

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 30th NOVEMBER 2010**

Question

Will the Minister inform members whether the CSR cuts to his budget have delayed the programme of refurbishment and maintenance of States rental housing estates and, if so, will he detail the extent of these delays?

Will he further inform members of the extent of the work required to bring Pomme d'Or Farm up to modern standards and state what delays, if any, have occurred with this project?

Will he state the extent to which his programme of work is dependant on the sale of housing stock and inform members what targets have been set and what sales have been achieved over the past 2 years, along with his targets for sales for 2012 and 2013?

Answer

The CSR cuts do not take effect until 2011 and so I can confirm with confidence that there has been no effect thus far on the Department's maintenance budget or programme of refurbishment. In putting forward proposals for the CSR care has been taken not to include savings which impact upon maintenance services. The CSR has however resulted in the loss of £6m in capital funding allocation planned for 2012 and 2013.

As the Deputy has pointed out the majority of our extensive refurbishment programme is to be funded by asset sales. The current economic conditions and specifically the contraction in lending, particularly for first time buyer mortgages, has reduced opportunities for sales. Taken together the reduction in available capital and lack of sales has required that the refurbishment programme be reprioritised. This will result in delays to the refurbishment programme.

A refurbishment project at Pomme D'Or Farm is planned and will generally seek to improve the thermal qualities of the 86 homes on that estate, focussing on, new windows, roofs, insulation, mechanical ventilation and improvements to the common areas. It was hoped to commence that project at the end of this year. Funding constraints mean that undertaking this significant project in one phase is not possible and it will have to be phased around the availability of funding and balanced in priority with other planned projects.

The first phase of works, to repair the drainage network at Pomme D'Or Farm, is already underway and will be completed early in the New Year. The Department has looked at what elements of the work at Pomme D'Or Farm are affordable in 2011 and I am confident that we can deliver two of the most significant aspects of the improvements, specifically by upgrading insulation standards at roof level and replacing all of the windows in all of the homes. Other aspects of the scheme will, as I have said have to follow in time as and when funding allows.

Sales for last 2 years generated the following income.

	2009	2010
Cash Received	£5,288,650	£4,563,725
Deferred Payment Bond Value	£1,235,350	£406,275
Total	£6,524,000	£4,970,000

The total income received for the past 2 years, including bonds was £11,494,000

The States Annual Business Plan forecasts that the Department aims to meet the following sales targets for 2012 & 2013 in order to fund the programme

2012 Target	2013 Target
£14,000,000	£17,000,000

The Housing Department will receive £2.75m in Capital allocation in 2011. Given the £6m CSR cut I have already mentioned, the allocation in 2011 will be the last capital allocation that the Department will receive. Thereon in all refurbishment works will have to be funded by sales of assets or by borrowing.

It is important to recognise that the Department has had £13.6m in funding from the fiscal stimulus programme which has allowed the backlog maintenance programme to advance and provided the means for Phase 2 of the Le Squez regeneration scheme to get underway. Having said that, members should be aware that the £8.137m fiscal stimulus allocation for Le Squez is to be repaid in 2014, 15 & 16.

It is also important that we reflect on what has been achieved in our refurbishment programme since it was set in train in 2007. In 2007 we had an estimated £75m backlog (not including Le Squez & Le Marais). A new condition survey has just been completed and the data collected indicates that the maintenance backlog has reduced significantly to around £46m. That is significant progress during what has been a busy and challenging period and has seen the Department undertake a significant number of refurbishment projects as well as commencing the development of Salisbury Crescent which will be completed in May next year and will provide an additional 34 homes for tenants.