

STATES OF JERSEY



PROVISION OF CARPETS IN ANDIUM HOMES PROPERTIES (P.34/2023): AMENDMENT

Lodged au Greffe on 5th June 2023
by the Minister for Social Security

STATES GREFFE

PROVISION OF CARPETS IN ANDIUM HOMES PROPERTIES
(P.34/2023) AMENDMENT

1 PAGE 2, PARAGRAPH (a) –

Substitute the words “prior to the lodging of the next Government Plan” with “between 1st July 2023 and 31st December 2023”; and

Delete sub-paragraph (a)(ii)

2 PAGE 2, PARAGRAPH (b) –

After the words, “the Minister for Social Security” insert the words “and the Minister for Housing and Communities” and substitute the words “Andium Homes” with “all social housing providers”.

MINISTER FOR SOCIAL SECURITY

Note: After this amendment, the proposition would read as follows –

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

- (a) to request the Minister for Social Security, **between 1st July 2023 and 31st December 2023**, to –
 - (i) implement provision of special payment grants to any Andium Homes tenants who require carpets in new rentals and who would otherwise be eligible for a loan from the States of Jersey for such purpose; and
- (b) to request the Minister for Treasury and Resources, in consultation with the Minister for Social Security **and the Minister for Housing and Communities**, to work with **all social housing providers** to review their policy relating to –
 - (i) provision of flooring as standard in all properties; and
 - (ii) reuse of carpets after cleaning.

REPORT

The main purpose of the Income Support system is to provide a weekly income top-up to households with a low income to help meet regular domestic costs. In addition, the Income Support Law provides for grants and loans to be provided to support larger one-off costs which households face from time to time.

Current policy provides for one-off payments, known as special payments, through both loans, which are repayable, and grants, which are not repayable. A range of one-off housing costs are covered through guidelines including carpets, but also white goods and furniture, rental deposits and removal costs. With some exceptions, these costs are normally supported through interest free loans.

Part (a)(i)

Part (a)(i) of the proposition seeks to provide grants, rather than loans, to Andium tenants receiving Income Support when they move into a new rental property which requires flooring to be laid.

The amendment brings forward the start date of this change from September (the planned lodging date of the next Government Plan) to July. It also sets an end date to acknowledge that this should be seen as a temporary solution while the review set out in part (b) is undertaken and changes implemented. While the temporary solution is in place, it will create an imbalance in the treatment of different Income Support households. Households moving into an Andium property during the temporary period will receive a more generous treatment compared to other tenants moving during that time. It is therefore important that the reviews mentioned below are undertaken promptly so that a balanced and fair solution can be put in place by the end of the year.

There will be additional cost associated with this action. The report accompanying P.34 quotes a figure of £80,000 a year for carpet loans. Income Support loans are only provided in respect of a limited range of carpets from a single supplier. Operational feedback suggests that a significant proportion of Andium tenants who would qualify for an Income Support loan choose not to take it and instead purchase their own choice of floor covering, often making use of 0% interest deals from commercial suppliers. If more tenants choose to take up an Income Support grant, the cost will increase above the £80,000 quoted. The additional cost to the Income Support budget is not provided for in the 2023 allocation. The likely additional cost of the interim scheme can be accommodated within the existing cash limit but additional funding would be needed for a permanent change in policy.

Part (a)(ii)

The amendment removes part (a)(ii) of the proposition.

Approving the cancellation of outstanding debts in this way would set a dangerous and difficult precedent.

It would be unfair to terminate the loans of Andium tenants who are currently repaying the costs of carpets. There will be other households who have already repaid loans in full. Income Support tenants who do not live in Andium properties will continue to repay loans in respect of carpets in their properties.

Every household taking on an Income Support loan has chosen this type of support and agreed to repay these loans. Loans are used across the Income Support system to support a range of one-off costs and there is no justification for cancelling loans in respect of carpets made to Andium tenants and leaving all other Income Support loans in place. The facility to offer loans exists as part of the Income Support legislation and a unilateral decision to cancel loans sets a difficult precedent for Government's ability to manage the Income Support budget going forward and raises wider issues as to loan repayments across government as a whole.

There is no budget allocated to this cost. It is difficult to estimate the total cost of writing off all outstanding loans as this will depend on a range of factors. A particular issue would be where a loan has been made for the purpose of buying carpet and other goods – it would be impossible to ascertain fairly how much of that loan should be written off.

Part (b)

The amendment to part(b) will ensure that the review covers all social housing providers and that the Minister for Housing and Communities will also participate in the review. Ministers agree that a review of flooring provision in social housing is timely although current policy does already provide for existing carpets to be cleaned when replacement is not necessary.

The review will be completed by the end of 2023 to allow any new policies to be implemented at the beginning of 2024. The review will consider the relevant policies of all social housing providers.

In addition to a review of social housing provider policies, the Minister for Social Security will undertake a parallel review of Income Support guidelines relating to Special Payments in respect of housing costs for tenants. This will include support for Andium, other Housing Trust and private sector tenants.

Financial and manpower implications

The overall cost of providing grants instead of loans to Income Support tenants in Andium properties will add cost to the existing Income Support budget. The half year additional cost is estimated as a minimum of £50,000 but the total spend is likely to be higher as tenants take up the offer of free carpets. This cost will be met from the existing Income Support budget for 2023.

The reviews will be undertaken using existing resources.