

WRITTEN QUESTION TO THE MINISTER FOR HOUSING BY DEPUTY G.P. SOUTHERN OF ST. HELIER

ANSWER TO BE TABLED ON TUESDAY 16th SEPTEMBER 2008

Question

Will the Minister inform members whether some recipients of the accommodation component of Income Support in States housing will not benefit from the 3.7% annual uprating of Income Support since the increase in benefit will go directly to their rental payment which has also been raised by 3.7%, and, if so, how many households will be affected?

Answer

Since the transfer of subsidies to the Social Security Department, these statistics are no longer compiled by the Housing Department.

The Minister for Social Security has provided the following information:

As Members will be aware, the income support benefit is made up of a number of components. As agreed by the States, all components (adult, child, lone parent, household, accommodation, impairment, carer, childcare) will be increased by 3.7% from 1 October 2008. The Housing Department will increase rentals by 3.7% from 6 October 2008. Following the increase in both benefits and rent in October, claimants will see a net increase in their benefit.

The following examples show how these changes will affect typical States tenants, some or all of whose Income Support benefit is paid directly to the Housing Department.

Example 1 - Direct rental payment does not cover full rent

A pensioner couple living in a one-bedroom flat with pension income of £275 per week, are currently receiving income support of £127.29 per week. Their rent is presently £143.50. Their full Income support benefit is paid to their landlord and the couple pay the balance of rent due of £16.21 direct to the Housing Department. From 6 October, their rent will increase to £148.82 per week and their income support benefit will increase to £142.27 per week. Their income support benefit is still less than the rent due, however, the amount which they have to contribute reduces to £6.55 per week. Therefore as a consequence of the increase in both rent and income support, the couple are better off by £9.66 per week.

Example 2 - Direct payment does cover full rent

A lone parent living in a two-bedroom flat with an income of £150 per week, is currently receiving income support of £256.98 per week. The claimant is presently paying rent of £180.46. The claimant's income support is greater than the total rent due and so the entire rent is paid to the Housing Department from income support. The claimant receives the balance of the income support benefit totalling £76.52. From 6 October, the rent will increase to £187.11 per week and the income support benefit will increase to £272.03. The income support benefit is still more than the rent due and accordingly the full rent is paid to the Housing Department. The balance of the income support benefit increases to £84.92 and is paid to the claimant in full. Therefore as a consequence of the increase in both rent and income support, the claimant is better off by £8.40 per week.

The direct payment of rent to the Housing Department has no impact on the increase in benefit received by households from 1 October.

