

STATES OF JERSEY



DRAFT INCOME SUPPORT (AMENDMENT No. 9) (JERSEY) REGULATIONS 201-

Lodged au Greffe on 4th June 2013
by the Minister for Social Security

STATES GREFFE



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 9) (JERSEY) REGULATIONS 201-

REPORT

1. Introduction

Income Support legislation requires the Minister for Social Security to bring forward any proposals to changes to the rates of components of Income Support for consideration by the States Assembly. Component rates were last reviewed on 1st October 2012 (P.56/2012) and this proposition sets out proposals to amend the accommodation component rates from 7th October 2013.

As part of the Medium Term Financial Plan for 2013–2015, the Department is committed to achieving an annual saving in tax funded benefit expenditure of £3 million for 2014 onwards. A review of options to achieve these savings is currently taking place. If the outcome of the review requires changes to component rates, these will be brought to the States later in 2013.

The Housing Transformation Programme, recently approved by the States Assembly, includes changes to Housing Department and Housing Trust rentals from April 2014. The increases in rent levels experienced by some Income Support tenants from April 2014 will be matched by a parallel increase in the Income Support rental components at that time and further regulations will be drafted to reflect these changes.

2. Accommodation component increases

Components within Income Support are used to fix the maximum level of financial support available in respect of different aspects of household expenditure. The value of each component is set out in the Income Support Regulations. The proposed Income Support (Amendment No. 9) (Jersey) Regulations 201- increase the accommodation component rates.

In consultation with the Minister for Housing, it has been agreed that the accommodation components of Income Support will be increased by 2.15% from 7th October 2013 (the first Monday in October) to match the proposed increases in Housing Department rentals at the same time. The level of the increase has been set by reference to the March 2013 RPI value of 1.4%, with an uplift of 0.75% in line with the rental policy recently approved by the States as part of P.33/2012 (The Reform of Social Housing).

The table includes details of the proposed rates for different property types and tenures.

Accommodation Components – weekly rates	Oct-12	Oct-13
Hostel	£78.96	£80.64
Bedsit/lodgings	£113.26	£115.71
One-bedroom flat	£161.77	£165.27
Two-bedroom flat	£203.49	£207.90
Three-bedroom flat	£231.21	£236.18
Four-bedroom flat	£245.14	£250.39
Five (or more)-bedroom flat	£254.38	£259.84
One-bedroom house	£183.82	£187.74
Two-bedroom house	£239.40	£244.58
Three-bedroom house	£267.05	£272.79
Four-bedroom house	£288.96	£295.19
Five-bedroom house	£314.37	£321.16
Six (or more)-bedroom house	£329.42	£336.49
Bedsit – owner	£5.88	£6.02
One-bedroom flat – owner	£5.88	£6.02
Two-bedroom flat – owner	£5.88	£6.02
Three-bedroom flat – owner	£8.33	£8.54
Four-bedroom flat – owner	£11.83	£12.11
Five (or more)-bedroom flat – owner	£11.83	£12.11
One-bedroom house – owner	£5.88	£6.02
Two-bedroom house – owner	£8.33	£8.54
Three-bedroom house – owner	£11.83	£12.11
Four-bedroom house – owner	£11.83	£12.11
Five (or more)-bedroom house – owner	£11.83	£12.11

This increase in Income Support components will ensure that all Housing Department tenants and Housing Trust tenants in receipt of Income Support are fully compensated for the increase in Housing Department rentals. Private sector tenants and owner-occupiers will also benefit from the rise in accommodation components.

Due to a transposition error, the component for the rental value for a six-bedroom house was entered in the (Amendment No. 8) Regulations as £392.42 as opposed to the correct value of £329.42. Regulation 2 rectifies this error.

3. Financial and manpower implications

The total cost of the increase in Income Support accommodation component rates in 2014 is estimated at £1.1 million¹, and is included in the provisions for benefit uprating in the Medium Term Financial Plan.

The changes will take place from 7th October 2013, and the increased cost of approximately £250,000 in 2013 is provided for in the current departmental cash limit.

There are no additional manpower implications associated with the changes to Income Support component values.

¹ Based on all open Income Support claims as at 30th April 2013.

Explanatory Note

Regulation 1 defines the Income Support (Jersey) Regulations 2007 as the principal Regulations.

Regulation 2 corrects a transposition of numbers in the rate for the housing component of income support for a house with 6 or more bedrooms by substituting '£329.42' for '£392.42'.

Regulation 3 increases the rates for the housing component of income support by 2.15%. The increase would take effect from 7th October 2013, approximately one year after the last increase.

Regulation 4 provides for the citation and commencement of these Regulations.



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Arrangement

Regulation

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Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 9) (JERSEY) REGULATIONS 201-

Made [date to be inserted]
Coming into force [date to be inserted]

THE STATES, in pursuance of Article 5 of the Income Support (Jersey) Law 2007¹, have made the following Regulations –

1 Interpretation

In these Regulations, “principal Regulations” means the Income Support (Jersey) Regulations 2007².

2 Schedule 1 amended

In Schedule 1 to the principal Regulations, for paragraph 4(2)(m) there shall be substituted the following clause –

“(m) in the case of a house with 6 or more bedrooms £329.42.”.

3 Schedule 1 further amended

In paragraph 4 of Schedule 1 to the principal Regulations –

(a) for sub-paragraph (2) there shall be substituted the following sub-paragraph –

“(2) The rates payable under this sub-paragraph are –

(a)	in the case of a hostel	£80.64
(b)	in the case of lodgings or a bedsit	£115.71
(c)	in the case of a flat with 1 bedroom	£165.27
(d)	in the case of a flat with 2 bedrooms	£207.90
(e)	in the case of a flat with 3 bedrooms	£236.18
(f)	in the case of a flat with 4 bedrooms	£250.39

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| (g) | in the case of a flat with 5 or more bedrooms | £259.84 |
| (h) | in the case of a house with 1 bedroom | £187.74 |
| (i) | in the case of a house with 2 bedrooms | £244.58 |
| (j) | in the case of a house with 3 bedrooms | £272.79 |
| (k) | in the case of a house with 4 bedrooms | £295.19 |
| (l) | in the case of a house with 5 bedrooms | £321.16 |
| (m) | in the case of a house with 6 or more bedrooms | £336.49.”; |
- (b) for sub-paragraph (4) there shall be substituted the following sub-paragraph –
- “(4) The rates payable under this sub-paragraph are –
- | | | |
|-----|--|-----------|
| (a) | in the case of a bedsit or flat with 1 or 2 bedrooms | £6.02 |
| (b) | in the case of a flat with 3 bedrooms | £8.54 |
| (c) | in the case of a flat with 4 or more bedrooms | £12.11 |
| (d) | in the case of a house with 1 bedroom | £6.02 |
| (e) | in the case of a house with 2 bedrooms | £8.54 |
| (f) | in the case of a house with 3 or more bedrooms | £12.11.”. |

4 Citation and commencement

- (1) These Regulations may be cited as the Income Support (Amendment No. 9) (Jersey) Regulations 201-.
- (2) Regulation 3 shall come into force on 7th October 2013.
- (3) The remainder of these Regulations shall come into force 7 days after they are made.

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- ¹ *chapter 26.550*
² *chapter 26.550.30*