

2.10 Deputy T.M. Pitman of the Minister for Housing regarding an increase in social housing rents:

My question is who was Mitzi Gaynor? No, it is not. I am only young. [Laughter] When deciding to raise social housing rents by 20 per cent, will the Minister advise what discussions, if any, he had with the Minister for Social Security regarding whether the housing component of income support would be increased by the same amount and, if not, how will he proceed to ensure that those who can least afford the increase will not be affected?

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

I am grateful to the Deputy for the question, but first and foremost it is important to be clear what is proposed. What is proposed is the removal of hidden subsidy in social housing rents. This subsidy was never intended; is neither means tested nor targeted, and sits outside the income support system. But to answer the question, the hidden subsidy will be removed alongside a simultaneous increase in the level of housing component of income support. The removal of the subsidy will not in itself have any negative financial implications for those housing tenants in receipt of income support. They will be fully protected. I have discussed it with the Minister for Social Security and he sits on my Housing Transformation Programme Group and I am very grateful for the support and the help that he has given me.

2.10.1 Deputy T.M. Pitman:

I have to say I find what the Minister said reassuring on one hand but as there are such large sums involved I do not believe it is plausible. The question I would like to ask is given the subject that has come up in previous questions about the huge amount of substandard housing, what assurances can the Minister give that this rise is not going to affect people who are basically paying to live in things that are little better than slums? He knows the sort of places I am talking about.

Deputy A.K.F. Green:

There is some accommodation which I am not very proud of as Minister for Housing; in fact, I am ashamed of it. But when we are looking at the 26 to 27 per cent of accommodation that would fail the Decent Homes Standard of the U.K. - which is the criteria which I want every home that we rent out to fit to - some of those fail not because they are in poor condition but because we have not replaced the kitchen or we have not replaced the bathroom, which may be perfectly serviceable. That said, there is a good percentage which is wrong and not up to standard and I am working very hard with my colleagues in the Council of Ministers to put it right. We have reduced in the last 3 years the outstanding maintenance from around £80 million to around £40 million. I have plans going forward to the Council of Ministers at the meeting next week which will bring forward places like La Collette if approved. There is lots going on and I think people can have good heart that we are working very hard to improve the accommodation for people in social housing.

2.10.2 Deputy G.P. Southern:

While I am very reassured to hear the Minister for Housing's commitment to protecting those most needy from the impact of a rent rise, does the Minister not accept that is simply transferring the monies from one pot to another and that if he raises rent by 20 per cent he will effectively be raising income support by a substantial figure?

Deputy A.K.F. Green:

If my figures are accepted as part of the Housing Transformation Programme, we will generate a greater income of £11.25 million. I accept that £7.5 million of that will have to go to Treasury to help to pay for that component or to cover the whole of that increase of rent component. But the remainder can be used in investing in our property, can be used to ensure that we always meet our maintenance obligations. As well as building new, which subject is something I am talking to the Council of Ministers about at the moment, I want to make sure that we have proper planned

maintenance programmes and that that work is carried out, and we never, ever again find ourselves in a position where we have outstanding maintenance of - as in the past - £80 million.

2.10.3 Deputy G.P. Southern:

If I may just press the Minister, does the Minister accept that a rent rise will inevitably lead to an increase in the amount of taxpayers' money going towards income support?

Deputy A.K.F. Green:

I have just said that the rent rise will pay for that component and it will pay to the component by the tune of £7.5 million coming from the people that are paying the rents.

2.10.4 Deputy J.A. Martin:

I would just ask the Minister for Housing - obviously not now - but to back that up. I will declare an interest. I am a States tenant. That is the interest I will declare. What I would like him to... because from the presentation at Housing, from my memory, you have around 4,500 houses and at least I thought 80 per cent of them were receiving income support to help with the rent. So how does a figure of increasing the other minority of 20 per cent bring in the millions the Minister for Housing says? It has never worked in the past. If the Minister can back it up with some actual figures then hopefully it will be okay.

Deputy A.K.F. Green:

I can back it up and I will let the Deputy have those figures.

2.10.5 Deputy M. Tadier:

The Minister will accept that there are waiting lists for social housing, that the demand for social housing by those who cannot afford housing anywhere else exceeds the actual stock that we have. My question to the Minister is if he believes that there is a small percentage in the social housing sector who should not be there and can afford to rent in the private sector, rather than putting their rents up why does he not simply try to target those places, keeping the rents at the same price, to make sure that people who really need the accommodation can get the accommodation?

[10:45]

Deputy A.K.F. Green:

There is a minority of tenants that will be paying the full rent. I am merely - and I agree with it otherwise I would not be doing it - putting in place the policies that previous Ministers and Presidents have had of being 90 per cent of the market rate for rents. Now, are there people that could afford to be living outside of social housing? Sometimes circumstances change and there are people that could, but at the moment they have no alternatives. This is part of the Housing Transformation Programme. People pay their own way where need be and others I hope to offer alternatives, such as affordable homes, thereby freeing social housing for those that really need it. You need to wait to see the White Paper and then it will all be clear.

2.10.6 Deputy M. Tadier:

If I may have a supplementary, the Minister talked about this policy of setting the prices at 90 per cent of market rates. First of all, does the Minister have control over the market rates? Secondly, does the Minister really think that the market rates are affordable in general terms or does he think that they are inflated and perhaps the States should not be following what the free market is setting?

Deputy A.K.F. Green:

If we stay below the market rate then we are not pushing the market rate up, which is what I think the Deputy was referring to. We are not pushing the market rate up if we always tail behind. We need to make sure that our particular social housing is targeted at those that really need it and where

circumstances change we need to offer people real alternatives. That is where the whole Housing Transformation Programme comes into its own.

2.10.7 The Connétable of St. John:

The Minister mentioned properties that do not conform because of bathrooms and kitchens, *et cetera*. Would he please supply us with a list of properties which, if that is the element that they do not meet all standards ... because my background is in obviously kitchens and bathrooms. Bathrooms last, shall we say, virtually for ever and I have real concerns if you are using a list giving Members information that these properties need to be upgraded when bathrooms, as I say, they last for generations. It is not just 20 or 30 years. Will you strip out all those which need kitchens because somebody thinks they are out of date but they are still very serviceable, and likewise the sanitary ware and bathrooms? Can he give us a list with that stripped out, please?

Deputy A.K.F. Green:

It is a very interesting point that the Connétable makes. My own wife reminds me that the kitchen in our house is 30 years old when I talk about this. That said, when we set a standard we set a standard of replacing bathrooms and kitchens normally at around 20 years. Now, if the Constable would just bear with me, if when we inspect that property we find that the kitchen or the bathroom is up to standard, of course it will not be replaced. We do not rip them out just to replace them, but you have to have some sort of funded business plan that we are working to. So what we are saying is every 20 years we plan to replace but if they are in good condition because they have been well looked after by the tenants, then we will not replace them. But we need to make sure we have a proper funded maintenance plan. There is no other way of doing it.

The Connétable of St. John:

A supplementary if I may.

The Deputy Bailiff:

Can I make it absolutely plain from the Chair that I should have disallowed the last question, which has absolutely nothing to do with the question that is before the Assembly.

The Connétable of St. John:

I am sorry, Sir, but the Minister in a reply to Deputy Southern mentioned bathrooms and kitchens, *et cetera*.

The Deputy Bailiff:

Well, I should have pulled him up ...

The Connétable of St. John:

I pulled it out of that.

The Deputy Bailiff:

It is just taking us down a completely blind alley. Now, are there any further questions? Deputy Southern.

2.10.8 Deputy G.P. Southern:

Is the Minister aware that his current waiting list is described as inadequate and it underestimates, and that it leaves out many economically vulnerable under-50s and what is he prepared to do about catering for this hidden market?

Deputy A.K.F. Green:

Yes, I am aware but there is no point in widening the criteria until we can meet the demand. We need to have a proper, robust system. I want to help the under-25s and I want to send out messages

to the couples under 50 that we can help them, but until I have solved those immediate problems and widened the amount of property that we have available, I am not able to do that. But I am certainly working on it and keen to do it.

2.10.9 Deputy M. Tadier:

How does the Minister feel about increasing rents by 20 per cent for some of the most vulnerable in our society while at the same time there is a pay freeze on the table for 2 years? Some of those people, of course, will be in social housing. Can the Minister respond on how he feels on a moral level with that?

Deputy A.K.F. Green:

Yes, because I have already said they will be fully protected.

2.10.10 Deputy T.M. Pitman:

I think in fairness I should point out that I do believe the Minister is doing a good job. He has inherited an absolute disaster from Senator Le Main. But what I would like to ask the Minister, could he clarify for us whether he has been under any pressure to increase his rent from the Housing Trust who, of course, has effectively frozen it for a number of years?

Deputy A.K.F. Green:

Absolutely not, but what I will be bringing in as part of this regulation is the money that the Housing Trust will have as a windfall that I will have greater say and control over how it is used. It will be used for social housing from the Trust as well. I will have greater say. The Trust has had no input in terms of whether we should put the rents up at all.