<i>The best interests of the child must be a top priority in all things that affect children.</i> The Government has indicated that it wishes to include the need to involve young people in policy formulation and decision making.
UNCRC	Article 4	<i>Governments must do all they can to make sure every child can enjoy their rights.</i> The Government is a majority shareholder of Andium Homes Limited
UNCRC	Article 6	<i>Every child has the right to life. Governments must do all they can to ensure that children survive and develop to their full potential.</i> Child's home environment can impact their development.
UNCRC	Article 27	<i>Every child has the right to a standard of living that is good enough to meet their physical, social and mental needs. Governments must help families who cannot afford to provide this.</i> The Government is a majority shareholder of Andium Homes Limited should enable their tenants to have access to the best properties available.

STAGE 3: EVIDENCE

Question 8a: What quantitative evidence have you used to inform your assessment? What does it tell you?

Evidence collected	Evidence source	Explanation of the importance	What are the data gaps, if any?
41% of single parent households with dependent children were living in States, housing trust or parish rental	Census 2021	A large proportion of children with single parents may be living in Andium homes,	Actual number of children in Andium homes.

accommodation		with rent costs and standard of housing being relevant to this	
4,500 families in Jersey in Andium homes in 2014	https://andiumhomesje.azurewebsites.net/wp-content/uploads/Andium-Homes-Annual-Report-2014.pdf	There are a large number of families in Andium Homes	Actual number of children in Andium homes.
There were 1560 social rented households with children under 16 in 2011	https://opendata.gov.je/dataset/fe63dcce-930d-4f3a-bb7f-56108f8e56d1/resource/9dddc71a-d07b-4a6f-9e9d-f8b4e024ffe4/download/household-type-by-tenure.xlsx	There are a large number of families in social housing	Actual number of children in Andium homes.
Families moving into new residence	https://www.andiumhomes.je/news/andium-homes-delivers-24-more-homes/	There is evidence that families are moving into new homes	Number of families/children moving into refurbished homes
29% of children living in households below the relative low income threshold after housing costs (2015)	Jersey Performance framework https://embed.clearimpact.com/Measure/Embed?id=99144689	Nearly a third of children's households below the relative low income threshold after housing costs	Updated figures for 2021 and 2022

Question 8b: What key missing information / evidence would have been beneficial to your analysis?

Number of children resident within Andium home tenancy.

Number of Andium tenants with children moving to refurbished properties.
Number of Andium tenants downsizing and families taking over previous property.

Question 9a: What qualitative evidence have you used to inform your assessment? What does it tell you?

Evidence collected	Evidence source	Explanation of the importance
“I think houses and flats are really expensive in Jersey and sometimes mums and dads don’t earn enough money to afford a nice house for them and their children to live in and sometimes landlords have nice big houses but won’t let children live in them.”	Children’s Commissioner Island wide consultation findings full report	Recognition by children of the need for a “nice house” and the expense of houses and flats.
“Outside of every Childs house is a garden.”	Children’s Commissioner Island wide consultation findings full report	The wish for children’s houses to have a garden.
The quality and affordability of homes, coupled with their location and suitability to specific needs, are factors that can affect overall life satisfaction. Additionally, poor housing conditions, overcrowding and a lack of basic facilities can have a detrimental effect on both physical and mental health and a negative impact on the	OECD (2009), “Comparative Child well-being across the OECD”, in Doing Better for Children, OECD Publishing, Paris Referenced in Jersey Better Life Index 2018 results (page 18)	Evidence of the impact of home environment on a child

educational attainment and social behaviours of children		
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Question 9b: What key missing information / evidence would have been beneficial to your analysis?
Discussion of the topic with children whose family are tenants of Andium.

STAGE 4: SCRUTINISING CHILDREN'S INVOLVEMENT

Question 10: Has evidence from third party consultations with children and young people been considered in the development of the proposal or measure?			
Groups consulted	Source of Information	Please provide a brief description of process	What were the findings?
Children's Commissioner	Online report	Survey of Islands Children undertaken in 2018	See Q9 for relevant findings

Question 11: What groups of children and young people have been directly involved in developing the proposal or measure?			
Groups involved [] if those affected by the proposal]	How were they involved	What were the findings	
No children have been directly involved in developing this proposition			

STAGE 5: ASSESSING THE IMPACT

Question 12: What impact will (or does) the proposal or measure have on children and young people's rights		
Type of impact	Justification for Argument	likely or actual short/medium/long-term outcomes
Positive	Allow families/children to move to refurbished homes without undue financial stress	<ul style="list-style-type: none"> Better home environment Less financial stress
Positive	Allow tenants to "downsize" without undue financial stress, freeing larger homes for families/children.	<ul style="list-style-type: none"> Better home environment

Question 13: Will there be (or are there) different impacts on different groups of children and young people?		
Group of children affected	Initial analysis of the positive impact on rights	Initial analysis of the negative impact on rights

Children living in Andium homes	Potential to improve health and wellbeing	None
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Question 14: If a negative impact is identified for any area of rights or any group of children and young people, what options are there to modify the proposal or measure to mitigate the impact?	
Negative impact	What options are there to modify the measure(s) or mitigate the impact?
None identified	

STAGE 6: CONCLUSIONS AND RECOMMENDATIONS

Question 15: In summary, what are your key findings on the impact of the measure or proposal on children and young people's rights?
This proposition will have broadly positive implications to the Rights of those children living within Andium Homes. Further data is required to ascertain full impact.

STAGE 7: PUBLISH CRIA

Question 16: Should the full assessment or a summary be published? Will a child-friendly version be produced?
Yes, this CRIA will be published.

STAGE 8: MONITOR & REVIEW

Question 17: Have the recommendations made in Stage 6 been acted upon?
Written Question has been made in order to gain additional information required.

Question 18: Where recommendations have not been acted upon, is further action required?