

John Scarrott – 25th May 2021

Scrutiny Matters Feedback - Affordable Housing: Supply and Delivery

One issue which needs to be resolved is what I call the money-go-round.

This starts with Andium building homes which are priced way above what can be afforded by the people that need to live in the homes.

Then follows a long trail where the people have to go to Social Security and beg for money to help them afford the homes.

Social Security allocate funds to these people.

The people then pay Andium their rent.

Andium then pay the Treasury, which returns the money that Social Security gave to the people.

The Treasury does not make any more money than it would if the money-go-round did not exist.

What is the point of this, apart from keeping more staff pushing paper and money around in the Social Security and Treasury departments?

The States are supposed to be cutting costs. One way to cut costs it to eliminate this daft money-go-round.

All it takes is for Social Security to issue an affordability assessment to Andium, stating how much the rent should be, on a case by case basis (reviewed every two or three years). Andium then only charge that rent to that person.

For example:

2 bedroom apartment

Standard rent £1300 per month

The proposed Tenant can only afford £650 per month

Social Security send Andium an affordability assessment to advise them they can only charge the proposed Tenant £650 per month

The proposed Tenant moves in and pays Andium £650 per month

No money-go-round has taken place

The Treasury has not lost any money, in fact it has gained through less workload and lower costs.