

STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY

3. The Minister for Housing - statement concerning the Single Qualified Property Classification

3.1 Senator T.J. Le Main (The Minister for Housing):

Let me say before I make my statement that I have the utter respect for this Assembly and recognise and value that it is supreme over all matters political. I want to make quite clear that any decisions or policies that I have been making have been with the full blessing and co-operation of this Assembly. I wish to explain to this Assembly my decision to introduce a single qualified property class; in particular why I felt I could reasonably make this decision, why I do not consider this change as one which will have a major effect. I would also like to take this opportunity to clear up any remaining uncertainty about what this change actually means. I took this decision after much advice as the Minister for Housing in the course of administering the Housing Law. This includes the ability to grant housing consents and apply conditions, in particular as to in what classes a qualified person can occupy their property. The Housing Law specifically requires me to have regard to minimising any further aggravation of the housing shortage, and I take this responsibility very seriously indeed. Indeed, I remain very concerned about the affordability of housing in Jersey and I fully appreciate that Members are concerned too. The last major change to property classification policy was in 1999 when the Committee of the day - and I see 2 members in the Assembly, Senator Breckon and Deputy Duhamel who were on that Committee - decided that all new flats developed from commercial property would be (a) to (h), whereas previously they had all been (a) to (j). That Committee took that decision without reference to the States in the same way as I have now made this decision. Committees and I have made various property reclassification during and before my 10-year tenure. I am therefore satisfied that there is clear precedent for the decision I have now made. I am acting in the manner of successive Committees. I also make this decision in a clear expectation that this change will not have an effect on the overall level of property prices in Jersey because it is my belief that major changes in policy which affect the everyday lives of the Islanders should be brought to this Assembly. This change is not such a change. As everyone can see from the review of the paper on any evening, the vast majority of property is already (a) to (j), as all houses over 2 years old and over £250,000 in value are already classified as (a) to (j), and until 1999 all flats also were (a) to (j). Our more in-depth analysis shows that 80 per cent of the property market is already (a) to (j). Making the final 20 per cent also (a) to (j) will not create more (j)s, it will just spread the existing (j) cats. more evenly across the market. To place this into context there are under 1,800 (j) cats. in Jersey out of an adult working population of 56,250. To put it another way, there are 35,500 households in Jersey of which 1,800 are (j) cat. households. In short, 3 per cent of the working population are (j) cat. employees and 5 per cent of the households. I simply do not believe that opening to the final 20 per cent of the property market to these small numbers of people will affect prices, and remember out of the 1,800 (j) cat. licences a large percentage of those are nurses and teachers who have concessions and are exempted and can occupy (a) to (h) accommodation as part of a concession. The property market will not affect prices. Simple logic will tell you this. I have considered all the available statistics. I have consulted very much with the Migration Advisory Group, officers of the Population Office, and finally, with the Council of Ministers at their meeting on 14th January. It is therefore a decision informed by a collective and extensive knowledge of the housing market and a long association with related professionals and the wider public. Indeed, we recently consulted on these issues widely. Lo and behold, the latest migration consultation document did not produce one response from any States Member - not one on the Green Paper that went out. Statistics and experience aside, would we not prefer (j)s to occupy a flat if they wished rather than a family house. Indeed, why should we restrict the choice of these very valuable workers who contribute so much to our economy and especially to our health and education services? As to P.25/2005 and the recent consultation on the migration policy, both clearly stated that a single qualified property class was the aim. P.25 received strong support and recent consultation

highlighted only support. As I say, no States Member replied to the recent consultation. I view both these as persuasive but not the foundation for my legal decision, which is made under the Housing Law. As I say, if I felt this decision was a major policy change I would be before you for debate, although I have to say that these proposals have been in the open for all to see and comment on for several years. I thank the Members for the time and attention and I can give an absolute categorical assurance that if any Members would like a comprehensive briefing on the subject... I would also be very happy to pass this on to the Scrutiny for them to look at it and I would be very happy to co-operate completely, as I said, with Scrutiny, and with any Members, to explain to them the very valid reasons why this is an important part of a migration policy.

3.1.1 Senator B.E. Shenton:

Can I ask the Minister whether he is willing to withdraw the Ministerial decision and bring it back as a Report and Proposition, and if not [**Approbation**] could he give an assurance that the old policy will stay in place until the proposition has been debated.

Senator T.J. Le Main:

The answer is no, I am not prepared to give any assurance at this moment. I need to make sure that, the issues that are going to be raised today, that I can consider them; I will have to consider them with the Law Officers, and certainly with my office and department. I cannot, at this time today, give any assurances on anything because quite honestly I need to know the issues in regard to what is going to come out of question time today.

3.1.2 Senator B.E. Shenton:

Is the Minister for Housing saying that he will give consent to help out developers even though this Chamber would like the proposition debated?

[12:00]

Senator T.J. Le Main:

That is absolutely wrong. We met developers, my Assistant Minister and officers, and it is quite clear that this policy did affect some of the major developers. In fact, it will assist some of the many local Jersey people that do own (a) to (h) share transfer where they will have a little bit of a wider market now to [**Aside**] ... no, a little bit of a wider market to offer their property. But it is quite clear that the large developers are not happy with this decision and would have preferred to maintain the *status quo*.

3.1.3 Senator A. Breckon:

In the Minister's statement near the end he made reference to a legal decision which is made under the Housing Law. He also says: "The Housing Law specifically requires me to have regard to minimising any further aggravation." Of course the Law comes from 1949. I would ask the Minister what he sees is consistent with that and quoting the decision of a Committee in 1999 which changed the classification on commercial property from (a) to (j) to (a) to (h), which in fact is tightening the housing market, how he sees any of this as being consistent with his role of aggravating the housing shortage and the policy that he has come out with. Can he tell us where the consistency is and where his role is consistent with the 1949 Law?

Senator T.J. Le Main:

The Deputy very well knows, as an ex-member of a previous Housing Committee, that the department's policies are not set in stone. As the markets develop or as issues develop over a period of years then one has to produce policies that are going to be good for the people who live and work and contribute to this Island. The issue is quite clear that, since Senator Breckon and others who have experience on the Housing Committee... that they realise that there has to be the Committee or the Minister with information provided which will not aggravate or inflate the

housing market, who must be able to make decisions on a regular basis so as to meet the needs of the public and also to provide homes for people.

The Bailiff:

I will ask for your future answers to be more concise please.

3.1.4 Senator A. Breckon:

I did ask the Minister under the Housing Law, as it was established in 1949, can he confirm that his role is still to prevent aggravation of the housing market?

Senator T.J. Le Main:

Yes, and the decision that has been made with all the information provided to myself, to the Migration Advisory Group and all other interested professionals that we have consulted with shows quite clearly that this will not aggravate the housing market whatsoever.

3.1.5 Senator S.C. Ferguson:

Just a procedural matter: will the Minister say exactly who he consulted with before he signed this decision and could he explain why he signed a decision which was apparently prepared by the Population Office, which is located in the Chief Minister's Department?

Senator T.J. Le Main:

Firstly, because the Minister for Housing is the person in Population that has to administer the Housing Law until such time that the Housing Laws are wrapped-up and a new Migration policy is in place. So the Minister for Housing is responsible for the existing Housing Law until it is got rid of. The second question I am afraid ...

Senator S.C. Ferguson:

I asked exactly who the Minister consulted with before he signed the decision.

Senator T.J. Le Main:

There was extensive consultation with quantity surveyors, developers, lawyers, estate agents; I believe C.A.B. (Citizens Advice Bureau) were involved. All people that mattered in the accommodation agency were, as far as I am advised, completely and utterly involved in seeking the information we needed.

3.1.6 Deputy J.A. Martin:

I think the Minister has just hit the nail ... the crux of the matter on the head. He is now the Minister who makes Housing Law. Under the new Migration policy it will be Population; (a) to (j) will become a licensed person, a licensed person can be anybody who walks into this Island and is employed. They do not have to go through Housing, they do not have to prove they are a special (j) cat. Now what the House is concerned about - what I am concerned about - will the Housing Minister not accept... I think he may have even been hoodwinked by the Council of Ministers. This is part of P.25. We are told in P.25/2005 that all policy will come back to this House ...

The Bailiff:

Concise question please, Deputy.

Deputy J.A. Martin:

... and I would like him to really reconsider this as part of the whole migration policy. If this bit goes through our licences and entitled are all going to come through the back door because this is a major part of our new Migration policy. Will the Minister not consider rescinding his M.D. (ministerial decision)?

Senator T.J. Le Main:

I am not considering anything at the moment, as I explained, because I need to get and discuss with my department, and the Chief Minister's Department, and maybe the Law Officers, on issues that are going to rise out of the debate today. In my making this decision, P.25 inserted... and the following consultation from P.25: "The States agreed in the short term to the development of migration." Then it went on: "Systems should be carried out within the existing legal framework, the Housing Law." That is what it said, and that is what I have done which has been consistent with decisions made by myself, by previous Housing Committees over the last 10 years that I have been in post and previous years before that. Nothing seriously major about that.

3.1.7 Deputy J.A. Martin:

Would the Minister not admit that under the Migration policy a licensed person will then be able to... does he understand, will be able to occupy (a) to (j) that he is now reclarifying? Does he understand it?

Senator T.J. Le Main:

I understand very well but no-one under the new Migration policy is just going to be able to walk into the Island. They are not going to be able to walk into the Island. A person that is required is essentially employed, and will have to go through the same hoops as they do now. [Aside] They will have to, I can assure you that. The issue is quite clear that there will be, within the Migration policy... companies that will have permanent employees but to fit the post, to fit the actual current position to stop and overturning ... a turnaround all the time on positions that they are finding difficult to fill.

3.1.8 Deputy T.M. Pitman:

Really following on from Deputy Martin; given concerns over the manner in which a single qualified property class has been developed, is the Minister intending, behind the scenes, to try and enlarge his role to a new post of Minister for Housing, Migration and Population?

Senator T.J. Le Main:

Certainly not. I fully intend at the end of my current term as Minister for Housing to relinquish the role and I am sure Members will have probably thought that I had done a long stint - it will be 12 years - and I will not be putting my name forward for Minister for Housing or Population at the end of my current term.

The Bailiff:

That brings the 10 minutes to an end but of course we do have questions without notice.

Deputy G.P. Southern:

How many questions did we get in in that 10 minutes, Sir?

The Bailiff:

Nine.