

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

The Bailiff:

That concludes questions on notice. Deputy Southern?

3.1 Deputy G.P. Southern:

What is the Minister's definition of "affordable housing", is it priced at 5, 7 or 9 times the average wage for one or 2 earners, or is it based on some other figure?

Deputy A.K.F. Green of St. Helier (The Minister for Housing):

That is a very good question for which I do not have a definite answer. One thing I do know is that the current ratios for many young couples are not affordable. When I purchased my own house, I think it was 3 times the annual salary, all my salary and part of my wife's I think. But that is something we are looking into at the moment. There is a lot of work going on and whether we can introduce a scheme such as the deposit scheme to bring affordability to people just below the line, we are working on that at the present time.

3.1.1 Deputy G.P. Southern:

A supplementary, if I may, Sir? Does the Minister recognise that £320,000 is 5 times? It is the low end of the multiplier, which used to be used 5 times average salary, and this makes all housing in Jersey just about unaffordable.

Deputy A.K.F. Green:

I do recognise that for many couples the dream of owning their own house is impossible. I would like to try and help to ease that for some couples by bringing in the deposit scheme that we are talking about. I met with the Minister for Treasury and Resources only last week. We are close to bringing in a deposit scheme whereby we are aiming at targeting it at people that would not qualify to borrow the full amount from the bank. Therefore, we are not subsidising the banks, but the aim is that the bank would provide 80 per cent we would provide 15 per cent in terms of the deposit, but I would still expect the couple to find 5 per cent. That will increase loans to people that are available to buy their homes. But it is a very difficult one, I understand that. But for some couples, of course, it will never be affordable.

[11:30]

3.2 Deputy T.M. Pitman:

I appreciate that the Minister cannot go into specific cases, but what I would like to ask him is, given the almost complete lack of regulation and indeed the absolute millions that housing trusts have been allowed to make from Jersey and the States, and the fact that they should have insurance policies, would he be willing to meet with me and perhaps use his influence to ensure that we do not see people who are very economically challenged being charged £500 to fix a door which these companies really should have taken care of themselves? Because I think it is a complete abuse of the position that they have been allowed to put themselves in.

Deputy A.K.F. Green:

2 points: yes, I will be quite happy to meet with the Deputy; it is a pity we did not meet before, we might have been able to bring some influence to help the family he is talking about. But as Members know, as part of the Housing Transformation Programme, I do intend to bring forward appropriate regulation that will apply to all housing trusts and the new housing association, if the States accept it.

3.3 The Connétable of St. John:

Over recent times the trustees for the Zion Chapel have been trying without success to get housing units or residential units within Zion Chapel. They have been thwarted because of

S.S.I.s within the building, *et cetera*, with an organ being in place there and seating, *et cetera*. Would the Minister assist by putting pressure around the Council of Ministers' table on the Minister for Planning and Environment to list the S.S.I.s which are creating problems for the trustees and therefore allow this building to be used for housing purposes?

Deputy A.K.F. Green:

As the Constable notes, this is really a matter for the Minister for Planning and Environment, but if you were to ask my view, I would rather see a sympathetic housing development there along the lines that we see with some lesser stately homes in the U.K. than another derelict building such as we have in Route de Trodez in St. Ouen. I will speak to the Minister for Planning and Environment.

3.4 Deputy M. Tadier:

What does the Minister understand is a buy-as-you-rent scheme and will he give consideration to implementing one either at housing or in an arms-length scheme?

Deputy A.K.F. Green:

I wonder if the Deputy has been bugging my office, because it is something I have been talking about recently. There are a number of schemes that I would like to bring forward but, really, this is the role for the strategic housing unit: to bring forward a number of different schemes across different tenures to ensure the availability of housing both to rent and to buy. I would like to see a buy-to-rent scheme. As I understand it, the one that I was speaking to recently with the chairman of a trust in the U.K., the families put a very small deposit down when they moved in. It was understood that they rented for 5 years and that a huge proportion of that rent was the rest of their deposit enabling them to buy and get the title to the house. So yes, I am in favour of it. Of course, we have got to be very careful because I have come across with lots of well-intentioned schemes that will not work. That is why I need a strategic housing unit, I need expert advice, but I do want to see that sort of scheme in place.

3.4.1 Deputy M. Tadier:

Sir, just as a supplementary: would the Minister explain when we are likely to see a strategic housing unit being put in place, and why we cannot have these schemes up and running without the implementation of a strategic housing unit?

Deputy A.K.F. Green:

It is purely a matter of resources. The strategic housing unit will be put in place if the States accept the Transformation Programme. I have got one officer doing some of that work but, of course, there are huge amounts of work...

The Bailiff:

I am sorry, one moment, Deputy. If you leave, Deputy, we will be inquorate. Perhaps if you could just remain for the moment.

Deputy A.K.F. Green:

Of course, there is a huge amount of work at the moment with the Transformation Programme: over 58 different work streams that my officers and I are working on at the present time. If I am not careful, I am in danger of trying to do a little bit of everything and achieving nothing. The Housing Transformation Programme is essential; the strategic housing unit comes from that, as does the regulation for the trust, as does the formation of the housing association, if the States accept it.

3.5 The Deputy of St. Peter:

Could the Minister inform the Assembly what research and community was carried out by his department when considering this year's increase in rent?

Deputy A.K.F. Green:

Increase in rent is always a difficult one. We based it on R.P.I. (Retail Price Index) (Y) in March this year. It is always difficult because some people might think: "Well, do not increase the rents. Try and do the popular thing." However, that is why we ended up with £80 million of outstanding maintenance. We were in that position about 3 years ago and I am working very hard with my officers to reduce it. I think Members have to accept that the Housing Department provides housing and Social Security provides the appropriate benefit to allow people to afford it if they cannot afford it. I must have the right income to carry out my part of the contract. If I have got the right income, such as we have seen in Pomme d'Or Farm where the buildings are properly maintained and residents do pay slightly higher rents, but if you ask the residents of Pomme d'Or Farm, they are paying slightly higher rents but they are spending considerably less on heating because they are now in a water and wind-tight building that is properly insulated. So that is part of my deal. It is always a very difficult one.

3.6 The Deputy of St. Peter:

Could the Minister inform us whether he spoke to the Minister for Social Security to find out what increase would be taking place for pensioners this year and to work out whether the 2 sums were equivalent?

Deputy A.K.F. Green:

My officers spoke with officers of Social Security to ensure that the increase in Social Security housing component mirrors the increase in rent for those that need it. I accept there are always people just above the line. Where do you set that line?

3.7 Deputy S. Pitman:

The Minister spoke in a previous answer to a question of regulations relating to housing trusts. Could he tell us when he envisages them being finalised?

Deputy A.K.F. Green:

Again, it is really a matter of... I have just finished the consultation, I am in the process of writing my report and proposition. I intend to take that to the Council of Ministers in November, lodge it in November, and then we will debate this in this Assembly in January.

3.8 Connétable D.J. Murphy of Grouville:

Some time ago I discussed with the Minister for Housing whether he would consider allowing lifetime tenancies on a leasehold basis for the private sector building homes for the elderly where they would be able to purchase a lifetime lease (which would obviously be a heavily discounted situation rather than buying a freehold) which would revert to the trust involved when they died. This would enable us to have pretty cheap housing and would probably be a very good investment for those trusts doing it. I just wonder in his very busy schedule whether he has had time to even consider it yet.

Deputy A.K.F. Green:

Yes, I have had time to consider it and I am told that it is legally possible even now in the form of some sort of lease. That said, however, I am looking at Lesquende phase 2. We hope to start work on Lesquende phase 1 in December... I think I am being a bit ambitious there, maybe January next year, which will be about providing social housing. But at Lesquende phase 2, I would like to see that, and we are looking at the development of homes there for people to purchase lifetime enjoyment, thus releasing some of the 3 and 4 bedroom homes in the private sector to couples hopefully being able to afford it, and getting some sort of mobility in the

market. But it is very much an experiment and there is lots of work to be done. I have yet to consult with the economic adviser, I have yet to consult with the Law Officers, but it is certainly work in hand.

3.8.1 The Connétable of Grouville:

May I have a supplementary? Could he please also talk to the Planning Department, who have written to me saying it could not take place because of the restriction on the amount of capital a person would have before they purchased the lease?

Deputy A.K.F. Green:

Yes.

3.9 Deputy M. Tadier:

Given the Minister's intention to pursue price increases in rentals in his department, will the Minister use his influence as a Minister to encourage the States Employment Board to give a full cost of living award to public sector employees so that those who are in his housing can afford the increase in their rents?

Deputy A.K.F. Green:

I will use my influence to persuade the States Employment Board to make an offer that is appropriate given the circumstances of the economy.

3.9.1 Deputy M. Tadier:

Then a supplementary: presumably the circumstances of the economy include the fact that rents are both going up in the private sector and by the Housing Department, and that will be one of the considerations, no doubt, that the Minister will be making to the S.E.B. (States Employment Board).

Deputy A.K.F. Green:

There will be a number of considerations, but it has to be appropriate.

3.10 Deputy G.P. Southern:

The Minister has brought forward a device whereby photographs are taken in order to resolve disputes in rental deposits in the private sector. Would he consider involving States housing in that to avoid the arguments that sometimes take place over fair wear and tear and charges made to tenants?

Deputy A.K.F. Green:

That is a good question; I have not thought about it, but I would imagine, once I bring this law in, it will apply to all tenants. I would not imagine that the Housing Association, if the States accept it, would be exempt. The short answer is yes.

3.10.1 Deputy G.P. Southern:

In the meantime?

Deputy A.K.F. Green:

Give us time to do these very difficult tasks. We have got to have the Residential Tenancy Law first.

The Bailiff:

Does any other Member wish to ask a question of the Minister for Housing?

3.11 Deputy G.P. Southern:

Does the Minister accept that sometimes it is better to attempt to do many things and achieve maybe one of them than to do nothing and achieve nothing?

Deputy A.K.F. Green:

No, I do not. My experience is it is better to achieve major, fulfilling, purposeful change than run round like a headless chicken and achieve nothing. [Approbation]

3.12 Deputy S. Power of St. Brelade:

Would the Minister care to predict as to whether, in the 2 years remaining of this Assembly, that there may be any production of Homebuy mark 2, Homebuy mark 3, or any production of affordable housing?

Deputy A.K.F. Green:

Yes. I do not know what we will call it, but we definitely are working very hard at all levels with all my colleagues in the Council of Ministers to get different schemes in place. But fundamental to getting these schemes in place, if we are really going to see it driven, we need a strategic housing unit. We cannot do it without it; we have got to have a proper strategy for housing across the Island. At the moment, bits sit with Health, bits sit with Housing, bits sit with Population and bits sit with Planning. We need a proper strategic approach to this, and that is fundamental.

3.12.1 Deputy S. Power:

Following on from the Minister's reply to me, for which I am grateful, does the Minister feel that a strategic housing unit, as he has spelt out, should sit in the Chief Minister's office, or should it be with a housing tsar?

Deputy A.K.F. Green:

To answer the question very quickly, I think it should sit in the Chief Minister's office because I think we need something that is appropriate to Jersey but is also unfettered by operational conflict. So my view is that it should sit with the Chief Minister's office and that is also the view of Professor Christine Whitehead.