

3.12 Deputy J.A. Martin of the Minister for Social Security regarding the prospect of requesting Andium Homes to pay £5.7 million in order to reimburse funds spent on rent subsidies provided to the company from Income Support: [1(442)]

Will the Minister be requesting £5.7 million from Andium Homes, which was the company's operating surplus last year, to help repay rent subsidies provided to the company from Income Support and, if not, why not? Thank you.

Deputy S.J. Pinel of St. Clement (The Minister for Social Security):

The Minister for Treasury and Resources maintains the oversight of the financial relationship with Andium as the shareholder representative and the Minister for Housing has overall oversight of the strategic relationship with Andium. The Assistant Minister for Treasury and Resources has earlier today answered a similar oral question and explained the background to the operating service of Andium. The Social Security Department receives its funding for income support as part of the Medium Term Financial Plan. I can confirm that the department is fully funded to meet all income support costs, including accommodation costs. In 2016 over £70 million was provided in weekly income support payments. Of this, just over £30 million was used to support accommodation costs. Thank you.

3.12.1 Deputy J.A. Martin:

A supplementary? Of the £30 million, just over £15 million was the rent component from income support straight into Andium, so why is the Minister not concerned that they have now got a £5.7 million profit - surplus we will call it? Then it should be reinvested in rent rebates next year or it should go back to the Treasury, can the Minister not understand this? Surely, they are paying too much directly to Andium.

Deputy S.J. Pinel:

The latest figures of the rental return are £16,461,000; I am lucky to have those figures with me. The reason that there is an operating surplus, as the Assistant Minister for Treasury and Resources explained earlier, is that it was higher than predicted anyway and you cannot run an income support budget on an irregular possible surplus.

3.12.2 Deputy J.A. Martin:

I am really sorry, I just think the Minister does not understand the question. This is taxpayers' money going to Social Security, going to an arms-length company and they end up with a surplus of £5.7 million. I have spoken now to 2 Ministers today and I am the only one who seems bothered. So will the Minister look into this and see if she can reduce the cost of her rent rebates to Andium which I thought was £15 million and now I have found it is over £16 million? Thank you.

Deputy S.J. Pinel:

I think the Assistant Minister for Treasury and Resources and I do have a vague understanding of this and, as I have said before, that you cannot run an income support budget which is already fully funded as part of the Medium Term Financial Plan. Andium Homes have done vast improvements, as the Assistant Minister for Treasury and Resources said, to the current properties which has reduced the costs of the tenants, consequently reduced the expenditure of income support in some cases, and there is no way an irregular operating surplus can be used for anything other than what Andium are doing which is improving the properties and standards that they have with intentions of meeting decent home standards by 2020.