

STATES OF JERSEY



REVIEW OF BENEFIT LEVELS (S.R.3/2011): RESPONSE OF THE MINISTER FOR HOUSING

Presented to the States on 13th May 2011
by the Minister for Housing

STATES GREFFE

**REVIEW OF BENEFIT LEVELS (S.R.3/2011): RESPONSE OF THE
MINISTER FOR HOUSING**

The Scrutiny Sub-Panel’s report on the “Review of Benefit Levels” was issued on 28th March 2011. The report came up with a number of comments, conclusions and recommendations, those relating to the Minister for Housing will be addressed in the following way –

Key Findings and Recommendations relating to the Housing Minister	Actions for the Housing Minister
<p>Key Finding 13 (page 83)</p> <p>Clearly, there are significant structural problems in the social housing finance policy, causing restricted access affordable social rented housing. It puts great pressure on tenants receiving Income Support subsidies in the private sector.</p> <p>Recommendation 11 (page 83)</p> <p>The Minister for Social Security must work with the Ministers for Treasury and Resources and Housing to ensure that the mechanism for financing social housing is separate from the provision of means-tested Income Support benefits.</p>	<p>This matter was highlighted in the report written by Professor Christine Whitehead O.B.E., “A Review of Social Housing in Jersey” issued as a Green Paper in 2010.</p> <p>Following the formal consultation on this report, an inter-departmental programme was established in October 2010 to address the many issues which impact on the availability, affordability and sustainability of delivery of social housing as reported to the Scrutiny Panel at its meeting on 9th November 2010.</p> <p>The “Housing Transformation Programme” is overseen by a Political Steering Group including the Chief Minister, Minister for Treasury and Resources and the Ministers for Housing and Social Security.</p> <p>The Programme identified the need for resolving the financing of social housing as its top priority and appointed Professor Steven Wilcox from York University – a respected UK Government Policy adviser to coordinate a joint review of the housing element of income support in cooperation with the Treasury and Social Security Departments.</p> <p>This work is well underway and a White Paper will be published in July which will propose a mechanism for how sustainable funding will be achieved whilst protecting those in greatest need.</p>
<p>Key Finding 14 (page 87)</p> <p>The application of the accommodation component of Income Support set at the fair rent level to those households renting</p>	<p>The need to protect those in greatest need has been a key imperative set by the Ministers of Housing and Social Security for the joint review of the housing element of income support and rent policy which is currently being undertaken as part of the Housing Transformation</p>

<p>in the private sector may result in increased hardship especially for families with children.</p> <p>Recommendation 12 (page 87)</p> <p>The Ministers for Social Security and Housing must establish a mechanism for reviewing fair rent levels at regular intervals.</p>	<p>Programme.</p> <p>The joint review will likely make recommendations which will ensure –</p> <ol style="list-style-type: none"> 1. That those who cannot afford to pay appropriate levels of rent are adequately supported; and 2. That those who do not need the support pay an appropriate rent; and 3. That the rents charged in the social sector are appropriate and at a level which adequately funds provision. <p>This may involve regular reviews, or may require other means of assessing ability to pay against rent levels set.</p> <p>A social impact assessment of any proposals will be undertaken to ensure that the social benefits and any dis-benefits are fully understood, monitored and assessed.</p>
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I welcome the report from the Health, Social Security and Housing Scrutiny Sub-Panel, because it highlights several crucial matters regarding the sustainability of the social housing sector, initially raised within Professor Whitehead's review of Social Housing, issued by my Department as a Green Paper last year. This led to the establishment of the Housing Transformation Programme by my predecessor, Deputy S. Power of St. Brelade in October 2010. I fully support this programme which aims to address the problems identified by Professor Whitehead.

The Scrutiny Sub-Panel report highlights structural problems with the funding of social housing. Professor Whitehead confirmed that the funding of social housing was not on a viable basis and this position has been exacerbated by the recent economic downturn which has made the sale of properties to fund refurbishment particularly difficult. Sales were never intended to be a long term solution and I would like to see these sales cease as and when the financial arrangements for the Department are put on a more sustainable footing.

Recent condition surveys have indicated that there is a current backlog of £46 million of refurbishment required to meet decent homes standards and that this problem will increase by £6 million per annum unless action is taken soon. I am working with my colleagues, the Ministers for Treasury and Resources and Social Security to find the best practicable solution for addressing this structural investment problem, to put the entire social housing sector on a sustainable financial footing, and I will bring forwards proposals within a White Paper setting out what we collectively propose here.

The Scrutiny Sub-Panel report asks for regular reviews of fair rent levels and such a review is underway already, jointly with my colleagues in Social Security and Treasury and Resources. A fair rent policy that provides a sustainable means of providing social housing whilst protecting those in real need is crucial for the viability of the sector. The forthcoming White Paper will propose a new rent policy to reflect this necessary outcome.

The Scrutiny Sub-Panel report implies that restricted access to the social housing sector puts pressure on those in the private sector. This mirrors the concerns of Professor Whitehead, who suggested that the social sector was too small and the current allocations criteria too strict to meet the real demand for social housing. It is important for the true demand to be understood and quantified, and I therefore intend bringing forward, within my White Paper, proposals for establishing a single affordable housing gateway which will enable this demand to be transparently established. It is also recognised that the social sector probably needs to grow to meet the needs of those presently in the private sector where as life long renters their needs are most likely not best met. Again, the Housing Transformation Programme is reviewing the best way to develop the sector in a sustainable way and proposals will be included for this within the White Paper.

The Scrutiny Report acknowledges that the matters it raises are now under review. I look forward to working more closely with the Panel as the Housing Transformation progresses.