

STATES OF JERSEY



PUBLIC AND PRIVATE SECTOR HOUSING RENTAL SUBSIDY SCHEMES: INCOME DISREGARD – RESCINDMENT (P.5/2004) – COMMENTS

**Presented to the States on 17th February 2004
by the Finance and Economics Committee**

STATES GREFFE

COMMENTS

The Committee is disappointed to see that at a time of financial difficulty, the States is faced with yet another proposition to increase public expenditure when the public is making it clear that it wishes to see expenditure cut.

The Committee is further alarmed to note that the proposition is to reverse spending restraint exercised by the States less than a year ago.

The financial implications of this proposition would be that about £150,000 of cost savings will have to be made elsewhere in the States Budget in 2004, increasing to £600,000 by 2006, at a time when departments and Committees are being asked to find savings of some £8 million annually.

Finding that level of savings will prove impossible if the States is unable to stick to relatively small savings agreed only months ago.

The Committee remains of the opinion that resources should be directed towards the most needy of the Island and that rationalising rental subsidy as the States did last year ensures the targeting of funds towards those in greatest need whilst continuing to protect those on the lowest incomes in receipt of housing subsidies.