

3.5 Deputy D.J. De Sousa of St. Helier of the Minister for Housing regarding rent rebate:

Can the Minister inform the Assembly what policies and procedures were in place to monitor the rent rebate from the time of its introduction in 1991 and the reason for the increase in the rent rebate subsidy cost from £1 million to £24 million over the intervening period?

Senator T.J. Le Main (The Minister for Housing):

Rent rebate was implemented in 1991 following a decision by this Assembly of the States. Rent rebate in common with the rent abatement scheme already in place for States tenants required applicants to reapply annually and to provide full details of family composition and income. Applications were also reassessed whenever there was a material change in the applicant's circumstances or when there was a change of address. All properties in which rent rebate was claimed were inspected to ensure they met the needs of the applicant and that the rent charge was not excessive. In calculating the level of subsidy to be provided, rent rebate rentals were capped at the level of fair rents set for States rental accommodation. The Housing Committee reviewed the parameters of the scheme annually, and the costs and associated statistics were published as part of the States accounts and annual performance report. At no time did rent rebate cost £24 million. The figure is in fact the total cost of all rent subsidy payments in 2007 - the last year of operation - is made up of £9 million rent rebate and £15 million rent abatement, specifically for States rental tenants. Rent rebate costs increased from £1 million to £9 million as a result of the numbers of claimants which rose from 381 at the end of 1991 to 2,025 at the end of 2007.

3.5.1 Senator B.E. Shenton:

I have a number of people that praise me that the rent rebate system is a fantastic system and they could not do without it. Unfortunately, all these people that do praise it are very wealthy landlords. **[Approbation]** Does the Minister believe that the rent rebate system does keep rents artificially high on the Island?

Senator T.J. Le Main:

There is no rent rebate since 2007. It is finished. A rental component is administered by Social Security in the low income scheme.

3.5.2 Deputy S. Pitman of St. Helier:

Could the Minister explain then how much of the £24 million is going on trusts each year?

Senator T.J. Le Main:

On what?

Deputy S. Pitman:

Is going towards housing trusts each year.

Senator T.J. Le Main:

No, I have not got that figure with me but, as I say, the housing trusts were treated similarly to States tenants.

Deputy S. Pitman:

Could he endeavour to provide that information to States Members as soon as possible?

Senator T.J. Le Main:

No problem at all. I can extricate that information and pass it around to States Members if they so wish.

3.5.3 Deputy J.A. Martin of St. Helier:

Yes, a follow on from Deputy Pitman. The increase from the few hundred to the 2,025 people are in fact about ... 1,900 are in housing trust. The rent rebate scheme was introduced, would the Minister not agree, in the first place so that social housing could stop being provided by the States and there was a guaranteed income of rental for housing trust? Now the reason Housing have stopped building ... and on a final comment, what does he think of the Minister for Treasury and Resources' comment last week when he said tenants will soon have to start approaching their landlords and say: "Sorry, mate, we are not getting rises this year so you cannot put the rent up."

Senator T.J. Le Main:

I cannot comment on what has alleged to have been said by the Minister for Treasury and Resources. All I can say is this scheme has been finished now for 2 years and everything that has happened in the past is in the past. The annual accounts were presented to this Assembly with performance statistics, as I say, on an annual basis. If Members had a worry or a concern at that time, they should have raised it then; not now that the scheme is finished and done by and now operating within a component of the low income scheme.

3.5.4 Deputy G.P. Southern:

Will the Minister bring to the House figures which show the reduction in the equivalent scheme in income support that will take place when transition support is removed in 2010?

Senator T.J. Le Main:

No, I am not prepared to do that. I have got plenty of work in my department. As I say, we are now virtually a social landlord, the Housing Department, and I am not prepared to spend time and effort doing that when my staff are fully busy at the present time. If the Deputy seeks further information on a housing component at the moment then he should direct himself to Employment and Social Security.

Deputy P.V.F. Le Claire:

I think I had better go to Social Security, Sir.

3.5.5 The Deputy of St. Mary:

Rent abatement, Minister, £15 million. Can you explain the connection between ...

The Bailiff:

Through the Chair, please, Deputy.

The Deputy of St. Mary:

Sorry, Sir. Yes, would the Minister like to explain this rent abatement £15 million figure and, in particular, the connection between that £15 million and low incomes because presumably there is a connection?

Senator T.J. Le Main:

I am not going to explain any further. Low income is now the place to seek the information - Social Security - on those sorts of questions. The Housing Department in 2007 is virtually now a social landlord. If the Deputy wants any information then he should direct himself to Employment and Social Security who administer the housing component on behalf of this Assembly.

3.5.6 Deputy D.J. De Sousa:

Can the Minister inform the House if there are any existing plans to build trust housing and, if so, if his department is going to help to fund this?

Senator T.J. Le Main:

I cannot advise this Assembly if the trust are going to build further houses. They are committed that when they have excess funds and built up funds within ... once they have had letters of comfort on some of the developments that have been given by the States, that once the mortgages have been paid off they are directed under the agreements that they should increase their portfolio of properties for social renting if there is a need. Otherwise, any surplus monies will come back to the States coffers. But I know that there are certainly one or 2 - particularly one social landlord within housing trust - who are very keen to increase their portfolio for rental. But I must advise this Assembly that I will not condone any increase in the portfolio of social rented housing when there is no need for it and which could cost the taxpayer any moneys in supporting. At this present time, I do not sign any letters of comfort unless there are exceptional cases and I work with the Minister for Treasury and Resources on that basis.

The Bailiff:

We come next to a question by Deputy Trevor Pitman of the Chief Minister. Perhaps I could just remind Members of the Standing Order about names.