

## **2.8 Deputy K.L. Moore of St. Peter of the Minister for Treasury and Resources regarding the identification of further funding to acquire additional housing sites in the next 2 years.**

Given the current economic situation and the shortage of affordable housing, would the Minister be prepared to identify further funding to acquire additional sites that could be brought forward in the next 2 years?

### **Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):**

The Council of Ministers has set as a high priority to bring forward sites in both public and private ownership that are capable of delivering affordable housing in the next 2 years. As previously explained, the Treasury, Jersey Property Holdings and Housing are committed to bring forward all possible States-owned sites. In support of this, the Treasury is presently exploring a range of financial options. These include the use of the investment funds for infrastructure projects such as the shared equity scheme and Trinity, or external borrowing against the rental income streams. In addition, the Treasury will also consider providing assistance to social rental providers and to the Parishes. Further, the States capital programme is approved on an annual basis. One option, when we consider the capital programme for 2014 and 2015, is to take into account the possible acquisition of further sites for affordable housing development. Sites identified for affordable housing will also be acquired and developed by other social housing providers through the release of equity, commercial borrowing or a combination of both. Money invested in social housing is a good fiscal stimulus and with the added benefit of housing Islanders in better homes, thus creating a win-win situation. Significant funding is already available, both through the capital programme and the £27 million voted by this Assembly last year. A priority of Treasury is to ensure that this money is going to be spent.

### **2.8.1 The Deputy of St. Peter:**

I thank the rapporteur for his answer, which sounds very encouraging, although I am concerned about the timeline and whether the rapporteur feels that some of these homes are able to be delivered within the 2-year timeframe that was connected to my question.

### **Deputy E.J. Noel:**

I agree that on the States-owned sites, it is going to be difficult to provide a significant number of affordable housing and social rented housing which is why, along with Treasury, Housing and the Minister for Planning and Environment and indeed the rest of the Council of Ministers, we are looking to the possibility of identifying sites that are not currently in public ownership.

[10:30]

### **2.8.2 Deputy R.G. Le Hérissier:**

When I asked about the Trinity development, almost by a slight of hand the Assistant Minister said the effective price as opposed to the real price. I wonder could he outline, if that was indeed the effective price for other first-time buyers, we would be able to deal with the issue a lot better than estates appearing with all sorts of different *ad hoc* financing arrangements?

### **Deputy E.J. Noel:**

To solve our housing problems, we need a range of solutions. We need more social rented housing. We need more affordable first-time buyer homes and to do that, I do believe that we need shared equity schemes. The Trinity scheme is an excellent example of how a true shared equity scheme can work and we are encouraging other Parishes to come forward with such schemes.

### **2.8.3 Deputy R.G. Le Hérissier:**

Could the Assistant Minister confirm that the entry price for that particular scheme should be the norm for other schemes otherwise we are asking ridiculous sums of money of people?

**Deputy E.J. Noel:**

At the end of the day, the entry price has to be affordable. The Trinity scheme that they are providing is a very good scheme of a very high quality product. There is scope to bring that entry price down on other sites.

**2.8.4 Deputy J.H. Young:**

In the quest for affordable homes on privately owned sites, would the rapporteur advise the Assembly whether he has achieved a definition of affordable housing with the Minister for Planning and Environment that would enable us to progress with the zoning and identification of suitable private sites and if so, in his very comprehensive plan that he just explained to us, is there going to be money to acquire them?

**Deputy E.J. Noel:**

In terms of the first part of the question, that is work in progress between the Council of Ministers, the Minister for Planning and Environment and Treasury concerning what is going to be a definitive definition for affordable. With regard to potentially new sites, then yes, the Treasury will do our utmost to provide the funding so we can move forward and start building affordable homes for Islanders.

**2.8.5 Senator S.C. Ferguson:**

The rapporteur mentions funding and so on. In his written answer, there is talk of £200 million being borrowed on behalf of the new housing organisation. We have already heard of something over £400 million that would be required for a new hospital. That is £600 million. Are we not getting ourselves in rather deep in view of the general economic situation?

**Deputy E.J. Noel:**

Social rented housing can be self-financing. There is, I believe, the Rowntree model that is used to provide that and if P.53/2012 is passed by this Assembly, then that is one of the funding options available to what would be a wholly-owned States housing company. That £200 million mentioned will be funded from the revenue streams generated by those properties built. As regards the hospital, I think it is a bit out of the remit now. We have to first complete the feasibility study of where the new hospital will be and to bottom out the actual funds cost of it.

**The Deputy Bailiff:**

We are not going to go into the hospital on affordable housing. I am sorry, Senator, I have been much too slack with Members coming in with 2 questions instead of one on supplementary questions and that is now stopping.

**2.8.6 Deputy R.G. Le Hérissier:**

Does the Assistant Minister accept that he is in danger of missing one of the “Ts”, the targeted, temporary and timely, on the fiscal stimulus package? When would he say that this fiscal stimulus is no longer timely? Does he give himself a window on that?

**Deputy E.J. Noel:**

I believe that this fiscal stimulus that we are in the process of rolling out in terms of providing social housing is indeed compliant with the 3 “Ts” because unfortunately our current economic climate is here to stay for a number of years, I believe, and therefore the timely aspect of providing social housing is over the next 2 to 3 years and therefore I think that comes in within the definition.