

#### **4. Questions to Ministers without notice - The Minister for Housing**

##### **4.1 The Deputy of St. Martin:**

As being one of the small numbers of States' Members who have consistently opposed the sale of States' properties held in trust, I am delighted to see that the House is now being asked not to approve future sales. Will the Minister inform Members why he has such a major u-turn of this policy?

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

Some of the Trusts, half way through their borrowings, are now starting to accumulate considerable funding and in future any funding that they accumulate they can go ahead now and create and procure more social housing in the Island of their own accord. Subsequently, I have ceased recommending to the Treasury Minister any further letters of comfort.

##### **4.2 Deputy C.J. Scott Warren:**

Can the Minister explain why he has sent out 5,000 letters in order to try to sell 800 States' homes when he has since informed States' Members, and has put on teletext, that only 10 properties would be affected?

##### **Senator T.J. Le Main:**

All tenants were sent out letters on the basis that the property plan clearly identifies - not in the high value properties but otherwise - that there will be an amount of properties which will be available to be purchased by, hopefully most of them, sitting tenants. That was the case on the issuing of all letters and it was felt that it was in the best interests of all our clients that they should receive a letter explaining exactly what was happening, as were the States' Members on the day of the lodging.

##### **4.3 Deputy C.J. Scott Warren:**

I thank the Minister for the first part of my question but there has been information given to States' Members and put on teletext that there were only to be 10 properties sold. I would like this explained, please.

##### **Senator T.J. Le Main:**

That is not true. The issue is that up to 800 properties are proposed to meet the Strategic Plan aims of creating home ownership within our tenants. At the present time 208 have the permission of this Assembly out of those 800 for sale to La Marais and Le Squez and that is taking place very, very successfully. The 10 that I think that the Deputy is talking about that we are seeking permission to sell are, I think, 26 high-value properties; several of those are already empty at this present time. We do recognise that there could be anything between 5 and 10 long-term tenants that have to be treated with compassion and have to be treated probably differently from many others who may have been short-term tenants or otherwise. There could be up to, as I say, between 5 and 10 tenants. Nobody will be evicted; nobody will be asked to move out of their homes. The property plan seeks the permission of this Assembly that over a period of time, when we can come to an amicable arrangement with the tenants, that those properties will be sold on the open market to realise funding to continue our property plan.

##### **4.4 Deputy S. Pitman of St. Helier:**

Could the Minister explain what consultation was carried out with tenants on his housing property plan?

##### **Senator T.J. Le Main:**

The officers have had considerable consultation with all the residents' groups. In virtually every estate in this Island the residents have appointed representatives and our officers have been out and have had numerous full discussions with the residents' associations and residents' groups on

behalf of all the tenants. The list is an A4 page long of consultations that have taken place with the residents' representatives of those properties.

#### **4.4.1 Deputy S. Pitman:**

If such a comprehensive consultation was carried out as the Minister has just informed us, why has there been so much outrage among his tenants about this subject? Why have so many distressed tenants been calling their Deputies? Why were tenants notified on the day the proposal was put to the press and why is it that some tenants have yet to receive any notification that their homes will be sold off?

#### **Senator T.J. Le Main:**

There are many tenants whose homes are not going to be, or have been identified to be, sold off. Let me just explain to the Deputy that why there has been some concern by tenants is because there have been some utterings by Members of this Assembly to the media which have been manifestly wrong having not read the plan. It is quite clear in the plan that no one will be forcibly evicted or asked to leave their home yet one or 2 Members of this Assembly have made headlines in the *JEP* and otherwise making utterances that were totally wrong and malicious. That is why people are concerned and I can assure the Deputy and Members of the Assembly that I intend to speak to any of the residents to give them the assurances they need. I started that with Mrs Minihane of Age Concern, the senior citizens, and I shall be very soon, as a guest speaker on their behalf, giving assurances to people.

#### **4.5 Deputy S.C. Ferguson**

The Minister is proposing to use capital for revenue purposes. What plans does he have for renovations once this money runs out? He has not been able to cope in the past. Once the stock is reduced he will have less income to use for renovations so he is going to have a bigger problem.

#### **Senator T.J. Le Main:**

No, the issue is quite clear at the present time that the funding can take place over the period of 10 years or so by the sell-off of property that does not fit our portfolio and is not needed in this current climate. Amazingly at the moment we have more people paying full fair rent in our portfolio than people on the waiting list and that shows we are housing far too many people at the present who can afford to go in the private sector. We believe that we can create what the Strategic Plan says and what all the bankers tell us, and the advice given by the late Mr. Groombridge some years ago when they audited the issues on housing. We are very comfortable that we can sell-off and maintain existing demand on housing and we can fund it all ourselves without added funding.

#### **4.5.1 Deputy S.C. Ferguson:**

But you are still using capital for revenue. Would the Minister accept the principle that the funds raised should be ring-fenced for capital use only?

#### **Senator T.J. Le Main:**

No, the capital raised from the sales of these properties will fund and put into place the amount of property that we need for a period of time. Currently we have far too much property; it is unmanageable and has been for a number of years. By reducing our stock to the exact needs of our clients at this present time and for the future 10 or 15 years, the funding by creating home ownership, the huge benefit of people in this Island for the first time ever, tenants of the States of Jersey --

#### **The Deputy Bailiff:**

Very well, Minister.

#### **4.6 The Deputy of St. John:**

Is the Minister satisfied that the manner in which his department communicated with tenants affected by the property plan was satisfactory and, should a similar communication exercise be adopted again, is there anything that he would change about the communication process?

#### **Senator T.J. Le Main:**

The process was fine, it is just that there was a difficulty with the contract with ProMail. ProMail delivered the following day many of the letters that should have been delivered on the day in question. The process was good. It was very difficult, if I may add, when we were trying to lodge the report and proposition for Members' attention on the Tuesday and we wanted to make sure that all our clients were involved on the same day. We were let down by ProMail and that is being investigated at the present time.

#### **4.6.1 The Deputy of St. John:**

Have the tenants been written to again since giving clarification of some of the points that were raised particularly by the media? Has the Minister made any attempts to write to them again and allay some of the fears that they may have had because I am getting calls at the moment from your clients that are quite concerned about the whole issue? Has he any intention of writing to them again and clarifying the issues?

#### **Senator T.J. Le Main:**

As I said before, there has been extensive consultation with the residents' associations and representatives of all the issues. If the Deputy is talking about one or 2 properties that may be in his Parish then if there is a difficulty there I am more than happy to go and visit them with him. In fact, I have said this to all Members of this Assembly, that if any of the Members have any difficulties with people who are not aware or unsure, I am more than happy to meet with the current Deputy or Connétable or Senator and go and visit those people personally.

#### **4.7 Senator B.E. Shenton:**

What qualification does the Minister have that has helped him to determine that this is a good time to sell assets and has he taken advice from the Economic Adviser on this matter?

#### **Senator T.J. Le Main:**

Yes, full consultation and advice from the Economic Adviser from the Treasury and the huge experience of the department. As I say, the Strategic Plan instructs us to create home ownership by shared equity to raise the level of home ownership in this Island from 59 per cent to a more acceptable level which in other countries, and places like Guernsey and the U.K., are more like 70 per cent plus. So we are very confident that this is the right time and this is the right thing. I have to say that in this last week we have had 180 extra tenants who have put their names down to purchase. This is wonderful news for Jersey and for the people of Jersey.

#### **4.8 Deputy A. Breckon:**

I wonder if the Minister could tell the House what the predictable future social housing need is?

#### **Senator T.J. Le Main:**

As I have explained, and Deputy Breckon knows, the Scrutiny process will scrutinise the property plan. This is an internal document which puts our house in order for the next 10 or 15 years. The issue of our social housing, as I have said, there is a process where there will be a total review of social housing in this Island; the needs, the role of the Trust and the role they play, regulation, whether the Housing Department should become a corporate body and everyone will be issued at the end of the year a green paper for consultation and discussion. It cannot be right that the Housing Department sets the fair rents, it cannot be right that we are regulating and

there should be common waiting lists and many other issues. That is taking place at the moment and will be ready by the end of the year for Members.

**4.8.1 Deputy A. Breckon:**

I think that was a: “I do not know”. What I would ask the Minister is he has mentioned a total review of social housing policy and a green paper at the end of the year. Would it not be useful if that was with the plan for what is proposed now as opposed to after?

**Senator T.J. Le Main:**

The plan is a plan about meeting the aims in the Strategic Plan that this Assembly has approved and it is also to put our house in order. We have had a major problem on funding. We have been waiting 2 or 3 years for the low income scheme to come into being and various other issues. We have now got £6 million a year funding extra for the next 5 years and we have a huge opportunity to create home ownership and put our stock back to order. It is a new plan to put our house in order.

**4.9 Deputy R.G. Le Hérissier:**

Would the Minister not accept that we are about to create one of the biggest policy blunders of all time in terms of the Trust insofar as the Trust for the finest of reasons were given massive public subsidies by the rent rebate scheme, by the sell-off of estates at peppercorn sums? This has led to the accumulation of vast surpluses. Has the Minister got control over these surpluses as a way of handling social housing or have we now lost control over the situation?

**Senator T.J. Le Main:**

I would like to make it quite clear that the Deputy is probably trying to mislead the Assembly again. Quite honestly, rent rebates are paid not only to Trusts; they are paid to all people who need help and assistance. It is not because they are a Trust that they automatically pay rent rebate. It is the client who receives the rent rebate and the client will get it whether in private accommodation or Trust accommodation. That is quite clear. The other issue is that we have not lost control. There are strict agreements in place with the Trust that any accumulated funds will come back to the States eventually if they are not used for the procurement of further housing stock for social housing as required. The Trust will not be allowed to just go ahead and keep building and building if there is no identification of further need. Any accumulated funds in the future will come back to the coffers of the States of Jersey.

**4.9.1 Deputy R.G. Le Hérissier:**

Given that the Minister said quite rightly that shared equity tenant ownership is the way forward, is it not ridiculous that he has given another branch of the housing industry the right, it appears, or the finance to be able to move ahead with a big housing programme? How will he physically stop this housing programme and at what point will he take the surpluses back?

**Senator T.J. Le Main:**

As I explained, all the housing Trusts, all the social landlords, everybody involved including all States' Members will be involved in the way we are going to look at it in the next 12 months. So all that will be addressed within those investigations and I welcome Deputy Le Hérissier to attend.

**The Deputy Bailiff:**

That concludes the questioning of the Minister of Housing. I am sorry, Deputy, there are a number of other...

**Deputy C.J. Scott Warren:**

I have to make a point of order here. The Minister has said there was malicious comment in the *Jersey Evening Post*. While I accept that Zimbabwe was not a good example for displacement and I did not get the chance to ask this. The Minister knows from the editor of the *Jersey Evening Post* that I made no likeness at all to either he or Deputy Hilton being like Robert Mugabe, firstly. Also, I think the malicious comment is anti our agreed Code of Conduct and I would ask him to withdraw that comment. We are not supposed to, I believe, say that about other Members.

**Senator T.J. Le Main:**

I am not prepared to withdraw that.

**The Deputy Bailiff:**

It is right that Members are not to impute improper motives or to use derogatory language about other Members, to use offensive or insulting language about any Member of the States.

**Senator T.J. Le Main:**

I am not imputing that at all. I said: "So-called malicious statement".

**The Deputy Bailiff:**

Are you withdrawing any suggestion on your part that what Deputy Scott Warren said was malicious?

**Senator T.J. Le Main:**

I did not speak about Deputy Scott Warren at all.

**The Deputy Bailiff:**

So if you did, you are withdrawing it.

**Senator T.J. Le Main:**

I did not speak about Deputy Scott Warren at all. I mentioned no names. There have been several comments in the media.

**The Deputy Bailiff:**

So you make no allegation that what Deputy Scott Warren said was malicious?

**Senator T.J. Le Main:**

I mentioned no names at all.

**The Deputy Bailiff:**

You make no allegation that what Deputy Scott Warren said...

**Senator T.J. Le Main:**

I cannot make an allegation because I have not mentioned her name.

**The Deputy Bailiff:**

Minister, please answer my question. Is it correct, therefore, you are making no allegation that Deputy Scott Warren...

**Senator T.J. Le Main:**

I have made no allegations against anyone or Deputy Scott Warren.

**The Deputy Bailiff:**

Very well.

**Senator T.J. Le Main:**

Although I am not happy with what she said in the media **[Laughter]** and, in fact her behaviour allying me to Robert Mugabe caused no end of distress to my family and I abhorred it.

**The Deputy Bailiff:**

The Deputy has confirmed today that she regrets that and did not compare you to Robert Mugabe so she has not made that allegation, not persisted in it. You have said you are not happy. That, of course, is the prerogative of any politician not to be happy about what other politicians say. There is nothing improper in that. I think this incident is now closed.