

STATES OF JERSEY



VICTORIA AND GEORGE V COTTAGE HOMES (REPEAL OF GENERAL PRINCIPLES) (P.44/2013): AMENDMENT (P.44/2013 Amd.) – COMMENTS

**Presented to the States on 11th July 2013
by the Minister for Housing**

STATES GREFFE

COMMENTS

This amendment seeks to maintain the general principles as current, whilst proposing that allocations to vacant properties should only be made to those over the age of 55 years, in receipt of an Old Age Pension and Income Support. In respect of rent the amendment proposes that rent charged to new tenants of the Cottage Homes be capped at 80% of the equivalent market rates and that it include the cost of water and electricity charges.

This amendment is not the best way to achieve the objectives sought for the following reasons.

Residents of the Cottage Homes live independently and are of the same demographic and economic make-up as other tenants of the Housing Department. No care or extra support and supervision is provided to residents of the Cottage Homes that is not also available to tenants who live elsewhere. Despite this, residents of the Cottage Homes have completely different terms and conditions to all other tenants and do not enjoy the same rights of tenancy.

The Cottage Homes are the only properties where a resident manager has been provided, despite the fact that those managers have never provided any form of medical care.

The purpose of P.44/2013 is to address these areas of inequity that currently exist between residents of the Cottage Homes and elderly residents housed elsewhere within the States-owned social housing stock.

The States has approved P.33/2013, which will allow for a new wholly States-owned Housing Company to be established to manage the States-owned housing stock. The approval of P.33/2013 also allows for a return to the previous 90% of market equivalent rent policy, amended to establish that figure as a ceiling for the rent that registered social housing providers can charge. Increases in rental level only affect new tenancies.

An 80% rent policy would produce rental income of £561,000 per annum once the rent policy is fully implemented, which will not occur for many years. It is not appropriate to consider the income and expenses of individual estates without also considering that each estate is required to contribute towards indirect costs. This includes the annual return to Treasury which, after meeting the commitments outlined in the Medium Term Financial Plan will be £454,000 per annum for Cottage Homes properties (maintained in real terms). The business model prepared for the new Housing Company, which takes indirect costs into account, demonstrates unequivocally that a 90% of market rents policy is required across all of the stock in order for the Housing Company to meet its financial obligations and complete its stock development programme, including the refurbishment of the Cottage Homes which is estimated to cost £4.5 million in real terms.

The cost of a resident manager for the Cottage Homes has not been allowed for in the Housing Company's business model, nor has the lower rental income from an 80% rent policy. The Housing Company business model indicates that surplus cash will not be generated until year 18 of the company's operation. Any additional costs, or lower rents achieved, would therefore be funded by further borrowing. Given this financial

pressure, only costs for services deemed to be appropriate and equitable for the Housing Company to provide have been allowed for in the business model.

It would be inequitable for the new Housing Company to subsidise residents in the Cottage Homes who live independently and are of the same demographic and economic make-up as other tenants of the new Company, with rents from other Tenants.

In relation to the future allocation of the homes, it is not equitable for the Cottage Homes to be allocated under separate criteria to that of mainstream social housing.

The Affordable Housing Gateway has been established and working well for over 18 months, ensuring that all applicants are fully assessed as being in need of social housing. Allocations to the Cottage Homes will continue to be made only to those over the age of 55 years, but who are deemed to be in the greatest need of the accommodation available at the Cottage Homes. The Minister has also made it clear that allocations will continue to be sympathetic to the existing community.

The Minister for Housing fully accepts the argument made in the amendment for the need for supported independent living facilities for those who are not yet in need of full residential care. However, it is important to understand that the Cottage Homes was never intended to be anything other than independent living, and the properties themselves do not lend themselves as being suitable for any other arrangements.

With the approval of P.33/2013, the Minister for Housing is determined to see more sheltered/extra care housing schemes being developed, delivering properties which are purpose-built for elderly residents and where the necessary support can more efficiently be delivered.

“Care in the Community” is fully supported by the Minister for Housing, and he will be working closely with the Strategic Housing Unit and Minister for Health and Social Services to ensure that strategies are in place to see more appropriate housing for our ageing population being delivered. Such developments have already commenced, such as the 80 life-long homes at Langtry Gardens, and additional 35 life-long homes in Phase 1 at Lesquende.

The final part of this amendment seeks to maintain the provision of a resident manager at the Cottage Homes, providing light to moderate (non-medical) support to residents.

As previously stated, the homes at Cottage Homes have only ever been intended to provide independent living, no different to that provided elsewhere across the State-owned housing stock where the tenure is for pensioners. The provision of a resident manager has for many years resulted in much confusion as to the status of the homes and associated responsibilities of the Housing Department. The resident manager has only ever provided administrative support, and the duties within that role continue to be more efficiently provided for from resources elsewhere within the Housing Department.

It would be inequitable for residents of the Cottage Homes to benefit from on-site administrative support when there are insufficient resources to offer this facility to all other elderly customers. The Housing Department’s remit does not extend to providing anything other than administrative support for its tenants, and co-ordinating

additional services from other agencies where the need arises in line with the tenants' wishes.

The Independent Living Team was established to ensure that tenants, young and old, across the housing stock, are able to access additional care and support from the relevant, appropriate agencies if they wish to have that support. As part of the consultation carried out on P.44/2013, every resident of the Cottage Homes was visited to ensure this was the case. The Minister for Housing is therefore satisfied that residents at the Cottage Homes are appropriately catered for without the need of a resident manager.

Accordingly, it is recommended that the States reject this Amendment.