



## PRESS RELEASE

No: 53/2016

Date: 8th February 2016

---

### **Housing rent arrears grew by 600% when GSD was in office**

The statement from the GSD Opposition on rent arrears is a shocking attempt to wash their hands of a problem that they created by the dissolution of the Central Arrears Unit that had been set up by the first GSLP Government.

The GSLP-LIBERAL Government is now in the process of setting up mechanisms to collect arrears and to control the accrual of debts in future.

The innovative measure which will ensure that people who want berths pay any arrears they have to Government is only the beginning.

The Government is also going to introduce legislation in order to be able to pursue debtors in respect of periods longer than six years.

Further initiatives are being planned to enable collection of arrears and to prevent debt levels from rising in the future.

The GSD should start by welcoming this initiative and those to come, and apologise for having disbanded the Central Arrears Unit.

It is worth recalling that housing rent arrears grew by 600% when the GSD were in office.

The Government has already pointed out that the housing arrears position in March 1996, when the GSD first came into office, was £655,031. This continued to increase year on year without the GSD tackling the matter until it reached about £4 million when they left office in December 2011. This represents an increase in housing rent arrears of about 600%.

It is clear that the Opposition have no moral authority to preach to anyone about housing rent arrears. It was under their watch that arrears increased steadily, topping the £1 million mark by 1998, £2 million by 2002, £3 million by 2005 and reaching the £4 million by 2011.



Moreover, it will also be recalled that, for purely electoral reasons, they allocated flats in the new estate at Mid Harbour to persons who were already in considerable debt without insisting that these arrears should be paid before they moved into their new homes. This led to a situation where some tenants moved into a new flat without paying off years of accumulated rent in their old one. Those tenants then went on to generate more debt in Mid Harbour.

The Government agrees that the level of housing rent arrears is not acceptable, and we will tackle this, but people in glass houses should not throw stones. The GSLP-LIBERAL Government has invested money in upgrading the fabric of many of the previously forgotten and abandoned government estates. The value of these has therefore gone up. It is also essential, therefore, that tenants pay their rent and realise that the Government, for its part, invests in their estates.

Minister for Housing, the Hon Samantha Sacramento, said: "Most Government tenants pay on time. In some instances the arrears are related to people who cannot pay for social reasons and who fail to claim allowances. Careful work is being done to break the debt down in order to understand what cannot be recovered and what is recoverable from people who can pay but are not doing so. The Government is confident that we will resolve this problem which we have inherited from the GSD and have already started to deal with. Those who pay don't deserve to see others allowed to get away without paying. But it is also true that Mr Philips needs to think a little about those who can't pay and about why these debts have grown as they have. The party he used to criticise and is now a member of has the lion's share of the responsibility for the problem. I trust he will therefore support the measures to be introduced to ensure debts are collected and don't build up in the future, whilst at the same time the Government keeps to its obligation to maintain Government estates to the refurbished, high standards we are establishing. When the debt is down, perhaps Mr Phillips will wish to congratulate the Government as forcefully as he has selfishly tried to criticise it!"