

STATES OF JERSEY



DRAFT INCOME SUPPORT (AMENDMENT No. 10) (JERSEY) REGULATIONS 201-

Lodged au Greffe on 6th January 2014
by the Minister for Social Security

STATES GREFFE



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 10) (JERSEY) REGULATIONS 201-

REPORT

1. Summary

On 16th May 2013 the States Assembly approved P.33/2013: “The Reform of Social Housing”, a major policy paper setting out the results and recommendations of the Housing Transformation Programme (HTP). More information was provided in the report R.15/2013: “States of Jersey Housing Transformation Programme: Full Business Case”, presented to the States on 4th March 2013.

The approval of P.33/2013 included agreement that there should be a “rent policy of a return to near market fair rent levels (as set out in section 3.12.9 of the accompanying Report)” and the Minister for Social Security was charged to take the necessary action to address the Income Support implications of the revised rent policy to enable its implementation by April 2014.

These proposed Income Support Regulations therefore involve changes to the way the Income Support accommodation component is allocated to households who live in rented properties, and the creation of separate rules for private sector and social housing rental properties.

The Regulations create the following changes to the definition and allocation of the accommodation component of Income Support –

- establish legal definitions of social housing and private sector housing
- provide separate housing component rates depending on housing sector type
- remove the cap on rental components in respect of social housing properties and allow the full rent to be included in the Income Support calculation
- establish distinct rates for private sector properties
- establish mechanism to pay appropriate rates where a property is shared by multiple households, and when properties are under-occupied.

The Regulations also include a minor amendment that removes an erroneous cross-reference found in Regulation 11(1)(c).

2. Background

The proposed Income Support Regulations have been created in order to fulfil the Social Security Department’s obligations under the Housing Transformation Programme (HTP) and the decision taken by the States Assembly in May 2013. The proposals follow on from the policies outlined in “Achieving Decent Homes: An Affordable Housing Framework for the Future – White Paper April 2012”

(R.47/2012), presented to the States on 13th April 2012, which originally identified the changes to Income Support required as a consequence of the adoption of a rent policy linked to 90% of market value.

According to timescales set out in P.33/2013: “The Reform of Social Housing,” the Housing Department will be implementing a new rental policy from April 2014; it will then be fully incorporated as a separate housing company (the Housing Company) on 1st July 2014. The new Income Support Regulations are therefore required to be in force by April, but will also contain essential provisions to allow for the subsequent change in the identity of the Housing Department later in 2014.

Although the new rental policy will apply from April 2014, existing Housing Department tenants will see no change to their rents other than annual updates (where appropriate). The new rental policy will only apply to tenants newly occupying a property or moving within the existing stock when they will be charged a rent that represents 90% of the market value for an equivalent property in the private sector. This important change allows the Housing Department and its successor organisation to charge rents on its properties that more closely reflect their realistic value on the open market, receiving a rental income that will in turn be re-invested in the maintenance of existing stock and the development of essential social housing projects.

At the same time, the Minister for Housing, supported by the Council of Ministers, identified the key importance of protecting Income Support tenants. P.33/2013 (page 24) states –

“As a matter of principle, the Minister for Housing considers it would be unacceptable to ask those Social Housing (current States and Housing Trust) Tenants currently receiving Income Support to meet the cost of returning to near market rents as the primary basis of Income Support is to provide a safety net for those in greatest need.

...

Therefore, the proposed Fair Rental Level of 90% of market rents would only apply to those Tenants moving to new tenancies enabling them to plan for the increased rent as they do so. This would protect Tenants in receipt of the housing component of Income Support...”

The proposed Income Support Regulations are required to allow the Social Security Department to meet its agreed obligations under the scheme, namely to include the full cost of social rentals through Income Support, protecting existing and future social sector tenants.

A fair rent for Income Support Households renting in the private sector

P.33/2013 notes that there is considerable unmet demand for social sector housing and many tenants currently have no option but to rent in the private sector. Section 3.12.10 states –

“In her review of Social Housing in Jersey (Green Paper, 2010), Professor Christine Whitehead highlighted how the current eligibility requirements for States Housing, which restrict housing to those with housing qualifications of limited financial means with young children, aged over 50 or with disabilities, are severely restricted and mean there is considerable unmet demand amongst other demographic groups for social housing provision.”

Given these limitations, it is vital that Income Support also provides appropriate financial assistance to low-income households who are currently reliant on private sector rental accommodation.

A consequence of the shift to equivalent market rents is that the rents charged for social housing properties will vary according to the market value of the individual property, and so can no longer be used to directly peg the “fair rent level” and the Income Support housing components that are available to households living in similar-sized properties in the private sector. As an example, the rent charged to a new tenant moving into a three-bedroom house owned by the Housing Company will in future vary depending on its size, condition and location, and so will not generate a standard rate that can be universally applied to three bedroom houses in the private sector.

The proposed Regulations therefore replace the “fair rent” levels with a comparable set of maximum rates designed specifically for private-sector rental properties. These have been calculated from the average market rental values across the range of Housing Department stock for each comparable property type. Previous research into the private sector rental market has established that the historic process for the annual increase of Housing rents had resulted in “fair rent” levels that did not reflect the market, and so the proportionate increase in rates will allow the Income Support system to provide support to private sector tenants in a way that better represents their cost of living.

Any proposed change to rental support needs to consider possible unintended impacts, particularly where concerns exist that an increase in the Income Support component levels could be seen to benefit landlords rather than tenants. Independent research was commissioned by the Department to examine the most appropriate method to address the level at which private sector rental components should be set and to consider whether this would create a distortion in the Island’s rental market. This research, published as R.44/2013, confirms that the proposed increases will offer modest assistance to low-income families who are required to rent in the private sector, but without influencing the general direction of the rental market and without encouraging landlords to increase their rents.

There has been a significant increase in the number of Income Support claimants renting in the private sector since the data analysis underlying R.44/2013 was completed. Given that the full year allocation of £1 million to fund this additional support has already been agreed within this Medium Term Financial Plan, it is proposed to limit the increase in the private sector rental components to 95% of the market value, rather than the 100% level originally envisaged in R.44/2013. The analysis of Income Support recipients in the private rental market is explained in more detail in section 3.3.

3. Changes to the Income Support accommodation component

The proposed Regulations create the following changes to the allocation of the accommodation component of Income Support –

- establish legal definitions of social housing and private sector housing
- provide separate housing component rates depending on housing sector type
- remove the cap on rental components in respect of social housing properties and allow the full rent to be included in the Income Support calculation
- establish distinct rates for private sector properties
- establish a mechanism to pay appropriate rates where a property is shared by multiple households, and when properties are under-occupied.

Each change is explained in greater detail below.

3.1 Definitions of social and private housing

The new distinction between social housing and private sector housing requires definitions as to what constitutes these separate categories.

The defined “social housing” sector will eventually encapsulate all properties that fall under the remit of the proposed Social Housing Regulator. All other properties will by definition fall into the category of private sector, including those housing trusts which do not become regulated.

As the relevant legislation is not yet in force, and the Regulator not yet formally empowered, the gap between the date on which the new rates are needed and the later stages of the HTP has required an interim definition, where “social housing” is deemed to be those properties rented from the 5 named organisations that are scheduled to become the social housing providers, with all other properties categorised as private sector rentals. These social housing providers are –

- Housing Department (and its successor organisation);
- Jersey Homes Trust;
- Les Vaux Housing Trust;
- Christians Together In Jersey Housing Trust; and
- FB Cottages Housing Trust.

These definitions create a legal framework that allows Income Support to pay separate rates depending on which sector a given property falls into, and anticipates the creation of the Social Housing Regulator and a new category of regulated properties. A further minor change to the Income Support Regulations will be needed when that legislation is brought forward.

3.2 Establish separate rental policy for the social housing sector

A key obligation proceeding from the approval of P.33/2013 is the removal of the upper limit or “cap” that restricts the amount of housing component that can be paid in respect of rent in the social housing sector. This is necessary in order to allow the Housing Department and its successor organisation to set rents when new tenants move into a property at 90% of market rents. Existing tenants will see no increase beyond annual uprates, and so from an Income Support perspective this change can be seen as the creation of a framework that allows for a fair and gradual increase in the rents that social housing providers charge. As soon as the Social Housing Regulator is in place, the responsibility for determining fair rental increases will lie entirely with the Regulator. Until that time, the Housing Department, Treasury and Resources Department and Social Security Department will work together to ensure that rent increases prior to the creation of regulatory powers will be measured and proportionate. In addition, the proposed Regulations will still allow the Social Security Department to cap the rent component in respect of a social housing tenancy if the rent is set at an inappropriate level.

As Income Support households move into new Housing Department tenancies, Income Support costs will rise and the Housing and Treasury and Resources Departments have confirmed that the gradual increase in costs to Income Support will be funded by the Treasury by means of an additional budget allocation to the Social Security Department.

This is set out in more detail in Section 5.2.2 of Report R.15/2013: “States of Jersey Housing Transformation Programme: Full Business Case” which predicts that 67% of the additional rent received by the Housing Company will be paid by the Social Security Department, as approximately 67% of the tenants of the Housing Department

are entitled to an element of the housing component of Income Support. The report also notes that –

It is expected that approximately 55% of new tenancies will be to tenants from the waiting list. Therefore, the Income Support paid for these tenancies replaces Income Support paid in the private sector.

It has also been acknowledged that the progression to 90% market rents may produce an increase to the Income Support budget as a small number of States tenants previously outside Income Support entitlement become entitled to benefit. However, the analysis in R.15/2013 predicted that only 35 existing States' tenants would become entitled to benefit under the proposed rents policy, should they move to a new property and be subject to the 90% market rents. It was estimated that these tenants would be entitled to approximately £19 Income Support per week (per tenant).

3.3 Private sector rental policy and rates

As stated earlier, the shift to 90% of equivalent market rents in the social sector, in turn creates the need for a new mechanism to determine the levels at which rents are set for the range of properties available for private rental. Without a uniform “fair rent” attached to each property type in social housing, regardless of individual size and quality, the Income Support system requires a means for calculating a fair maximum amount to pay towards comparable properties in the private sector.

The Department commissioned report R.44/2013 “Income Support: support for rental costs in the private sector” by Michael Jones of the Cambridge Centre for Housing and Planning Research. This research established that the historic process for the annual increase of Housing rents resulted in “fair rent” levels that did not reflect the true costs faced by private sector tenants, and strongly recommended that increased support was made available to Income Support households in the private rented sector.

It is important to stress that the proposed increase in private sector rental levels are not designed to be generous. They represent a fair level of support for families and individuals, many of whom are unable to access the Island's limited pool of social housing, either because they do not meet the eligibility criteria or because they are on the waiting list. Many people in this situation have no alternative other than to rent in the private sector.

The replacement for the fair rent level has been 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 the analysis underlying R.44/2013 was undertaken, which identified 1,521 private sector Income Support claims, there has been a considerable growth in the number of Income Support claimants renting in the private sector. For example, the Income Support reports for 2011 (R.126/2012) and 2012 (R.134/2013) show a net increase of 249 Income Support claims over a 12 month period. All the increase has been accommodated in the private rental sector, with very little change in the number of claimants renting in the social sector. During 2013 this trend has continued.

Given this significant number of additional claimants, it is not possible within the current budget allocation to achieve the original policy proposal of setting rental components at 100% of the average market value of the States rental stock. It is now proposed to use a figure based on 95% of the market value. This will still represent a significant improvement to the large number of private sector tenants who rely on Income Support to assist them to meet their basic living cost.

The temporary increase in the number of private sector tenants supported through Income Support is likely to be linked to the current poor economic climate. Improvements in the local economy and an increase in the number of social housing units available as the Housing Transformation Programme is implemented should reduce the pressure in this area over the next few years.

Property type	Current weekly "fair rent"	Average of weekly market value of current Housing Dept. properties	Proposed maximum weekly private sector support
Bedsit/lodgings	£115.71	£131.86	£125.30
1 bed flat	£165.27	£190.84	£181.30
2 bed flat	£207.90	£247.89	£235.48
3 bed flat	£236.18	£254.98	£242.20
1 bed house	£187.74	£219.90	£208.88
2 bed house	£244.58	£287.94	£273.56
3 bed house	£272.79	£341.27	£324.24
4 bed house	£295.19	£359.24	£341.25
5 bed house	£321.16	£408.29	£387.87

The Table shows the current proposed rates based on 95% of the average of current market rentals for Housing Department properties and provides a comparison with the existing fair rents, and the average of the full market value of Housing Department properties.

This proposal inevitably represents an increased cost to the Income Support budget, which will benefit families who are currently unable to access social housing. The R.44/2013 report clearly indicates that there has been no banding of rents around the Income Support fair rent level in the private sector, and at the time that data was analysed, 44% of tenants were paying rents below the maximum limits for Income Support, providing strong evidence that landlords had not based rental policies around the maximum available from Income Support. 56% of tenants in private rentals had rents that were above the Income Support limit, and were paying the balance of their rent from their other resources.

A similar analysis of data from November 2013 confirms that 44% of private sector tenants continue to pay rents within the Income Support limit. Increasing the Income Support components as proposed will increase this proportion to 60%, i.e. 765 tenants will still need to meet part of their rental costs from their remaining household budget. In other words, after the proposed changes, 40% of Income Support households in the private rented sector will still be required to pay some additional rent on their homes over and above the proposed rates.

R.44/2013 highlights that those in the private rented receiving Income Support account for only 20% of all residentially qualified private sector tenants, and that a relatively small number of tenants without residential qualifications in the private rented sector are in receipt of Income Support. It concluded –

“Given the current distribution and the relatively small proportion of private rental properties occupied by income support tenants (compared to other jurisdictions), there is no evidence to suggest that relatively small adjustments in the maximum income support levels available will have any significant impact on the rental levels in the private sector.”

It is therefore expected that the effect of the changes will be a modest increase in the support available to those households who currently spend a higher proportion of their income on rental costs. The proposed changes will mean that the rental components paid by Income Support will be directly linked to the value of the equivalent social housing stock, representing the type of property that should reasonably be made available to low-income families when they are unable to secure a home in the social housing sector.

Ongoing demand for Income Support from private sector tenants will be closely monitored over the next 12 months to determine whether or not it will be possible to increase the rental components for private sector tenants in 2015. During this time, funding for the next Medium Term Financial Plan will be discussed with a view to providing an appropriate level of future support.

3.4 Mechanism for under-occupation

In some cases, Income Support households will continue to occupy a social housing property that is larger than they require. Existing Income Support rules already cover these situations, providing a reasonable time for people to downsize to a smaller property, but afterward restricting the rental component to the value of a smaller, appropriate property.

These situations are dealt with in part by the existing Regulations, where paragraph 4(1)(c) of Schedule 1 accounts for under-occupation and paragraph 4(6) for multiple households sharing a dwelling. The proposed Regulations provide clearer, specific rules to ensure that the accommodation component can be allocated fairly and consistently in all circumstances that may arise.

Under-occupation is expected to continue in a small number of social housing properties, typically in situations where grown-up children are no longer included in the Income Support claim of their parents, as they are in full-time work, but they continue to live in the family home. For example, a household unit of 2 persons (married couple) remains occupying a social housing three-bedroom house, together with other family members (2 grown-up children) who are not receiving Income Support, as they are in work. Under existing Income Support rules (as per paragraph 4(1)(c)), the parents would have their accommodation component ‘capped’ at the size of property they now require, in this case the rate for a one-bedroom house. Following the proposed changes, this calculation will no longer be possible in social housing properties, as there will be no standard value of a one-bedroom house to cap the level to.

The proposed Regulations deal with this situation by continuing to set the component at the size of the property the household requires, and setting this value for social housing properties at a maximum of 90% of the average rental value of equivalent Housing Department properties. In the example given above, the parents receiving Income Support in the three-bedroom house would receive up to £197.89¹ based on 90% of the average rate for a one-bedroom house (£219.90).

¹ Income Support component rates are always calculated to be divisible by 7, to allow a daily rate to be applied

3.5 Multiple households sharing a property

As described above, paragraph 4(6) of the existing Schedule 1 provides for 2 or more Income Support households, who are part of the same family unit, to share one dwelling. The rental component is set according to the number of people in all the Income Support households and is then split between them. However, where a dwelling is shared between non-family members, no rule is provided under the current Regulations.

To provide formally for this situation, a new rule is established in respect of a dwelling that is shared by individuals who do not form a family unit (i.e. a typical house-share situation), as follows:

The housing component will be allocated as a fraction of the housing component that would be available in respect of the entire dwelling, based on the number of bedrooms appropriately allocated to each household –

(Number of bedrooms appropriately occupied by Income Support household)
divided by [] *(Number of bedrooms in whole dwelling)*

If there are 3 bedrooms in a private sector house and a single claimant appropriately occupies one bedroom, the fraction is 1/3 – the claimant will get 1/3 of the rate for a three-bedroom property – $£324.24 / 3 = £108.08$.

This calculation ensures that the total of all Income Support rental components for the property will not exceed the amount available to a single family who are appropriately occupying the same dwelling.

For example, 3 single Income Support claimants share a three-bedroom house in the private sector. They each receive £108.08, a total of £324.24. If they move out and are replaced by an Income Support family consisting of a couple with a teenage son and teenage daughter, that family is appropriately housed in the three-bedroom house and also receives £324.24 towards rental costs.

4. Miscellaneous – Regulation 11 (Carer’s Component)

The existing Regulation 11(1)(c) makes reference to an award under Regulation 6(3)(c) or (d) – personal care element. Regulation 6(3)(d) was removed by R&O.71/2009, but the cross-reference to Regulation 11 was overlooked at that time.

5. Financial and manpower implications

There are no manpower implications arising from these changes. The cost of increasing the private sector rental components is estimated to be £1,000,000 for a full year, and a bid to cover these costs was included in the Medium Term Financial Plan (MTFP). An amendment of the MTFP approved that £750,000 (8 months) in 2014, and £1 million recurring from 2015, be held in the Central Growth Allocation for 2014 and 2015. Funding for 2014 has now been released into the Social Security Department budget.

The cost of increased Income Support costs in the social sector will build up over a period of years and will be accommodated in future MTFPs.

Explanatory Note

These Regulations amend the provisions in the Income Support (Jersey) Regulations 2007 (“principal Regulations”) concerning how the housing component element of income support is calculated.

Regulation 1 is an interpretation provision.

Regulation 2 inserts into the principal Regulations a definition of “social housing” to mean housing that is provided by the States, a successor company to the States or one of 4 named housing trusts. Regulation 2 also inserts a definition of “private sector housing” to mean housing that is not social housing.

Regulation 3 amends Schedule 1 to the principal Regulations by introducing new provisions concerning the calculation of the housing component element of income support. The main effect of the changes is to (a) draw a distinction between social housing and private sector housing; and (b) introduce new rules concerning dwellings that are shared by households that are not part of the same family unit.

In the case of private sector housing that is rented, the housing component for an “eligible household” (defined in Article 1 of the Income Support (Jersey) Law 2007 to mean a household comprising one or more persons eligible for income support) is whichever is lower of the actual weekly rent or the fixed rate set out in paragraph 4(2) of Schedule 1 for a dwelling that is an appropriate size for that household. (See paragraph 4(1) of Schedule 1).

In the case of social housing that is rented, the housing component for an eligible household is the actual weekly rent provided that (a) the dwelling is an appropriate size for the eligible household; and (b) the actual weekly rent is no more than is reasonable having regard to the fact that the dwelling is social housing and the value of the property on the open rental market. If condition (b) is not satisfied, the housing is the fixed rate set out in paragraph 4(13) of Schedule 1 for a dwelling of that description. If condition (a) is not satisfied, the housing component is the fixed rate set out in paragraph 4(13) of Schedule 1 for a dwelling that is an appropriate size for that household, or the actual weekly rent payable, whichever is lower. (See paragraphs 4(3), 4(4) and 4(5) of Schedule 1.)

Where a dwelling is owned by an eligible household, the housing component payable is the fixed rate set out paragraph 4(7) of Schedule 1 for a dwelling that is an appropriate size for that household.

The above rules are modified where a dwelling is shared by 2 or more households (paragraphs 4(9), (10), (11) and (12) of Schedule 1) as follows.

Where a dwelling is occupied only by eligible households and such households form part of the same family unit, the rules as above apply except that all the households are taken together to determine whether the dwelling is an appropriate size and only one housing component is payable which is split equally between all the households entitled to a housing component.

Where a dwelling is occupied by households that form part of the same family unit but are not all eligible households, the modification as described in the paragraph above applies except that only the eligible households are taken together to determine whether the dwelling is an appropriate size for those households and the component is split equally between those households entitled to a housing component.

Where a dwelling is rented by 2 or more households that do not form part of the same family unit, a separate housing component is calculated for each eligible household. That housing component is whichever is the lower of the actual weekly rent payable by that household or an amount calculated by dividing the number of bedrooms that are appropriate for that size of eligible household by the total number of bedrooms comprised in the dwelling and then multiplying that figure by the fixed rate set out in Schedule 1 paragraph 4(2) (private sector housing) or 4(13) (social housing) for a dwelling of a description referring to the total number of bedrooms comprised in the dwelling. For example, if a couple occupies one bedroom in a 5 bedroom house, the calculation is one fifth of the fixed rate set out in the Schedule for a 5 bedroom house. If the couple occupies 2 bedrooms in the 5 bedroom house but a one bedroom house is deemed an appropriate size for that couple, the housing component is still one fifth of the fixed rate set out in the Schedule for a 5 bedroom house.

In the case of dwelling that is owned by 2 or more households that do not form part of the same family unit, the rate is simply the fixed rate set out paragraph 4(7) of Schedule 1 for a dwelling that is an appropriate size for that household.

The amendments also make consequential amendments to Schedule 1 so that, as is the position currently under the Schedule, the household component referred to in Article 5(2)(d) of the Income Support (Jersey) Law 2007 is calculated according to the same proportions as the housing component where 2 or more households share a dwelling. (See the amendment to paragraph 1(4) of Schedule 1 and the new paragraph 1(4A)).

The amendments also remove a redundant cross-reference in paragraph 11 of Schedule 1.

Regulation 4 sets out the title of the Regulations and provides that they will come into force on 7th April 2014.



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 10) (JERSEY) REGULATIONS 201-

Arrangement

Regulation

1	Interpretation	15
2	Regulation 1 amended.....	15
3	Schedule 1 amended.....	16
4	Citation and commencement	20



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 10) (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 Interpretation

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

2 Regulation 1 amended

In Regulation 1 of the principal Regulations –

- (a) after the definition “person required to seek work” there shall be inserted the following definition –
- “ ‘private sector housing’ means housing that is not social housing;”;
- (b) after the definition “residential care” there shall be inserted the following definition –
- “ ‘social housing’ means housing that is provided by any of the following –
- (a) the States, such housing being under the control of the Minister for Housing;
 - (b) a company prescribed under Article 2 of the Social Housing (Transfer) (Jersey) Law 2013³;
 - (c) Jersey Homes Trust;
 - (d) Les Vaux Housing Trust;
 - (e) Christians Together in Jersey Housing Trust;
 - (f) FB Cottages Housing Trust;”.

3 Schedule 1 amended

In Schedule 1 to the principal Regulations –

- (a) in paragraph 1(4) for the words “paragraph 4(6)(b)” there shall be substituted the words “paragraph 4(10)(c) or (11)(c)”;
- (b) after paragraph 1(4) there shall be inserted the following sub-paragraph –
 - “(4A) If a housing component is calculated under paragraph 4(12)(a) in respect of a household, the basic component under Article 5(2)(d) shall be multiplied by H/B where H and B have the same values used to calculate the housing component under paragraph 4(12)(a) in respect of that household.”;
- (c) for paragraph 4 there shall be substituted the following paragraph –

“4 Rates of housing component

- (1) If the dwelling occupied is private sector housing occupied under the terms of a lease or licence by an eligible household, the housing component payable is whichever is the lowest of the following –
 - (a) the actual weekly rent payable;
 - (b) if the dwelling is appropriate to the needs of the eligible household, the rate payable under sub-paragraph (2) in respect of a dwelling of that description; or
 - (c) if the dwelling is not appropriate to the needs of the eligible household, the rate payable under sub-paragraph (2) in respect of a dwelling of a description that is appropriate to the needs of the eligible household.
- (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	£125.30
(c) in the case of a flat with 1 bedroom	£181.30
(d) in the case of a flat with 2 bedrooms	£235.48
(e) in the case of a flat with 3 or more bedrooms	£242.20
(f) in the case of a house with 1 bedroom	£208.88
(g) in the case of a house with 2 bedrooms	£273.56
(h) in the case of a house with 3 bedrooms	£324.24
(i) in the case of a house with 4 bedrooms	£341.25
(j) in the case of a house with 5 or more bedrooms	£387.87
- (3) If the dwelling occupied is social housing occupied under a lease or licence by an eligible household and –

- (a) the dwelling is appropriate to the needs of the eligible household; and
- (b) the actual weekly rent payable is no more than is reasonable having regard to –
 - (i) the fact that the dwelling is social housing, and
 - (ii) the value of the property on the open rental market,the housing component payable is the actual weekly rent payable.

(4) If –

- (a) the dwelling occupied is social housing;
- (b) the dwelling is occupied under a lease or licence by an eligible household;
- (c) the dwelling is appropriate to the needs of the eligible household; and
- (d) the actual weekly rent is more than is reasonable having regard to –
 - (i) the fact that the dwelling is social housing, and
 - (ii) the value of the property on the open rental market,

the rate is the rate payable under sub-paragraph (13) in respect of a dwelling of that description.

(5) If the dwelling occupied is social housing and is not appropriate to the needs of the eligible household, the rate payable is whichever amount is the lower of the following –

- (a) the rate payable under sub-paragraph (13) in respect of a dwelling of a description that is appropriate to the needs of the eligible household; or
- (b) the actual weekly rent payable.

(6) If a dwelling that an eligible household occupies is owned by a member of the household, the housing component payable is –

- (a) if the dwelling is appropriate to the needs of the eligible household, the rate payable under sub-paragraph (7) in respect of a dwelling of that description; or
- (b) if the dwelling is not appropriate to the needs of the eligible household, the rate payable under sub-paragraph (7) in respect of a dwelling of a description that is appropriate to the needs of the eligible household.

(7) 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.

(8) In this paragraph a dwelling (or part of a dwelling for the purposes of sub-paragraph (12)), is appropriate to the needs of an eligible household –

- (a) if it is no larger than is reasonably necessary for that household;
- (b) if, having regard to all the circumstances, it would be unreasonable to expect the household to move from that dwelling; or
- (c) where –
 - (i) it has become larger than is reasonably necessary for the household because the household has become smaller within the last 12 months, and
 - (ii) the household is taking all reasonable steps to find alternative accommodation that is appropriate to the needs of the household.

(9) If an eligible household ('first household') shares a dwelling with one or more other households which include either or both of the following –

- (a) another household (whether or not an eligible household) which is part of the same family unit as the first household; or
- (b) another household (whether or not an eligible household) which is not part of the same family unit as the first household,

the amount of housing component is determined in accordance with sub-paragraph (10), (11) or (12), as the case requires.

(10) If a dwelling is shared by 2 or more households, each household being an eligible household and all the households sharing the dwelling being part of the same family unit, the housing component is determined under sub-paragraph (1), (3), (4), (5) or (6), as the case requires, subject to the following –

- (a) a dwelling is appropriate to the needs of the household if it is no larger than is reasonably necessary for all the households sharing the dwelling, or if, having regard to all the circumstances, it would be unreasonable to expect all or any of them to move from that dwelling;
- (b) only one housing component is payable in respect of the dwelling; and
- (c) the component is divided equally between all the households entitled to it.

(11) If a dwelling is shared by 2 or more households at least one of which is not an eligible household but where all of the households sharing the dwelling are part of the same family unit, the housing

component is determined under sub-paragraph (1), (3) (4), (5) or (6) as the case requires, subject to the following –

- (a) a dwelling is appropriate to the needs of the household if it is no larger than is reasonably necessary for all the eligible households sharing the dwelling (or the eligible household, if there is only one), or if, having regard to all the circumstances, it would be unreasonable to expect all or any of the eligible households (or the eligible household, if there is only one) to move from that dwelling;
- (b) only one housing component is payable in respect of the dwelling; and
- (c) where there is more than one eligible household, the component is divided equally between all the eligible households entitled to it.

(12) If a dwelling is shared by 2 or more households, such households not being part of the same family unit, the housing component that is payable to each eligible household is determined in accordance with clause (a) or (b), as the case requires –

(a) in the case of an eligible household that occupies a dwelling under a lease or licence the housing component is whichever amount described in sub-clause (i) or (ii) is the lower –

- (i) the actual weekly rent payable by the household, or
- (ii) the amount calculated as follows –

$H/B \times C$

Where –

H is the number of bedrooms comprised in the part of the dwelling that is occupied by the eligible household if such part is appropriate to the needs of the household, or, if not appropriate, the number of bedrooms comprised in a part of dwelling that is appropriate to such needs;

B is the total number of bedrooms that are comprised in the dwelling;

C is –

- (i) in the case of private sector housing, the rate payable under sub-paragraph (2), or
- (ii) in the case of social housing, the rate payable under sub-paragraph (13),

for a dwelling of a description that refers to the total number of bedrooms that are comprised in the dwelling;

(b) in the case of an eligible household that owns a dwelling –

- (i) if the dwelling is appropriate to the needs of the eligible household, the housing component is the rate payable under sub-paragraph (7) in respect of a dwelling of that description, or

- (ii) if the dwelling is not appropriate to the needs of the eligible household, the housing component is the rate payable under sub-paragraph (7) in respect of a dwelling of a description that is appropriate to the needs of the eligible household.

(13) 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	£118.65
(c)	in the case of a flat with 1 bedroom	£171.78
(d)	in the case of a flat with 2 bedrooms	£223.09
(e)	in the case of a flat with 3 or more bedrooms	£229.46
(f)	in the case of a house with 1 bedroom	£197.89
(g)	in the case of a house with 2 bedrooms	£259.14
(h)	in the case of a house with 3 bedrooms	£307.16
(i)	in the case of a house with 4 bedrooms	£323.33
(j)	in the case of a house with 5 or more bedrooms	£367.43

”;

- (d) in paragraph 11(1)(c) the words “or (d)” shall be deleted.

4 Citation and commencement

These Regulations may be cited as the Income Support (Amendment No. 10) (Jersey) Regulations 201- and shall come into force on 7th April 2014.

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- ¹ *chapter 26.550*
² *chapter 26.550.30*
³ *L.12/2013*