

STATES OF JERSEY



BUDGET 2006: EIGHTH AMENDMENT

**Presented to the States on 30th November 2005
by Deputy G.P. Southern of St. Helier**

STATES GREFFE

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In the estimates of the Housing Committee –

- (a) reduce the estimates for Private Sector Housing Subsidies (as shown on page 95 of the Budget Annex) by £500,000 from £9,414,185 to £8,914,185;
- (b) increase the estimates for Administration and Maintenance (as shown on page 95 of the Budget Annex) by £500,000 from (£23,988,442) to (£23,488,442).

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

The report of the Housing Committee has as one of its 6 main strategic aims –

- to maintain and improve the committee's stock of rental housing.

It then considers its maintenance budget as follows –

No growth has been provided for the non-subsidies budget, which means that the funds available for operating and maintaining the States housing stock will remain the same as 2005 for each of the next 3 years. The £4.13 million each year is estimated to be about£3 million short of what is required to maintain the stock, much of which is in urgent need of significant repairs.

The report continues –

Without the ability to reinvest in the stock and carry out significant improvements, the proportion of property failing to meet the U.K. Decent Homes Standard will increase over the next 5 years.

And yet, instead of increasing its maintenance budget, the Committee is content to let the rot continue. Additional funding is found not for essential maintenance, but for the expansion of the rent rebate scheme applied to the private Housing Trust sector. An additional £1.569 million over 3 years has been allocated for the increase in thi sector. Capital receipts are already being used to fund essential refurbishment work and further sales of stock to Housing Trusts are already planned in order to fund essential maintenance.

Yet every time more stock is released to a Housing Trust, the sum required for rent rebate goes up. The estimate for the 2006 rent rebate bill is up by over £1.25 million from£8.15 million in 2005 to£9.41 million.

It seems to me that we have 2 problems here. We need to –

- (a) fund the maintenance/refurbishment of our crumbling social rented housing stock;
- (b) curb the growth of the rent rebate scheme which serves largely to keep rentals high and put money in landlords' pockets.

The response of the Housing Committee is to solve the first problem by increasing the second. We cannot ignore the problem of spiralling rent rebate costs any longer; nor can we ignore the problem of maintaining our social rented housing stock. This amendment attempts to make a small step towards addressing both.

It does the following –

- (a) It adds £500,000 to the current maintenance allocation of £4.13 million, which is£3 million under funded. The result of this amendment is a 12% increase in funding.
- (b) It removes £500,000 from the sum allocated to the rent rebate scheme which is predicted to be £9.41 million next year. This represents a 5.3% decrease in support for those in private rental whc qualify for rent rebate.

There are no manpower implications arising from this amendment.