

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 4th APRIL 2006

Question

- (a). Will the Minister release to members the draft legislation on the regulation of Housing Trusts currently under his consideration, along with any associated reports, background papers and consultation submissions?
- (b) Will the Minister liaise with the Minister for Treasury and Resources regarding the report entitled "Benchmarking against U.K. Housing Association Performance Indicators", referred to in the 9th Annual Report of the Jersey Homes Trust (JHT) dated January 2005, with a view to releasing this to members and, if not, the reasons why?
- (c) Extracts from the Benchmarking Report mentioned in (b) above reveal the following 2003 JHT figures:

Gross rentals £3,500,805
Property expenses £264,678
Operating expenses £322,325

Do the total costs of £587,003 (16.7%) conform to any agreements in place with the Minister regarding the level of such costs in view of States subsidies on housing trust schemes and rent abatement payment?

- (d) In the Annual Report of January 2005, the JHT Chairman states:
"It (the JHT) is fully accountable to the Housing and Finance and Economics Committees and operates transparently under well understood safeguards and protocols".
Will the Minister release to members details of these safeguards and protocols, and if not, the reasons why?

Further, the Report states:

"The work of the Trust is out-sourced under a strict code of conduct. This code specifically permits the awarding of contracts for remunerated services to firms having a connection with a Trustee".

Has the Minister been provided with this code of conduct and, if so, would he agree to provide it to members?

Answer

- (a) Yes. Any member requiring a copy of this information should contact the Housing Department.
- (b) The report for the year ending 2004, referred to in the question, and the equivalent report for 2005 have been circulated to members by e-mail.
- (c) Yes. Individual scheme models tend to have 18-20% rental income offset for management, maintenance and voids over the loan repayment period. The models don't represent an agreement, rather a basis for establishing affordability. The letters of comfort are reviewable quinquennially and the level of financial support can be amended if there were a significant departure from the model assumptions. Should the

Trust make profits above that necessary for the long term maintenance of its stock or future development, the Trust's constitution requires that such funds are repaid to the States.

- (d) The safeguards are embodied in the formal Royal Court Contract between the JHT, and the States, as well as the Constitution of the JHT, (which was approved by the former Finance and Economics and Housing Committees and the Law Officers' Department and registered in the Royal Court). The Regulations attached to the constitution govern the negotiation and conduct of contracts entered into by the trust, including related party contracts. The safeguards include, for example, the appointment of Trustees being subject to approval by the Housing Minister, making trust properties only available for social rental purposes and not for sale, there being no remuneration of Trustees, the submission of annual accounts, 80% nomination rights by the Housing Department on all new developments in receipt of States subsidy, and rentals that must not exceed Housing Department fair rents. Any member who would like a full copy of the code of conduct should approach the Housing Department.