

2.9 Deputy R.J. Rondel of the Minister for Treasury and Resources regarding the loan agreed for the Parish of Trinity to provide ‘affordable’ homes:

Would the Minister advise the Assembly of the details of the loan that has been agreed for the Parish of Trinity in order for the parish to provide affordable homes?

Senator P.F.C. Ozouf:

Deputy Noel will take this question.

The Bailiff:

Assistant Minister.

Deputy E.J. Noel of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):

This investment provides up to £6 million for the construction of 25 first-time buyer homes. Investment returns to the Treasury are in the region of 3.5 to 4 per cent per annum, which exceeds the current levels of return that the Currency Fund enjoys on its cash-based investments. Because the Treasury has requested security in the form of a promissory letter from the Parish of Trinity, it will avoid the parish incurring unnecessary legal costs. Similarly, the parish will not have to pay bank arrangement fees. So in essence, this is an investment that is a win for the parish and it is also a win for the Currency Fund. This is an example of how we can help parishes bring forward housing projects that meet local need. It is a project that is expected to have a 2-year build programme and will provide a stimulus to the economy. Further, it is line with the 2012 Strategic Plan priority, housing our community, and is strongly supported by the Minister for Housing. The development is a good example of a shared equity scheme. It increases the supply of social homes, helping to reduce demand and offering affordable housing to those who need it. I wish more parishes would come forward to take the investment opportunities that we have within the Currency Fund and I look forward to hearing from future Constables with this in mind.

The Bailiff:

Deputy Rondel, do you wish a supplementary?

2.9.1 Deputy R.J. Rondel:

Yes, that leads me nicely to my next question. Basically, I would like to know who the scheme is available to. Is it available to all parishes and is it available to private developers or is it just parishes themselves? The money I believe is coming from the Currency Fund, as you mentioned. What is the amount of money that has to be left in the Currency Fund that cannot be used?

Deputy E.J. Noel:

I will deal with the last point first. The Currency Fund fluctuates with the amount of currency in circulation, but we believe that we have a little over £40 million to invest. We have earmarked £6 million for the Trinity project. We have already invested £10 million into Jersey, so there are substantial funds still available. They are available to all parishes and we will consider widening that out to other organisations but probably not the private sector.

2.9.2 Deputy M. Tadier:

First of all, I think this is a good use of money and I think this shows good joined-up working with parishes for the benefit of Islanders to move on capital projects. **[Approbation]** The question I would ask, especially following on from the last statement given, is that is there a joined-up policy when it comes to deciding which projects to fund? I give the example that my understanding was from a previous parish meeting in St. Brelade that our parish had approached the Treasury to fund building an extension of Maison St. Brelade, which was a significant capital

investment project, only to be told that we could not borrow money off the States and we had to borrow money privately on what many parishioners or some parishioners considered to be a fairly punitive rate from a private landowner. Would it not have been better in that case for it to have been lent by the States, and what is the policy, is there a joined-up policy about all parishes being able to borrow money when it makes sense for both parishioners and the States?

Deputy E.J. Noel:

The Currency Fund is available to invest in infrastructure. The investment that the Deputy of St. Brelade mentioned, I did work very closely with the former Constable of St. Brelade to ensure that the parish had available to it funds from a private source, being a bank, at reduced rates, and that was backed by Treasury. I am not sure - for whatever reason - why that did not proceed. But if the Constable would like to come forward with a proposal to Treasury, then we will look at it.

The Bailiff:

Senator Ferguson, then a final question, Deputy Rondel.

2.9.3 Senator S.C. Ferguson:

What is the actual amount left in the Currency Fund? How much Jersey money do we have in circulation, and what are the requirements for the Currency Fund? I would be grateful for an answer.

Deputy E.J. Noel:

As I already mentioned, the amount in the Currency Fund fluctuates with the amount of currency in circulation. At its peak, which is around Christmas time, we have seen in high 90s of millions, not sure if we went over the £100 million mark. So it does vary. In the summertime, the amount in the fund goes down. Its lowest point over the last number of years, from recall, and I might need the officer to correct me, the lowest it has been in the last 10 years is around £60 million to £70 million. So we believe that we have a buffer of £40 million to invest. It is a sensible use of Island assets to improve in Island infrastructure.

Senator S.C. Ferguson:

The Assistant Minister for Treasury has not answered the question. I asked what at this point in time is the amount of money in the Currency Fund and the amount of money in circulation. Surely the accounting system can give ...

The Bailiff:

I think he said it fluctuates.

[11:00]

Deputy E.J. Noel:

I will liaise with Treasury officials and find out exactly at 11.00 a.m. on this Tuesday morning how much is the Currency Fund and I will report back to the Senator.

The Bailiff:

Very well. Do you wish a final question, Deputy Rondel?

Deputy R.J. Rondel:

I would just like to thank the Assistant Minister for his comprehensive explanation. There may be a few things I would like to ask him afterwards, if that would be okay, and ask whether I could perhaps register St. Helier in the scheme before every other parish jumps on the bandwagon. Thank you.

Deputy E.J. Noel:

I take the good Deputy's comments on board and I look forward to having a chat with him after.