

# STATES OF JERSEY

## Health, Social Security and Housing Scrutiny Panel

**TUESDAY, 9th FEBRUARY 2010**

**Panel:**

Senator A. Breckon (Chairman)  
Deputy D.J. De Sousa of St. Helier  
Connétable D.W. Mezbourian of St. Mary  
Connétable S.A. Yates of St. Martin  
Deputy G.P. Southern of St. Helier

**Witnesses:**

Senator T.J. Le Main (The Minister for Housing)  
Mr. P. Bradbury (Director, Population Office)  
Mr. C. Mavity (Director of Policy and Development, Housing)  
Mr. J. Hamon (Finance Director, Housing)

**Senator A. Breckon (Chairman):**

Welcome to everybody. Thanks for coming along to discuss some of the Housing issues and matters that are ongoing that are in the Business Plan. We are recording this. This is mainly for our own purposes and within about 4 or 5 days you will get a copy of this. If there is anything in there that is factually incorrect, if you say 16 when it should be 60 or something like that, it is an opportunity to correct that. I will introduce everybody around the table. Minister, if you introduce the people who are accompanying you, just for the benefit of the tape and doing the recording. On my left is the Constable of St. Lawrence, Deirdre Mezbourian, and the Constable of St. Martin, Silva Yates. On my right I have Deputy Geoff Southern and Deputy De Sousa. Simon is our scrutiny officer, Rebecca is doing the recording.

**The Minister for Housing:**

On my side, on my right, I have Paul Bradbury from Population. On my left Carl Mavity, Housing, and John Hamon, Finance Manager, and I am Terry Le Main.

**Senator A. Breckon:**

Thanks for that. Just to start with, by way of some background, could you tell us how long you were President of Housing and how long you have been Minister?

**The Minister for Housing:**

I took over Housing for 6 weeks end of 1999 when the committee that you were part of fell by the wayside. This is the fourth year as Minister.

**Senator A. Breckon:**

So that will be 11 years coming up?

**The Minister for Housing:**

Yes.

**Senator A. Breckon:**

As Minister, this is the second term?

**The Minister for Housing:**

Second term.

**Senator A. Breckon:**

Thanks for that. In general terms, Terry, can I just kick off and say in that time what housing gain do you think you have brought to the people of Jersey in housing terms as President and Minister?

**The Minister for Housing:**

A huge amount of social housing through the trusts. We have now got a far better relationship with our clients than we have ever had before and, in fact, I think for the first time ever, our clients are really part of our team. We work with them, through them and in partnership. I think that is one of the greatest benefits now in the time when I first was part of Housing, and before that tenants were treated abysmally. Any bad tenants were all put into certain estates if they misbehaved or what have you. But now we find that working with our clients and working together that if you produce good nice modern homes then it makes all the difference to the clients, whether they might have been difficult clients in the past or not. I think we have got a great working relationship. We have got tenant participation groups. As I say, we have got something like 1,000 homes that have been put into the Trusts. Generally, I think if you just listen around and you do not see letters in the paper I think we have got a very, very good working relationship. The other great thing, when we first took over, the Housing Department was the dumping ground for staff that were unsuitable in other departments but now it is a totally professional dedicated staff who are trained to deal with people and the best people for the job now.

**Connétable D.W. Mezbourian of St. Lawrence:**

Have you still got some of those staff?

**The Minister for Housing:**

No, they have gone now. The other thing of course is we did have about 85 staff and we are down to half of that. Professor Christine Whitehead, finds it amazing that we are able to run our department with half the amount of staff that have been in a similar operation elsewhere.

**Senator A. Breckon:**

You mentioned the Trusts had about 1,000 properties. Do you think that is value for money in the public sector's point of view?

**The Minister for Housing:**

You will have to ask John for that. Perhaps in hindsight the benefits have cost something but I am still of the opinion that once the Trusts have paid off their mortgages, after about a 20 to 25 year cycle, and they would be getting money in, then they would be able to take part in the provision of providing social housing because they could go out without letters of comfort and they are not giving letters of comfort anymore now. So they are able now to go out and to provide homes. They are very hungry at the moment. I have got a little bit of a difficulty. We have got some sites coming on that the Housing Department would like to buy, the 45 per cent which could be sheltered housing and just rather hope we are not going to be in a bidding war with the Trusts bidding against us when we particularly want some.

**Deputy G.P. Southern of St. Helier:**

What regulations have you got in place to govern the activities of the Trusts?

**The Minister for Housing:**

Can you remind me on that please?

**The Director of Policy and Development:**

The Trusts were established under the 1861 - I forget the French - which gives a certain amount of control over who the trustees can be in the Trust and that those Trusts must be non profit organisations, so it prevents surpluses of cash and what have you being used for anything other than affordable housing. The need for proper regulation in a social housing context across all providers in the Island - I say "all" including the activities of the Housing Department itself - is something that has been identified as far back as the first States Strategic plan following the formation of ministerial government. It was one of the very key elements of the piece of work that was set out in that Strategic Plan that the Housing Department was to do. There were 2 pieces of work, if you recall, one was to try and get a mechanism for putting the housing stock back in a reasonable condition and addressing the maintenance backlog, that was P.6/2007. The second piece of work was to have this review of social housing provision in Jersey, and you will recall that one of the terms of reference, one of the very key terms of reference, for that review when it was started was to look at the need for regulation in the Island, whether there was an obvious regulator already here or whether there was something appropriate that we could adopt from elsewhere. That has been addressed by Christine Whitehead in her report, and it is something that the Minister expects to bring to the States later this year for a policy direction decision.

**Deputy G.P. Southern:**

Policy direction decision? Four years for a policy direction decision seems like rather a long time.

**The Minister for Housing:**

No, I do not think it does. I think some of these policies have taken a huge amount of time by the time one is deliberated. You take the Tenancy Law, for instance. It has taken absolute years to get that to its conclusion. There were 9 drafts on that Tenancy Law, something like that?

**Director, Population Office:**

No, more, 12 or 13

**The Minister for Housing:**

Twelve, 13 drafts. We would like to do it a lot quicker but, yes, I take your point.

**Deputy G.P. Southern:**

But has this not been a large chunk of your work, I mean regulations to control the housing trusts which is supported and are a major means of delivering social housing, surely a regulation system?

**The Minister for Housing:**

There have been no issues with regulation as far as we are concerned because every individual site and every individual borrowing had an individual agreement on a regulation basis.

**Deputy G.P. Southern:**

Do you have any control over, for example, the contracting out of the repairs and maintenance?

**The Minister for Housing:**

No, we have not.

**Deputy G.P. Southern:**

Why not?

**The Minister for Housing:**

Because we have not at the moment. It is something that I know that the Planning Minister and Senator Shenton are concerned about. We are concerned about it as well but up to now it has not been regulated. We have been waiting ...

**Deputy G.P. Southern:**

Concerned about, but no action.

**The Minister for Housing:**

No action because we have indicated for about 3-4 years now that we were going to get a proper investigation into social housing and the Whitehead report is a culmination of that.

**Connétable S.A. Yates of St. Martin:**

I have 2 questions, Minister. I would like your colleague to expand a little bit on the obligations or whatever of the Housing Trusts because you were quoting the law 1861 or whatever, but you seemed to gloss over it; can you describe any obligation the Housing Trusts have to perform when they have cash spare please?

**The Director of Policy and Development:**

The 1861 law is merely a vehicle to allow the enactment of effectively a not for profit organisation. It is not housing specific. The arrangement with the Housing Trusts, as we understand it, is that they are non profit organisations. That the general presumption is that they will use their proceeds from their rent, from which they keep 100 per cent, to service the borrowing that they have had to take out in order to generate the housing that they have. As the Minister says, over 1,000 units have been generated through that mechanism. There comes a point towards the end of that borrowing period, the 25 years on a traditional mortgage, where they are going to have surpluses of income. They are to use that income for either running the existing stock, for doing maintenance, refurbishment, capital regeneration, or to add more stock to their social housing portfolio. If there is not a use for the surpluses then it is certainly our understanding that those surpluses come back to the Treasury. But we are some way off.

**The Minister for Housing:**

Every agreement carries that condition.

**The Director of Policy and Development:**

There is also generally a condition on sites that again they have to be used for social housing purposes, so they could not take a site and just convert it to open market and realise a huge windfall in cash terms. There are conditions about use of the stock and conditions ultimately about the use of the surpluses.

**The Connétable of St. Martin:**

Am I right in thinking that at the present moment, at some time in the future, the public can expect more social housing or an income into the Treasury?

**The Minister for Housing:**

Yes, correct.

**The Connétable of St. Lawrence:**

Who will be responsible for overseeing receipt back into the Treasury? What conditions are laid down? Is it that the Treasury has something that says on such and such a date they will expect so much money?

**The Minister for Housing:**

There is a condition in that the Treasury have an oversight on their activities and, correct, exactly what the Connétable is saying, that the original idea of that was sold to us in a big way, and was sold to the States in a big way in those days, was that after a period of years they would take over as being the major provider of social housing in the Island with the surpluses they were generated and the States would stand back, and eventually hopefully be a social landlord but not a great ...

**The Connétable of St. Martin:**

Obviously I understand when the mortgages are paid off. In a matter of timescale, when will these mortgages start to be paid off?

**The Minister for Housing:**

Some of them are halfway through and more now. But every different site has a different ... from the time they started. But certainly the Homes Trust for instance have got some mortgages now. They are well past halfway.

**The Connétable of St. Martin:**

That would be on what term?

**The Minister for Housing:**

They are accumulating funds now.

**The Connétable of St. Martin:**

Are we talking about a 25-year mortgage?

**The Minister for Housing:**

Yes.

**The Connétable of St. Martin:**

So we are talking about 10-12 years' time?

**The Minister for Housing:**

Yes. In fact they are accumulating funds now; they are hungry to purchase extra stock now.

**Deputy D.J. De Sousa of St. Helier:**

You just said the funds are accumulating. Who regulates and views the annual accounts and services that the Trusts provide and use?

**The Minister for Housing:**

There is an annual account. The annual accounts are public knowledge. They are public knowledge for everyone to see. All of you get one as well. In fact, there is one due out now, is there not?

**Deputy G.P. Southern:**

I do not think they get widely circulated to Members of the States.

**The Minister for Housing:**

I think in that case we will instruct that ...

**Deputy G.P. Southern:**

At one stage 3 years ago I had a hell of a job to get hold of them.

**The Minister for Housing:**

They are available and if it is something that you require we will make sure that you will get a set of accounts. They are publicly available every year.

**The Connétable of St. Lawrence:**

Can I take you back to something you said just now, Minister? I may have misunderstood. I thought you said that Housing would like to take up a share of the 45 percent.

**The Minister for Housing:**

The Housing Department have got a need at the moment for around 400 units and we are trying to realign our stock. What is slightly bothering me at the moment is that with the Trusts very hungry to increase their stock, particularly the Homes Trust, and the Christians Together, they are all very hungry to increase and apparently they have had some green lights from the banks that they can borrow considerable amounts of money. I do not want us to be in a position that we are going to be outbid on the stock that has to be sold off, the 45 per cent.

[10:15]

**The Connétable of St. Lawrence:**

You were saying you have got funds to acquire?

**The Minister for Housing:**

We have, yes, and so do the Trusts.

**Deputy G.P. Southern:**

Just talking about the 45 per cent reserve for social housing and yet down at Goose Green you did not use the housing that you had, 45 per cent, for social rental housing. You decided to put those in for sale.

**The Minister for Housing:**

The Planning Minister did.

**Deputy G.P. Southern:**

What input did you have into that?

**The Minister for Housing:**

He was the one that put the conditions on the site, and we had to sell them.

**Deputy G.P. Southern:**

What input did you have into that decision?

**The Minister for Housing:**

The input we had, we were asked to take over the sale of them and to set up a scheme to sell them off.

**Senator A. Breckon:**

You mentioned something earlier about working together ...

**The Minister for Housing:**

The Planning Minister made the decision.

**Deputy G.P. Southern:**

You just said that you were concerned about the 45 per cent that are normally allocated to social housing and yet at Goose Green you let those go from social rental and said: “We do not need them for rental anymore”, where do you get the figures from to base that sort of decision on?

**The Minister for Housing:**

We did not let them go. The States decided ... the Planning Minister ...

**Deputy G.P. Southern:**

They were originally allocated for social rental housing.

**The Minister for Housing:**

They were.

**Deputy G.P. Southern:**

And we put them into sale.

**The Minister for Housing:**

We did because there was quite a waiting list or strong waiting list for first time buyers in the affordable range of £40-60,000 income and at that time we did not have a huge waiting list for rental. This is something you and I disagree on.

**Deputy G.P. Southern:**

I think you and Professor Whitehead disagree on because she says there are woeful inadequacies in using just the waiting list as your marker for what the demand is because if you define your waiting list and you reduce eligibility for access in social housing then obviously you can control the size of your waiting list. The waiting list is the indicator and there is little demand and is, as Professor Whitehead points out, probably misleading and you need to examine your criteria as well.

**The Minister for Housing:**

Yes, absolutely. I agree with you.

**Senator A. Breckon:**

The other thing you mentioned; you mentioned working together so can I just sort of try and put this together when you say Trusts and others about the way forward and if we look at, say, population and migration, supply, demand, need, call it what you like, what is the actual plan for housing in the future, social housing, whatever, what is the plan on numbers, predictions?

**The Minister for Housing:**

The issue is that we cannot make any forward plans really for that. It is an ongoing situation. We have to accept that ... we well know that there is a need for sheltered housing on an ongoing need. We are well aware of that. We are well aware of the need currently for affordable first time buyers but the market for the provision of 3-bedroom homes, 2-beds and what have you, is quite volatile. We have to reassess the needs of all those virtually on a 6-month basis.

**Senator A. Breckon:**

Is there anything that brings together the age, the income, the profile and the housing situation of the population now and in the future because without robust data, I mean, what is it, finger in the air, how does it work?

**The Director of Policy and Development:**

I think you are absolutely right and one of the things that we have been identifying for some time, and if you look at objective 2 of our Business Plan, I think one of the things that ... we initially highlighted ... interestingly enough in the debate about Jersey Homebuy was the need for more regular up-to-date dynamic data on housing need and we brought forward the proposal, which is included in the Strategic Plan and in our Business Plan, to set up a gateway, a single access point for anybody who requires access to affordable housing. What we think that will give us ... at the moment the arrangement is that the Housing Department has a list and quite rightly, as Deputy Southern says, it just tells us about our list about our very restrictive criteria. The Jersey Homes Trust have a list, the Parish of St. Lawrence have a list, the Parish of St. Ouen, and there are lots of access points for people to go to in order to access the 6,200 units of social housing which we have. The danger is that a person on one list is not included on the others and so potentially they miss out because they do not know that the Parish of St. Lawrence, for instance, provides housing. The danger is also that we are not necessarily making best use of our housing because we are applying different eligibility criteria in different areas. So, we have suggested the formation of a gateway which would be a central holding point for all of that data that would allow people who are in policy making positions to be able to look and have accurate information about how many people do need one

bedroom, 2-bedroom, 3-bedroom accommodation. I think the other thing not to overlook is also the benefit that a census would bring us. In bringing together that data about a person's particular needs, their income, quite rightly, their existing family situation, their housing situation at the present time, because one of the things we have a real difficulty in identifying to a large extent is those concealed households. People who are not on the radar, as it were, today but potentially could pop up at any time and I think ...

**Senator A. Breckon:**

Census aside though, Carl, how does this come together to house the population in affordable, comfortable places to live?

**The Director of Policy and Development:**

I think if we have accurate information about our need we can do, I think, projections ... using the census data allows us to do some modelling in the forward sense because all the waiting list is going to tell us is that need we have got today and we know that to develop a home from scratch is going to take 3 years if we are lucky. So we need to do more work about forward projections. The only way we can see of doing that is to have the census, which will give us that baseline of information and then the gateway, which will not only hold information about rental, bear in mind, but also that information about people's desire to buy in an affordable context. Christine Whitehead, we think, is right. There are people out there in the private rented sector who potentially maybe could buy but we need to know the prices, the type of units that they are interested in buying, et cetera. But there are also people there possibly who need to be renting in a social housing context rather than a private sector.

**Senator A. Breckon:**

Paul, can I ask you a question on ebb and flow of population? How does that add the bearings to this, people coming and going, retiring, coming to the Island, leaving the Island? What is the sort of estimate you can put in there that sort of gives some substance to the work that might be done?

**Director, Population Office:**

In terms of grabbing the basic issues a little bit, there is obviously a query or questions about social housing, affordable housing which the Housing Department are responsible for, and then there is the wider question of housing supply in Jersey.

**Senator A. Breckon:**

You check on economic and employment areas as well, do you not?

**Director, Population Office:**

Across the board, so not just in terms of affordable housing. Talking across the board in terms of the ebb and flow of migrants into Jersey and the demographics, et cetera, we take our lead from the Strategic Plan and the population policy, which sets out the population and migration target, which is based upon Statistics Unit population model which included their best estimates of ebb and flow. At the moment I think it is 3,000 in and out each year. That then sets a target for population over the long term, planning had an input into that process that indicated that completions were expected to meet that inward migration target. In addition, we then used the tools, the *Planning for Homes* document over the short term and then the forthcoming Island plan over

the long term. That is how we, as a Population Office, regulate our laws in terms of inward migration into Jersey and demand on the housing market. That is the macro.

**Senator A. Breckon:**

Statistically from Social Security are they able to tell you on a monthly or a quarterly basis new registrations where people have come from, whether they are leaving education going into work or coming from another country or they were existing residents who have gone into work; are you able to get that quality information?

**Director, Population Office:**

The population measure is an annual measure and that is a measure done by the Stats Unit which includes our own 6-monthly manpower survey, plus the information from Social Security on retirees, et cetera, and education of a given school. That is an annual dataset. We also get 6-monthly dataset in terms of employment from ourselves but if you are asking quarterly, do we monitor registrations through Social Security, not systematically, no.

**Senator A. Breckon:**

So you do not get an ebb and flow from Employment, from Social Security, or an age profile of the workforce?

**Director, Population Office:**

We get our 6-monthly manpower report and we get monthly unemployment reports, and those are the 2 tools we use.

**Senator A. Breckon:**

Would information from Social Security along those lines be more helpful to you?

**Director, Population Office:**

In my view, 6-monthly census is administratively appropriate in terms of the amount of work that needs to go into doing that to get the manpower figures for Jersey. In the migration policy we are clearly planning to do a quarterly one, and that would be preferable but I do not think we should do quarterly until we have got the tools and the systems to do that efficiently. So I do think a 6-monthly manpower return, plus quarterly unemployment statistics, are good enough, notwithstanding that we have daily contact with Social Security on specific vacancies that we identify specific people they have who are looking for work, so there is a good level of informal contact as well as those stats.

**Senator A. Breckon:**

In your opinion now, from what goes across your desk, is there less pressure from employment and the economy than there was, say, 18 months ago?

**Director, Population Office:**

There is certainly a growing issue with unemployment, and that is reflected on our side with a tougher stance in terms of granting non local permissions, and that is our response that we generate ...

**Senator A. Breckon:**

Are you in a position to say whether there is more or less people signed on Social Security in February this year than last year?

**Director, Population Office:**

We have the stats. I do not have them to hand, but I believe there are more.

**Senator A. Breckon:**

I mean signed on to come to the Island seeking work; where are we with the flow and ebb? Is it still the same or has it changed?

**Director, Population Office:**

The actual registrations?

**Senator A. Breckon:**

Yes.

**Director, Population Office:**

I do not know the actual registrations and I will not know until we get the population statistics in April.

**Deputy G.P. Southern:**

You mentioned a tougher stance; in what sense can you demonstrate a tougher stance in terms of people coming to the Island, locals versus non locals?

**The Minister for Housing:**

You need our census. The Regulation and Undertaking licenses that come before the Migration Advisory Group, they have to make a real good case with their employer now to employ ...

**Deputy G.P. Southern:**

Has it not always been the policy that they had to advertise for local staff and when they can prove they cannot find local staff then they can employ non local staff?

**The Minister for Housing:**

Absolutely. They have to work with Social Security and they have to work with Education. Very, very strict guidelines.

**Deputy G.P. Southern:**

Can you illustrate how you have toughened up in that sense?

**Director, Population Office:**

Can I add 2 things in terms of the day-to-day processes? Again, I do not have the Regulation of Undertakings stats because this is a Housing matter but I am happy to talk about it. We increased the number of non local permissions in December 2008 and we reduced them in December 2009, so there is a clear change from more non local permissions given out 12 months ago, and less 12 months later.

**Deputy G.P. Southern:**

So you have increased your targets, your permissions?

**Director, Population Office:**

Almost every business in Jersey has a joint staffing licence which caps the number of non local people they are allowed to engage.

**Deputy G.P. Southern:**

From a year ago you are now tougher with that, reduce ...

**Director, Population Office:**

We are now reducing numbers.

**Deputy G.P. Southern:**

Reduce the percentages, the proportions?

**Director, Population Office:**

The absolute numbers of non local qualifying people.

**Deputy G.P. Southern:**

The absolute numbers.

**Director, Population Office:**

Twelve months ago they were increasing. That is not to say we are refusing everything. We are obviously still having to approve some things but, and that goes back to what we talked about before, we have a good relationship with Social Security and we have much more frequent contact now because of the current economic climate than we need to have when we clearly know there are no local people.

**Deputy G.P. Southern:**

Can you produce those figures from R.U.D.L. (Regulations of Undertakings and Development Law) in confidence to the panel?

**Director, Population Office:**

Yes, I can.

**Deputy G.P. Southern:**

Showing by sector what you are doing?

**Director, Population Office:**

I can produce global figures. If I am able I will do it by sector.

**Senator A. Breckon:**

What information would you have about people that apply for special employment status, who are just coming looking for work? How would you log them in any way for population and immigration? How do you record people coming to the Island and not, say, (j) cats who are not applying for that?

**Director, Population Office:**

We obviously give the (j) permissions on an individual basis and we absolutely know how many (j)s we give out. The business licensing system is different. It is not permission for each non local, it is a cap on business licence.

**Senator A. Breckon:**

Block permission to protect people?

**Director, Population Office:**

Absolutely. So we do not control the number of people coming to Jersey we just cap the number of jobs available. So the control in the data is, as you say, the Social Security registrations which we will get in terms of the annual figures in April.

**Senator A. Breckon:**

So you are only getting annual records but you do not get a quarterly snapshot of what has happened about new registration?

**Director, Population Office:**

Correct. But the only thing I would add to that is notwithstanding how many people register we cap the total number of work in Jersey, so we control the ability to work, not the ability to register.

**Deputy G.P. Southern:**

The current target of up to 150 heads of household, net inward migration, can you say that that is being met at the moment or not?

**Director, Population Office:**

When we have the April figures ...

[10:30]

**Deputy G.P. Southern:**

So we will not know until April whether we met or missed it?

**Director, Population Office:**

I will say 2 things. In the current economic climate, given our stance of refusing this, I am comfortable we are meeting that target. We only have to do 6-monthly manpower surveys and only once those that are done can we confirm categorically that we have met that target. The only other thing I will add is that is a rolling target, so if we did not meet it in one 6-month period we would respond over the following 6-month period.

**The Minister for Housing:**

A question I ask all the time: “Are we within the targets?”

**The Connétable of St. Lawrence:**

Can I move on to a different matter? The Annual Business Plan, you referred to the Jersey standard in it for social-rented properties. Can you give your definition of the Jersey standard?

**The Director of Policy and Development:**

No, because it is not yet written. It is a target for this year. It is one that we will have to consult with the other social housing providers on the Island about because it is about a Jersey standard. I think if you look at the U.K. (United Kingdom) standard of a decent home it is very much a bricks and mortar standard. It says that the roof shall

be less than 60 years old. It shall have a heating system. It is quite a basic standard. We think too basic and perhaps not what the Island aspires to. We are having some discussions at officer level about if we are providing social housing that is as much about the services that one provides as it is about the bricks and mortar of the home that one provides. It is sometimes about the safety net that we provide as a social landlord for when people need it, that they do not get out in the private sector. So, I think the standard as we develop drafts of it this year for consultation will be kind of 2-pronged. They will be about the standard of the home and what people can expect as a basic standard, and I think it will also be about the kind of services that we would expect a social landlord, whoever that might be, is able to provide for the people that they have.

**The Connétable of St. Lawrence:**

So your consultation will take place with who?

**The Director of Policy and Development:**

With all the local providers, and I include in that the Parishes, the housing trusts. There are some charities who are providing small numbers of quite niche social housing, but we have about 6,200 units on the Island and quite a few providers, and I think they all need to be consulted and engaged in that process.

**The Connétable of St. Lawrence:**

What about your tenants?

**The Director of Policy and Development:**

Absolutely. We have a tenants' forum, as the Minister has very eloquently said this morning, we work with them closer than we ever have. We have dedicated officers now whose job it is to make sure that tenants are engaged on all major policy decisions. They have been consulted in respect of the Whitehead review. We see that as a process going forward.

**Deputy G.P. Southern:**

You have mentioned the word "affordable", so you will introduce this new standard affordably. You are probably aware that Kelvin MacDonald's report to the Planning Department categorically says there is no affordable housing in Jersey on average wages or indeed any employment sector. What plans do you have, what consideration do you have for ensuring affordable housing in Jersey?

**The Minister for Housing:**

Kelvin MacDonald has identified that particularly within the town areas, all major developments or any developments over 5 units there will be a percentage of affordable.

**Deputy G.P. Southern:**

But he says there are currently no affordable housing units on standard debt ratios for anybody in Jersey.

**The Minister for Housing:**

I would not know ...

**Senator A. Breckon:**

For example, average wages would be around ...

**Deputy G.P. Southern:**

The question is, Minister, what plans do you have up and coming to try and ensure that we do provide affordable housing in Jersey?

**The Minister for Housing:**

I sat with the Planning Minister when we discussed and brought forward the Kelvin MacDonald report, so I was party to all the discussions, and the issue is that there has to be ways and means somewhere along the line of the developers who have been developing over a number of years, particularly on private commercial sites, should provide a percentage of affordable homes. Now, all I can do as Housing Minister, I cannot instruct or do, I need to give the support to the Planning Minister.

**Deputy G.P. Southern:**

But MacDonald examined your gateway into Homebuy and said even with this massive reduction in the price these houses are not affordable and we are over borrowing in order to have anybody purchase them.

**The Minister for Housing:**

I have got no plans at the moment ... we have not got the money to, in fact, subsidise and the only way you are going to bring really affordable homes to ordinary people to purchase is with a case subsidy, and we have not got that.

**Deputy G.P. Southern:**

And you have no plans to introduce the subsidy or any financing in the pipeline ...

**The Minister for Housing:**

No, nothing in the pipeline.

**Deputy G.P. Southern:**

You are not seeking any financing to ensure affordable housing?

**The Minister for Housing:**

Nothing in the pipeline apart from the current scheme that we have in place now.

**Deputy G.P. Southern:**

Do you not think it might be a good idea to consider it?

**The Minister for Housing:**

It would be, in an ideal world, Deputy Southern, yes. But in this real world that we are living at the moment I am afraid if you think that we are going to be able to get funding and bring back the old States loan and all those sort of things ...

**Deputy G.P. Southern:**

How does this tie in with your own aim to increase the ratio of owner-occupied housing on the Island when you are saying that it looks like we cannot provide any affordable housing on the Island?

**The Minister for Housing:**

I have got to say to you that the only way that the ...

**Deputy G.P. Southern:**

Have you abandoned that aim?

**The Minister for Housing:**

No, I have not abandoned the aim at all.

**Deputy G.P. Southern:**

So how are you going to achieve it?

**The Minister for Housing:**

We are working very hard with the Planning Minister to provide affordable homes.

**Deputy G.P. Southern:**

But you have not got a plan, you have not got anything set in ...

**The Minister for Housing:**

We have not got a plan ...

**Deputy G.P. Southern:**

Anything under consideration?

**The Minister for Housing:**

We have not got a plan.

**Deputy G.P. Southern:**

So who is in the real world?

**The Minister for Housing:**

Who is in the real world?

**Deputy G.P. Southern:**

You or me? I am saying you are obviously not going to meet that aim. You are saying it is still an aim.

**The Minister for Housing:**

I am unable to meet that aim and I have got to be quite honest with you. I am unable to meet that aim because ...

**Deputy G.P. Southern:**

So Jersey couples can no longer afford housing in Jersey and you can do nothing about it, is that what you are saying?

**The Minister for Housing:**

At the moment with the prices of the homes at £400,000-odd unless there is land rezoned, unless the States bit the bullet and purchased and made a land bank, the only way we are going to do something is having a land bank. How you overcome the issue about purchasing land before it is rezoned to provide affordable homes is the

issue that we have all been trying to grapple. I have got a file on it, Crown Officers, everything for years and years, and that is the only way they are going to be able to do it. No other way. The Constable of St. Martin has got the same problem in his Parish.

**The Connétable of St. Martin:**

Minister, I was going to ask you, have you got any thoughts on compulsory purchase?

**The Minister for Housing:**

I am very happy to show my file going back 10 or 15 years on it. Compulsory purchase, we are advised by the Crown Officers, that you cannot buy land rezoned, even compulsory purchase, or otherwise, and if you are going to build on it there is a compensation issue to the owner.

**Deputy G.P. Southern:**

So your response to Jersey couples now who are looking around for housing saying: “We cannot afford this” is: “I have got a file this high you can come and live in that. Come and live in my file.”

**The Minister for Housing:**

Do not talk rubbish. You know exactly what I am talking about. The issue is quite clear that the Planning Minister is the only one who can rezone land and the Planning Minister is the only one that can put conditions on land. I cannot do anything about that. I can give as much support as I can and my officers, and we do so to the Planning Officers to the Planning Minister.

**Deputy G.P. Southern:**

So after 10 years in the position, Senator Le Main, one of your main aims of increasing owner occupation on the Island is sunk, it is dead? You can no longer deliver that.

**The Minister for Housing:**

No, Deputy Southern. You must understand that in the real world we have many, many people in this Island who claim to be first time buyers but will never be able to afford it. That is the real world. You must remember that the average income of our tenants is around £12-13,000. Now in the real world, even in my day when I had a first time buyer loan 40 years ago, there were people there saying: "I am a first time buyer, I cannot buy." They could not afford to buy then and they will not be able to afford to buy now. We had a list some years ago that produced 2,000 names on the list, all first time buyers. By the time we had finished and looked at their incomes and their situations a quarter of those were first time buyers.

**Deputy G.P. Southern:**

Thirty, 40 years ago we introduced a States loan scheme to enable people to buy homes and we no longer have got anything like that.

**The Minister for Housing:**

Because the government of this Island, if you live in the real world, Deputy Southern, could not afford it. It would need hundred and hundreds of millions of pounds to finance homes at £300-400,000. In those days we were talking about very small sums of money for a house.

**Director, Population Office:**

Very briefly on States loans, I do not really want to say a lot other than there is an Oxera report recently commissioned on mortgage finance in Jersey and one of the questions we asked is that it was around the requirement of the State to provide or support loan finance.

**Deputy G.P. Southern:**

When is that report coming out?

**Director, Population Office:**

I do not know. It is a matter for the Chief Minister's Department, the Economic Adviser. We are certainly keen to see it.

**The Director of Policy and Development:**

If I can chip in on the affordable question: we are fully aware of the challenges of providing affordable housing, particularly in the current lending climate, and we are taking steps to try and see what can be done. I think there are some things that we can certainly investigate to see whether we can make home ownership more affordable, and that means looking outside of the Island, it means looking at what is being done elsewhere. Is a traditional freehold purchase of a 3-bedroom house with a garage in the country realistic for Jersey? Are we looking at perhaps other forms of housing? Is apartment living something we should be trying to promote? They are perhaps cheaper. They occupy less land and that must be a concern for us. But other kinds of tenure. I mean shared ownership has been talked about, but there are other kinds of

arrangements and things being done in Guernsey at the moment with regard to kind of lifetime leasing. There are other products around other than a conventional freehold transaction which, by definition, may well be cheaper and may make that step towards a form of home ownership realistic for some. It is a fact and Christine Whitehead points it out in her report that there are going to be some people for whom housing or renting is a lifelong tenure. I think the challenge for us then is to make sure that they are renting in the most appropriate mechanism, and if they require, as they go through their lives, that safety net that I mentioned earlier, that we are able to provide that as well.

**The Minister for Housing:**

The issue is quite clearly some years ago opposition from Parishes, St. Clement was a classic example, Hodge Phase 1, Field 40. Hodge Phase 1, had they been built when they first promoted it houses were £99,000 and Field 40 went to the States, turned down, and that was similar when Dick Shenton took over the States.

**Senator A. Breckon:**

The only thing with some of these pressures then on buying and people cannot afford, I mean what sort of pressure and what prediction is that going to have on rental? I think it is there already for private, social and other. Is that going to lead to greater demand or people looking for more stability?

**The Minister for Housing:**

We will know that if we had a land bank, and the States owned land, houses can be built. I have just agreed a States loan for a young couple who are building a 3-

bedroom bungalow for £180,000, land donated by the family. We know, and I have had this discussion with the Connétable on my right about the affordability only a few days ago, and the issue is quite clear that if we could have a land bank and the States somehow could overcome this issue about the compulsory purchase, taking over the land before rezoning, I would plead with you to get the Attorney General in and question him about the legality of this because if we could overcome that and any of you could give us some assistance and be able to buy some land pre-rezoned then ... we have got a site now at Housing that we would like to buy. We have got a site now that we can buy pre-rezoned, a glasshouse site. It is one of the best sites in the Island. We will not be able to do it, it is going to cost ... by the time we finish it will be rezoned and it will cost us 3 times as much.

**The Connétable of St. Lawrence:**

What input have you had into the draft Island Plan?

**The Minister for Housing:**

Full input.

**The Connétable of St. Lawrence:**

Would you like to tell us a bit more about it?

**The Minister for Housing:**

Disaster. They are not going to produce any homes at all.

**The Connétable of St. Lawrence:**

So you do not think the Island Plan ...

**Deputy G.P. Southern:**

It is a disaster we are not going to produce any homes at all?

**The Minister for Housing:**

Hardly anything at all. If we get 100 or 200 out of the Island Plan that is all we will get.

**The Connétable of St. Lawrence:**

What is that? If you are saying that you have had a great deal of input into it, why are you now in the position whereby you are saying it is a disaster and you would be lucky to have 100 homes?

**The Minister for Housing:**

I am not the proposer of the Island Plan.

**The Connétable of St. Lawrence:**

No, but you said you worked closely with the Planning Minister.

**The Minister for Housing:**

We are working very closely with the Planning Minister and we are working very closely with the officers. The officers are 100 per cent on board at Planning but it seems somewhere we are being blocked somewhere along the line.

[10:45]

**The Connétable of St. Lawrence:**

So you are saying that your concerns are not being taken into account by the department?

**The Minister for Housing:**

Yes, absolutely.

**The Connétable of St. Lawrence:**

How are you addressing that?

**The Minister for Housing:**

We were due to meet only last week, and the meeting got put off.

**The Director of Policy and Development:**

The Minister will be making a formal submission in respect of the draft Island Plan and putting forward, I think, a number of comments that I think need to be taken into account in the ... that plan is in the consultation phase only. It is not the final document yet and it has not been lodged for debate as yet. We have every confidence that the department's views and the views of the Minister will be taken into account. We have always had a very good relationship with Planning and we expect those views to be listened to if not necessarily agreed with.

**The Connétable of St. Lawrence:**

But the Minister has just said they have not been listening to him, so why now do you think all of a sudden they will be?

**The Director of Policy and Development:**

I think during the early part of the consultation there have been a number of workshops run and people in this room I am sure will have been to some or all of those, and I think there has been an awful lot of frustrations that have come out at those workshops from all sorts of sectors. But we have yet to make our formal submission, and so when the Minister does that, clearly he will expect a response from the Planning Minister that will indicate what he agrees with and what he does not.

**The Minister for Housing:**

I have to reiterate the only way we are going to overcome these developers and the huge profits they make is the States to somehow buy land pre-rezoned and build or allow us to build affordable homes for people. We are building homes. What are the actual costs of a rebuild of a 3-bedroom home? £180,000?

**The Director of Policy and Development:**

Give or take.

**The Minister for Housing:**

That is what we are building them for and young people are having to buy offsite at £450,000.

**Deputy G.P. Southern:**

As you say, that is attached to the price of land.

**The Director of Policy and Development:**

But the States does own quite a lot of land that potentially is developable.

**The Connétable of St. Martin:**

In my experience it seems to me that owners of land are not really interested in selling for social reasons because they seem to be holding out for some point in the future when they might be able to sell it for open market development and whereby one would like to buy land, the Housing Department or the Parish would like to buy land at around £70,000 a plot whereas the land owner is looking to achieve £130,000 a plot; have you any comments whereby either the State or the local authorities could gain control of land and what can be put on it?

**The Minister for Housing:**

My view is that I think that some of the ... I think the Constables have got a very important role in providing affordable homes, sheltered homes, within their villages, and I would like and I would give 100 per cent support, particularly for your scheme in St. Martin, for the Connétables to move forward on that. But the issue is the P.75, we got nothing out of that yet. Not one home being built. It does not look like there is going to be anything built for a while, apart from St. Mary's I think is nearly ready to start. There is nothing moving and it is worrying that ... I have to say I am a little bit worried that the Planning Minister has given the veto to the Connétables on all the land on P.75.

**Deputy G.P. Southern:**

Can I move this on? We mentioned the Whitehead review, which points out that with the consultation on the way forward with A.L.M.O.s (Arms Length Management Organisations) and whatever is being proposed, that underlying all of this is chronic under-funding on day to day repairs of £2.5 million and maintenance improvements by £5 million a year, notwithstanding the consultation that is going on, what consideration do you have or what propositions do you have to address that chronic under-funding?

**The Minister for Housing:**

We have not got any propositions. We are waiting for the final consultation period to end on 5th March. We have not had one response from Scrutiny or any States Member in writing, nothing. We were rather hoping that we will get responses. Once we get the responses we will come forward with issues and it could be very well the case that we will be asking the States some specific propositions on proposals for their funding and other issues.

**Deputy G.P. Southern:**

You are surely not asking Back-Benchers and Scrutiny to do your job for you, Minister? Surely it is up to you to come with policy because you are the Minister, not us.

**The Minister for Housing:**

But, Deputy Southern, please understand me, if you do not understand me I will explain again, consultation document is a document which seeks the views of States Members, seeks the views of Scrutiny to assist us. We cannot do it on our own so I would suggest to you that if you have got any issues or any proposals that can assist us then I will ask you to please assist us.

**Deputy G.P. Southern:**

Help me if I have got this wrong, but it seems to me the main thrust of what you are proposing is this 5 options for a way forward and it does not matter which of those options one chooses, the chronic under-funding during your 10 years needs to be addressed of £7.5 million.

**The Minister for Housing:**

Absolutely.

**Deputy G.P. Southern:**

So without the detailed knowledge, the in depth knowledge, the Minister has we might make suggestions but actually you know what the problem is, are you considering ... have any consideration of options.

**The Minister for Housing:**

Yes, John may come in on this but I have to say that I will be coming back to the States with a funding proposal to meet that £7.5 million.

**Deputy G.P. Southern:**

Will that funding proposal include rent increases, for example?

**The Minister for Housing:**

Yes, no doubt about it.

**Deputy G.P. Southern:**

So we are talking substantial rental increases?

**The Minister for Housing:**

There will be rent increases, no doubt. We have not made up ...

**Deputy G.P. Southern:**

Will it include going to the States and saying: "Hang on, we need more of this £7.5 million back to us and Treasury Minister stop grabbing it please."

**The Minister for Housing:**

Yes, absolutely.

**The Finance Director:**

We are in consultation with both Social Security and the Treasury. The options range from rent increases; at present we increase our rents of 2.5 per cent, the Treasury actually increased our return by the same value. So we do not gain from that. We are looking at what value of sales are sustainable in the longer term to address the backlog. We are looking at potentially borrowing against future rental income,

particularly relating to new build and we are clearly looking at the annual return to Treasury, albeit in this financial climate that there are implications.

**Deputy G.P. Southern:**

You say we are looking at borrowing as an option against the housing stock, does that not represent a ...

**The Director of Policy and Development:**

Not against the existing stock. That is an important point. Our existing stock is unencumbered. It has no mortgage, no debt against it. What we are talking about is if we were to pick up on the point you mentioned from the Whitehead review and let us say we wanted to pick up more people that are in housing need, and we wanted to grow the stock, we could do that. There is a model for doing that, to allow us to go and seek private finance to borrow against new units, new rent streams that are not in existing cash limits; it is essentially what the Housing Trusts did. So why can the Housing Department not do that too? One of the things that Whitehead says is if we are outside our ...

**Deputy G.P. Southern:**

I could say why did we not do that originally, a major policy decision?

**The Director of Policy and Development:**

As she quite rightly says, as an A.L.M.O., or something other than a States department within the very strict confines of a government department, we have the freedom and the efficiencies to some extent to be that much more efficient and to be

more innovative in those respects. It is one of the efficiencies that she can see and that she has experienced elsewhere when organisations have gone through that transition away from being a central sort of government entity, is that they can react much quicker to what is going on. A site comes up, we can react faster, we can access borrowing, we can acquire that site. At the present time going through that process would be such a long and slow process that, as the Minister addressed some concern earlier, with sites emerging now there is every chance that those sites will probably go to Housings Trusts. That is not necessarily a bad thing because they are providing housing as well. But if we want to change the mix of our stock and be providing more housing as an entity then we need the ability to be able to add stock, add value to the portfolio without dipping our hands into the public purse.

**Deputy G.P. Southern:**

You mentioned 2 things there, one is rent increases but does that not, in terms of social housing, transfer the burden on to income support and we pay for it that way? Although it might sound attractive, in terms of overall government spending is probably not that attractive. I do not know. What is your thinking, Minister?

**The Minister for Housing:**

The issue is that that is the main consideration at the moment. We have got some issues at the moment there, for instance we refurbished blocks of flats where they were in not very good condition and we upgraded them to really nice apartments, well insulated, double glazed, everything, but the rents were low before because of their condition and some of those people are still sitting with the same rents now. We are probably about 60 or 70 per cent below the fair rents that they should be but we are

waiting until this consultation is over so we can come forward with some proper proposals so the States will decide the kind of rents and who is going to set the rents and who is going to regulate and all that, so sitting at the moment we are sitting on quite a lot of stock that has been refurbished for the last 12 to 18 months that actually the people are paying not the fair rents at all, so we are not getting the income.

**Deputy G.P. Southern:**

And you have not put rents up on those?

**The Minister for Housing:**

No, we have not. We are waiting.

**The Director of Policy and Development:**

What the Minister is saying is in the absence of a proper rent policy, something which is joined up, which acknowledges the link with Social Security, the Housing Department would not want to be acting in a manner which in a circular sense could just create more difficulties than we have presently got. So, clearly that is an issue we need to address. It was one of the key terms of reference of the Whitehead review. We need to have and I think the States ultimately needs to give direction about what it is looking for. We need to have a proper rents policy that says: "Social housing rents will be ..."; 10 per cent behind the market, 20 per cent behind the market, at market or whatever. At the moment there is no clear direction and that is one of the things we are looking for.

**The Connétable of St. Martin:**

I heard you say some of your newly refurbished flats were at 60 per cent below fair rent. How are you going to raise that up? How can you tell a tenant all of a sudden his or her rent is going to go up 60 per cent?

**The Minister for Housing:**

That is the problem.

**The Connétable of St. Martin:**

You are not going to be able to do it.

**The Minister for Housing:**

That is the problem, we have always had that problem. When we have refurbished in the past, when rents have been fairly low because of condition, we have had to raise them but we have not raised anything at the moment and we think it would cause all sorts of hardships and what have you.

**The Connétable of St. Martin:**

We are not going to have any increase until that tenant moves on or dies?

**The Minister for Housing:**

We will be coming forward with some rent proposals which the States will decide.

**The Connétable of St. Martin:**

One other question because going back to Whitehead, I have got a note here which says repairs are under-funded by £2.5 million, the planned maintenance and

improvements under-funded by £5 million per annum. I cast my mind back to 2007, the Social Property Plan, do I remember correctly that there was £6 million set aside per annum for property maintenance? What happened to that £6 million?

**The Finance Director:**

There was £30 million in total over 5 years. That has been reduced slightly since then by £1.5 million and it has been spread into a number of ... a lot longer period. So this year our contribution is £2.5 million, the contribution from the States Capital programme is £2.5 million rather than £6 million. What this is talking about is the ongoing longer term under-funding rather than these 2 years ...

**The Connétable of St. Martin:**

The goal post seems to have changed.

**The Director of Policy and Development:**

I think the point that Christine makes, I think the £7.5 million refers to, is we can get through the backlog of maintenance that we have got by some sales, not 800 as we set out but less in all reality and with the benefit of that contribution from the States. But what Christine quite rightly says, and she is absolutely right, is that just deals with today's problem. If you do not have the £7.5 million extra per annum all you start is another cycle of deterioration and in 20 years' time we are then saying: "Let us sell another 500 to fund ..."

**Deputy G.P. Southern:**

In terms of the refurbishment that you are dealing with now, the short term, if you like, where does the balance lie between sales, the fiscal stimulus money, the extra money that has been put in and the money from the pot? You are saying it has been reduced and spread over longer, so you have only got £2.5 million this year.

[11:00]

**The Finance Director:**

£2.5 million this year albeit that the amount, apart from the £1.5 million that has been reduced, the balance of the £28.5 is still delivered up to 2016 which was the original plan. The balance is fiscal stimulus which we have £9 million for Le Squez, phase 2, which is repayable from sales and £8 million for backlog maintenance which is not repayable. So the balance is going to have to be sales.

**Deputy G.P. Southern:**

You mentioned we have to examine the States sustainability for sales because one of the things that Whitehead was saying was that demand for social rental housing is likely to go up rather than down. We are crystal ball gazing, should you be selling off stock in order to do that? It is a fine balance, is it not? Have we got the balance right?

**The Director of Policy and Development:**

I think at the moment we have. I think one of the things we said in P.6 is that ...

**Deputy G.P. Southern:**

Is that because you cannot sell them?

**The Director of Policy and Development:**

We have been selling, albeit they have been slower than we might have anticipated. In any case I think we potentially might have slowed down anyway. There is a paragraph in P.6, if I can just trouble you to read it. We said at the very outset was that: "Sales would be carried out in a managed, sustainable way without imposing unnecessary strains on the wider housing market and related at all times to current levels of supply and demand within social housing. It is believed that it is essential that decisions on sales to the open market and to tenants should be balanced against delivery of new social rented housing and the needs reflected in the States rental waiting list." One point the Minister made earlier, quite rightly, is that we did rezone land, P.75 in 2008, and the delivery of those homes has been very slow. That is an amber light at the moment and we are very aware of that and conscious that it is not bringing in that new stock which creates that ripple through everything else.

**The Minister for Housing:**

I think I have had a discussion with Alan. Alan and I both agree that the Housing Department should be an A.L.M.O. of some kind and that we should be treated similarly to all the Trusts, that we collect all the rents and we retain 20 per cent or 18 per cent for the refurbishment and the continued maintenance of that property, and that is all we are asking. If we can get that through the States then we should have an ongoing commitment.

**The Connétable of St. Lawrence:**

So you are going to take that to the States as a proposal?

**The Minister for Housing:**

Yes, it will go to the States.

**Deputy D.J. De Sousa:**

In the Strategic Plan objective 1, the management of the department's stock, one of the criteria that you have there is the department is able to increase and retain its income to ensure that it is self-sufficient and able to wholly maintain and refurbish States-owned social rented stock well into the future. How have you addressed this and how do you see the way forward to implement it?

**The Director of Policy and Development:**

I think that is exactly what the Whitehead review is saying. I think the way of addressing that is for ... the first step is the Green Paper, is the consultation document on Whitehead. The second step after consultation closes on 5th March will be a White Paper which will be, I think as you pointed out, a policy document from the Minister saying: "I intend to do X or Y" and that will come to the States for debate. As the Minister has already said, you cannot just simply hang on to £7.5 million out of the return he is giving to Treasury at the moment without creating a problem for somebody else and we have to look at that with Treasury, we have to look at that with Social Security. We are already doing that, we have started that discussion with a view to bringing some definitive policy as a White Paper ultimately lodged for debate before the end of this year which will set out how we intend to get there.

**Deputy G.P. Southern:**

Can I just come on to little areas really? On several occasions in the past, Minister, you said to me, in answer to my questions, that (g) hardship cases are going down and you see hardly any and yet the latest figures show that the figures are maintained at around 70 a year, can you tell me how you are dealing with (g) cases nowadays?

**The Minister for Housing:**

In the days of the Committee, it was, and Senator Breckon will tell you, there were files like that for every Committee meeting and it took a morning of deliberations on hardship cases in those days. In fact, when I first started doing my Housing public surgeries - twice a month I do one - some years ago there were queues of people that used to attend, particularly at Communicare, now some days we do not get anyone at all. The requests to the department now for (g) hardships are half if not a third of what they were some years ago.

**Deputy G.P. Southern:**

The figures for the last 4 years showed remarkably consistent levels at around between 70 and 80 per year.

**The Minister for Housing:**

Yes, since ministerial and before that when Committee used to meet it was horrendous.

**Deputy G.P. Southern:**

And 2006, was that ministerial as well?

**The Minister for Housing:**

I cannot remember that far back.

**Director, Population Office:**

Yes.

**The Director of Policy and Development:**

Yes, it was.

**Deputy G.P. Southern:**

Secondly, I asked the question the other week about the proportions of permanent (j) cats being granted and temporary (j) cats. The Assistant Minister seemed to be under the impression and has gone public saying that we do not appoint any permanent (j) cats any more, it is all temporaries whereas I understood the policy was the majority would be permanent and some were, obviously there was a replacement need, would be temporary. What is the proportion now? What are we looking at in private and public sectors, do you know?

**The Minister for Housing:**

We can give you that information.

**Director, Population Office:**

Very briefly, in 2009 we approved 348 (j)s, of those 160 were with a time limit and 190 were without. So quite evenly split in 2009. But it partly depends on the type of

application we get, so a time limit will apply to, for example, a work permit and contract post or a specific starter venture.

**Senator A. Breckon:**

Would somebody with a 3-year permit be allowed to buy?

**The Minister for Housing:**

Yes, currently.

**Director, Population Office:**

They may be able to buy. We also can apply a lease only condition to a (j).

**The Minister for Housing:**

Which we are starting to do more and more now.

**Deputy G.P. Southern:**

The figures for recent years, 2008, 2007, when we were in boom, are they similar or are we granting more permits?

**Director, Population Office:**

Going back to 2006, which is when we first brought in the contract policy, in that year 288 had a time limit and 200 did not have a time limit.

**Deputy G.P. Southern:**

I will ask you about the in between years later. Can I do one more again because I have got a written note down here? Rent rebate and rent abatements, are we talking about rent levels and rent policy? We have made a major change in going to income support where rent rebate and rent abatement are no longer completely internal matters for the Housing Department, right hand to left hand, now it is real money coming in and real money still going out to private sectors. What policy do we have dealing with the increase in rent abatements and rent rebates over the past 10 years?

**The Minister for Housing:**

The policies are not Housing Committee policies. They are Employment and Social Security policies. My view is, and it is only a view, I have got no say in the matter - as I say, it is Employment and Social Security - there should be some curtailment on the housing component for the private sector somehow. That is not our role at all. You will have to ask the Employment and Social Security Minister.

**The Director of Policy and Development:**

It is one of the things I think that Christine Whitehead says, is that there needs to be a disconnect between public sector rents and private sector rents in the way that housing subsidy is applied to it otherwise there is potentially ... and I think she says that you need to break that, and again that is another reason why you need a very clear rent policy which is joined up in its approach, both in the way that it deals with the return to Treasury but also in the way that it deals with Social Security and income support, particularly the knock-on effect in the private sector which of course includes Housing Trusts.

**Deputy G.P. Southern:**

What information do you have in terms of those particular schemes looking at October this year when the income support rental components are to be phased out? How do you see that affecting your particular department, Minister?

**The Minister for Housing:**

Well, I have not discussed that with officers yet. I do not know what John's view or Carl's view on that, but I have certainly had no discussions on that at the moment.

**Deputy G.P. Southern:**

Have any discussions taken place at officer level between you and Social Security?

**The Finance Director:**

On the phasing out of the transitional?

**Deputy G.P. Southern:**

On the phasing out of the transitional.

**The Finance Director:**

Not to my knowledge, although my understanding is that it does not affect the housing component.

**Deputy G.P. Southern:**

I will ask later perhaps.

**Senator A. Breckon:**

Is there anything that we might have missed that you would like to say?

**The Minister for Housing:**

No. Any of you are most welcome to come into the department if you have got any queries. If you want to talk to officers and we will show you a bit more.

**Senator A. Breckon:**

Thanks for coming along anyway. It has been a useful session. There might be issues that are sort of outstanding so we might get back to you or you might want to come back to us or whatever with some information. Thanks for that, we appreciate your time. We will now adjourn until 11.30 a.m.

[11:10]

# STATES OF JERSEY

## Health, Social Security and Housing Scrutiny Panel

**TUESDAY, 9th FEBRUARY 2010**

**Panel:**

Senator A. Breckon (Chairman)  
Deputy D.J. De Sousa of St. Helier  
Connétable D.W. Mezbourian of St. Mary  
Connétable S.A. Yates of St. Martin  
Deputy G.P. Southern of St. Helier

**Witnesses:**

Senator T.J. Le Main (The Minister for Housing)  
Mr. P. Bradbury (Director, Population Office)  
Mr. C. Mavity (Director of Policy and Development, Housing)  
Mr. J. Hamon (Finance Director, Housing)

**Senator A. Breckon (Chairman):**

Welcome to everybody. Thanks for coming along to discuss some of the Housing issues and matters that are ongoing that are in the Business Plan. We are recording this. This is mainly for our own purposes and within about 4 or 5 days you will get a copy of this. If there is anything in there that is factually incorrect, if you say 16 when it should be 60 or something like that, it is an opportunity to correct that. I will introduce everybody around the table. Minister, if you introduce the people who are accompanying you, just for the benefit of the tape and doing the recording. On my left is the Constable of St. Lawrence, Deirdre Mezbourian, and the Constable of St. Martin, Silva Yates. On my right I have Deputy Geoff Southern and Deputy De Sousa. Simon is our scrutiny officer, Rebecca is doing the recording.

**The Minister for Housing:**

On my side, on my right, I have Paul Bradbury from Population. On my left Carl Mavity, Housing, and John Hamon, Finance Manager, and I am Terry Le Main.

**Senator A. Breckon:**

Thanks for that. Just to start with, by way of some background, could you tell us how long you were President of Housing and how long you have been Minister?

**The Minister for Housing:**

I took over Housing for 6 weeks end of 1999 when the committee that you were part of fell by the wayside. This is the fourth year as Minister.

**Senator A. Breckon:**

So that will be 11 years coming up?

**The Minister for Housing:**

Yes.

**Senator A. Breckon:**

As Minister, this is the second term?

**The Minister for Housing:**

Second term.

**Senator A. Breckon:**

Thanks for that. In general terms, Terry, can I just kick off and say in that time what housing gain do you think you have brought to the people of Jersey in housing terms as President and Minister?

**The Minister for Housing:**

A huge amount of social housing through the trusts. We have now got a far better relationship with our clients than we have ever had before and, in fact, I think for the first time ever, our clients are really part of our team. We work with them, through them and in partnership. I think that is one of the greatest benefits now in the time when I first was part of Housing, and before that tenants were treated abysmally. Any bad tenants were all put into certain estates if they misbehaved or what have you. But now we find that working with our clients and working together that if you produce good nice modern homes then it makes all the difference to the clients, whether they might have been difficult clients in the past or not. I think we have got a great working relationship. We have got tenant participation groups. As I say, we have got something like 1,000 homes that have been put into the Trusts. Generally, I think if you just listen around and you do not see letters in the paper I think we have got a very, very good working relationship. The other great thing, when we first took over, the Housing Department was the dumping ground for staff that were unsuitable in other departments but now it is a totally professional dedicated staff who are trained to deal with people and the best people for the job now.

**Connétable D.W. Mezbourian of St. Lawrence:**

Have you still got some of those staff?

**The Minister for Housing:**

No, they have gone now. The other thing of course is we did have about 85 staff and we are down to half of that. Professor Christine Whitehead, finds it amazing that we are able to run our department with half the amount of staff that have been in a similar operation elsewhere.

**Senator A. Breckon:**

You mentioned the Trusts had about 1,000 properties. Do you think that is value for money in the public sector's point of view?

**The Minister for Housing:**

You will have to ask John for that. Perhaps in hindsight the benefits have cost something but I am still of the opinion that once the Trusts have paid off their mortgages, after about a 20 to 25 year cycle, and they would be getting money in, then they would be able to take part in the provision of providing social housing because they could go out without letters of comfort and they are not giving letters of comfort anymore now. So they are able now to go out and to provide homes. They are very hungry at the moment. I have got a little bit of a difficulty. We have got some sites coming on that the Housing Department would like to buy, the 45 per cent which could be sheltered housing and just rather hope we are not going to be in a bidding war with the Trusts bidding against us when we particularly want some.

**Deputy G.P. Southern of St. Helier:**

What regulations have you got in place to govern the activities of the Trusts?

**The Minister for Housing:**

Can you remind me on that please?

**The Director of Policy and Development:**

The Trusts were established under the 1861 - I forget the French - which gives a certain amount of control over who the trustees can be in the Trust and that those Trusts must be non profit organisations, so it prevents surpluses of cash and what have you being used for anything other than affordable housing. The need for proper regulation in a social housing context across all providers in the Island - I say "all" including the activities of the Housing Department itself - is something that has been identified as far back as the first States Strategic plan following the formation of ministerial government. It was one of the very key elements of the piece of work that was set out in that Strategic Plan that the Housing Department was to do. There were 2 pieces of work, if you recall, one was to try and get a mechanism for putting the housing stock back in a reasonable condition and addressing the maintenance backlog, that was P.6/2007. The second piece of work was to have this review of social housing provision in Jersey, and you will recall that one of the terms of reference, one of the very key terms of reference, for that review when it was started was to look at the need for regulation in the Island, whether there was an obvious regulator already here or whether there was something appropriate that we could adopt from elsewhere. That has been addressed by Christine Whitehead in her report, and it is something that the Minister expects to bring to the States later this year for a policy direction decision.

**Deputy G.P. Southern:**

Policy direction decision? Four years for a policy direction decision seems like rather a long time.

**The Minister for Housing:**

No, I do not think it does. I think some of these policies have taken a huge amount of time by the time one is deliberated. You take the Tenancy Law, for instance. It has taken absolute years to get that to its conclusion. There were 9 drafts on that Tenancy Law, something like that?

**Director, Population Office:**

No, more, 12 or 13

**The Minister for Housing:**

Twelve, 13 drafts. We would like to do it a lot quicker but, yes, I take your point.

**Deputy G.P. Southern:**

But has this not been a large chunk of your work, I mean regulations to control the housing trusts which is supported and are a major means of delivering social housing, surely a regulation system?

**The Minister for Housing:**

There have been no issues with regulation as far as we are concerned because every individual site and every individual borrowing had an individual agreement on a regulation basis.

**Deputy G.P. Southern:**

Do you have any control over, for example, the contracting out of the repairs and maintenance?

**The Minister for Housing:**

No, we have not.

**Deputy G.P. Southern:**

Why not?

**The Minister for Housing:**

Because we have not at the moment. It is something that I know that the Planning Minister and Senator Shenton are concerned about. We are concerned about it as well but up to now it has not been regulated. We have been waiting ...

**Deputy G.P. Southern:**

Concerned about, but no action.

**The Minister for Housing:**

No action because we have indicated for about 3-4 years now that we were going to get a proper investigation into social housing and the Whitehead report is a culmination of that.

**Connétable S.A. Yates of St. Martin:**

I have 2 questions, Minister. I would like your colleague to expand a little bit on the obligations or whatever of the Housing Trusts because you were quoting the law 1861 or whatever, but you seemed to gloss over it; can you describe any obligation the Housing Trusts have to perform when they have cash spare please?

**The Director of Policy and Development:**

The 1861 law is merely a vehicle to allow the enactment of effectively a not for profit organisation. It is not housing specific. The arrangement with the Housing Trusts, as we understand it, is that they are non profit organisations. That the general presumption is that they will use their proceeds from their rent, from which they keep 100 per cent, to service the borrowing that they have had to take out in order to generate the housing that they have. As the Minister says, over 1,000 units have been generated through that mechanism. There comes a point towards the end of that borrowing period, the 25 years on a traditional mortgage, where they are going to have surpluses of income. They are to use that income for either running the existing stock, for doing maintenance, refurbishment, capital regeneration, or to add more stock to their social housing portfolio. If there is not a use for the surpluses then it is certainly our understanding that those surpluses come back to the Treasury. But we are some way off.

**The Minister for Housing:**

Every agreement carries that condition.

**The Director of Policy and Development:**

There is also generally a condition on sites that again they have to be used for social housing purposes, so they could not take a site and just convert it to open market and realise a huge windfall in cash terms. There are conditions about use of the stock and conditions ultimately about the use of the surpluses.

**The Connétable of St. Martin:**

Am I right in thinking that at the present moment, at some time in the future, the public can expect more social housing or an income into the Treasury?

**The Minister for Housing:**

Yes, correct.

**The Connétable of St. Lawrence:**

Who will be responsible for overseeing receipt back into the Treasury? What conditions are laid down? Is it that the Treasury has something that says on such and such a date they will expect so much money?

**The Minister for Housing:**

There is a condition in that the Treasury have an oversight on their activities and, correct, exactly what the Connétable is saying, that the original idea of that was sold to us in a big way, and was sold to the States in a big way in those days, was that after a period of years they would take over as being the major provider of social housing in the Island with the surpluses they were generated and the States would stand back, and eventually hopefully be a social landlord but not a great ...

**The Connétable of St. Martin:**

Obviously I understand when the mortgages are paid off. In a matter of timescale, when will these mortgages start to be paid off?

**The Minister for Housing:**

Some of them are halfway through and more now. But every different site has a different ... from the time they started. But certainly the Homes Trust for instance have got some mortgages now. They are well past halfway.

**The Connétable of St. Martin:**

That would be on what term?

**The Minister for Housing:**

They are accumulating funds now.

**The Connétable of St. Martin:**

Are we talking about a 25-year mortgage?

**The Minister for Housing:**

Yes.

**The Connétable of St. Martin:**

So we are talking about 10-12 years' time?

**The Minister for Housing:**

Yes. In fact they are accumulating funds now; they are hungry to purchase extra stock now.

**Deputy D.J. De Sousa of St. Helier:**

You just said the funds are accumulating. Who regulates and views the annual accounts and services that the Trusts provide and use?

**The Minister for Housing:**

There is an annual account. The annual accounts are public knowledge. They are public knowledge for everyone to see. All of you get one as well. In fact, there is one due out now, is there not?

**Deputy G.P. Southern:**

I do not think they get widely circulated to Members of the States.

**The Minister for Housing:**

I think in that case we will instruct that ...

**Deputy G.P. Southern:**

At one stage 3 years ago I had a hell of a job to get hold of them.

**The Minister for Housing:**

They are available and if it is something that you require we will make sure that you will get a set of accounts. They are publicly available every year.

**The Connétable of St. Lawrence:**

Can I take you back to something you said just now, Minister? I may have misunderstood. I thought you said that Housing would like to take up a share of the 45 percent.

**The Minister for Housing:**

The Housing Department have got a need at the moment for around 400 units and we are trying to realign our stock. What is slightly bothering me at the moment is that with the Trusts very hungry to increase their stock, particularly the Homes Trust, and the Christians Together, they are all very hungry to increase and apparently they have had some green lights from the banks that they can borrow considerable amounts of money. I do not want us to be in a position that we are going to be outbid on the stock that has to be sold off, the 45 per cent.

[10:15]

**The Connétable of St. Lawrence:**

You were saying you have got funds to acquire?

**The Minister for Housing:**

We have, yes, and so do the Trusts.

**Deputy G.P. Southern:**

Just talking about the 45 per cent reserve for social housing and yet down at Goose Green you did not use the housing that you had, 45 per cent, for social rental housing. You decided to put those in for sale.

**The Minister for Housing:**

The Planning Minister did.

**Deputy G.P. Southern:**

What input did you have into that?

**The Minister for Housing:**

He was the one that put the conditions on the site, and we had to sell them.

**Deputy G.P. Southern:**

What input did you have into that decision?

**The Minister for Housing:**

The input we had, we were asked to take over the sale of them and to set up a scheme to sell them off.

**Senator A. Breckon:**

You mentioned something earlier about working together ...

**The Minister for Housing:**

The Planning Minister made the decision.

**Deputy G.P. Southern:**

You just said that you were concerned about the 45 per cent that are normally allocated to social housing and yet at Goose Green you let those go from social rental and said: “We do not need them for rental anymore”, where do you get the figures from to base that sort of decision on?

**The Minister for Housing:**

We did not let them go. The States decided ... the Planning Minister ...

**Deputy G.P. Southern:**

They were originally allocated for social rental housing.

**The Minister for Housing:**

They were.

**Deputy G.P. Southern:**

And we put them into sale.

**The Minister for Housing:**

We did because there was quite a waiting list or strong waiting list for first time buyers in the affordable range of £40-60,000 income and at that time we did not have a huge waiting list for rental. This is something you and I disagree on.

**Deputy G.P. Southern:**

I think you and Professor Whitehead disagree on because she says there are woeful inadequacies in using just the waiting list as your marker for what the demand is because if you define your waiting list and you reduce eligibility for access in social housing then obviously you can control the size of your waiting list. The waiting list is the indicator and there is little demand and is, as Professor Whitehead points out, probably misleading and you need to examine your criteria as well.

**The Minister for Housing:**

Yes, absolutely. I agree with you.

**Senator A. Breckon:**

The other thing you mentioned; you mentioned working together so can I just sort of try and put this together when you say Trusts and others about the way forward and if we look at, say, population and migration, supply, demand, need, call it what you like, what is the actual plan for housing in the future, social housing, whatever, what is the plan on numbers, predictions?

**The Minister for Housing:**

The issue is that we cannot make any forward plans really for that. It is an ongoing situation. We have to accept that ... we well know that there is a need for sheltered housing on an ongoing need. We are well aware of that. We are well aware of the need currently for affordable first time buyers but the market for the provision of 3-bedroom homes, 2-beds and what have you, is quite volatile. We have to reassess the needs of all those virtually on a 6-month basis.

**Senator A. Breckon:**

Is there anything that brings together the age, the income, the profile and the housing situation of the population now and in the future because without robust data, I mean, what is it, finger in the air, how does it work?

**The Director of Policy and Development:**

I think you are absolutely right and one of the things that we have been identifying for some time, and if you look at objective 2 of our Business Plan, I think one of the things that ... we initially highlighted ... interestingly enough in the debate about Jersey Homebuy was the need for more regular up-to-date dynamic data on housing need and we brought forward the proposal, which is included in the Strategic Plan and in our Business Plan, to set up a gateway, a single access point for anybody who requires access to affordable housing. What we think that will give us ... at the moment the arrangement is that the Housing Department has a list and quite rightly, as Deputy Southern says, it just tells us about our list about our very restrictive criteria. The Jersey Homes Trust have a list, the Parish of St. Lawrence have a list, the Parish of St. Ouen, and there are lots of access points for people to go to in order to access the 6,200 units of social housing which we have. The danger is that a person on one list is not included on the others and so potentially they miss out because they do not know that the Parish of St. Lawrence, for instance, provides housing. The danger is also that we are not necessarily making best use of our housing because we are applying different eligibility criteria in different areas. So, we have suggested the formation of a gateway which would be a central holding point for all of that data that would allow people who are in policy making positions to be able to look and have accurate information about how many people do need one

bedroom, 2-bedroom, 3-bedroom accommodation. I think the other thing not to overlook is also the benefit that a census would bring us. In bringing together that data about a person's particular needs, their income, quite rightly, their existing family situation, their housing situation at the present time, because one of the things we have a real difficulty in identifying to a large extent is those concealed households. People who are not on the radar, as it were, today but potentially could pop up at any time and I think ...

**Senator A. Breckon:**

Census aside though, Carl, how does this come together to house the population in affordable, comfortable places to live?

**The Director of Policy and Development:**

I think if we have accurate information about our need we can do, I think, projections ... using the census data allows us to do some modelling in the forward sense because all the waiting list is going to tell us is that need we have got today and we know that to develop a home from scratch is going to take 3 years if we are lucky. So we need to do more work about forward projections. The only way we can see of doing that is to have the census, which will give us that baseline of information and then the gateway, which will not only hold information about rental, bear in mind, but also that information about people's desire to buy in an affordable context. Christine Whitehead, we think, is right. There are people out there in the private rented sector who potentially maybe could buy but we need to know the prices, the type of units that they are interested in buying, et cetera. But there are also people there possibly who need to be renting in a social housing context rather than a private sector.

**Senator A. Breckon:**

Paul, can I ask you a question on ebb and flow of population? How does that add the bearings to this, people coming and going, retiring, coming to the Island, leaving the Island? What is the sort of estimate you can put in there that sort of gives some substance to the work that might be done?

**Director, Population Office:**

In terms of grabbing the basic issues a little bit, there is obviously a query or questions about social housing, affordable housing which the Housing Department are responsible for, and then there is the wider question of housing supply in Jersey.

**Senator A. Breckon:**

You check on economic and employment areas as well, do you not?

**Director, Population Office:**

Across the board, so not just in terms of affordable housing. Talking across the board in terms of the ebb and flow of migrants into Jersey and the demographics, et cetera, we take our lead from the Strategic Plan and the population policy, which sets out the population and migration target, which is based upon Statistics Unit population model which included their best estimates of ebb and flow. At the moment I think it is 3,000 in and out each year. That then sets a target for population over the long term, planning had an input into that process that indicated that completions were expected to meet that inward migration target. In addition, we then used the tools, the *Planning for Homes* document over the short term and then the forthcoming Island plan over

the long term. That is how we, as a Population Office, regulate our laws in terms of inward migration into Jersey and demand on the housing market. That is the macro.

**Senator A. Breckon:**

Statistically from Social Security are they able to tell you on a monthly or a quarterly basis new registrations where people have come from, whether they are leaving education going into work or coming from another country or they were existing residents who have gone into work; are you able to get that quality information?

**Director, Population Office:**

The population measure is an annual measure and that is a measure done by the Stats Unit which includes our own 6-monthly manpower survey, plus the information from Social Security on retirees, et cetera, and education of a given school. That is an annual dataset. We also get 6-monthly dataset in terms of employment from ourselves but if you are asking quarterly, do we monitor registrations through Social Security, not systematically, no.

**Senator A. Breckon:**

So you do not get an ebb and flow from Employment, from Social Security, or an age profile of the workforce?

**Director, Population Office:**

We get our 6-monthly manpower report and we get monthly unemployment reports, and those are the 2 tools we use.

**Senator A. Breckon:**

Would information from Social Security along those lines be more helpful to you?

**Director, Population Office:**

In my view, 6-monthly census is administratively appropriate in terms of the amount of work that needs to go into doing that to get the manpower figures for Jersey. In the migration policy we are clearly planning to do a quarterly one, and that would be preferable but I do not think we should do quarterly until we have got the tools and the systems to do that efficiently. So I do think a 6-monthly manpower return, plus quarterly unemployment statistics, are good enough, notwithstanding that we have daily contact with Social Security on specific vacancies that we identify specific people they have who are looking for work, so there is a good level of informal contact as well as those stats.

**Senator A. Breckon:**

In your opinion now, from what goes across your desk, is there less pressure from employment and the economy than there was, say, 18 months ago?

**Director, Population Office:**

There is certainly a growing issue with unemployment, and that is reflected on our side with a tougher stance in terms of granting non local permissions, and that is our response that we generate ...

**Senator A. Breckon:**

Are you in a position to say whether there is more or less people signed on Social Security in February this year than last year?

**Director, Population Office:**

We have the stats. I do not have them to hand, but I believe there are more.

**Senator A. Breckon:**

I mean signed on to come to the Island seeking work; where are we with the flow and ebb? Is it still the same or has it changed?

**Director, Population Office:**

The actual registrations?

**Senator A. Breckon:**

Yes.

**Director, Population Office:**

I do not know the actual registrations and I will not know until we get the population statistics in April.

**Deputy G.P. Southern:**

You mentioned a tougher stance; in what sense can you demonstrate a tougher stance in terms of people coming to the Island, locals versus non locals?

**The Minister for Housing:**

You need our census. The Regulation and Undertaking licenses that come before the Migration Advisory Group, they have to make a real good case with their employer now to employ ...

**Deputy G.P. Southern:**

Has it not always been the policy that they had to advertise for local staff and when they can prove they cannot find local staff then they can employ non local staff?

**The Minister for Housing:**

Absolutely. They have to work with Social Security and they have to work with Education. Very, very strict guidelines.

**Deputy G.P. Southern:**

Can you illustrate how you have toughened up in that sense?

**Director, Population Office:**

Can I add 2 things in terms of the day-to-day processes? Again, I do not have the Regulation of Undertakings stats because this is a Housing matter but I am happy to talk about it. We increased the number of non local permissions in December 2008 and we reduced them in December 2009, so there is a clear change from more non local permissions given out 12 months ago, and less 12 months later.

**Deputy G.P. Southern:**

So you have increased your targets, your permissions?

**Director, Population Office:**

Almost every business in Jersey has a joint staffing licence which caps the number of non local people they are allowed to engage.

**Deputy G.P. Southern:**

From a year ago you are now tougher with that, reduce ...

**Director, Population Office:**

We are now reducing numbers.

**Deputy G.P. Southern:**

Reduce the percentages, the proportions?

**Director, Population Office:**

The absolute numbers of non local qualifying people.

**Deputy G.P. Southern:**

The absolute numbers.

**Director, Population Office:**

Twelve months ago they were increasing. That is not to say we are refusing everything. We are obviously still having to approve some things but, and that goes back to what we talked about before, we have a good relationship with Social Security and we have much more frequent contact now because of the current economic climate than we need to have when we clearly know there are no local people.

**Deputy G.P. Southern:**

Can you produce those figures from R.U.D.L. (Regulations of Undertakings and Development Law) in confidence to the panel?

**Director, Population Office:**

Yes, I can.

**Deputy G.P. Southern:**

Showing by sector what you are doing?

**Director, Population Office:**

I can produce global figures. If I am able I will do it by sector.

**Senator A. Breckon:**

What information would you have about people that apply for special employment status, who are just coming looking for work? How would you log them in any way for population and immigration? How do you record people coming to the Island and not, say, (j) cats who are not applying for that?

**Director, Population Office:**

We obviously give the (j) permissions on an individual basis and we absolutely know how many (j)s we give out. The business licensing system is different. It is not permission for each non local, it is a cap on business licence.

**Senator A. Breckon:**

Block permission to protect people?

**Director, Population Office:**

Absolutely. So we do not control the number of people coming to Jersey we just cap the number of jobs available. So the control in the data is, as you say, the Social Security registrations which we will get in terms of the annual figures in April.

**Senator A. Breckon:**

So you are only getting annual records but you do not get a quarterly snapshot of what has happened about new registration?

**Director, Population Office:**

Correct. But the only thing I would add to that is notwithstanding how many people register we cap the total number of work in Jersey, so we control the ability to work, not the ability to register.

**Deputy G.P. Southern:**

The current target of up to 150 heads of household, net inward migration, can you say that that is being met at the moment or not?

**Director, Population Office:**

When we have the April figures ...

[10:30]

**Deputy G.P. Southern:**

So we will not know until April whether we met or missed it?

**Director, Population Office:**

I will say 2 things. In the current economic climate, given our stance of refusing this, I am comfortable we are meeting that target. We only have to do 6-monthly manpower surveys and only once those that are done can we confirm categorically that we have met that target. The only other thing I will add is that is a rolling target, so if we did not meet it in one 6-month period we would respond over the following 6-month period.

**The Minister for Housing:**

A question I ask all the time: “Are we within the targets?”

**The Connétable of St. Lawrence:**

Can I move on to a different matter? The Annual Business Plan, you referred to the Jersey standard in it for social-rented properties. Can you give your definition of the Jersey standard?

**The Director of Policy and Development:**

No, because it is not yet written. It is a target for this year. It is one that we will have to consult with the other social housing providers on the Island about because it is about a Jersey standard. I think if you look at the U.K. (United Kingdom) standard of a decent home it is very much a bricks and mortar standard. It says that the roof shall

be less than 60 years old. It shall have a heating system. It is quite a basic standard. We think too basic and perhaps not what the Island aspires to. We are having some discussions at officer level about if we are providing social housing that is as much about the services that one provides as it is about the bricks and mortar of the home that one provides. It is sometimes about the safety net that we provide as a social landlord for when people need it, that they do not get out in the private sector. So, I think the standard as we develop drafts of it this year for consultation will be kind of 2-pronged. They will be about the standard of the home and what people can expect as a basic standard, and I think it will also be about the kind of services that we would expect a social landlord, whoever that might be, is able to provide for the people that they have.

**The Connétable of St. Lawrence:**

So your consultation will take place with who?

**The Director of Policy and Development:**

With all the local providers, and I include in that the Parishes, the housing trusts. There are some charities who are providing small numbers of quite niche social housing, but we have about 6,200 units on the Island and quite a few providers, and I think they all need to be consulted and engaged in that process.

**The Connétable of St. Lawrence:**

What about your tenants?

**The Director of Policy and Development:**

Absolutely. We have a tenants' forum, as the Minister has very eloquently said this morning, we work with them closer than we ever have. We have dedicated officers now whose job it is to make sure that tenants are engaged on all major policy decisions. They have been consulted in respect of the Whitehead review. We see that as a process going forward.

**Deputy G.P. Southern:**

You have mentioned the word "affordable", so you will introduce this new standard affordably. You are probably aware that Kelvin MacDonald's report to the Planning Department categorically says there is no affordable housing in Jersey on average wages or indeed any employment sector. What plans do you have, what consideration do you have for ensuring affordable housing in Jersey?

**The Minister for Housing:**

Kelvin MacDonald has identified that particularly within the town areas, all major developments or any developments over 5 units there will be a percentage of affordable.

**Deputy G.P. Southern:**

But he says there are currently no affordable housing units on standard debt ratios for anybody in Jersey.

**The Minister for Housing:**

I would not know ...

**Senator A. Breckon:**

For example, average wages would be around ...

**Deputy G.P. Southern:**

The question is, Minister, what plans do you have up and coming to try and ensure that we do provide affordable housing in Jersey?

**The Minister for Housing:**

I sat with the Planning Minister when we discussed and brought forward the Kelvin MacDonald report, so I was party to all the discussions, and the issue is that there has to be ways and means somewhere along the line of the developers who have been developing over a number of years, particularly on private commercial sites, should provide a percentage of affordable homes. Now, all I can do as Housing Minister, I cannot instruct or do, I need to give the support to the Planning Minister.

**Deputy G.P. Southern:**

But MacDonald examined your gateway into Homebuy and said even with this massive reduction in the price these houses are not affordable and we are over borrowing in order to have anybody purchase them.

**The Minister for Housing:**

I have got no plans at the moment ... we have not got the money to, in fact, subsidise and the only way you are going to bring really affordable homes to ordinary people to purchase is with a case subsidy, and we have not got that.

**Deputy G.P. Southern:**

And you have no plans to introduce the subsidy or any financing in the pipeline ...

**The Minister for Housing:**

No, nothing in the pipeline.

**Deputy G.P. Southern:**

You are not seeking any financing to ensure affordable housing?

**The Minister for Housing:**

Nothing in the pipeline apart from the current scheme that we have in place now.

**Deputy G.P. Southern:**

Do you not think it might be a good idea to consider it?

**The Minister for Housing:**

It would be, in an ideal world, Deputy Southern, yes. But in this real world that we are living at the moment I am afraid if you think that we are going to be able to get funding and bring back the old States loan and all those sort of things ...

**Deputy G.P. Southern:**

How does this tie in with your own aim to increase the ratio of owner-occupied housing on the Island when you are saying that it looks like we cannot provide any affordable housing on the Island?

**The Minister for Housing:**

I have got to say to you that the only way that the ...

**Deputy G.P. Southern:**

Have you abandoned that aim?

**The Minister for Housing:**

No, I have not abandoned the aim at all.

**Deputy G.P. Southern:**

So how are you going to achieve it?

**The Minister for Housing:**

We are working very hard with the Planning Minister to provide affordable homes.

**Deputy G.P. Southern:**

But you have not got a plan, you have not got anything set in ...

**The Minister for Housing:**

We have not got a plan ...

**Deputy G.P. Southern:**

Anything under consideration?

**The Minister for Housing:**

We have not got a plan.

**Deputy G.P. Southern:**

So who is in the real world?

**The Minister for Housing:**

Who is in the real world?

**Deputy G.P. Southern:**

You or me? I am saying you are obviously not going to meet that aim. You are saying it is still an aim.

**The Minister for Housing:**

I am unable to meet that aim and I have got to be quite honest with you. I am unable to meet that aim because ...

**Deputy G.P. Southern:**

So Jersey couples can no longer afford housing in Jersey and you can do nothing about it, is that what you are saying?

**The Minister for Housing:**

At the moment with the prices of the homes at £400,000-odd unless there is land rezoned, unless the States bit the bullet and purchased and made a land bank, the only way we are going to do something is having a land bank. How you overcome the issue about purchasing land before it is rezoned to provide affordable homes is the

issue that we have all been trying to grapple. I have got a file on it, Crown Officers, everything for years and years, and that is the only way they are going to be able to do it. No other way. The Constable of St. Martin has got the same problem in his Parish.

**The Connétable of St. Martin:**

Minister, I was going to ask you, have you got any thoughts on compulsory purchase?

**The Minister for Housing:**

I am very happy to show my file going back 10 or 15 years on it. Compulsory purchase, we are advised by the Crown Officers, that you cannot buy land rezoned, even compulsory purchase, or otherwise, and if you are going to build on it there is a compensation issue to the owner.

**Deputy G.P. Southern:**

So your response to Jersey couples now who are looking around for housing saying: “We cannot afford this” is: “I have got a file this high you can come and live in that. Come and live in my file.”

**The Minister for Housing:**

Do not talk rubbish. You know exactly what I am talking about. The issue is quite clear that the Planning Minister is the only one who can rezone land and the Planning Minister is the only one that can put conditions on land. I cannot do anything about that. I can give as much support as I can and my officers, and we do so to the Planning Officers to the Planning Minister.

**Deputy G.P. Southern:**

So after 10 years in the position, Senator Le Main, one of your main aims of increasing owner occupation on the Island is sunk, it is dead? You can no longer deliver that.

**The Minister for Housing:**

No, Deputy Southern. You must understand that in the real world we have many, many people in this Island who claim to be first time buyers but will never be able to afford it. That is the real world. You must remember that the average income of our tenants is around £12-13,000. Now in the real world, even in my day when I had a first time buyer loan 40 years ago, there were people there saying: "I am a first time buyer, I cannot buy." They could not afford to buy then and they will not be able to afford to buy now. We had a list some years ago that produced 2,000 names on the list, all first time buyers. By the time we had finished and looked at their incomes and their situations a quarter of those were first time buyers.

**Deputy G.P. Southern:**

Thirty, 40 years ago we introduced a States loan scheme to enable people to buy homes and we no longer have got anything like that.

**The Minister for Housing:**

Because the government of this Island, if you live in the real world, Deputy Southern, could not afford it. It would need hundred and hundreds of millions of pounds to finance homes at £300-400,000. In those days we were talking about very small sums of money for a house.

**Director, Population Office:**

Very briefly on States loans, I do not really want to say a lot other than there is an Oxera report recently commissioned on mortgage finance in Jersey and one of the questions we asked is that it was around the requirement of the State to provide or support loan finance.

**Deputy G.P. Southern:**

When is that report coming out?

**Director, Population Office:**

I do not know. It is a matter for the Chief Minister's Department, the Economic Adviser. We are certainly keen to see it.

**The Director of Policy and Development:**

If I can chip in on the affordable question: we are fully aware of the challenges of providing affordable housing, particularly in the current lending climate, and we are taking steps to try and see what can be done. I think there are some things that we can certainly investigate to see whether we can make home ownership more affordable, and that means looking outside of the Island, it means looking at what is being done elsewhere. Is a traditional freehold purchase of a 3-bedroom house with a garage in the country realistic for Jersey? Are we looking at perhaps other forms of housing? Is apartment living something we should be trying to promote? They are perhaps cheaper. They occupy less land and that must be a concern for us. But other kinds of tenure. I mean shared ownership has been talked about, but there are other kinds of

arrangements and things being done in Guernsey at the moment with regard to kind of lifetime leasing. There are other products around other than a conventional freehold transaction which, by definition, may well be cheaper and may make that step towards a form of home ownership realistic for some. It is a fact and Christine Whitehead points it out in her report that there are going to be some people for whom housing or renting is a lifelong tenure. I think the challenge for us then is to make sure that they are renting in the most appropriate mechanism, and if they require, as they go through their lives, that safety net that I mentioned earlier, that we are able to provide that as well.

**The Minister for Housing:**

The issue is quite clearly some years ago opposition from Parishes, St. Clement was a classic example, Hodge Phase 1, Field 40. Hodge Phase 1, had they been built when they first promoted it houses were £99,000 and Field 40 went to the States, turned down, and that was similar when Dick Shenton took over the States.

**Senator A. Breckon:**

The only thing with some of these pressures then on buying and people cannot afford, I mean what sort of pressure and what prediction is that going to have on rental? I think it is there already for private, social and other. Is that going to lead to greater demand or people looking for more stability?

**The Minister for Housing:**

We will know that if we had a land bank, and the States owned land, houses can be built. I have just agreed a States loan for a young couple who are building a 3-

bedroom bungalow for £180,000, land donated by the family. We know, and I have had this discussion with the Connétable on my right about the affordability only a few days ago, and the issue is quite clear that if we could have a land bank and the States somehow could overcome this issue about the compulsory purchase, taking over the land before rezoning, I would plead with you to get the Attorney General in and question him about the legality of this because if we could overcome that and any of you could give us some assistance and be able to buy some land pre-rezoned then ... we have got a site now at Housing that we would like to buy. We have got a site now that we can buy pre-rezoned, a glasshouse site. It is one of the best sites in the Island. We will not be able to do it, it is going to cost ... by the time we finish it will be rezoned and it will cost us 3 times as much.

**The Connétable of St. Lawrence:**

What input have you had into the draft Island Plan?

**The Minister for Housing:**

Full input.

**The Connétable of St. Lawrence:**

Would you like to tell us a bit more about it?

**The Minister for Housing:**

Disaster. They are not going to produce any homes at all.

**The Connétable of St. Lawrence:**

So you do not think the Island Plan ...

**Deputy G.P. Southern:**

It is a disaster we are not going to produce any homes at all?

**The Minister for Housing:**

Hardly anything at all. If we get 100 or 200 out of the Island Plan that is all we will get.

**The Connétable of St. Lawrence:**

What is that? If you are saying that you have had a great deal of input into it, why are you now in the position whereby you are saying it is a disaster and you would be lucky to have 100 homes?

**The Minister for Housing:**

I am not the proposer of the Island Plan.

**The Connétable of St. Lawrence:**

No, but you said you worked closely with the Planning Minister.

**The Minister for Housing:**

We are working very closely with the Planning Minister and we are working very closely with the officers. The officers are 100 per cent on board at Planning but it seems somewhere we are being blocked somewhere along the line.

[10:45]

**The Connétable of St. Lawrence:**

So you are saying that your concerns are not being taken into account by the department?

**The Minister for Housing:**

Yes, absolutely.

**The Connétable of St. Lawrence:**

How are you addressing that?

**The Minister for Housing:**

We were due to meet only last week, and the meeting got put off.

**The Director of Policy and Development:**

The Minister will be making a formal submission in respect of the draft Island Plan and putting forward, I think, a number of comments that I think need to be taken into account in the ... that plan is in the consultation phase only. It is not the final document yet and it has not been lodged for debate as yet. We have every confidence that the department's views and the views of the Minister will be taken into account. We have always had a very good relationship with Planning and we expect those views to be listened to if not necessarily agreed with.

**The Connétable of St. Lawrence:**

But the Minister has just said they have not been listening to him, so why now do you think all of a sudden they will be?

**The Director of Policy and Development:**

I think during the early part of the consultation there have been a number of workshops run and people in this room I am sure will have been to some or all of those, and I think there has been an awful lot of frustrations that have come out at those workshops from all sorts of sectors. But we have yet to make our formal submission, and so when the Minister does that, clearly he will expect a response from the Planning Minister that will indicate what he agrees with and what he does not.

**The Minister for Housing:**

I have to reiterate the only way we are going to overcome these developers and the huge profits they make is the States to somehow buy land pre-rezoned and build or allow us to build affordable homes for people. We are building homes. What are the actual costs of a rebuild of a 3-bedroom home? £180,000?

**The Director of Policy and Development:**

Give or take.

**The Minister for Housing:**

That is what we are building them for and young people are having to buy offsite at £450,000.

**Deputy G.P. Southern:**

As you say, that is attached to the price of land.

**The Director of Policy and Development:**

But the States does own quite a lot of land that potentially is developable.

**The Connétable of St. Martin:**

In my experience it seems to me that owners of land are not really interested in selling for social reasons because they seem to be holding out for some point in the future when they might be able to sell it for open market development and whereby one would like to buy land, the Housing Department or the Parish would like to buy land at around £70,000 a plot whereas the land owner is looking to achieve £130,000 a plot; have you any comments whereby either the State or the local authorities could gain control of land and what can be put on it?

**The Minister for Housing:**

My view is that I think that some of the ... I think the Constables have got a very important role in providing affordable homes, sheltered homes, within their villages, and I would like and I would give 100 per cent support, particularly for your scheme in St. Martin, for the Connétables to move forward on that. But the issue is the P.75, we got nothing out of that yet. Not one home being built. It does not look like there is going to be anything built for a while, apart from St. Mary's I think is nearly ready to start. There is nothing moving and it is worrying that ... I have to say I am a little bit worried that the Planning Minister has given the veto to the Connétables on all the land on P.75.

**Deputy G.P. Southern:**

Can I move this on? We mentioned the Whitehead review, which points out that with the consultation on the way forward with A.L.M.O.s (Arms Length Management Organisations) and whatever is being proposed, that underlying all of this is chronic under-funding on day to day repairs of £2.5 million and maintenance improvements by £5 million a year, notwithstanding the consultation that is going on, what consideration do you have or what propositions do you have to address that chronic under-funding?

**The Minister for Housing:**

We have not got any propositions. We are waiting for the final consultation period to end on 5th March. We have not had one response from Scrutiny or any States Member in writing, nothing. We were rather hoping that we will get responses. Once we get the responses we will come forward with issues and it could be very well the case that we will be asking the States some specific propositions on proposals for their funding and other issues.

**Deputy G.P. Southern:**

You are surely not asking Back-Benchers and Scrutiny to do your job for you, Minister? Surely it is up to you to come with policy because you are the Minister, not us.

**The Minister for Housing:**

But, Deputy Southern, please understand me, if you do not understand me I will explain again, consultation document is a document which seeks the views of States Members, seeks the views of Scrutiny to assist us. We cannot do it on our own so I would suggest to you that if you have got any issues or any proposals that can assist us then I will ask you to please assist us.

**Deputy G.P. Southern:**

Help me if I have got this wrong, but it seems to me the main thrust of what you are proposing is this 5 options for a way forward and it does not matter which of those options one chooses, the chronic under-funding during your 10 years needs to be addressed of £7.5 million.

**The Minister for Housing:**

Absolutely.

**Deputy G.P. Southern:**

So without the detailed knowledge, the in depth knowledge, the Minister has we might make suggestions but actually you know what the problem is, are you considering ... have any consideration of options.

**The Minister for Housing:**

Yes, John may come in on this but I have to say that I will be coming back to the States with a funding proposal to meet that £7.5 million.

**Deputy G.P. Southern:**

Will that funding proposal include rent increases, for example?

**The Minister for Housing:**

Yes, no doubt about it.

**Deputy G.P. Southern:**

So we are talking substantial rental increases?

**The Minister for Housing:**

There will be rent increases, no doubt. We have not made up ...

**Deputy G.P. Southern:**

Will it include going to the States and saying: "Hang on, we need more of this £7.5 million back to us and Treasury Minister stop grabbing it please."

**The Minister for Housing:**

Yes, absolutely.

**The Finance Director:**

We are in consultation with both Social Security and the Treasury. The options range from rent increases; at present we increase our rents of 2.5 per cent, the Treasury actually increased our return by the same value. So we do not gain from that. We are looking at what value of sales are sustainable in the longer term to address the backlog. We are looking at potentially borrowing against future rental income,

particularly relating to new build and we are clearly looking at the annual return to Treasury, albeit in this financial climate that there are implications.

**Deputy G.P. Southern:**

You say we are looking at borrowing as an option against the housing stock, does that not represent a ...

**The Director of Policy and Development:**

Not against the existing stock. That is an important point. Our existing stock is unencumbered. It has no mortgage, no debt against it. What we are talking about is if we were to pick up on the point you mentioned from the Whitehead review and let us say we wanted to pick up more people that are in housing need, and we wanted to grow the stock, we could do that. There is a model for doing that, to allow us to go and seek private finance to borrow against new units, new rent streams that are not in existing cash limits; it is essentially what the Housing Trusts did. So why can the Housing Department not do that too? One of the things that Whitehead says is if we are outside our ...

**Deputy G.P. Southern:**

I could say why did we not do that originally, a major policy decision?

**The Director of Policy and Development:**

As she quite rightly says, as an A.L.M.O., or something other than a States department within the very strict confines of a government department, we have the freedom and the efficiencies to some extent to be that much more efficient and to be

more innovative in those respects. It is one of the efficiencies that she can see and that she has experienced elsewhere when organisations have gone through that transition away from being a central sort of government entity, is that they can react much quicker to what is going on. A site comes up, we can react faster, we can access borrowing, we can acquire that site. At the present time going through that process would be such a long and slow process that, as the Minister addressed some concern earlier, with sites emerging now there is every chance that those sites will probably go to Housings Trusts. That is not necessarily a bad thing because they are providing housing as well. But if we want to change the mix of our stock and be providing more housing as an entity then we need the ability to be able to add stock, add value to the portfolio without dipping our hands into the public purse.

**Deputy G.P. Southern:**

You mentioned 2 things there, one is rent increases but does that not, in terms of social housing, transfer the burden on to income support and we pay for it that way? Although it might sound attractive, in terms of overall government spending is probably not that attractive. I do not know. What is your thinking, Minister?

**The Minister for Housing:**

The issue is that that is the main consideration at the moment. We have got some issues at the moment there, for instance we refurbished blocks of flats where they were in not very good condition and we upgraded them to really nice apartments, well insulated, double glazed, everything, but the rents were low before because of their condition and some of those people are still sitting with the same rents now. We are probably about 60 or 70 per cent below the fair rents that they should be but we are

waiting until this consultation is over so we can come forward with some proper proposals so the States will decide the kind of rents and who is going to set the rents and who is going to regulate and all that, so sitting at the moment we are sitting on quite a lot of stock that has been refurbished for the last 12 to 18 months that actually the people are paying not the fair rents at all, so we are not getting the income.

**Deputy G.P. Southern:**

And you have not put rents up on those?

**The Minister for Housing:**

No, we have not. We are waiting.

**The Director of Policy and Development:**

What the Minister is saying is in the absence of a proper rent policy, something which is joined up, which acknowledges the link with Social Security, the Housing Department would not want to be acting in a manner which in a circular sense could just create more difficulties than we have presently got. So, clearly that is an issue we need to address. It was one of the key terms of reference of the Whitehead review. We need to have and I think the States ultimately needs to give direction about what it is looking for. We need to have a proper rents policy that says: "Social housing rents will be ..."; 10 per cent behind the market, 20 per cent behind the market, at market or whatever. At the moment there is no clear direction and that is one of the things we are looking for.

**The Connétable of St. Martin:**

I heard you say some of your newly refurbished flats were at 60 per cent below fair rent. How are you going to raise that up? How can you tell a tenant all of a sudden his or her rent is going to go up 60 per cent?

**The Minister for Housing:**

That is the problem.

**The Connétable of St. Martin:**

You are not going to be able to do it.

**The Minister for Housing:**

That is the problem, we have always had that problem. When we have refurbished in the past, when rents have been fairly low because of condition, we have had to raise them but we have not raised anything at the moment and we think it would cause all sorts of hardships and what have you.

**The Connétable of St. Martin:**

We are not going to have any increase until that tenant moves on or dies?

**The Minister for Housing:**

We will be coming forward with some rent proposals which the States will decide.

**The Connétable of St. Martin:**

One other question because going back to Whitehead, I have got a note here which says repairs are under-funded by £2.5 million, the planned maintenance and

improvements under-funded by £5 million per annum. I cast my mind back to 2007, the Social Property Plan, do I remember correctly that there was £6 million set aside per annum for property maintenance? What happened to that £6 million?

**The Finance Director:**

There was £30 million in total over 5 years. That has been reduced slightly since then by £1.5 million and it has been spread into a number of ... a lot longer period. So this year our contribution is £2.5 million, the contribution from the States Capital programme is £2.5 million rather than £6 million. What this is talking about is the ongoing longer term under-funding rather than these 2 years ...

**The Connétable of St. Martin:**

The goal post seems to have changed.

**The Director of Policy and Development:**

I think the point that Christine makes, I think the £7.5 million refers to, is we can get through the backlog of maintenance that we have got by some sales, not 800 as we set out but less in all reality and with the benefit of that contribution from the States. But what Christine quite rightly says, and she is absolutely right, is that just deals with today's problem. If you do not have the £7.5 million extra per annum all you start is another cycle of deterioration and in 20 years' time we are then saying: "Let us sell another 500 to fund ..."

**Deputy G.P. Southern:**

In terms of the refurbishment that you are dealing with now, the short term, if you like, where does the balance lie between sales, the fiscal stimulus money, the extra money that has been put in and the money from the pot? You are saying it has been reduced and spread over longer, so you have only got £2.5 million this year.

[11:00]

**The Finance Director:**

£2.5 million this year albeit that the amount, apart from the £1.5 million that has been reduced, the balance of the £28.5 is still delivered up to 2016 which was the original plan. The balance is fiscal stimulus which we have £9 million for Le Squez, phase 2, which is repayable from sales and £8 million for backlog maintenance which is not repayable. So the balance is going to have to be sales.

**Deputy G.P. Southern:**

You mentioned we have to examine the States sustainability for sales because one of the things that Whitehead was saying was that demand for social rental housing is likely to go up rather than down. We are crystal ball gazing, should you be selling off stock in order to do that? It is a fine balance, is it not? Have we got the balance right?

**The Director of Policy and Development:**

I think at the moment we have. I think one of the things we said in P.6 is that ...

**Deputy G.P. Southern:**

Is that because you cannot sell them?

**The Director of Policy and Development:**

We have been selling, albeit they have been slower than we might have anticipated. In any case I think we potentially might have slowed down anyway. There is a paragraph in P.6, if I can just trouble you to read it. We said at the very outset was that: "Sales would be carried out in a managed, sustainable way without imposing unnecessary strains on the wider housing market and related at all times to current levels of supply and demand within social housing. It is believed that it is essential that decisions on sales to the open market and to tenants should be balanced against delivery of new social rented housing and the needs reflected in the States rental waiting list." One point the Minister made earlier, quite rightly, is that we did rezone land, P.75 in 2008, and the delivery of those homes has been very slow. That is an amber light at the moment and we are very aware of that and conscious that it is not bringing in that new stock which creates that ripple through everything else.

**The Minister for Housing:**

I think I have had a discussion with Alan. Alan and I both agree that the Housing Department should be an A.L.M.O. of some kind and that we should be treated similarly to all the Trusts, that we collect all the rents and we retain 20 per cent or 18 per cent for the refurbishment and the continued maintenance of that property, and that is all we are asking. If we can get that through the States then we should have an ongoing commitment.

**The Connétable of St. Lawrence:**

So you are going to take that to the States as a proposal?

**The Minister for Housing:**

Yes, it will go to the States.

**Deputy D.J. De Sousa:**

In the Strategic Plan objective 1, the management of the department's stock, one of the criteria that you have there is the department is able to increase and retain its income to ensure that it is self-sufficient and able to wholly maintain and refurbish States-owned social rented stock well into the future. How have you addressed this and how do you see the way forward to implement it?

**The Director of Policy and Development:**

I think that is exactly what the Whitehead review is saying. I think the way of addressing that is for ... the first step is the Green Paper, is the consultation document on Whitehead. The second step after consultation closes on 5th March will be a White Paper which will be, I think as you pointed out, a policy document from the Minister saying: "I intend to do X or Y" and that will come to the States for debate. As the Minister has already said, you cannot just simply hang on to £7.5 million out of the return he is giving to Treasury at the moment without creating a problem for somebody else and we have to look at that with Treasury, we have to look at that with Social Security. We are already doing that, we have started that discussion with a view to bringing some definitive policy as a White Paper ultimately lodged for debate before the end of this year which will set out how we intend to get there.

**Deputy G.P. Southern:**

Can I just come on to little areas really? On several occasions in the past, Minister, you said to me, in answer to my questions, that (g) hardship cases are going down and you see hardly any and yet the latest figures show that the figures are maintained at around 70 a year, can you tell me how you are dealing with (g) cases nowadays?

**The Minister for Housing:**

In the days of the Committee, it was, and Senator Breckon will tell you, there were files like that for every Committee meeting and it took a morning of deliberations on hardship cases in those days. In fact, when I first started doing my Housing public surgeries - twice a month I do one - some years ago there were queues of people that used to attend, particularly at Communicare, now some days we do not get anyone at all. The requests to the department now for (g) hardships are half if not a third of what they were some years ago.

**Deputy G.P. Southern:**

The figures for the last 4 years showed remarkably consistent levels at around between 70 and 80 per year.

**The Minister for Housing:**

Yes, since ministerial and before that when Committee used to meet it was horrendous.

**Deputy G.P. Southern:**

And 2006, was that ministerial as well?

**The Minister for Housing:**

I cannot remember that far back.

**Director, Population Office:**

Yes.

**The Director of Policy and Development:**

Yes, it was.

**Deputy G.P. Southern:**

Secondly, I asked the question the other week about the proportions of permanent (j) cats being granted and temporary (j) cats. The Assistant Minister seemed to be under the impression and has gone public saying that we do not appoint any permanent (j) cats any more, it is all temporaries whereas I understood the policy was the majority would be permanent and some were, obviously there was a replacement need, would be temporary. What is the proportion now? What are we looking at in private and public sectors, do you know?

**The Minister for Housing:**

We can give you that information.

**Director, Population Office:**

Very briefly, in 2009 we approved 348 (j)s, of those 160 were with a time limit and 190 were without. So quite evenly split in 2009. But it partly depends on the type of

application we get, so a time limit will apply to, for example, a work permit and contract post or a specific starter venture.

**Senator A. Breckon:**

Would somebody with a 3-year permit be allowed to buy?

**The Minister for Housing:**

Yes, currently.

**Director, Population Office:**

They may be able to buy. We also can apply a lease only condition to a (j).

**The Minister for Housing:**

Which we are starting to do more and more now.

**Deputy G.P. Southern:**

The figures for recent years, 2008, 2007, when we were in boom, are they similar or are we granting more permits?

**Director, Population Office:**

Going back to 2006, which is when we first brought in the contract policy, in that year 288 had a time limit and 200 did not have a time limit.

**Deputy G.P. Southern:**

I will ask you about the in between years later. Can I do one more again because I have got a written note down here? Rent rebate and rent abatements, are we talking about rent levels and rent policy? We have made a major change in going to income support where rent rebate and rent abatement are no longer completely internal matters for the Housing Department, right hand to left hand, now it is real money coming in and real money still going out to private sectors. What policy do we have dealing with the increase in rent abatements and rent rebates over the past 10 years?

**The Minister for Housing:**

The policies are not Housing Committee policies. They are Employment and Social Security policies. My view is, and it is only a view, I have got no say in the matter - as I say, it is Employment and Social Security - there should be some curtailment on the housing component for the private sector somehow. That is not our role at all. You will have to ask the Employment and Social Security Minister.

**The Director of Policy and Development:**

It is one of the things I think that Christine Whitehead says, is that there needs to be a disconnect between public sector rents and private sector rents in the way that housing subsidy is applied to it otherwise there is potentially ... and I think she says that you need to break that, and again that is another reason why you need a very clear rent policy which is joined up in its approach, both in the way that it deals with the return to Treasury but also in the way that it deals with Social Security and income support, particularly the knock-on effect in the private sector which of course includes Housing Trusts.

**Deputy G.P. Southern:**

What information do you have in terms of those particular schemes looking at October this year when the income support rental components are to be phased out? How do you see that affecting your particular department, Minister?

**The Minister for Housing:**

Well, I have not discussed that with officers yet. I do not know what John's view or Carl's view on that, but I have certainly had no discussions on that at the moment.

**Deputy G.P. Southern:**

Have any discussions taken place at officer level between you and Social Security?

**The Finance Director:**

On the phasing out of the transitional?

**Deputy G.P. Southern:**

On the phasing out of the transitional.

**The Finance Director:**

Not to my knowledge, although my understanding is that it does not affect the housing component.

**Deputy G.P. Southern:**

I will ask later perhaps.

**Senator A. Breckon:**

Is there anything that we might have missed that you would like to say?

**The Minister for Housing:**

No. Any of you are most welcome to come into the department if you have got any queries. If you want to talk to officers and we will show you a bit more.

**Senator A. Breckon:**

Thanks for coming along anyway. It has been a useful session. There might be issues that are sort of outstanding so we might get back to you or you might want to come back to us or whatever with some information. Thanks for that, we appreciate your time. We will now adjourn until 11.30 a.m.

[11:10]

# STATES OF JERSEY

## Health, Social Security and Housing Scrutiny Panel

**TUESDAY, 9th FEBRUARY 2010**

**Panel:**

Senator A. Breckon (Chairman)  
Deputy D.J. De Sousa of St. Helier  
Connétable D.W. Mezbourian of St. Mary  
Connétable S.A. Yates of St. Martin  
Deputy G.P. Southern of St. Helier

**Witnesses:**

Senator T.J. Le Main (The Minister for Housing)  
Mr. P. Bradbury (Director, Population Office)  
Mr. C. Mavity (Director of Policy and Development, Housing)  
Mr. J. Hamon (Finance Director, Housing)

**Senator A. Breckon (Chairman):**

Welcome to everybody. Thanks for coming along to discuss some of the Housing issues and matters that are ongoing that are in the Business Plan. We are recording this. This is mainly for our own purposes and within about 4 or 5 days you will get a copy of this. If there is anything in there that is factually incorrect, if you say 16 when it should be 60 or something like that, it is an opportunity to correct that. I will introduce everybody around the table. Minister, if you introduce the people who are accompanying you, just for the benefit of the tape and doing the recording. On my left is the Constable of St. Lawrence, Deirdre Mezbourian, and the Constable of St. Martin, Silva Yates. On my right I have Deputy Geoff Southern and Deputy De Sousa. Simon is our scrutiny officer, Rebecca is doing the recording.

**The Minister for Housing:**

On my side, on my right, I have Paul Bradbury from Population. On my left Carl Mavity, Housing, and John Hamon, Finance Manager, and I am Terry Le Main.

**Senator A. Breckon:**

Thanks for that. Just to start with, by way of some background, could you tell us how long you were President of Housing and how long you have been Minister?

**The Minister for Housing:**

I took over Housing for 6 weeks end of 1999 when the committee that you were part of fell by the wayside. This is the fourth year as Minister.

**Senator A. Breckon:**

So that will be 11 years coming up?

**The Minister for Housing:**

Yes.

**Senator A. Breckon:**

As Minister, this is the second term?

**The Minister for Housing:**

Second term.

**Senator A. Breckon:**

Thanks for that. In general terms, Terry, can I just kick off and say in that time what housing gain do you think you have brought to the people of Jersey in housing terms as President and Minister?

**The Minister for Housing:**

A huge amount of social housing through the trusts. We have now got a far better relationship with our clients than we have ever had before and, in fact, I think for the first time ever, our clients are really part of our team. We work with them, through them and in partnership. I think that is one of the greatest benefits now in the time when I first was part of Housing, and before that tenants were treated abysmally. Any bad tenants were all put into certain estates if they misbehaved or what have you. But now we find that working with our clients and working together that if you produce good nice modern homes then it makes all the difference to the clients, whether they might have been difficult clients in the past or not. I think we have got a great working relationship. We have got tenant participation groups. As I say, we have got something like 1,000 homes that have been put into the Trusts. Generally, I think if you just listen around and you do not see letters in the paper I think we have got a very, very good working relationship. The other great thing, when we first took over, the Housing Department was the dumping ground for staff that were unsuitable in other departments but now it is a totally professional dedicated staff who are trained to deal with people and the best people for the job now.

**Connétable D.W. Mezbourian of St. Lawrence:**

Have you still got some of those staff?

**The Minister for Housing:**

No, they have gone now. The other thing of course is we did have about 85 staff and we are down to half of that. Professor Christine Whitehead, finds it amazing that we are able to run our department with half the amount of staff that have been in a similar operation elsewhere.

**Senator A. Breckon:**

You mentioned the Trusts had about 1,000 properties. Do you think that is value for money in the public sector's point of view?

**The Minister for Housing:**

You will have to ask John for that. Perhaps in hindsight the benefits have cost something but I am still of the opinion that once the Trusts have paid off their mortgages, after about a 20 to 25 year cycle, and they would be getting money in, then they would be able to take part in the provision of providing social housing because they could go out without letters of comfort and they are not giving letters of comfort anymore now. So they are able now to go out and to provide homes. They are very hungry at the moment. I have got a little bit of a difficulty. We have got some sites coming on that the Housing Department would like to buy, the 45 per cent which could be sheltered housing and just rather hope we are not going to be in a bidding war with the Trusts bidding against us when we particularly want some.

**Deputy G.P. Southern of St. Helier:**

What regulations have you got in place to govern the activities of the Trusts?

**The Minister for Housing:**

Can you remind me on that please?

**The Director of Policy and Development:**

The Trusts were established under the 1861 - I forget the French - which gives a certain amount of control over who the trustees can be in the Trust and that those Trusts must be non profit organisations, so it prevents surpluses of cash and what have you being used for anything other than affordable housing. The need for proper regulation in a social housing context across all providers in the Island - I say "all" including the activities of the Housing Department itself - is something that has been identified as far back as the first States Strategic plan following the formation of ministerial government. It was one of the very key elements of the piece of work that was set out in that Strategic Plan that the Housing Department was to do. There were 2 pieces of work, if you recall, one was to try and get a mechanism for putting the housing stock back in a reasonable condition and addressing the maintenance backlog, that was P.6/2007. The second piece of work was to have this review of social housing provision in Jersey, and you will recall that one of the terms of reference, one of the very key terms of reference, for that review when it was started was to look at the need for regulation in the Island, whether there was an obvious regulator already here or whether there was something appropriate that we could adopt from elsewhere. That has been addressed by Christine Whitehead in her report, and it is something that the Minister expects to bring to the States later this year for a policy direction decision.

**Deputy G.P. Southern:**

Policy direction decision? Four years for a policy direction decision seems like rather a long time.

**The Minister for Housing:**

No, I do not think it does. I think some of these policies have taken a huge amount of time by the time one is deliberated. You take the Tenancy Law, for instance. It has taken absolute years to get that to its conclusion. There were 9 drafts on that Tenancy Law, something like that?

**Director, Population Office:**

No, more, 12 or 13

**The Minister for Housing:**

Twelve, 13 drafts. We would like to do it a lot quicker but, yes, I take your point.

**Deputy G.P. Southern:**

But has this not been a large chunk of your work, I mean regulations to control the housing trusts which is supported and are a major means of delivering social housing, surely a regulation system?

**The Minister for Housing:**

There have been no issues with regulation as far as we are concerned because every individual site and every individual borrowing had an individual agreement on a regulation basis.

**Deputy G.P. Southern:**

Do you have any control over, for example, the contracting out of the repairs and maintenance?

**The Minister for Housing:**

No, we have not.

**Deputy G.P. Southern:**

Why not?

**The Minister for Housing:**

Because we have not at the moment. It is something that I know that the Planning Minister and Senator Shenton are concerned about. We are concerned about it as well but up to now it has not been regulated. We have been waiting ...

**Deputy G.P. Southern:**

Concerned about, but no action.

**The Minister for Housing:**

No action because we have indicated for about 3-4 years now that we were going to get a proper investigation into social housing and the Whitehead report is a culmination of that.

**Connétable S.A. Yates of St. Martin:**

I have 2 questions, Minister. I would like your colleague to expand a little bit on the obligations or whatever of the Housing Trusts because you were quoting the law 1861 or whatever, but you seemed to gloss over it; can you describe any obligation the Housing Trusts have to perform when they have cash spare please?

**The Director of Policy and Development:**

The 1861 law is merely a vehicle to allow the enactment of effectively a not for profit organisation. It is not housing specific. The arrangement with the Housing Trusts, as we understand it, is that they are non profit organisations. That the general presumption is that they will use their proceeds from their rent, from which they keep 100 per cent, to service the borrowing that they have had to take out in order to generate the housing that they have. As the Minister says, over 1,000 units have been generated through that mechanism. There comes a point towards the end of that borrowing period, the 25 years on a traditional mortgage, where they are going to have surpluses of income. They are to use that income for either running the existing stock, for doing maintenance, refurbishment, capital regeneration, or to add more stock to their social housing portfolio. If there is not a use for the surpluses then it is certainly our understanding that those surpluses come back to the Treasury. But we are some way off.

**The Minister for Housing:**

Every agreement carries that condition.

**The Director of Policy and Development:**

There is also generally a condition on sites that again they have to be used for social housing purposes, so they could not take a site and just convert it to open market and realise a huge windfall in cash terms. There are conditions about use of the stock and conditions ultimately about the use of the surpluses.

**The Connétable of St. Martin:**

Am I right in thinking that at the present moment, at some time in the future, the public can expect more social housing or an income into the Treasury?

**The Minister for Housing:**

Yes, correct.

**The Connétable of St. Lawrence:**

Who will be responsible for overseeing receipt back into the Treasury? What conditions are laid down? Is it that the Treasury has something that says on such and such a date they will expect so much money?

**The Minister for Housing:**

There is a condition in that the Treasury have an oversight on their activities and, correct, exactly what the Connétable is saying, that the original idea of that was sold to us in a big way, and was sold to the States in a big way in those days, was that after a period of years they would take over as being the major provider of social housing in the Island with the surpluses they were generated and the States would stand back, and eventually hopefully be a social landlord but not a great ...

**The Connétable of St. Martin:**

Obviously I understand when the mortgages are paid off. In a matter of timescale, when will these mortgages start to be paid off?

**The Minister for Housing:**

Some of them are halfway through and more now. But every different site has a different ... from the time they started. But certainly the Homes Trust for instance have got some mortgages now. They are well past halfway.

**The Connétable of St. Martin:**

That would be on what term?

**The Minister for Housing:**

They are accumulating funds now.

**The Connétable of St. Martin:**

Are we talking about a 25-year mortgage?

**The Minister for Housing:**

Yes.

**The Connétable of St. Martin:**

So we are talking about 10-12 years' time?

**The Minister for Housing:**

Yes. In fact they are accumulating funds now; they are hungry to purchase extra stock now.

**Deputy D.J. De Sousa of St. Helier:**

You just said the funds are accumulating. Who regulates and views the annual accounts and services that the Trusts provide and use?

**The Minister for Housing:**

There is an annual account. The annual accounts are public knowledge. They are public knowledge for everyone to see. All of you get one as well. In fact, there is one due out now, is there not?

**Deputy G.P. Southern:**

I do not think they get widely circulated to Members of the States.

**The Minister for Housing:**

I think in that case we will instruct that ...

**Deputy G.P. Southern:**

At one stage 3 years ago I had a hell of a job to get hold of them.

**The Minister for Housing:**

They are available and if it is something that you require we will make sure that you will get a set of accounts. They are publicly available every year.

**The Connétable of St. Lawrence:**

Can I take you back to something you said just now, Minister? I may have misunderstood. I thought you said that Housing would like to take up a share of the 45 percent.

**The Minister for Housing:**

The Housing Department have got a need at the moment for around 400 units and we are trying to realign our stock. What is slightly bothering me at the moment is that with the Trusts very hungry to increase their stock, particularly the Homes Trust, and the Christians Together, they are all very hungry to increase and apparently they have had some green lights from the banks that they can borrow considerable amounts of money. I do not want us to be in a position that we are going to be outbid on the stock that has to be sold off, the 45 per cent.

[10:15]

**The Connétable of St. Lawrence:**

You were saying you have got funds to acquire?

**The Minister for Housing:**

We have, yes, and so do the Trusts.

**Deputy G.P. Southern:**

Just talking about the 45 per cent reserve for social housing and yet down at Goose Green you did not use the housing that you had, 45 per cent, for social rental housing. You decided to put those in for sale.

**The Minister for Housing:**

The Planning Minister did.

**Deputy G.P. Southern:**

What input did you have into that?

**The Minister for Housing:**

He was the one that put the conditions on the site, and we had to sell them.

**Deputy G.P. Southern:**

What input did you have into that decision?

**The Minister for Housing:**

The input we had, we were asked to take over the sale of them and to set up a scheme to sell them off.

**Senator A. Breckon:**

You mentioned something earlier about working together ...

**The Minister for Housing:**

The Planning Minister made the decision.

**Deputy G.P. Southern:**

You just said that you were concerned about the 45 per cent that are normally allocated to social housing and yet at Goose Green you let those go from social rental and said: “We do not need them for rental anymore”, where do you get the figures from to base that sort of decision on?

**The Minister for Housing:**

We did not let them go. The States decided ... the Planning Minister ...

**Deputy G.P. Southern:**

They were originally allocated for social rental housing.

**The Minister for Housing:**

They were.

**Deputy G.P. Southern:**

And we put them into sale.

**The Minister for Housing:**

We did because there was quite a waiting list or strong waiting list for first time buyers in the affordable range of £40-60,000 income and at that time we did not have a huge waiting list for rental. This is something you and I disagree on.

**Deputy G.P. Southern:**

I think you and Professor Whitehead disagree on because she says there are woeful inadequacies in using just the waiting list as your marker for what the demand is because if you define your waiting list and you reduce eligibility for access in social housing then obviously you can control the size of your waiting list. The waiting list is the indicator and there is little demand and is, as Professor Whitehead points out, probably misleading and you need to examine your criteria as well.

**The Minister for Housing:**

Yes, absolutely. I agree with you.

**Senator A. Breckon:**

The other thing you mentioned; you mentioned working together so can I just sort of try and put this together when you say Trusts and others about the way forward and if we look at, say, population and migration, supply, demand, need, call it what you like, what is the actual plan for housing in the future, social housing, whatever, what is the plan on numbers, predictions?

**The Minister for Housing:**

The issue is that we cannot make any forward plans really for that. It is an ongoing situation. We have to accept that ... we well know that there is a need for sheltered housing on an ongoing need. We are well aware of that. We are well aware of the need currently for affordable first time buyers but the market for the provision of 3-bedroom homes, 2-beds and what have you, is quite volatile. We have to reassess the needs of all those virtually on a 6-month basis.

**Senator A. Breckon:**

Is there anything that brings together the age, the income, the profile and the housing situation of the population now and in the future because without robust data, I mean, what is it, finger in the air, how does it work?

**The Director of Policy and Development:**

I think you are absolutely right and one of the things that we have been identifying for some time, and if you look at objective 2 of our Business Plan, I think one of the things that ... we initially highlighted ... interestingly enough in the debate about Jersey Homebuy was the need for more regular up-to-date dynamic data on housing need and we brought forward the proposal, which is included in the Strategic Plan and in our Business Plan, to set up a gateway, a single access point for anybody who requires access to affordable housing. What we think that will give us ... at the moment the arrangement is that the Housing Department has a list and quite rightly, as Deputy Southern says, it just tells us about our list about our very restrictive criteria. The Jersey Homes Trust have a list, the Parish of St. Lawrence have a list, the Parish of St. Ouen, and there are lots of access points for people to go to in order to access the 6,200 units of social housing which we have. The danger is that a person on one list is not included on the others and so potentially they miss out because they do not know that the Parish of St. Lawrence, for instance, provides housing. The danger is also that we are not necessarily making best use of our housing because we are applying different eligibility criteria in different areas. So, we have suggested the formation of a gateway which would be a central holding point for all of that data that would allow people who are in policy making positions to be able to look and have accurate information about how many people do need one

bedroom, 2-bedroom, 3-bedroom accommodation. I think the other thing not to overlook is also the benefit that a census would bring us. In bringing together that data about a person's particular needs, their income, quite rightly, their existing family situation, their housing situation at the present time, because one of the things we have a real difficulty in identifying to a large extent is those concealed households. People who are not on the radar, as it were, today but potentially could pop up at any time and I think ...

**Senator A. Breckon:**

Census aside though, Carl, how does this come together to house the population in affordable, comfortable places to live?

**The Director of Policy and Development:**

I think if we have accurate information about our need we can do, I think, projections ... using the census data allows us to do some modelling in the forward sense because all the waiting list is going to tell us is that need we have got today and we know that to develop a home from scratch is going to take 3 years if we are lucky. So we need to do more work about forward projections. The only way we can see of doing that is to have the census, which will give us that baseline of information and then the gateway, which will not only hold information about rental, bear in mind, but also that information about people's desire to buy in an affordable context. Christine Whitehead, we think, is right. There are people out there in the private rented sector who potentially maybe could buy but we need to know the prices, the type of units that they are interested in buying, et cetera. But there are also people there possibly who need to be renting in a social housing context rather than a private sector.

**Senator A. Breckon:**

Paul, can I ask you a question on ebb and flow of population? How does that add the bearings to this, people coming and going, retiring, coming to the Island, leaving the Island? What is the sort of estimate you can put in there that sort of gives some substance to the work that might be done?

**Director, Population Office:**

In terms of grabbing the basic issues a little bit, there is obviously a query or questions about social housing, affordable housing which the Housing Department are responsible for, and then there is the wider question of housing supply in Jersey.

**Senator A. Breckon:**

You check on economic and employment areas as well, do you not?

**Director, Population Office:**

Across the board, so not just in terms of affordable housing. Talking across the board in terms of the ebb and flow of migrants into Jersey and the demographics, et cetera, we take our lead from the Strategic Plan and the population policy, which sets out the population and migration target, which is based upon Statistics Unit population model which included their best estimates of ebb and flow. At the moment I think it is 3,000 in and out each year. That then sets a target for population over the long term, planning had an input into that process that indicated that completions were expected to meet that inward migration target. In addition, we then used the tools, the *Planning for Homes* document over the short term and then the forthcoming Island plan over

the long term. That is how we, as a Population Office, regulate our laws in terms of inward migration into Jersey and demand on the housing market. That is the macro.

**Senator A. Breckon:**

Statistically from Social Security are they able to tell you on a monthly or a quarterly basis new registrations where people have come from, whether they are leaving education going into work or coming from another country or they were existing residents who have gone into work; are you able to get that quality information?

**Director, Population Office:**

The population measure is an annual measure and that is a measure done by the Stats Unit which includes our own 6-monthly manpower survey, plus the information from Social Security on retirees, et cetera, and education of a given school. That is an annual dataset. We also get 6-monthly dataset in terms of employment from ourselves but if you are asking quarterly, do we monitor registrations through Social Security, not systematically, no.

**Senator A. Breckon:**

So you do not get an ebb and flow from Employment, from Social Security, or an age profile of the workforce?

**Director, Population Office:**

We get our 6-monthly manpower report and we get monthly unemployment reports, and those are the 2 tools we use.

**Senator A. Breckon:**

Would information from Social Security along those lines be more helpful to you?

**Director, Population Office:**

In my view, 6-monthly census is administratively appropriate in terms of the amount of work that needs to go into doing that to get the manpower figures for Jersey. In the migration policy we are clearly planning to do a quarterly one, and that would be preferable but I do not think we should do quarterly until we have got the tools and the systems to do that efficiently. So I do think a 6-monthly manpower return, plus quarterly unemployment statistics, are good enough, notwithstanding that we have daily contact with Social Security on specific vacancies that we identify specific people they have who are looking for work, so there is a good level of informal contact as well as those stats.

**Senator A. Breckon:**

In your opinion now, from what goes across your desk, is there less pressure from employment and the economy than there was, say, 18 months ago?

**Director, Population Office:**

There is certainly a growing issue with unemployment, and that is reflected on our side with a tougher stance in terms of granting non local permissions, and that is our response that we generate ...

**Senator A. Breckon:**

Are you in a position to say whether there is more or less people signed on Social Security in February this year than last year?

**Director, Population Office:**

We have the stats. I do not have them to hand, but I believe there are more.

**Senator A. Breckon:**

I mean signed on to come to the Island seeking work; where are we with the flow and ebb? Is it still the same or has it changed?

**Director, Population Office:**

The actual registrations?

**Senator A. Breckon:**

Yes.

**Director, Population Office:**

I do not know the actual registrations and I will not know until we get the population statistics in April.

**Deputy G.P. Southern:**

You mentioned a tougher stance; in what sense can you demonstrate a tougher stance in terms of people coming to the Island, locals versus non locals?

**The Minister for Housing:**

You need our census. The Regulation and Undertaking licenses that come before the Migration Advisory Group, they have to make a real good case with their employer now to employ ...

**Deputy G.P. Southern:**

Has it not always been the policy that they had to advertise for local staff and when they can prove they cannot find local staff then they can employ non local staff?

**The Minister for Housing:**

Absolutely. They have to work with Social Security and they have to work with Education. Very, very strict guidelines.

**Deputy G.P. Southern:**

Can you illustrate how you have toughened up in that sense?

**Director, Population Office:**

Can I add 2 things in terms of the day-to-day processes? Again, I do not have the Regulation of Undertakings stats because this is a Housing matter but I am happy to talk about it. We increased the number of non local permissions in December 2008 and we reduced them in December 2009, so there is a clear change from more non local permissions given out 12 months ago, and less 12 months later.

**Deputy G.P. Southern:**

So you have increased your targets, your permissions?

**Director, Population Office:**

Almost every business in Jersey has a joint staffing licence which caps the number of non local people they are allowed to engage.

**Deputy G.P. Southern:**

From a year ago you are now tougher with that, reduce ...

**Director, Population Office:**

We are now reducing numbers.

**Deputy G.P. Southern:**

Reduce the percentages, the proportions?

**Director, Population Office:**

The absolute numbers of non local qualifying people.

**Deputy G.P. Southern:**

The absolute numbers.

**Director, Population Office:**

Twelve months ago they were increasing. That is not to say we are refusing everything. We are obviously still having to approve some things but, and that goes back to what we talked about before, we have a good relationship with Social Security and we have much more frequent contact now because of the current economic climate than we need to have when we clearly know there are no local people.

**Deputy G.P. Southern:**

Can you produce those figures from R.U.D.L. (Regulations of Undertakings and Development Law) in confidence to the panel?

**Director, Population Office:**

Yes, I can.

**Deputy G.P. Southern:**

Showing by sector what you are doing?

**Director, Population Office:**

I can produce global figures. If I am able I will do it by sector.

**Senator A. Breckon:**

What information would you have about people that apply for special employment status, who are just coming looking for work? How would you log them in any way for population and immigration? How do you record people coming to the Island and not, say, (j) cats who are not applying for that?

**Director, Population Office:**

We obviously give the (j) permissions on an individual basis and we absolutely know how many (j)s we give out. The business licensing system is different. It is not permission for each non local, it is a cap on business licence.

**Senator A. Breckon:**

Block permission to protect people?

**Director, Population Office:**

Absolutely. So we do not control the number of people coming to Jersey we just cap the number of jobs available. So the control in the data is, as you say, the Social Security registrations which we will get in terms of the annual figures in April.

**Senator A. Breckon:**

So you are only getting annual records but you do not get a quarterly snapshot of what has happened about new registration?

**Director, Population Office:**

Correct. But the only thing I would add to that is notwithstanding how many people register we cap the total number of work in Jersey, so we control the ability to work, not the ability to register.

**Deputy G.P. Southern:**

The current target of up to 150 heads of household, net inward migration, can you say that that is being met at the moment or not?

**Director, Population Office:**

When we have the April figures ...

[10:30]

**Deputy G.P. Southern:**

So we will not know until April whether we met or missed it?

**Director, Population Office:**

I will say 2 things. In the current economic climate, given our stance of refusing this, I am comfortable we are meeting that target. We only have to do 6-monthly manpower surveys and only once those that are done can we confirm categorically that we have met that target. The only other thing I will add is that is a rolling target, so if we did not meet it in one 6-month period we would respond over the following 6-month period.

**The Minister for Housing:**

A question I ask all the time: “Are we within the targets?”

**The Connétable of St. Lawrence:**

Can I move on to a different matter? The Annual Business Plan, you referred to the Jersey standard in it for social-rented properties. Can you give your definition of the Jersey standard?

**The Director of Policy and Development:**

No, because it is not yet written. It is a target for this year. It is one that we will have to consult with the other social housing providers on the Island about because it is about a Jersey standard. I think if you look at the U.K. (United Kingdom) standard of a decent home it is very much a bricks and mortar standard. It says that the roof shall

be less than 60 years old. It shall have a heating system. It is quite a basic standard. We think too basic and perhaps not what the Island aspires to. We are having some discussions at officer level about if we are providing social housing that is as much about the services that one provides as it is about the bricks and mortar of the home that one provides. It is sometimes about the safety net that we provide as a social landlord for when people need it, that they do not get out in the private sector. So, I think the standard as we develop drafts of it this year for consultation will be kind of 2-pronged. They will be about the standard of the home and what people can expect as a basic standard, and I think it will also be about the kind of services that we would expect a social landlord, whoever that might be, is able to provide for the people that they have.

**The Connétable of St. Lawrence:**

So your consultation will take place with who?

**The Director of Policy and Development:**

With all the local providers, and I include in that the Parishes, the housing trusts. There are some charities who are providing small numbers of quite niche social housing, but we have about 6,200 units on the Island and quite a few providers, and I think they all need to be consulted and engaged in that process.

**The Connétable of St. Lawrence:**

What about your tenants?

**The Director of Policy and Development:**

Absolutely. We have a tenants' forum, as the Minister has very eloquently said this morning, we work with them closer than we ever have. We have dedicated officers now whose job it is to make sure that tenants are engaged on all major policy decisions. They have been consulted in respect of the Whitehead review. We see that as a process going forward.

**Deputy G.P. Southern:**

You have mentioned the word "affordable", so you will introduce this new standard affordably. You are probably aware that Kelvin MacDonald's report to the Planning Department categorically says there is no affordable housing in Jersey on average wages or indeed any employment sector. What plans do you have, what consideration do you have for ensuring affordable housing in Jersey?

**The Minister for Housing:**

Kelvin MacDonald has identified that particularly within the town areas, all major developments or any developments over 5 units there will be a percentage of affordable.

**Deputy G.P. Southern:**

But he says there are currently no affordable housing units on standard debt ratios for anybody in Jersey.

**The Minister for Housing:**

I would not know ...

**Senator A. Breckon:**

For example, average wages would be around ...

**Deputy G.P. Southern:**

The question is, Minister, what plans do you have up and coming to try and ensure that we do provide affordable housing in Jersey?

**The Minister for Housing:**

I sat with the Planning Minister when we discussed and brought forward the Kelvin MacDonald report, so I was party to all the discussions, and the issue is that there has to be ways and means somewhere along the line of the developers who have been developing over a number of years, particularly on private commercial sites, should provide a percentage of affordable homes. Now, all I can do as Housing Minister, I cannot instruct or do, I need to give the support to the Planning Minister.

**Deputy G.P. Southern:**

But MacDonald examined your gateway into Homebuy and said even with this massive reduction in the price these houses are not affordable and we are over borrowing in order to have anybody purchase them.

**The Minister for Housing:**

I have got no plans at the moment ... we have not got the money to, in fact, subsidise and the only way you are going to bring really affordable homes to ordinary people to purchase is with a case subsidy, and we have not got that.

**Deputy G.P. Southern:**

And you have no plans to introduce the subsidy or any financing in the pipeline ...

**The Minister for Housing:**

No, nothing in the pipeline.

**Deputy G.P. Southern:**

You are not seeking any financing to ensure affordable housing?

**The Minister for Housing:**

Nothing in the pipeline apart from the current scheme that we have in place now.

**Deputy G.P. Southern:**

Do you not think it might be a good idea to consider it?

**The Minister for Housing:**

It would be, in an ideal world, Deputy Southern, yes. But in this real world that we are living at the moment I am afraid if you think that we are going to be able to get funding and bring back the old States loan and all those sort of things ...

**Deputy G.P. Southern:**

How does this tie in with your own aim to increase the ratio of owner-occupied housing on the Island when you are saying that it looks like we cannot provide any affordable housing on the Island?

**The Minister for Housing:**

I have got to say to you that the only way that the ...

**Deputy G.P. Southern:**

Have you abandoned that aim?

**The Minister for Housing:**

No, I have not abandoned the aim at all.

**Deputy G.P. Southern:**

So how are you going to achieve it?

**The Minister for Housing:**

We are working very hard with the Planning Minister to provide affordable homes.

**Deputy G.P. Southern:**

But you have not got a plan, you have not got anything set in ...

**The Minister for Housing:**

We have not got a plan ...

**Deputy G.P. Southern:**

Anything under consideration?

**The Minister for Housing:**

We have not got a plan.

**Deputy G.P. Southern:**

So who is in the real world?

**The Minister for Housing:**

Who is in the real world?

**Deputy G.P. Southern:**

You or me? I am saying you are obviously not going to meet that aim. You are saying it is still an aim.

**The Minister for Housing:**

I am unable to meet that aim and I have got to be quite honest with you. I am unable to meet that aim because ...

**Deputy G.P. Southern:**

So Jersey couples can no longer afford housing in Jersey and you can do nothing about it, is that what you are saying?

**The Minister for Housing:**

At the moment with the prices of the homes at £400,000-odd unless there is land rezoned, unless the States bit the bullet and purchased and made a land bank, the only way we are going to do something is having a land bank. How you overcome the issue about purchasing land before it is rezoned to provide affordable homes is the

issue that we have all been trying to grapple. I have got a file on it, Crown Officers, everything for years and years, and that is the only way they are going to be able to do it. No other way. The Constable of St. Martin has got the same problem in his Parish.

**The Connétable of St. Martin:**

Minister, I was going to ask you, have you got any thoughts on compulsory purchase?

**The Minister for Housing:**

I am very happy to show my file going back 10 or 15 years on it. Compulsory purchase, we are advised by the Crown Officers, that you cannot buy land rezoned, even compulsory purchase, or otherwise, and if you are going to build on it there is a compensation issue to the owner.

**Deputy G.P. Southern:**

So your response to Jersey couples now who are looking around for housing saying: “We cannot afford this” is: “I have got a file this high you can come and live in that. Come and live in my file.”

**The Minister for Housing:**

Do not talk rubbish. You know exactly what I am talking about. The issue is quite clear that the Planning Minister is the only one who can rezone land and the Planning Minister is the only one that can put conditions on land. I cannot do anything about that. I can give as much support as I can and my officers, and we do so to the Planning Officers to the Planning Minister.

**Deputy G.P. Southern:**

So after 10 years in the position, Senator Le Main, one of your main aims of increasing owner occupation on the Island is sunk, it is dead? You can no longer deliver that.

**The Minister for Housing:**

No, Deputy Southern. You must understand that in the real world we have many, many people in this Island who claim to be first time buyers but will never be able to afford it. That is the real world. You must remember that the average income of our tenants is around £12-13,000. Now in the real world, even in my day when I had a first time buyer loan 40 years ago, there were people there saying: "I am a first time buyer, I cannot buy." They could not afford to buy then and they will not be able to afford to buy now. We had a list some years ago that produced 2,000 names on the list, all first time buyers. By the time we had finished and looked at their incomes and their situations a quarter of those were first time buyers.

**Deputy G.P. Southern:**

Thirty, 40 years ago we introduced a States loan scheme to enable people to buy homes and we no longer have got anything like that.

**The Minister for Housing:**

Because the government of this Island, if you live in the real world, Deputy Southern, could not afford it. It would need hundred and hundreds of millions of pounds to finance homes at £300-400,000. In those days we were talking about very small sums of money for a house.

**Director, Population Office:**

Very briefly on States loans, I do not really want to say a lot other than there is an Oxera report recently commissioned on mortgage finance in Jersey and one of the questions we asked is that it was around the requirement of the State to provide or support loan finance.

**Deputy G.P. Southern:**

When is that report coming out?

**Director, Population Office:**

I do not know. It is a matter for the Chief Minister's Department, the Economic Adviser. We are certainly keen to see it.

**The Director of Policy and Development:**

If I can chip in on the affordable question: we are fully aware of the challenges of providing affordable housing, particularly in the current lending climate, and we are taking steps to try and see what can be done. I think there are some things that we can certainly investigate to see whether we can make home ownership more affordable, and that means looking outside of the Island, it means looking at what is being done elsewhere. Is a traditional freehold purchase of a 3-bedroom house with a garage in the country realistic for Jersey? Are we looking at perhaps other forms of housing? Is apartment living something we should be trying to promote? They are perhaps cheaper. They occupy less land and that must be a concern for us. But other kinds of tenure. I mean shared ownership has been talked about, but there are other kinds of

arrangements and things being done in Guernsey at the moment with regard to kind of lifetime leasing. There are other products around other than a conventional freehold transaction which, by definition, may well be cheaper and may make that step towards a form of home ownership realistic for some. It is a fact and Christine Whitehead points it out in her report that there are going to be some people for whom housing or renting is a lifelong tenure. I think the challenge for us then is to make sure that they are renting in the most appropriate mechanism, and if they require, as they go through their lives, that safety net that I mentioned earlier, that we are able to provide that as well.

**The Minister for Housing:**

The issue is quite clearly some years ago opposition from Parishes, St. Clement was a classic example, Hodge Phase 1, Field 40. Hodge Phase 1, had they been built when they first promoted it houses were £99,000 and Field 40 went to the States, turned down, and that was similar when Dick Shenton took over the States.

**Senator A. Breckon:**

The only thing with some of these pressures then on buying and people cannot afford, I mean what sort of pressure and what prediction is that going to have on rental? I think it is there already for private, social and other. Is that going to lead to greater demand or people looking for more stability?

**The Minister for Housing:**

We will know that if we had a land bank, and the States owned land, houses can be built. I have just agreed a States loan for a young couple who are building a 3-

bedroom bungalow for £180,000, land donated by the family. We know, and I have had this discussion with the Connétable on my right about the affordability only a few days ago, and the issue is quite clear that if we could have a land bank and the States somehow could overcome this issue about the compulsory purchase, taking over the land before rezoning, I would plead with you to get the Attorney General in and question him about the legality of this because if we could overcome that and any of you could give us some assistance and be able to buy some land pre-rezoned then ... we have got a site now at Housing that we would like to buy. We have got a site now that we can buy pre-rezoned, a glasshouse site. It is one of the best sites in the Island. We will not be able to do it, it is going to cost ... by the time we finish it will be rezoned and it will cost us 3 times as much.

**The Connétable of St. Lawrence:**

What input have you had into the draft Island Plan?

**The Minister for Housing:**

Full input.

**The Connétable of St. Lawrence:**

Would you like to tell us a bit more about it?

**The Minister for Housing:**

Disaster. They are not going to produce any homes at all.

**The Connétable of St. Lawrence:**

So you do not think the Island Plan ...

**Deputy G.P. Southern:**

It is a disaster we are not going to produce any homes at all?

**The Minister for Housing:**

Hardly anything at all. If we get 100 or 200 out of the Island Plan that is all we will get.

**The Connétable of St. Lawrence:**

What is that? If you are saying that you have had a great deal of input into it, why are you now in the position whereby you are saying it is a disaster and you would be lucky to have 100 homes?

**The Minister for Housing:**

I am not the proposer of the Island Plan.

**The Connétable of St. Lawrence:**

No, but you said you worked closely with the Planning Minister.

**The Minister for Housing:**

We are working very closely with the Planning Minister and we are working very closely with the officers. The officers are 100 per cent on board at Planning but it seems somewhere we are being blocked somewhere along the line.

[10:45]

**The Connétable of St. Lawrence:**

So you are saying that your concerns are not being taken into account by the department?

**The Minister for Housing:**

Yes, absolutely.

**The Connétable of St. Lawrence:**

How are you addressing that?

**The Minister for Housing:**

We were due to meet only last week, and the meeting got put off.

**The Director of Policy and Development:**

The Minister will be making a formal submission in respect of the draft Island Plan and putting forward, I think, a number of comments that I think need to be taken into account in the ... that plan is in the consultation phase only. It is not the final document yet and it has not been lodged for debate as yet. We have every confidence that the department's views and the views of the Minister will be taken into account. We have always had a very good relationship with Planning and we expect those views to be listened to if not necessarily agreed with.

**The Connétable of St. Lawrence:**

But the Minister has just said they have not been listening to him, so why now do you think all of a sudden they will be?

**The Director of Policy and Development:**

I think during the early part of the consultation there have been a number of workshops run and people in this room I am sure will have been to some or all of those, and I think there has been an awful lot of frustrations that have come out at those workshops from all sorts of sectors. But we have yet to make our formal submission, and so when the Minister does that, clearly he will expect a response from the Planning Minister that will indicate what he agrees with and what he does not.

**The Minister for Housing:**

I have to reiterate the only way we are going to overcome these developers and the huge profits they make is the States to somehow buy land pre-rezoned and build or allow us to build affordable homes for people. We are building homes. What are the actual costs of a rebuild of a 3-bedroom home? £180,000?

**The Director of Policy and Development:**

Give or take.

**The Minister for Housing:**

That is what we are building them for and young people are having to buy offsite at £450,000.

**Deputy G.P. Southern:**

As you say, that is attached to the price of land.

**The Director of Policy and Development:**

But the States does own quite a lot of land that potentially is developable.

**The Connétable of St. Martin:**

In my experience it seems to me that owners of land are not really interested in selling for social reasons because they seem to be holding out for some point in the future when they might be able to sell it for open market development and whereby one would like to buy land, the Housing Department or the Parish would like to buy land at around £70,000 a plot whereas the land owner is looking to achieve £130,000 a plot; have you any comments whereby either the State or the local authorities could gain control of land and what can be put on it?

**The Minister for Housing:**

My view is that I think that some of the ... I think the Constables have got a very important role in providing affordable homes, sheltered homes, within their villages, and I would like and I would give 100 per cent support, particularly for your scheme in St. Martin, for the Connétables to move forward on that. But the issue is the P.75, we got nothing out of that yet. Not one home being built. It does not look like there is going to be anything built for a while, apart from St. Mary's I think is nearly ready to start. There is nothing moving and it is worrying that ... I have to say I am a little bit worried that the Planning Minister has given the veto to the Connétables on all the land on P.75.

**Deputy G.P. Southern:**

Can I move this on? We mentioned the Whitehead review, which points out that with the consultation on the way forward with A.L.M.O.s (Arms Length Management Organisations) and whatever is being proposed, that underlying all of this is chronic under-funding on day to day repairs of £2.5 million and maintenance improvements by £5 million a year, notwithstanding the consultation that is going on, what consideration do you have or what propositions do you have to address that chronic under-funding?

**The Minister for Housing:**

We have not got any propositions. We are waiting for the final consultation period to end on 5th March. We have not had one response from Scrutiny or any States Member in writing, nothing. We were rather hoping that we will get responses. Once we get the responses we will come forward with issues and it could be very well the case that we will be asking the States some specific propositions on proposals for their funding and other issues.

**Deputy G.P. Southern:**

You are surely not asking Back-Benchers and Scrutiny to do your job for you, Minister? Surely it is up to you to come with policy because you are the Minister, not us.

**The Minister for Housing:**

But, Deputy Southern, please understand me, if you do not understand me I will explain again, consultation document is a document which seeks the views of States Members, seeks the views of Scrutiny to assist us. We cannot do it on our own so I would suggest to you that if you have got any issues or any proposals that can assist us then I will ask you to please assist us.

**Deputy G.P. Southern:**

Help me if I have got this wrong, but it seems to me the main thrust of what you are proposing is this 5 options for a way forward and it does not matter which of those options one chooses, the chronic under-funding during your 10 years needs to be addressed of £7.5 million.

**The Minister for Housing:**

Absolutely.

**Deputy G.P. Southern:**

So without the detailed knowledge, the in depth knowledge, the Minister has we might make suggestions but actually you know what the problem is, are you considering ... have any consideration of options.

**The Minister for Housing:**

Yes, John may come in on this but I have to say that I will be coming back to the States with a funding proposal to meet that £7.5 million.

**Deputy G.P. Southern:**

Will that funding proposal include rent increases, for example?

**The Minister for Housing:**

Yes, no doubt about it.

**Deputy G.P. Southern:**

So we are talking substantial rental increases?

**The Minister for Housing:**

There will be rent increases, no doubt. We have not made up ...

**Deputy G.P. Southern:**

Will it include going to the States and saying: “Hang on, we need more of this £7.5 million back to us and Treasury Minister stop grabbing it please.”

**The Minister for Housing:**

Yes, absolutely.

**The Finance Director:**

We are in consultation with both Social Security and the Treasury. The options range from rent increases; at present we increase our rents of 2.5 per cent, the Treasury actually increased our return by the same value. So we do not gain from that. We are looking at what value of sales are sustainable in the longer term to address the backlog. We are looking at potentially borrowing against future rental income,

particularly relating to new build and we are clearly looking at the annual return to Treasury, albeit in this financial climate that there are implications.

**Deputy G.P. Southern:**

You say we are looking at borrowing as an option against the housing stock, does that not represent a ...

**The Director of Policy and Development:**

Not against the existing stock. That is an important point. Our existing stock is unencumbered. It has no mortgage, no debt against it. What we are talking about is if we were to pick up on the point you mentioned from the Whitehead review and let us say we wanted to pick up more people that are in housing need, and we wanted to grow the stock, we could do that. There is a model for doing that, to allow us to go and seek private finance to borrow against new units, new rent streams that are not in existing cash limits; it is essentially what the Housing Trusts did. So why can the Housing Department not do that too? One of the things that Whitehead says is if we are outside our ...

**Deputy G.P. Southern:**

I could say why did we not do that originally, a major policy decision?

**The Director of Policy and Development:**

As she quite rightly says, as an A.L.M.O., or something other than a States department within the very strict confines of a government department, we have the freedom and the efficiencies to some extent to be that much more efficient and to be

more innovative in those respects. It is one of the efficiencies that she can see and that she has experienced elsewhere when organisations have gone through that transition away from being a central sort of government entity, is that they can react much quicker to what is going on. A site comes up, we can react faster, we can access borrowing, we can acquire that site. At the present time going through that process would be such a long and slow process that, as the Minister addressed some concern earlier, with sites emerging now there is every chance that those sites will probably go to Housings Trusts. That is not necessarily a bad thing because they are providing housing as well. But if we want to change the mix of our stock and be providing more housing as an entity then we need the ability to be able to add stock, add value to the portfolio without dipping our hands into the public purse.

**Deputy G.P. Southern:**

You mentioned 2 things there, one is rent increases but does that not, in terms of social housing, transfer the burden on to income support and we pay for it that way? Although it might sound attractive, in terms of overall government spending is probably not that attractive. I do not know. What is your thinking, Minister?

**The Minister for Housing:**

The issue is that that is the main consideration at the moment. We have got some issues at the moment there, for instance we refurbished blocks of flats where they were in not very good condition and we upgraded them to really nice apartments, well insulated, double glazed, everything, but the rents were low before because of their condition and some of those people are still sitting with the same rents now. We are probably about 60 or 70 per cent below the fair rents that they should be but we are

waiting until this consultation is over so we can come forward with some proper proposals so the States will decide the kind of rents and who is going to set the rents and who is going to regulate and all that, so sitting at the moment we are sitting on quite a lot of stock that has been refurbished for the last 12 to 18 months that actually the people are paying not the fair rents at all, so we are not getting the income.

**Deputy G.P. Southern:**

And you have not put rents up on those?

**The Minister for Housing:**

No, we have not. We are waiting.

**The Director of Policy and Development:**

What the Minister is saying is in the absence of a proper rent policy, something which is joined up, which acknowledges the link with Social Security, the Housing Department would not want to be acting in a manner which in a circular sense could just create more difficulties than we have presently got. So, clearly that is an issue we need to address. It was one of the key terms of reference of the Whitehead review. We need to have and I think the States ultimately needs to give direction about what it is looking for. We need to have a proper rents policy that says: "Social housing rents will be ..."; 10 per cent behind the market, 20 per cent behind the market, at market or whatever. At the moment there is no clear direction and that is one of the things we are looking for.

**The Connétable of St. Martin:**

I heard you say some of your newly refurbished flats were at 60 per cent below fair rent. How are you going to raise that up? How can you tell a tenant all of a sudden his or her rent is going to go up 60 per cent?

**The Minister for Housing:**

That is the problem.

**The Connétable of St. Martin:**

You are not going to be able to do it.

**The Minister for Housing:**

That is the problem, we have always had that problem. When we have refurbished in the past, when rents have been fairly low because of condition, we have had to raise them but we have not raised anything at the moment and we think it would cause all sorts of hardships and what have you.

**The Connétable of St. Martin:**

We are not going to have any increase until that tenant moves on or dies?

**The Minister for Housing:**

We will be coming forward with some rent proposals which the States will decide.

**The Connétable of St. Martin:**

One other question because going back to Whitehead, I have got a note here which says repairs are under-funded by £2.5 million, the planned maintenance and

improvements under-funded by £5 million per annum. I cast my mind back to 2007, the Social Property Plan, do I remember correctly that there was £6 million set aside per annum for property maintenance? What happened to that £6 million?

**The Finance Director:**

There was £30 million in total over 5 years. That has been reduced slightly since then by £1.5 million and it has been spread into a number of ... a lot longer period. So this year our contribution is £2.5 million, the contribution from the States Capital programme is £2.5 million rather than £6 million. What this is talking about is the ongoing longer term under-funding rather than these 2 years ...

**The Connétable of St. Martin:**

The goal post seems to have changed.

**The Director of Policy and Development:**

I think the point that Christine makes, I think the £7.5 million refers to, is we can get through the backlog of maintenance that we have got by some sales, not 800 as we set out but less in all reality and with the benefit of that contribution from the States. But what Christine quite rightly says, and she is absolutely right, is that just deals with today's problem. If you do not have the £7.5 million extra per annum all you start is another cycle of deterioration and in 20 years' time we are then saying: "Let us sell another 500 to fund ..."

**Deputy G.P. Southern:**

In terms of the refurbishment that you are dealing with now, the short term, if you like, where does the balance lie between sales, the fiscal stimulus money, the extra money that has been put in and the money from the pot? You are saying it has been reduced and spread over longer, so you have only got £2.5 million this year.

[11:00]

**The Finance Director:**

£2.5 million this year albeit that the amount, apart from the £1.5 million that has been reduced, the balance of the £28.5 is still delivered up to 2016 which was the original plan. The balance is fiscal stimulus which we have £9 million for Le Squez, phase 2, which is repayable from sales and £8 million for backlog maintenance which is not repayable. So the balance is going to have to be sales.

**Deputy G.P. Southern:**

You mentioned we have to examine the States sustainability for sales because one of the things that Whitehead was saying was that demand for social rental housing is likely to go up rather than down. We are crystal ball gazing, should you be selling off stock in order to do that? It is a fine balance, is it not? Have we got the balance right?

**The Director of Policy and Development:**

I think at the moment we have. I think one of the things we said in P.6 is that ...

**Deputy G.P. Southern:**

Is that because you cannot sell them?

**The Director of Policy and Development:**

We have been selling, albeit they have been slower than we might have anticipated. In any case I think we potentially might have slowed down anyway. There is a paragraph in P.6, if I can just trouble you to read it. We said at the very outset was that: "Sales would be carried out in a managed, sustainable way without imposing unnecessary strains on the wider housing market and related at all times to current levels of supply and demand within social housing. It is believed that it is essential that decisions on sales to the open market and to tenants should be balanced against delivery of new social rented housing and the needs reflected in the States rental waiting list." One point the Minister made earlier, quite rightly, is that we did rezone land, P.75 in 2008, and the delivery of those homes has been very slow. That is an amber light at the moment and we are very aware of that and conscious that it is not bringing in that new stock which creates that ripple through everything else.

**The Minister for Housing:**

I think I have had a discussion with Alan. Alan and I both agree that the Housing Department should be an A.L.M.O. of some kind and that we should be treated similarly to all the Trusts, that we collect all the rents and we retain 20 per cent or 18 per cent for the refurbishment and the continued maintenance of that property, and that is all we are asking. If we can get that through the States then we should have an ongoing commitment.

**The Connétable of St. Lawrence:**

So you are going to take that to the States as a proposal?

**The Minister for Housing:**

Yes, it will go to the States.

**Deputy D.J. De Sousa:**

In the Strategic Plan objective 1, the management of the department's stock, one of the criteria that you have there is the department is able to increase and retain its income to ensure that it is self-sufficient and able to wholly maintain and refurbish States-owned social rented stock well into the future. How have you addressed this and how do you see the way forward to implement it?

**The Director of Policy and Development:**

I think that is exactly what the Whitehead review is saying. I think the way of addressing that is for ... the first step is the Green Paper, is the consultation document on Whitehead. The second step after consultation closes on 5th March will be a White Paper which will be, I think as you pointed out, a policy document from the Minister saying: "I intend to do X or Y" and that will come to the States for debate. As the Minister has already said, you cannot just simply hang on to £7.5 million out of the return he is giving to Treasury at the moment without creating a problem for somebody else and we have to look at that with Treasury, we have to look at that with Social Security. We are already doing that, we have started that discussion with a view to bringing some definitive policy as a White Paper ultimately lodged for debate before the end of this year which will set out how we intend to get there.

**Deputy G.P. Southern:**

Can I just come on to little areas really? On several occasions in the past, Minister, you said to me, in answer to my questions, that (g) hardship cases are going down and you see hardly any and yet the latest figures show that the figures are maintained at around 70 a year, can you tell me how you are dealing with (g) cases nowadays?

**The Minister for Housing:**

In the days of the Committee, it was, and Senator Breckon will tell you, there were files like that for every Committee meeting and it took a morning of deliberations on hardship cases in those days. In fact, when I first started doing my Housing public surgeries - twice a month I do one - some years ago there were queues of people that used to attend, particularly at Communicare, now some days we do not get anyone at all. The requests to the department now for (g) hardships are half if not a third of what they were some years ago.

**Deputy G.P. Southern:**

The figures for the last 4 years showed remarkably consistent levels at around between 70 and 80 per year.

**The Minister for Housing:**

Yes, since ministerial and before that when Committee used to meet it was horrendous.

**Deputy G.P. Southern:**

And 2006, was that ministerial as well?

**The Minister for Housing:**

I cannot remember that far back.

**Director, Population Office:**

Yes.

**The Director of Policy and Development:**

Yes, it was.

**Deputy G.P. Southern:**

Secondly, I asked the question the other week about the proportions of permanent (j) cats being granted and temporary (j) cats. The Assistant Minister seemed to be under the impression and has gone public saying that we do not appoint any permanent (j) cats any more, it is all temporaries whereas I understood the policy was the majority would be permanent and some were, obviously there was a replacement need, would be temporary. What is the proportion now? What are we looking at in private and public sectors, do you know?

**The Minister for Housing:**

We can give you that information.

**Director, Population Office:**

Very briefly, in 2009 we approved 348 (j)s, of those 160 were with a time limit and 190 were without. So quite evenly split in 2009. But it partly depends on the type of

application we get, so a time limit will apply to, for example, a work permit and contract post or a specific starter venture.

**Senator A. Breckon:**

Would somebody with a 3-year permit be allowed to buy?

**The Minister for Housing:**

Yes, currently.

**Director, Population Office:**

They may be able to buy. We also can apply a lease only condition to a (j).

**The Minister for Housing:**

Which we are starting to do more and more now.

**Deputy G.P. Southern:**

The figures for recent years, 2008, 2007, when we were in boom, are they similar or are we granting more permits?

**Director, Population Office:**

Going back to 2006, which is when we first brought in the contract policy, in that year 288 had a time limit and 200 did not have a time limit.

**Deputy G.P. Southern:**

I will ask you about the in between years later. Can I do one more again because I have got a written note down here? Rent rebate and rent abatements, are we talking about rent levels and rent policy? We have made a major change in going to income support where rent rebate and rent abatement are no longer completely internal matters for the Housing Department, right hand to left hand, now it is real money coming in and real money still going out to private sectors. What policy do we have dealing with the increase in rent abatements and rent rebates over the past 10 years?

**The Minister for Housing:**

The policies are not Housing Committee policies. They are Employment and Social Security policies. My view is, and it is only a view, I have got no say in the matter - as I say, it is Employment and Social Security - there should be some curtailment on the housing component for the private sector somehow. That is not our role at all. You will have to ask the Employment and Social Security Minister.

**The Director of Policy and Development:**

It is one of the things I think that Christine Whitehead says, is that there needs to be a disconnect between public sector rents and private sector rents in the way that housing subsidy is applied to it otherwise there is potentially ... and I think she says that you need to break that, and again that is another reason why you need a very clear rent policy which is joined up in its approach, both in the way that it deals with the return to Treasury but also in the way that it deals with Social Security and income support, particularly the knock-on effect in the private sector which of course includes Housing Trusts.

**Deputy G.P. Southern:**

What information do you have in terms of those particular schemes looking at October this year when the income support rental components are to be phased out? How do you see that affecting your particular department, Minister?

**The Minister for Housing:**

Well, I have not discussed that with officers yet. I do not know what John's view or Carl's view on that, but I have certainly had no discussions on that at the moment.

**Deputy G.P. Southern:**

Have any discussions taken place at officer level between you and Social Security?

**The Finance Director:**

On the phasing out of the transitional?

**Deputy G.P. Southern:**

On the phasing out of the transitional.

**The Finance Director:**

Not to my knowledge, although my understanding is that it does not affect the housing component.

**Deputy G.P. Southern:**

I will ask later perhaps.

**Senator A. Breckon:**

Is there anything that we might have missed that you would like to say?

**The Minister for Housing:**

No. Any of you are most welcome to come into the department if you have got any queries. If you want to talk to officers and we will show you a bit more.

**Senator A. Breckon:**

Thanks for coming along anyway. It has been a useful session. There might be issues that are sort of outstanding so we might get back to you or you might want to come back to us or whatever with some information. Thanks for that, we appreciate your time. We will now adjourn until 11.30 a.m.

[11:10]