

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 16th APRIL 2013**

Question

Will the Minister advise members whether the rent increase proposals contained in R.15 – States of Jersey Housing Transformation Programme were reviewed by the Statistics Unit and/or the States Economic Adviser to gauge the potential impact (perversely) on both inflation and deflation in the economy over the short, medium and long term and

- (i) if they were not, will he explain why not?
- (ii) if they were, will the report/analysis be published before the proposition is debated by the Assembly?

Will the Minister explain –

- (a) what research, if any, has been undertaken into the combined financial impact of the proposed increased rents and changes to States tenants' heating systems; and,
- (b) the effect of the rent increases on tenants whose incomes have remained stagnant or fallen in real terms during the prolonged recession in the Island?

Answer

The development of my proposals for the Housing Transformation Programme has taken over two years and during which time I have consulted with a number of States Departments including the Chief Minister's, Treasury and Social Security departments, as well as Scrutiny and external stakeholders.

In September 2011, I received initial comments from the States Economic Adviser, which outlined his thoughts on the economic effects of my then proposals.

Since that time, I have amended my proposals, particularly in respect of rents policy to reflect the implementation on new tenancies only that are created after 1st April 2014. I have recently asked for an update from the States Economic Adviser and have received confirmation that his earlier response remains valid. This confirmed that the combined impact of the proposals is expected to be a contribution of less than 0.1 percentage points to RPI.

I am pleased to see that this advice is repeated in the answer to the written question (7562) from Deputy Southern, given by the Chief Minister today.

The Housing and Social Security Departments have worked closely together to establish the potential social impact on tenants of my proposals. This is clearly laid out in section 5.2 of the Housing Transformation Programme's Full Business Case (R15/2013).

The on-going refurbishment programme of States rental homes has resulted in many tenants saving money on energy costs, through better insulated homes. In addition, changes to States tenants' heating systems have been implemented alongside a number of measures aimed at improving insulation levels of their homes. These measures now allow tenants to control their heating systems individually and many tenants have found that their energy consumption has now decreased as a result of these measure. Unfortunately, rising worldwide energy costs and the recent cold weather have negatively impacted islander's fuel bills.

I am aware that some tenants have seen stagnant or indeed falling incomes in recent years and I have fully taken this into account in my proposed rent policy, as all lower income tenants who receive Income Support will be fully protected under my proposals.