

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY J.A.N. LE FONDRE OF ST. LAWRENCE
ANSWER TO BE TABLED ON TUESDAY 19th FEBRUARY 2013**

Question

Would the Minister provide information for the years 2008 – 2012, and the projected figures for 2013 – 2016 in respect of the following :

- (i) any costs which will be transferred to the proposed new Housing Trust;
- (ii) any costs that will either remain with the States (ie any States Department) and any expenditure (revenue or capital) that may be incurred by any States Department as a result of the new Housing Trust or any other part of the proposed Housing Transformation Program, separately identifying any classifications of expenditure of £100,000 or more, and also identifying which Department / Ministry will incur such expenditure;
- (iii) any costs that will be incurred by any third parties as a result of the new Housing Trust or any other part of the proposed Housing Transformation Program, separately identifying any classifications of expenditure of £100,000 or more, and also identifying the nature of such third parties;
- (iv) any additional expenditure (revenue or capital) that may be incurred by the proposed Housing Trust separately identifying any classifications of expenditure of £100,000 or more?

Answer

As a Trustee and Secretary of the Les Vaux Housing Trust, Deputy Le Fondre will be aware that a Full Business Case in support of the proposal to create a Housing Association from the current Housing Department is complete. It is an impressive and comprehensive document, in excess of one hundred pages in length and is more than sufficient to answer the questions posed. All that was needed was some patience or perhaps a visit to the Housing Department where my door is always open to all.

My Department and I have adopted a collaborative and transparent working relationship with stakeholders and the other Housing Trusts, but regret this has not always been reciprocated. It is somewhat ironic that the request for information comes from the Secretary of Les Vaux Housing Trust which has, to date steadfastly refused to provide information. This would have assisted me in formulating plans for all social housing providers well into the future. I should reiterate that my efforts are motivated by a desire to protect and improve the rights and conditions of all social housing tenants.

I sincerely hope that this is not an attempt to compare a small Housing Trust with that of the largest Social Housing provider in the island. This would be like comparing apples to pears, as the organisations are very different. The Housing Department has an on-going large capital development programme, providing many hundreds of new units of accommodation, which Les

Vaux Housing Trust has little or no history of undertaking. In addition, the Housing Department has specialised services, co-ordinated with many other agencies dedicated to supporting some of the Island's most vulnerable residents.

In all of the questions above, I presume the reference to a 'Housing Trust' is in fact meant to be a reference to a 'Housing Association.'

Projections for 2016 are not included as the MTFP does not cover this period. Modelling has been performed for the proposed Housing Association over a 30 year period, the results of which will be published in the 'Incorporation of States Housing', Report and Proposition and 'Full Business Case', in due course.

Each of the points is answered in turn below.

- (i) The returns made by the Housing Department for the years in question are noted below. All costs incorporated in the returns, with the exception of those noted in point (ii) below, will be transferred to the proposed Housing Association on inception.

	Housing Department cash limit £000s
2008 – actual	22,015
2009 – actual	22,362
2010 – actual	23,287
2011 – actual	20,929
2012 – actual	24,558
2013 – forecast	26,799
2014 – forecast	27,972
2015 – forecast	29,339

- (ii) As part of the Housing Transformation Programme, a Strategic Housing Unit ("SHU") is proposed to be formed which would sit within the Chief Minister's Department. The activities of the proposed SHU are currently performed by the Housing Department, Population Office and Planning and relate to staff costs only. The cost is forecast to be £182k on inception of the proposed Housing Association and has/will vary in line with civil service pay rates. This cost will remain with the States of Jersey on formation of the Housing Association.

Depending upon the agreed rent policy some additional cost, which would be phased in over a number of years, may become payable to the tenants of social housing providers (both to the proposed Housing Association and the existing social housing trusts) by the Social Security Department in the form of additional housing component of Income Support.

- (iii) As part of the Housing Transformation Programme, a Social Housing Regulator is proposed to be established. The forecast cost of the regulator is £160k per annum and will commence on formation of the regulator. This will be funded by social housing providers on a pro-rata basis. The Housing Association will fund £120k of this cost.

(iv) An allowance is made in the Housing Association business model for additional expenditure as follows:

- One off set up costs totalling £2,820k in years 2013/2014 (including the purchase of the pension debt in relation to Housing Department employees of £2,135k)
- Replacement IT systems of £500k
- Recurring costs paid to the Social Housing Regulator of £120k

The proposed Housing Association is forecast to perform substantial capital redevelopment of a number of sites currently in States ownership and to refurbish a number of existing units to bring them up to Decent Homes Standard. Total costs for this work is forecast to be £201m. Further capital expenditure will be incurred should there be demand for new social housing and sufficient funding available to the Housing Association.

Additional maintenance expenditure is forecast to be incurred to bring remaining homes up to Decent Homes Standard, and maintain them at that level. More management and time will be required to govern the amount of capital and revenue works required particularly in the first 10 years. Provision has been allowed for in the business case for the governance and support costs currently provided by other departments free of charge, such as legal services. Details of the business model of the proposed Housing Association will be published in the Full Business Case in due course.