

STATES OF JERSEY



DRAFT INCOME SUPPORT (AMENDMENT No. 14) (JERSEY) REGULATIONS 201-

Lodged au Greffe on 31st May 2016
by the Minister for Social Security

STATES GREFFE



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 14) (JERSEY) REGULATIONS 201-

REPORT

1. Summary

Whereas most Income Support components are being held at current levels throughout the whole of 2016 as part of the Medium Term Financial Plan (MTFP) benefit package agreed last year, financial provision has been made for increases in the accommodation and childcare components in each year of this MTFP.

The Regulations provide new maximum levels for the support available to owner-occupiers and to Income Support tenants renting in the private sector. The average increase is 5.2%, reflecting the underlying improvement in the quality of social housing stock owned by Andium (which provides the benchmark for these costs), as well as a cost of living uplift.

The Regulations also make an increase in the value of the child daycare component rates of 1.7%, which represents the increase in the Retail Price Index from December 2014 to March 2016. The Minister is keen that the increase to the Income Support component is regularly updated in line with the cost of living.

These Regulations have been submitted for approval before the summer recess in order to allow time for the new values to be updated on the Income Support IT system before 1st October 2016.

2. Accommodation component

In February 2014 the States approved [P.1/2014](#), a set of Income Support Regulations which had the effect of meeting the obligations placed on the Minister for Social Security by the earlier approval of [P.33/2013](#): “The Reform of Social Housing”. That policy paper outlined the Housing Transformation Programme (HTP), and included agreement that rents for social housing would make a return to near (90%) market levels. This entailed changing the legislation of Income Support so that social housing rents would be met in full.

To achieve this, in P.1/2014 the Minister sought approval to create separate provision in Income Support for rents from social housing providers and for those households renting in the private sector. A consequence of the shift to near market rents was that the rents charged for social housing properties would vary according to the market value of the individual property, and so could no longer be used to directly peg the “fair rent level” for the Income Support housing components that are available to households living in similar-sized properties in the private sector. Private sector rents were therefore set in P.1/2014 at 95% of the comparable average value of social housing stock.

Successive propositions have noted that there is considerable unmet need for social housing, with the consequence that many low-income households have no option other than renting in the private sector. Therefore, it is essential that Income Support continues to assist households with renting a home in the private sector that is broadly comparable to the type of property that would be appropriate if they were to occupy social housing.

The Regulations included in P.1/2014 therefore introduced a set of maximum rates designed specifically for private-sector rental properties. These replacement rates for the previous “fair rent level” were calculated by the Housing Department using market rental data across individual Housing Department properties. An average market rent of all of the units of a specific property type was calculated, to give a figure that represents the average rent for each comparable property type in the open market.

Since then, improvements in the value of Andium stock in line with their ongoing programme of refurbishment and new builds have led to an average underlying increase in market rental value of 3.4%. In addition, the funding package available within the current MTFP allows for an annual increase in line with the States’ rent policy of 1.65% (RPI of 0.9% in June 2015 plus 0.75%).

This increase is reflected in changes to the Income Support (Jersey) Regulations 2007, Schedule 1, paragraph 4(2), which covers rental amounts for privately rented accommodation. Note that the increase in each property type reflects the calculation for that property type, and the increases range from 1.9% to 10.3%, with an overall weighted average of 5.2%.

An increase of 5.2% is also made to the amounts paid in respect of people who own and occupy their properties. This much smaller component is paid to owner-occupiers in order to help towards the cost of expenses such as foncier rates and building insurance. This increase, calculated according to the same average percentage increase as the private sector rental amounts, is reflected in changes to the Income Support (Jersey) Regulations 2007, Schedule 1, paragraph 4(7).

Lastly, the proposed Regulations also increase the value of the accommodation component that is payable for social housing properties, when a fixed-value component needs to be applied, for example if one property is occupied by more than one household. These maximum components are set in line to reflect the social housing level of 90% of market values. This is achieved by changes to the Income Support (Jersey) Regulations 2007, Schedule 1, paragraph 4(13).

The Regulations have the effect of making the following increases –

<i>Component</i>	<i>Legislation</i>	<i>Old value</i>	<i>New value</i>
Income Support (Jersey) Regulations 2007, Schedule 1, paragraph 4(2)			
Hostel	Schedule 1, paragraph 4(2)(a)	£95.13	£100.10
Lodgings/bedsit	Schedule 1, paragraph 4(2)(b)	£125.30	£131.88
1 bed flat	Schedule 1, paragraph 4(2)(c)	£181.30	£194.46
2 bed flat	Schedule 1, paragraph 4(2)(d)	£235.48	£248.99
3 or more bed flat	Schedule 1, paragraph 4(2)(e)	£242.20	£267.26
1 bed house	Schedule 1, paragraph 4(2)(f)	£208.88	£222.88
2 bed house	Schedule 1, paragraph 4(2)(g)	£273.56	£283.01
3 bed house	Schedule 1, paragraph 4(2)(h)	£324.24	£330.54
4 bed house	Schedule 1, paragraph 4(2)(i)	£341.25	£360.29
5 or more bed house	Schedule 1, paragraph 4(2)(j)	£387.87	£398.86

Income Support (Jersey) Regulations 2007, Schedule 1, paragraph 4(7)			
Owned bedsit, 1 or 2 bed flat	Schedule 1, paragraph 4(7)(a)	£6.02	£6.37
Owned 3 bed flat	Schedule 1, paragraph 4(7)(b)	£8.54	£9.03
Owned 4 or more bed flat	Schedule 1, paragraph 4(7)(c)	£12.11	£12.74
Owned 1 bed house	Schedule 1, paragraph 4(7)(d)	£6.02	£6.37
Owned 2 bed house	Schedule 1, paragraph 4(7)(e)	£8.54	£9.03
Owned 3 or more bed house	Schedule 1, paragraph 4(7)(f)	£12.11	£12.74
Income Support (Jersey) Regulations 2007, Schedule 1, paragraph 4(13)			
Hostel	Schedule 1, paragraph 4(13)(a)	£80.64	£100.10
Lodgings or bedsit	Schedule 1, paragraph 4(13)(b)	£118.65	£124.95
1 bed flat	Schedule 1, paragraph 4(13)(c)	£171.78	£184.24
2 bed flat	Schedule 1, paragraph 4(13)(d)	£223.09	£235.90
3 or more bed flat	Schedule 1, paragraph 4(13)(e)	£229.46	£253.19
1 bed house	Schedule 1, paragraph 4(13)(f)	£197.89	£211.12
2 bed house	Schedule 1, paragraph 4(13)(g)	£259.14	£268.17
3 bed house	Schedule 1, paragraph 4(13)(h)	£307.16	£313.11
4 bed house	Schedule 1, paragraph 4(13)(i)	£323.33	£341.32
5 or more bed house	Schedule 1, paragraph 4(13)(j)	£367.43	£377.86

3. Childcare component

The Minister firmly believes that helping parents progress into employment leads to a range of economic and social benefits for the family. Over the last few years, an increased level of practical support has been made available through the Department's 'Back to Work' initiative, designed to help parents return to work and secure a greater likelihood of economic independence. Matching practical support with financial support, by increasing the range and affordability of childcare, will help parents to take up the offer of a job.

Maintaining access to paid childcare is an essential part of helping low-income families remain economically active. The proposed Regulations therefore increase the hourly rates that Income Support can pay towards the cost of childcare. The rates were last increased as part of [P.52/2015](#), which were calculated based on an inflationary increase reflecting the final quarter of 2013 to the final quarter of 2014. Therefore, it is proposed to make an increase of the value of the child daycare component rates of 1.7%, which represents the increase in the Retail Price Index from the final quarter of 2014 to the first quarter of 2016. The Regulations make the following increases –

<i>Component</i>	<i>Legislation</i>	<i>Old value</i>	<i>New value</i>
Income Support (Jersey) Regulations 2007, Schedule 1, paragraph 10(3)			
A child under the age of 3 years	Schedule 1, paragraph 10(3)(a)	£6.48	£6.59
A child aged 3 years or over	Schedule 1, paragraph 10(3)(b)	£5.06	£5.15

4. Financial and manpower implications

The cost of increasing the accommodation components is estimated to be £575,000 for a full year. The cost of increasing the childcare components is estimated to be £15,000 for a full year. As previously noted, the costs of increasing the accommodation and childcare components on an annual basis have been included in the Medium Term Financial Plan. There are no manpower implications arising from these changes.

Explanatory Note

These Regulations amend Schedule 1 to the Income Support (Jersey) Regulations 2007 to increase the rates of the housing component payable if a dwelling occupied is private sector housing occupied under the terms of a lease or licence by a household comprising one or more persons eligible for income support (an “eligible household”) as defined in Article 1 of the Income Support (Jersey) Law 2007. The amendments also have the effect of increasing owner occupier components and maximum components used in cases where a social sector dwelling is occupied by more than one household.

These Regulations also amend Schedule 1 to the Income Support (Jersey) Regulations 2007 to increase (by 1.7%) the rate of the child day care component that a household may be entitled to.

These Regulations come into force on 1st October 2016.



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 14) (JERSEY) REGULATIONS 201-

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

THE STATES, in pursuance of Articles 5 and 18 of the Income Support (Jersey) Law 2007¹, have made the following Regulations –

1 Amendment of Schedule 1 to the Income Support (Jersey) Regulations 2007

In Schedule 1 to the Income Support (Jersey) Regulations 2007² –

(a) for paragraph 4(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	£100.10
(b)	in the case of lodgings or a bedsit	£131.88
(c)	in the case of a flat with 1 bedroom	£194.46
(d)	in the case of a flat with 2 bedrooms	£248.99
(e)	in the case of a flat with 3 or more bedrooms	£267.26
(f)	in the case of a house with 1 bedroom	£222.88
(g)	in the case of a house with 2 bedrooms	£283.01
(h)	in the case of a house with 3 bedrooms	£330.54
(i)	in the case of a house with 4 bedrooms	£360.29
(j)	in the case of a house with 5 or more bedrooms	£398.86.”;

(b) for paragraph 4(7) there shall be substituted the following sub-paragraph –

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

(a)	in the case of a bedsit or flat with 1 or 2 bedrooms	£6.37
(b)	in the case of a flat with 3 bedrooms	£9.03

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| (c) | in the case of a flat with 4 or more bedrooms | £12.74 |
| (d) | in the case of a house with 1 bedroom | £6.37 |
| (e) | in the case of a house with 2 bedrooms | £9.03 |
| (f) | in the case of a house with 3 or more bedrooms | £12.74.”; |

- (c) for paragraph 4(13) there shall be substituted the following sub-paragraph –

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

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| (a) | in the case of a hostel | £100.10 |
| (b) | in the case of lodgings or a bedsit | £124.95 |
| (c) | in the case of a flat with 1 bedroom | £184.24 |
| (d) | in the case of a flat with 2 bedrooms | £235.90 |
| (e) | in the case of a flat with 3 or more bedrooms | £253.19 |
| (f) | in the case of a house with 1 bedroom | £211.12 |
| (g) | in the case of a house with 2 bedrooms | £268.17 |
| (h) | in the case of a house with 3 bedrooms | £313.11 |
| (i) | in the case of a house with 4 bedrooms | £341.32 |
| (j) | in the case of a house with 5 or more bedrooms | £377.86.”; |

- (d) for paragraph 10(3) there shall be substituted the following sub-paragraph –

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

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| (a) | for a child under the age of 3 years | £6.59 |
| (b) | for a child aged 3 years or over | £5.15.”. |

2 Citation and commencement

These Regulations may be cited as the Income Support (Amendment No. 14) (Jersey) Regulations 201- and shall come into force on 1st October 2016.

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- ¹ *chapter 26.550*
² *chapter 26.550.30*