

3. Questions to Ministers without notice: The Minister for Housing

3.1 Deputy S. Pitman of St. Helier:

Could the Minister explain how the cost of maintenance for States housing has accumulated to an astronomical £90 million?

Senator T.J. Le Main (The Minister for Housing):

Quite clearly there has been no planned maintenance budget for many, many years. What I am pleased to say is that I hope that when the new Strategic Plan comes before this Assembly this year there is now going to be a proper funding mechanism. I hope that all Members will support that. I am very confident now that the matter will be resolved after the discussion of the Strategic Plan.

3.2 Deputy J.A. Martin of St. Helier:

In a written Question to Deputy Southern on the structure of the new banding system under the rent, the Minister states that 2,640 properties would increase. Could the Minister inform the House whether he has had close discussions with Employment and Social Security given that this will obviously increase the rent abatement which is being passed across to that department or ministry under the new low income support? Could he also inform the House under the new banding system for housing rents who will control the private sector rent setting with the private rebate being attached to the maximum rent set in housing at the moment?

Senator T.J. Le Main:

My Assistant Minister and myself have not been in any discussions with the department. The department are currently working on the banding scheme and I am unable to give any further details on what is being responded to Deputy Southern this morning. What I can do is I can give an assurance that my department, my Assistant Minister and myself will be working very closely with Social Security and with Members and any other departments in realising that whatever is going to be proposed is going to be for the good of the people.

3.3 Deputy G.P. Southern:

Will the Minister confirm that having built 95 flats on Le Coie site for a total cost of £20.3 million he proposes to sell them off to the Jersey Homes Trust for £12 million, leaving an £8.3 million subsidy, and that over the next 21 years he will further add to that cost the sum of £2 million guarantee on interest rates and a further £16 million in rent rebate that will be paid out to Jersey Homes Trust over the 21-year period of their loan, leaving a total of £26.3 million paid out for those flats which will then be owned by Jersey Homes Trust? Does he think this really represents value for money?

Senator T.J. Le Main:

The Minister is asking the wrong person. The person to ask is the Treasury Minister, who has all the up-to-date figures on all this. I am not prepared to guess at some of the questions put to me by the Deputy. The issue is that up to now the housing trusts have worked very, very well and are providing new modern accommodation for nearly 1,000 families at the present time. They have invested well over around £100 million of private funding for this and we now have, as I say, nearly 1,000 very, very happy Jersey families living in absolutely wonderful conditions. The question really should be presented, Sir, to the Treasury Minister who last week did all the figures on Le Coie and the issues of it.

3.4 Deputy G.P. Southern:

May I have a supplementary, Sir?

The Bailiff:

Yes.

Deputy G.P. Southern:

Can I refer him then to his own document, P.161/2003, in which he outlines that the starting point rent rebate will be £415,000, his own document, which will rise over the next 21 years by 3.5 per cent a year as agreed by his Committee, as it was, and does he accept that this totals £16 million?

Senator T.J. Le Main:

I cannot remember back that far, Sir. [Laughter]

3.5 Deputy R.G. Le Hérisssier:

Would the Minister, having implicitly accepted responsibility for the total breakdown of maintenance over the last several years, tell the House how the new system will avoid the problems that have bedevilled him for the last several years?

Senator T.J. Le Main:

No, Sir, the Strategic Plan has not been released yet and there are funding proposals in the Strategic Plan. I know that the Treasury are still working on that plan and the issue is that I am confident that Members of this Assembly will be totally supportive of those plans so that from 2007 we will have a proper, long-term funding mechanism, real funding, which should address the difficulties we face over the years.

3.6 The Deputy of St. John:

Could the Minister advise as to whether the proceeds from the sale of any States housing will be reinvested in continuing to improve the housing stock and funding ongoing maintenance programmes?

Senator T.J. Le Main:

Currently, as I say, the Treasury are working on some of the aspects of the funding mechanisms. As I say, there will be some funding issues there that still have to be resolved. It is anticipated - this is only my view currently at the moment - that the Housing Ministry has far too much stock and much of the stock is in real need of major refurbishment. Some of it is on prime sites and the issue is that much of it does not meet the needs of our clients in today's age. I have always been supportive of selling some of our stock on to the open market so that the funding can go back into the pot to provide good accommodation. Members will know that for a long time I have been concerned and again this morning I have had a lady on the phone absolutely distraught. We have a very small percentage of our clients that do not seem to want to behave and are causing an absolute headache and nuisance to people who want to live peacefully in their own homes. We really need to locate some of those people in unidentified properties out of the way from others, so we have some real issues that we need to address because this is really a very, very personal issue. We are talking about people, real people, many of them finding it very difficult with enormous heating costs and other issues at the present time. We want to do what is best for them and I am always willing to listen to the Members.

3.7 The Deputy of St. Martin:

Almost 12 months ago, the States agreed to transfer the ownership of the roads, footpaths and lighting at Maufant Village from the Housing Department to the Parishes of St. Martin and St. Saviour. The grass verges were not transferred. Could I ask the Minister, Sir, what steps he has taken to ensure the transfer of the grass verges do go ahead to the parishes or, as they have not done so already, is he minded to keep the grass verges?

Senator T.J. Le Main:

No, Sir, we have had huge success in that area. We have transferred the lot, all the responsibility, to Property Services and they will be dealing with the matter.

3.8 Deputy J.A. Martin:

In a Statement made a few weeks ago now, the Minister said that they would be freezing housing rents this year. In the same Statement he said he did understand with the contracts with housing trusts the States have agreed they will allow them to raise their rents by at least 3.5 per cent each year. Can the Minister assure this House that a pensioner living in a States flat, a one-bedroom of £140, and the pensioner living in a trust of £140 will not be worse off by at least £5 a week because the rents are not going up and the fair rent is probably going up at least 3.5 per cent in the trust sector? Sir, he also did not answer my question on the new banding system: who will set the private rent rebates for the private sector when housing rents are not going to be the same as they are now in the future?

Senator T.J. Le Main:

The last part of the question first is that I do not honestly believe that it is the Housing Minister or the Assistant Minister to set the rents. I think that at the present time it is a real difficulty and I think that in the department's view we believe that it should be done independently. That is currently being looked at so I cannot give you a categorical answer on that. Going back to the housing trust rents in relation to the Housing Department rents, we have managed to contain our rents in the Housing Department because there has been a considerable amount of people who are now earning more money and have had considerable wage increases and they have gone up into paying the full fare rents. We have managed to get more income than had we put the rents up in this last year, which is good news for tenants. The issue is with the trusts. They have 3.5 per cent built in, so they can increase by 3.5 percent, but we believe that the trusts have enough in there to be able to sustain no rental increases. At the end of the day, it is the trusts that will decide, but we hope that the trusts will not increase their rents this year. I have to forewarn there is a good possibility that next year rents will go up.

3.9 Senator J.L. Perchard:

Is the Minister aware that P.161 on Le Coie quite clearly outlines the approval of drawings, the sale once completed to the Jersey Homes Trust and the level of subsidy which is actually in excess of the level that has been used to subsidise, and that perhaps Deputy Southern, who was part of the Assembly who passed this projet, is mischief-making?

Senator T.J. Le Main:

He is a nice chap, Deputy Southern. [Laughter] I have tried to be as nice as possible to Deputy Southern. He has a good heart in him but we do not always agree on some of the issues.

3.10 Deputy G.P. Southern:

I am almost overwhelmed, Sir. I remind him that I did call for a reference back and voted against the particular proposition at the time. Three parts, if I may, Sir. Firstly, has the Minister read the *Jersey Homes Trust 9th Annual Report* dated 1st January 2005? Secondly, does he recognise the opposition stated in there to a form of regulation of housing trusts which he is investigating at the moment? Thirdly, does he believe that opposition to regulation is appropriate given that all the work of the trust is outsourced and under a code that specifically permits the awarding of contracts for remunerated services to firms having a connection to the trust, i.e. they are paying out money to their relations to the tune of £625,000 a year in maintenance and administration costs in that trust. Does he believe that that sort of practice should be regulated?

Senator T.J. Le Main:

Let me just say, as I probably said a couple of weeks ago, the legislation that has currently come back to the Housing Department on regulating housing trusts is seen to be over-bureaucratic at the moment. It is seen as over-bureaucratic and I can inform Members that the Housing Ministry are looking and will be reporting back before the end of the year with a comprehensive look at all social housing provided by trusts and by the Housing Department to make sure that it is all working together and we are all going in the right direction. This issue about regulating with legislation, I am having second thoughts and I shall be taking the issue to the Council of Ministers for a full consideration in the near future to see whether we can do it the way we are doing it at the moment. I am convinced with the current agreements in place with the trusts that the application of providing services as outlined by Deputy Southern, Sir, is quite transparent and within the bands of fair charging in the marketplace. It is that sort of issue that takes place in the UK and what have you, and I feel that they are transparent and they are willing to discuss the issues with any Member concerned.

Deputy G.P. Southern:

Sir, he has not answered my first question: has he read the report?

The Bailiff:

I am sorry, Minister, you did not answer the question: have you read the report?

Senator T.J. Le Main:

Yes, Sir, I read every report but I do not say I can remember them. **[Laughter]**