

21.05.11

9 Deputy G.P. Southern of the Minister for Housing and Communities regarding the refurbishment of Le Marais properties (OQ.107/2021)

Will the Minister state the tenancy terms and conditions that apply to approximately 400 Andium Homes residents up at Le Marais during and following the refurbishment of their properties? Will he advise whether it is expected that the tenants will return to their properties or move from the area and in any case if they will be treated as new tenants and subject to rent rises as a result?

Deputy R. Labey of St. Helier (The Minister for Housing and Communities):

Yes, the 4 towers of Le Marais are being refurbished at a cost of £22 million. Work has already begun and started on Block H and will continue to G, E and F and be completed in 2023. Here is how it worked with Block H: before the work started the block was completely vacated. Each tenant was given individual consultation and 2 choices, whether to move to new accommodation, to say goodbye to Le Marais, or whether to move to temporary accommodation and then return when it is completed. The tenancy agreements that exist, their tenancy in Le Marais will cease when they vacate and new tenancy agreements are drawn up for either the new accommodation or the temporary accommodation, then there will be another new tenancy agreement when they move back to Le Marais. All tenants moved to new tenancies, as I have said. The rents are set in line with the current States social housing rent policy. Those on income support were of course fully protected. Andium provides carpets in the new homes and tenants are also entitled to a financial removals allowance.

2.9.1 Deputy G.P. Southern:

The net effect of being made to sign a new contract is that their rents will rise to 90 per cent from whatever it was previously; is that not the case? Is this not effectively the tenants paying for the refurbishment via a hike in their rental charges?

Deputy R. Labey:

I am not sure how great the hike is because the new rents for Le Marais have not as yet been set, but in essence that is the policy. That was the policy, as far as I can remember, when I joined in 2014. I remember it from the La Collette low rise, but essentially that is what happens.

2.9.2 Senator S.Y. Mézec:

Is the Minister aware of how the housing trusts, such as Les Vaux Housing Trust, have handled similar situations when moving tenants to an equivalent flat during a phased refurbishment or redevelopment project and how they have handled the issue of whether rent goes up or not? If he is aware of how they do it, could he tell us and could he outline whether he thinks the state-owned housing provider ought to adopt a similar approach?

Deputy R. Labey:

I have been to visit Les Vaux and had a tour of it, the new development, and it is absolutely fantastic. I commend that trust for that complete redesign and refurbishment. As to the details of how they have decanted their tenants and reissued tenancies, I do not have that information in my head. I will certainly have a look at it.

2.9.3 Senator S.Y. Mézec:

My understanding of that project is that they were able to transfer their tenants without imposing a very significant rent increase on them, despite the fact the redevelopment is very significant. I agree with the Minister, it is a fantastic development and an example to all. Now that he knows this, would the Minister agree that it is a demonstration that the social housing rent policy is broken and that there is an injustice in moving tenants against their initial desire - it is not their choice to be subjected to these redevelopment programmes, even if they are the right thing to do - and get a massive rent increase as a result of it? Would the Minister commit to supporting an alternative rent policy that does not see this arise as an issue?

Deputy R. Labey:

Yes, I am not aware of any tenants myself who had no desire to move out and then move back into a refurbished Le Marais. It is a massive refurbishment, with new heating, new wiring, new bathrooms, new kitchens. It is going to have a new wi-fi through the block ... sorry, I keep hearing an interruption.

The Bailiff:

I know. Somebody interrupted and was speaking. Please do carry on though, Minister. I do not think it was an intentional interruption.

Deputy R. Labey:

The lifts have been refurbished so they stop at every floor; they used to stop every other one. Now, as to the 90 per cent of market rates social model that we have had since Andium was created, the Housing Policy Development Board asked the States, the Government, to review that. I am conducting my own review. I have been doing so since I became Minister for Housing and Communities 100 days ago so that I can take an informed position on that. Of course it is not in my gift to change it, it is the shareholder representative at Treasury, but I want to get all the information I can about that, as asked to do so, and consult with colleagues. That is happening at the moment.

2.9.4 Deputy M. Tadier:

Does the Minister agree with me that it does not feel right to ask residents to move out, through no choice of their own, in order for no doubt much-needed refurbishment works to go on, only to find that their rents will go up to 90 per cent of market rate when they have been enjoying a different and more beneficial agreement up until this point?

Deputy R. Labey:

Of course I expect there are instances where people can use that opportunity, tenants can use that opportunity perhaps, if their needs have changed, to move to smaller accommodation, if they no longer have children with them, for example, so that can happen. I am not aware of any kind of disquiet. I get a big mailbag obviously on housing issues and I am not aware of people upset by this.

2.9.5 Deputy M. Tadier:

Maybe that is a job for the constituency members of Le Marais to engage then with those residents of Le Marais. But the supplementary is: is the Minister aware that Article 16 of the Residential Tenancy Law gives the court wide jurisdiction to resolve any contested matters of dispute and vary contracts in all ways that might be considered just and reasonable? So it is open for all of those tenants to take a collective suit against Andium, saying that they do not wish for the rents to be increased when they move into new premises and that, if they could secure legal representation or

even if they could not, the court could rule that Andium should not charge them any extra rent or vary their contracts when they are in their new premises.

Deputy R. Labey:

That is noted.

2.9.6 Deputy R.J. Ward:

Is there a point where the Minister will step in to stop rises in rent and, if so, when is that? If not, why not?

Deputy R. Labey:

As I said, I have been asked to look at the policy, the 90 per cent policy, and I am doing that and I have had a lot of meetings on it and I am trying to gain a proper understanding of it and the implications for changing it, and that is happening at the moment. We are looking, thanks to the Housing Policy Development Board, at making being a tenant in Jersey as secure and safe as possible and a lot of work is going into that at the moment.

2.9.7 Deputy R.J. Ward:

Does the Minister believe that as Minister for Housing and Communities he has enough say, has enough influence over rental levels, particularly in Andium Homes, or has that arm's length organisation become so arm's length that our ministerial role of housing really has no influence over it whatsoever?

Deputy R. Labey:

That is a very interesting question and one I spoke to the Andium management about very recently. Because it struck me that the prevailing attitude seemed to be when Andium was created that that was fine for social housing now in Jersey and they could go off and get on with it arm's-length and occasionally we would meet up with them or see the results or consult, what have you. I think that is going to change, I think it needs to change. I think that housing, it is not a department anymore, but the housing unit that I head up needs to be beefed up. To that extent, I am accelerating the recommendation to have a strategic alignment unit so that we are looking at all properties that are being built by government or their agencies or trusts across the board to make sure that we are providing the right properties.

[12:00]

I go on to the Regeneration Steering Group which I have sat on my first meeting last week on that and I think that is important. What is really, really important, the Andium management team said: "Yes, we are absolutely up for that, we would like direction, and we would like to work together with government and all the agencies to make sure that we are providing exactly what is needed" so I think they would welcome that.

The Bailiff:

Deputy Tadier, I am afraid there is no time for a second question, but it would not be normal for a Member to have the opportunity to ask a second question within questions with notice, although obviously second questions are often asked in questions without notice.

2.9.8 Deputy G.P. Southern:

Will the Minister undertake to return to the House with the actual price changes in terms of rental between the 80 per cent, or previous rent, and the 90 per cent rent for bedsits, one beds, and 2-bed flats, particularly about Andium Homes at Le Marais?

Deputy R. Labey:

Yes, is the short answer. As soon as the rents have been set, I am happy to distribute that if that is what has been asked for.

The Bailiff:

No, I think Senator Mézec has made an observation within the chat in which he thinks what I have said was wrong but please do continue with your answer, Minister.

Deputy R. Labey:

I am done, Sir.