

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 12th JUNE 2012**

Question

Will the Minister explain the mechanism for “decoupling” the private and public sector rental subsidies mentioned on 29th May 2012 at his presentation of the proposals contained within the Housing White Paper (page 21)?

Does he consider that an analysis of the social impact of such a move is critical to a full understanding of his housing proposals and, if so, will he outline what analysis has been undertaken and if none, inform members when this will be undertaken and the results presented?

What is the net return to the Housing Department and the States Treasury of the financial changes proposed?

Do the figures contained within the White Paper result in a net £1.35million increase in funding maintenance and, if not, what is the gain?

Will the Minister provide a breakdown of the number of tenants who will pay the increased rents and contribute towards the additional £3.75million directly, giving details of family type and length of tenure, along with the fully worked transitional protection scheme showing timescales and means test levels?

Answer

Social housing rent policy will be the responsibility of the new Strategic Housing Unit. The Minister for Social Security is considering the most appropriate mechanism for setting the level of Income Support housing component in the private and public sector and will set out his proposals with regard to this in due course.

The White Paper “Achieving Decent Homes – An Affordable Housing Framework for the Future”, currently out to consultation, sets out that the “current mechanism for setting housing benefit is unusual in that the arrangements link the amount of benefit paid to the fair rent cap within the social sector”.

The Minister for Social Security has employed the Cambridge Centre for Planning and Housing Research to undertake a financial analysis of the options available for providing support for those renting in the private sector through income support.

The “Achieving Decent Homes” White Paper makes clear that the financial impact of implementing Fair Rent Levels in the States sector will result in an increase in rental income of approximately £11.25 million of which £7.5 million will be retained to protect those States Tenants on Income Support from the removal of their hidden rent subsidy. The net return to the Housing Department (and subsequently the proposed Housing Association) would therefore be up to £3.75 million once fully implemented. The impact within the Housing Trusts sector is not yet

confirmed because I am awaiting the Trust's completion of 30 year business plans before this can be established.

The White Paper also makes clear that the annual return to the States from the proposed Housing Association would be maintained in real terms following a one-off increase to cover the additional cost of removing the hidden rent subsidy and adjustments for the management of any surpluses.

Once the Trust business plans are validated, and the Minister for Social Security has determined the most appropriate mechanism for setting the level of housing component in the private and public sector, the full funding picture will be known and we will then propose to present this to the States Assembly for their consideration.

An economic assessment of the proposals for States Tenants not receiving Income Support is underway to inform the development of the proposed means test which will assess the level of transitional relief that would be offered. Once this work is completed and the policy developed I will of course be happy to share this with States Members.