

STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY

The Bailiff:

That concludes the second question period. We come to statements, there being no personal statements. On a matter of official responsibility, the first statement is to be made by the Chairman of the Sub-Panel, I think, looking at Social Housing. Deputy Power.

5 Deputy S. Power of St. Brelade:

The Minister for Housing lodged the report and proposition, Social Housing Property Plan 2007-2016 (P.6) on 16th January this year. The Sub-Panel had sight of this document some 3 weeks before, about 3 days before Christmas, it was lodged and it has now been confirmed that it was at a final draft stage some 6 months earlier, which would have been the summer of 2006. The Panel set up the Sub Panel on 2nd February this year and membership is as follows: myself (Deputy Power), Chairman; Deputy Alan Breckon, Deputy Chairman; the Constable of St. Martin; the Constable of St. John and Deputy Roy Le Hérisier. Since it was set up, the Sub Panel has met on 20 occasions. This has included meetings with the Housing Minister, the Assistant Housing Minister and all officers of the Housing Department. The Sub Panel subsequently retained Consult CIH Limited, a subsidiary of the Chartered Institute of Housing, to advise the Sub-Panel. They are a professional body that specialises in social housing and are a registered charity. CIH (Chartered Institute of Housing) is a non-profit organisation with over 20,000 members in 20 countries, working predominantly with local authorities. The advisers have visited the Island on several occasions and met with the Housing Minister, the Assistant Housing Minister and Housing Officers. The Sub-Panel specifically arranged for CIH to have access to the Housing Department, and I thank the Housing Department for their co-operation in this area. Indeed, the Housing Department arranged a short tour of specific housing properties for CIH. A large amount of Jersey housing data was made available to CIH and they consulted with other parties who have knowledge of the local housing situation. They have related this Jersey knowledge to their other experience in dealing with housing matters elsewhere. CIH have produced a draft report for the Sub-Panel and this is now in its final form. Some of this report will be included in the final Sub-Panel report. The Sub-Panel has carried out its own research, and this included a questionnaire that was sent to all States' tenants in co-operation with the Housing Department. I am pleased to report to the Assembly that the Sub-Panel received 1,248 responses from the 4,437 tenant households contacted. This represents a 28 per cent response rate, and the results are being analysed locally by a statistician. The results will form part of the Sub-Panel report next week. The Sub-Panel has also carried out a preliminary background research into Housing's financial situation, bearing in mind that over £500 million of public funds and assets are going to be involved over the next 10 years. As a result, the Sub-Panel is minded to recommend that the Comptroller and Auditor General takes a look at the Housing Department finances, to ensure best practice and public accountability. I hope that this gives Members some idea as to how much ground has been covered in the past 16 weeks. The Sub-Panel raises some serious questions about the Property Plan that the Plan does not answer and, as a result, the Sub-Panel is not in support of the Social Housing Property Plan proceeding in its present form. However, the Sub-Panel does find some measured support, which will not delay some progress being made in a measured fashion. To date, therefore, the Sub-Panel has important reservations about the lack of analysis for the future demand for social housing and whether this lack of information supports the Plan. The sale and selection process of properties, outlined in the Plan, has significant shortcomings. The fundamental problems relating to rent subsidy and transfer to Social Security are not addressed. The assumptions behind the refurbishment of properties under the Plan are not sufficiently robust. Finally, the model put forward in the Plan for increasing home ownership appears to be inappropriate to the needs of the community. Members should be aware of this, as a preliminary notice of the Sub-Panel report to be published next week, and the Assembly should decide whether the Plan should be debated on 19th June. Thank you, sir.

5.1 Senator T.J. Le Main:

Would you allow me, as the Minister involved with this, to make just a few comments on the statement, Sir?

The Bailiff:

No, I am afraid not Minister but you may put a question.

Senator T.J. Le Main:

Well, would you bear with me that I could ask several questions, Sir?

The Bailiff:

Certainly, you can start by asking one. [Laughter]

Senator T.J. Le Main:

Well, could I ask the question and have some appendices to it, Sir? [Laughter]

The Bailiff:

Well, as you know, the Standing Orders allow 10 minutes for asking of questions relating to statements. I will certainly allow you to ask a question, perhaps more than one question, but if other Members have questions I must hold the scales of other Members too.

Senator T.J. Le Main:

I have to say I am very disappointed with the final comments of the statement made this morning and, therefore, I would like to ask the following question: will the Chairman of the Sub-Panel confirm that the Housing Minister and Assistant Minister only met the Scrutiny Panel officially once. We have never been invited back. Many of these issues they relate on the final bullet points were not expressed or discussed at that meeting, so we have no reason to understand why and how they have come to those conclusions. We can address these issues very easily, but I would ask the Chairman that we urgently meet to discuss these issues as a way forward. As I say, Sir, I am very disappointed that this statement has been made this morning without any prior consultation to myself or my Assistant Minister. I am very happy to meet with the Sub-Panel urgently.

The Bailiff:

I think that is the question.

Senator T.J. Le Main:

The question is, Sir, that the bullet points on the last page, in fact some of them were never discussed with myself or my Assistant Minister...

The Bailiff:

Well, that is the question.

Senator T.J. Le Main:

I would like to ask...

The Bailiff:

Yes, I think you must sit down, I think, now.

Senator T.J. Le Main:

Yes, Sir, I would like to ask the Chairman why he makes those assumptions without having spoken to us about them.

Deputy S. Power:

The Housing Minister refers to the fact we have only met once. He is referring to a public hearing which was copied and recorded and transcribed, but we have met on far more occasions that, unofficially. With regard to his request for an urgent meeting, I think the Sub-Panel would be minded to concede that. We are planning to publish the report next week - probably on Monday - but I am willing to meet with the Housing Minister to discuss any issues that he feels he wishes to bring to the Sub-Panel's attention. I also feel that it is slightly unfair of the Housing Minister to say that we did not consult him about the 5 bullet points. Out of courtesy, we have brought to the attention of the Assembly the issues that we feel are material in the debate going ahead on 19th June and we did not feel there was any other way of doing it. Thank you, Sir.

5.2 Senator T.J. Le Main:

Can I ask a supplementary, Sir, in view of the answer: will the Chairman put in writing, immediately, the concerns and the reasons why they have concern on those bullet points, so that we can address them and deal with them immediately?

Deputy S. Power:

I am very happy to write to the Housing Minister today and put those 5 points to the Minister for consideration.

5.3 Deputy P.V.F. Le Claire:

The statement that has been read this morning appears to have been written with the effect of being severely critical. Was this the intention of the writer or drafter of this statement? Was it the intention to produce a severely critical statement? In particular, can I ask for clarification in relation to the third paragraph on the first page, whether there is any insinuation, as could be read, that there is impropriety occurring: "As a result, the Sub-Panel is minded to recommend that the Comptroller and Auditor General take a look at the Housing Department finances to ensure best practice and public accountability" as that infers some doubt. I would like to have that cleared, if possible, at this opportunity. Also while establishing whether or not this has been written to be severely critical, whether or not the final bullet point, in particular, could be explained by the Chairman of the group, in relation to the fact that it is inappropriate for the needs of the community. Could he expand exactly what that means? This statement does seem to be something that has been written to be severely critical and I would like to ask those questions.

Deputy S. Power:

The first question was in relation to the critical statement. We brought our statement to the Assembly to put the Assembly on notice that we have concerns about the Housing Property Plan. These are issues that I think we have reservations about and they will be fully addressed next week when the report on the Plan is published. There is absolutely no question of any suggestion of impropriety in the Housing Department. The reason we are recommending that the Comptroller and Auditor General has a look at the Housing Department's financial structure is because we are dealing with £500 million. That is a significant amount of money, even by Island standards. I want to make that clear, that there is absolutely no question of any impropriety or any untoward goings on in the Housing Department. This has never been suggested. Finally, with regard to the Deputy's last question on bullet point 5, he is referring to "The model put forward for increasing home ownership appears to be inappropriate to the needs of the community." I would make the following comment: it has long been accepted that those in greatest need of affordable housing in Jersey are young couples and families. If this Plan were about increasing home ownership based on need, it would seek to address the needs of younger buyers - up to the age of 40 years - who would want, in many cases, benefit from higher levels of discount. I would also add to that, the group that Housing accept they are most likely to attract

with their Plan are older tenants who have higher incomes and are not on abatement. Thank you, Sir.

5.4 Senator P.F. Routier:

My question relates to bullet point 3. There is a statement: “The fundamental problems relating to rent subsidy and transfer to Social Security are not addressed.” I recognise that the Deputy has offered to write to the Minister for Housing explaining what the bullet points are and, hopefully, he would be prepared to include me in that circulation. But could he give me any inkling of what that statement means?

Deputy S. Power:

Yes, I can give an indication. The States, as a whole, have not been made aware of the possible implications of the planned transfer of rent abatement and rebate to Social Security under income support. The financial effects of the move are unclear, owing to inadequate information. The implications of change to a 5-year qualification rule for housing benefit have not been adequately investigated. The Housing Minister has made it clear that he strongly opposes the move. Those are just 3 issues and I think there are another 9, but I am not going to take up the Assembly’s time with that. It will be available next week.

Senator T.J. Le Main:

I do not oppose the 5-year rule now. I have had a full explanation.

5.5 Deputy R.G. Le Hérrissier:

This may be a pointed question. I would like to ask the Chairman, would he concede that, in fact, the Panel took a very positive view but part of its problem was trying to identify what was the particular focus of this programme. Was it a quick sell-off to get maintenance money? Was it a realignment of property or was it for some other reason? Would he not accept that - depending on how you judge the programme - sometimes contrary to the comments of Deputy Le Claire, you may well end up taking a positive view, albeit with reservations that have to be dealt with.

Deputy S. Power:

I would like to answer that question by saying that the Sub-Panel became aware, fairly quickly, to coin a phrase, that normally one says that: “The devil is in the detail.” In this case the devil was in the lack of detail. We had trouble analysing how a States’ department could realistically justify selling that amount of property, in a very short report containing 34 pages. I think the Sub -Panel was unanimous in its view that there were problems with the Property Plan and I have forgotten the last part of the Deputy’s question, if he could remind me again?

Deputy R.G. Le Hérrissier:

Would the Chairman not accept that, having given the courtesy of indicating the direction the report is going, it would be wrong for people to infer it is going to be a wholly negative report and, in fact, there are some strengths to the Plan and we are very concerned, though, that the reservations be dealt with?

Deputy S. Power:

Yes, I would like to point out that I think the Housing Department, and the Assembly as a whole, could possibly look at the reservations we have as an opportunity to look at the bigger picture. The Sub-Panel struggled with the fact that we felt sometimes that we were being used as a Trojan horse in this exercise. We feel that the major review of housing policy on this Island, the future of the Housing Department: whether there is a housing authority; a housing commission; a housing association; the control and management of States’ social rented housing; rental in the

private sector, and all the other parts, should have been taken into account in this. We feel that the Housing Department should really regard this now as an opportunity.

The Bailiff:

I am afraid that expires the time allowed for questioning, Senator.