

STATES OF JERSEY



JERSEY HOMES TRUST RENT INCREASE – ASSISTANCE SCHEME (P.15/2023): COMMENTS

**Presented to the States on 13th April 2023
by the Council of Ministers**

STATES GREFFE

COMMENTS

The Council of Ministers recognises the concern around the recently announced rent increases from the Jersey Homes Trust (JHT) and is grateful for the actions already taken by the Minister for Housing and Communities and JHT to resolve this situation.

Since this proposition was lodged, JHT has publicly announced a delay of 3 months before the rent increase comes into effect. The rent rise originally announced for 1 April 2023 will now take place on 1 July 2023. JHT has also confirmed that 1 July will be an annual date for rent increases in the future (i.e., following the increase in July of this year, there will not be any further increase until 1 July 2024). As such, the request in the proposition for a period of 3 months (13 weeks) notice for tenants has already been met.

The proposition requests *“the Minister for Social Security, in consultation with the Minister for Housing and Communities and as a matter of urgency, to establish a scheme for those tenants in relative low-income households affected by the Jersey Homes Trust rent increase of up to 9%, whereby rent increases would be subsidised in whole or in part, for a period of up to three months.”*

As noted above, the three-month notice period called for in the proposition has now been officially confirmed by JHT. In addition, any JHT tenant who is receiving Income Support will have any rise in rent covered by their Income Support payments (provided they are housed appropriately). Customer and Local Services (CLS) officers have been working actively with JHT tenants to ensure that they have access to the benefits they are entitled to, including setting up new Income Support claims as needed.

The Council of Ministers notes that Reform Jersey organised a public meeting for JHT tenants which allowed tenants to raise individual queries with the CLS staff who were in attendance at the meeting.

The Council of Ministers supports the view of the Minister for Social Security that ad hoc proposals to provide subsidies from public funds following an increase in rents from a landlord could exacerbate the rental situation rather than address it. In the case of social housing providers, rents are required to be charged at a maximum of 80% of the market value and tenants with low incomes will see the full value of their rent included in their Income Support calculation (if they are housed appropriately).

The Council of Ministers also supports the plans of the Minister for Housing and Communities to bring forward proposals on the reform of residential tenancy legislation, which will include minimum standards for social housing provision in Jersey and address issues such as minimum notice periods for rent increases.

Members are strongly urged to reject this proposition.