

# **STATES OF JERSEY**

## **Health, Social Security and Housing Panel**

### **Quarterly Hearing with the Minister for Housing**

**TUESDAY, 22nd MAY 2012**

**Panel:**

Deputy K.L. Moore of St. Peter (Chairman)

Deputy J.A. Hilton of St. Helier

**Witnesses:**

Deputy A.K.F. Green of St. Helier (The Minister for Housing)

Mr. I. Gallichan (Chief Officer)

Mr. C. Mavity (Director of Strategic Development)

**Also present:**

Ms. K. Boydens (Scrutiny Officer)

[10:30]

**Deputy K.L. Moore of St. Peter (Chairman):**

...opening remarks for the public. I draw everyone's attention to the code of behaviour, which I am sure members of the public are familiar with now. A reminder about electronic devices, which should be switched to silent. Taking of visual images or audio recordings will not be permitted. If you wish to eat or drink, please leave the room. Finally, I would ask that members of the public do not interfere with the proceedings. As soon as the hearing is closed, could you please leave quietly. So, it is just the 2 of us today, so we have Kristina Moore.

**Deputy J.A. Hilton of St. Helier:**

Deputy Jacqui Hilton.

**Ms. K. Boydens:**

Kellie Boydens, Scrutiny Officer.

**The Minister for Housing:**

Deputy Andrew Green, Minister for Housing.

**Chief Officer:**

Ian Gallichan, Chief Officer.

**Director of Strategic Development:**

Carl Mavity, Director of Strategic Development at Housing.

**The Deputy of St. Peter:**

Thank you very much for coming. Since we last met you have published a White Paper.

**The Minister for Housing:**

Yes.

**The Deputy of St. Peter:**

Have you made any further changes to your business plan?

**The Minister for Housing:**

Well, to be honest our business plan is very much a dynamic document and we are working on it even as we speak. Have we made any changes at the moment to our proposal in response to comments to the White Paper? Not at the moment. We are still sticking with the main things: the strategic housing unit, and we can discuss that in detail, I am sure, in a minute; the need for a regulator, and again I am quite happy to talk about that; the need to have a coherent States-wide social housing rent policy that is free of political interference, although obviously policy is set by the States; the need to separate the Housing Department into ... well, to form it into a new housing association, and that has a number of benefits, again which we can talk about at the moment. I think that covers the main areas that the White Paper

proposes. Obviously, at the bottom of it all is the improvement in the condition of the housing stock and the increase in supply of social housing because we are about probably a minimum of 1,000 homes adrift of where we should be. That does not mean that we or the new organisation will have to provide all those homes, but with the trusts and ourselves we have a need for that sort of level of homes.

**The Deputy of St. Peter:**

What is being put in place to start planning for those homes? You have 6 sites identified in the White Paper.

**The Minister for Housing:**

We are going to talk about the working relationship with the Minister for Planning and Environment later on, but crucial to that ... we have some plans coming through in the short term but crucial to it is the increase of supply from Planning in terms of sites. Some sites have been zoned but are not being developed. That needs to be looked at as well, but I need available sites, be they States owned or not, in order to be able to either develop ourselves or encourage other people to develop because we do not have to do everything ourselves. This is why we need a strategic housing unit. We need somebody to oversee the whole housing policy for Jersey. At the moment, bits of it sit in the Chief Minister, particularly around States loan, for example. Everyone thinks that there is not a States loan scheme. There is but it is virtually dead in the water, one loan last year. But that sits in the Chief Minister's Office. The supply sits in Environment, whereas the Housing Department is responsible for housing people. It is not co-ordinated. It needs to be in one place and that is why we need the strategic housing unit. It is going to set policy. I am concentrating at the moment on social housing. If we are going to house our community as a whole, we need opportunities for people to buy their own homes at affordable rates. All that needs to be part of it, and the strategic housing unit will provide that sense of direction.

**The Deputy of St. Peter:**

Have you been able to have any useful discussions with the Minister for Planning and Environment about rezoning more land and planning for the future?

**The Minister for Housing:**

Well, we have quite a lively relationship and, yes, we have met with him. I am waiting to hear and to see these things come forward. Of course, coming forward on Tuesday is our bid for ... the Minister for Treasury and Resources has to bring it but it is basically our bid for nearly £28 million, which will bring on some supply in the near future at Lesquende. I am just trying to remember now the different properties, Lesquende, Osborne Court.

**Director of Strategic Development:**

Yes, 121 new units as well as the refurbishment of key sites like the high-rise tower at La Collette. So there is new supply in there of 121 new homes and predominantly they will be one and two-bedroom homes and predominantly targeted at those people over 55.

**Deputy J.A. Hilton:**

The 121 new units, where are those going to be situated?

**Director of Strategic Development:**

We have a very small number of units intensification-wise at Osborne Court. We have a small development on the corner of Journeaux Street and Aquila Road, a site we bought a couple of years ago.

**The Minister for Housing:**

I think it is about 20 units in there?

**Director of Strategic Development:**

That is 9 on that particular site.

**The Minister for Housing:**

Nine, yes.

**Director of Strategic Development:**

We are hoping to acquire some new lifelong homes, which will be a product of the rezoning in 2008. Now, that could be one site; it could be a combination of more than one site. But there are a number of sites in there which need funding in order to bring them forward, so the balance will come from there. The other very key one is the Lesquende site, phase 1 of the Lesquende site, which is 35 lifetime homes.

**The Minister for Housing:**

Which we now have possession of as a site. Of course, it was with Property Holdings before. It has been with us ... we now have it as part of a deal that we did with them recently.

**Deputy J.A. Hilton:**

Okay, so the 121 new units, when would you expect those to be, like, keys in doors?

**Director of Strategic Development:**

Typically, the development of a new site will take anything between 15 and 20 months, a kind of ballpark average. We have certain of those schemes which are literally ready to tender. The one I did not mention, apologies, was the final bit of phase 2 of Le Squez, which is 24 homes. That is ready to tender next week. The La Collette refurbishment scheme has already been tendered and is in the process of being evaluated at the moment. So these are schemes which can very quickly be put into the economy and we could start to generate those homes. We would expect to see the homes at Le Squez, 15 to 18 months from the start of the project. The Lesquende scheme, for instance, we have a planning permit. It is an approved scheme. There is some detailed work to do between now and probably October to get that scheme ready to tender, but it could be tendered in October and we would expect to be on site end of the year, beginning of next. So we are very much hitting the ground running on a number of these schemes. The acquisition of homes on sites rezoned, they are developer-led schemes and we will have to

sit down with developers and find a mechanism for funding those that they are comfortable to go ahead and advance. But having the capital ready will deal with some of the developers' concerns about how they make the whole thing work.

**Deputy J.A. Hilton:**

Can I just ask you a question about that? Contained within those 121 new units, some of those are developer-led schemes?

**Director of Strategic Development:**

Sixty-eight are on States-owned schemes, sorry.

**Deputy J.A. Hilton:**

Right. In light of the downturn in the ... well, the downturn in the value, the value of houses is dropping and has been for the last 4 years ...

**The Minister for Housing:**

Well, it has been dropping for a year but they are the lowest for 4 years, yes.

**Deputy J.A. Hilton:**

Four years, yes, and so that will have a significant effect, presumably, because some of those developers may have bought land when it was at the ...

**Chief Officer:**

It is social rented value.

**Deputy J.A. Hilton:**

Oh, right, okay.

**Chief Officer:**

So they are worked out on a debt redemption model based on our current rent.

**Deputy J.A. Hilton:**

But even if it is a split, like the 55/45 split, it is not going to affect ...? I am just trying to understand if it is a developer-led scheme, not just social housing, if it is category (b) as well but there is ... I am just trying to understand, will developers, with the slump in the market, want to go ahead if you are doing a split scheme type of thing?

**Chief Officer:**

We are not, though.

**Deputy J.A. Hilton:**

You are not? So it is just social housing?

**Chief Officer:**

Yes.

**Deputy J.A. Hilton:**

It is not category (b) housing as well?

**The Minister for Housing:**

It is a good opportunity for 2 reasons: the fact that we believe we can get a very competitive price per unit and the fact that some of the builders, let us be honest, their order books are virtually empty and they want to keep their workforce. So it will depend on the outcome of the negotiations but we believe that we can get the homes that we need for people and that we can help to keep the construction industry at work and we believe we can get it at a very fair price at the moment.

**Deputy J.A. Hilton:**

So you have indications that they are very competitive pricing on the tenders?

**The Minister for Housing:**

Absolutely.

**Chief Officer:**

Our tenders are very keen prices we are receiving at the moment, so this is a good time actually to carry on with some refurbishment and invest.

**Deputy J.A. Hilton:**

To invest in social housing.

**The Minister for Housing:**

Our advisers are coming in with prices that they think we should get and currently we are getting them lower than that and they are already trying to take account of the market so, yeah.

**The Deputy of St. Peter:**

How many advisers are you using?

**The Minister for Housing:**

For?

**The Deputy of St. Peter:**

To guide you in the development of the new units and the refurbishment?

**The Minister for Housing:**

Well, I do not know how many, actually, but each development will have its own team of Q.S. (quantity surveyors) and so on. That is the sort of advisers we are using for that. In the housing transformation programme, of course, we have a number of advisers that look at different things, but each development will be guided by Q.S. and the team.

**The Deputy of St. Peter:**

Okay, but not at a strategic level?

**The Minister for Housing:**

No, we are not at a strategic level. This is what is missing in Jersey.

**The Deputy of St. Peter:**

Well, that is an interesting point, actually, because I was just going to move on to say that 121 new units is a far cry from the 1,000 you mentioned earlier on.

**The Minister for Housing:**

Exactly.

**The Deputy of St. Peter:**

So where are you in the thinking of bridging that gap?

**The Minister for Housing:**

Right, okay. The bottom line is there has to be an increase in supply in terms of sites. That has to come. We obviously have some longer term plans as well, but nevertheless we have to see an increase in supply coming from the Planning and Environment Department because without that, without the sites, we cannot develop. Now, I am not suggesting that they have to be greenfield sites; in fact, quite the opposite. We have enough sites either with permission or enough sites that we already own but we need to take a more proactive view. I say we; not Housing, the States. If we owned them it would be very different. So the increased supply has to happen, but we also have some longer term plans. We have the second part of Lesquende and I am trying to dig into my mind now to remember other areas that we have. We want to redevelop La Collette low-rise which has to come down. It would be cheaper to take that down and redevelop that site, intensify the site, still good quality housing, density slightly better but good quality. If you look at Le Squez, the density there in the latest development, you would never realise that that is quite as dense as it is because it just feels nice and open, nice and light. These are modern homes, properly insulated, triple glazed, going to be thermally efficient, much cheaper to run. Those are the sort of things we want to do. So we have a number of sites, we have things on the go medium term, but there needs to be a long-term strategy, which is missing. Sorry, go on.

**Chief Officer:**

No, I was just going to say it is interesting you ask that question because really we cannot emphasise enough that the supply sits with South Hill. It is the Minister for Housing who will often face the criticism in the media, et cetera, about the supply. He cannot, frankly, do very much about that other than what he is doing, which is intensify some of the sites we have. The real supply must come from Planning and we cannot really emphasise that enough.

**Deputy J.A. Hilton:**

There was a group set up last year, was there not, through the Planning Department? There was a group of interested politicians ...

**The Minister for Housing:**

That is correct, yes.

**Deputy J.A. Hilton:**

... looking around the whole issue of supply. Do you know what has happened with that group?

**The Minister for Housing:**

No. As far as I am aware it has not met since the election. I do not think it has met.

**Deputy J.A. Hilton:**

So we are not too sure presently what sort of progress has been made with regard supply of land for additional ...?

**The Minister for Housing:**

No. No, that was about setting some policies around (h)(1) and (h)(3), I think particularly, but no.

**The Deputy of St. Peter:**

Should we discuss a little the sticking point of perhaps why in your view the Minister for Planning and Environment is not moving forward on allocating these sites and assisting you in moving forward? What in your view is ...?

**The Minister for Housing:**

I do not have a view on it. I just have a need for increase in supply. I do not know ... it is a big job he has and there is lots to do. Planning applications themselves must keep the department fairly busy, but I do not know the answer to that.

**The Deputy of St. Peter:**

I am quite interested in the fact that you have gone out and bought a site - you mentioned the Journeaux Street site - to get around the issue when the States actually own a lot of property and land.

**Chief Officer:**

It was a strategic acquisition really because it borders a significant estate of ours and, therefore, in fairness in that respect it unlocks some development in that area. I am sure Carl can expand on that.

**Director of Strategic Development:**

We have 2 phases of development of Journeaux Court. Effectively, they are not joined together at street level at the front. They are at the back, and what this building did for us was allowed us to join it and then we have a complete block development which allows us then to start considering how we use the site better, sharing infrastructure, sharing amenity space and sharing parking.

[10:45]

Actually the development of the 9 units which we are proposing is quite a tight development on a very small site, but we are able to maximise it because we can use our existing landholdings joined to it effectively to sort of cross-subsidise those other areas. So it was a strategic acquisition rather than an attempt to promote new supply outside of the planning system.

**The Minister for Housing:**

Of course, medium or longer term - medium term probably - you have Ann Court sitting there but we cannot use that at the moment because obviously you have to take a corporate view. There is a need to prevent the flooding at that end of town, and so that shaft needs to go down. It has to be done before we can develop, but that in my view is the perfect site for real sheltered housing. Not just homes, lifelong homes, but real sheltered housing, real supported housing. Because I believe that we end up forcing people sometimes into nursing home provision when they do not really need it but they do need some support. That is something I would like to look at there. So we own the site.

**The Deputy of St. Peter:**

Have you been able to talk to the Minister for Health and Social Services?

**The Minister for Housing:**

Yes, I have discussed it with her. I have a few ideas around that and we are at one on the need for that type of housing. I think there will be some other projects coming up in the future as well, but I know other people get their beady eyes on a site in town. This is Housing; it is needed. It is the right place. We have a really, I think, good vision for it and it is not just a pipe dream. It is something that is really needed.

**Chief Officer:**

A good example ... sorry.

**The Deputy of St. Peter:**

No, carry on.

**Chief Officer:**

No, I was going to say maybe an example of where we need to focus or where perhaps the States needs to focus attention is on its own sites. There are schemes being developed for J.C.G. (Jersey College for Girls) but I

believe those may be being looked at yet again. I think it is this, you know, there may be an alternative usage or there may be ... we have States sites sitting there and they have been there for years and years and years and we keep coming up with various schemes for them. Frankly, we need to get on with them and move on. We cannot keep talking about another scheme and another idea, which we seem to do all the time.

**The Minister for Housing:**

Exactly, and the police station when they move will release sites for us to get on with as well. That is why it is quite important not only in terms of the strategic provision for the police, which I will leave the Minister for Home Affairs to discuss the rights or wrongs of that, but that Summerland site will be up then for social housing, another perfect place for social housing and also perhaps an opportunity to improve the parking in that area with a bit of imagination as well.

**The Deputy of St. Peter:**

Is there perhaps a connection with the future location of the strategic housing unit and relationship with the Minister for Planning and Environment? Would that perhaps help to resolve an issue if you could achieve agreement on that issue?

**The Minister for Housing:**

I think what is missing is a complete overview. Again, we are concentrating mainly today on social housing but the role that needs to be carried out is much wider than that. We need to give people real alternatives in terms of provision of homes and some imaginative schemes. I know that it is not popular to talk about, but Homebuy was a good scheme. We do not have an alternative now and there are people that cannot afford to buy outright but would be able to get on to the housing ladder with some sort of scheme like that. Those are the sort of things that we need to have and you need an overview from one department - I suggest the Chief Minister's Department although other people may have a different view - where social policy is pulled all together in one place. So the use of States-owned land, the use of

whether that be social housing, whether that be some sort of Homebuy type mark III or whatever you want to call it, whether they be lifelong leases, because I passionately believe that we have people in 3 or 4-bedroom houses that would like to move, owning their own property, but are afraid to. Some will want to stay there for the rest of their lives for sentimental value, fine. But they want to move, they have nowhere to go. We could give them an alternative where they could buy a lifelong lease, for example, and release that house back into the market for families that can afford to buy. These are all things that need to be done and it cannot be done a little bit in Planning, a little bit in the Chief Minister's Office under Population at the moment, and thus trying to ... if you like, we take the accountability for it but without the full responsibility. It needs to be in one place and it would solve a lot of the problems that you have identified, Chairman, yes.

**The Deputy of St. Peter:**

I was just thinking also about the implementation of a fair rent scheme. What is currently done for people who are in social housing but perhaps would like to move out? Are there any schemes in place to assist people to make their time in social housing a stepping stone perhaps rather than a lifetime decision?

**The Minister for Housing:**

No, but we would like there to be.

**Chief Officer:**

Well, there is our deferred ...

**The Minister for Housing:**

Yes, of course.

**Chief Officer:**

We have under P.6, which was approved by the States, where our tenants and our former tenants that are living in housing trusts can apply to buy one of our homes under a deferred purchase scheme, and we have made quite a

few sales. But, of course, with the economic situation the bank lending has dried up in all honesty. But there are still some going through.

**The Minister for Housing:**

But you are quite right, we need to have that sort of imaginative scheme. I also strongly believe that people in their ... putting an age on it, perhaps late 40s where family have now left home, they are both perhaps in secure employment ...

**Deputy J.A. Hilton:**

They should be so lucky. **[Laughter]**

**The Minister for Housing:**

Well, mine is going to be with me for ever but that is another story.

**Deputy J.A. Hilton:**

Ditto. **[Laughter]**

**The Minister for Housing:**

But there are people that no longer or will under our proposals no longer receive the hidden subsidy and will be paying the full economic rent and there are people that would say that we should be throwing them out, they should not be in social housing anymore. You cannot do that because there is no alternative for them. Now, there may be alternatives for them if we had some imaginative schemes around them purchasing either a lifetime enjoyment or a Homebuy type scheme or whatever and provide real alternatives for them so that we can use the social housing more appropriately where it is really needed. Again, it proves the case for a need to not just worry about the social housing thing but a complete strategic overview of how we are going to house our community.

**The Deputy of St. Peter:**

If that stock was available then there would be somewhere to go.

**The Minister for Housing:**

Yes.

**Director of Strategic Development:**

Can I add one point? One of the proposals wrapped up within the transformation programme is that there is an acknowledged need that we need to realign the social housing stock. Our demographic needs are changing, smaller households, older people, and the stock we have does not meet that challenge fully. But by increasing supply of those homes allows us to realign the stock. It does give us some opportunities then to look at the homes that we have which may no longer be so appropriate for social housing and to find an alternative use for them. I think within the body of the proposals that we have we do focus on some sales of stock going forward because there will be a constant need to manage your stock and realign it and tune it into the needs of the community going forward. So there is an opportunity there but it all hinges on and you must have the new supply.

**Deputy J.A. Hilton:**

That leads us nicely into my next question. It is all to do with affordability of heating in social housing. I had a lady contact me yesterday who is not in States social housing but she is in social housing. She has been housed in an old property which is uninsulated and has had a tremendously high energy bill that she has just received for the heaviest quarter. She took advice and was paying the direct debit of the value they suggested she pay but she now finds herself with a £1,200 gas bill. She is on low income support, her husband is disabled, and they have young children. I was just wondering how many ... it is a difficult situation when people are being housed in uninsulated properties, whether it is elderly people or disabled, people with young children. What have you done? How many of your properties still do not reach an acceptable standard with regard to insulation and a modern sort of heating system?

**The Minister for Housing:**

Okay. I will let Carl come back in a minute but I would just like to make a comment. The point that you make is a very good one and that is precisely why we jointly actually put forward the scheme for Pomme d'Or Farm and got housing money to do that, why the money is in there for La Collette, because at one time we - I say "we", I mean society, I do not mean Housing - were not worried. Fuel was cheap. If we lost a bit it did not matter. We did not get big bills. But it is very different now and I think one of the issues that we need to be aware of is fuel poverty. That is one of the reasons why we have gone for good quality insulation. We have a number of projects going. Carl will be able to give you an indication to the ones that are not yet there, but it is a challenge. It is something we have to do.

**Deputy J.A. Hilton:**

Have you an idea percentage wise ...

**The Minister for Housing:**

We only have a small number on gas now but ...

**Deputy J.A. Hilton:**

... that do not reach an acceptable standard?

**Director of Strategic Development:**

Our last condition survey, which was carried out at the end of 2010, our major condition survey, identified that we have 27 per cent of the housing stock which does not meet the decent homes standard. One of the conditions within the decency standard is ... 2 of them are relevant, in fact. One is about adequate level of thermal comfort, insulation, and the other is a heating system which you have an element of control over. So we know that those things are fundamentally measured and we know from our condition survey that of the 27 percent of our homes which failed to meet the standard, they failed in 2 key areas. One was heating and insulation, thermal comfort, and the other was in respect of the life of things like kitchens and bathrooms, both of which we have put in place programmes to start to deal with them within the capacity of the budgets we presently have available. That is not enough

and the proposition going to the States next week will certainly assist with that because what we have found is that the sites which we can relatively easily thermally improve the houses, we can do things like over-clad those or cavity insulate those. We have had an extensive programme of that going on over the last 3 years alongside a change over to generate electric comfort heat-based heating systems. Bringing the 2 together in tandem, loft insulation, cavity insulation and a controllable heating system, electric based - which has proved to be the most stable certainly price wise - has been a significant success in moving the performance of the stock on. What we are left with is a number of sites which are more difficult to deal with. Predominantly those are high-rise sites. La Collette flats is a key feature of the P.40 proposition. Dealing with the over-insulation of a site like La Collette is not something you can deal with from a revenue budget on an annual basis. You need a capital injection. There are others: Convent Court, Caesarea Court, De Quetteville Court, and they make up a significant proportion of those sites which we are not satisfied meet the thermal improvements or the thermal standards that we would aim to achieve today. If we get the thermal insulation right, many of those sites actually have electric heating in them that the heating will prove to be perfectly adequate and perfectly affordable if the building is efficient enough to retain it. So we will do another update of the condition survey before the end of this year because it is crucial that we have a remeasure of that as we go into the potential transformation proposals when we take stock again. We know that back in 2007 we had a £75 million backlog in our maintenance programme. We have worked really hard on that and actually at the end of 2010 that had come down to £48 million.

**Deputy J.A. Hilton:**

I know La Collette is in the programme for the £27 million.

**Director of Strategic Development:**

Yes.

**Deputy J.A. Hilton:**

I want to ask you a question about that because the request is for the £27 million to be paid to Housing now, but I understand that 3 of those projects were actually already budgeted for in the 2012 Business Plan, so I am just trying to understand why the money ...

**Director of Strategic Development:**

We do not get a capital allocation from the States any longer.

**Deputy J.A. Hilton:**

Oh, right.

**Director of Strategic Development:**

All of our capital for refurbishment and, to some extent, for the new build - and certainly Salisbury Crescent was an example of this - has had to come from the sale of those assets approved in P.6. We have achieved a tremendous amount with that but, as Ian has already said, that has proved really difficult to sell to tenants who are finding it difficult to access mortgage finance at this time. So the sales have slowed down. Our capacity to deliver the planned refurbishment programme has slowed. The industry has obviously not had that work there and I think the whole thing kind of stems from that.

[11:00]

**Deputy J.A. Hilton:**

So is La Collette the only project within that £27 million that directly looks at the issue of insulation? I am thinking like Caesarea Court, Convent Court, De Quetteville. What is happening about those?

**The Minister for Housing:**

Caesarea Court and Convent Court we are working with the Homes Trust. We are working very hard, it is not just talk. We have models and all sorts. It is at a sensitive stage at the moment, but we do have plans there to do a joint project if it comes off with Jersey Homes Trust and ourselves to do the sort of work that Carl has described.

**Deputy J.A. Hilton:**

Okay. That leads me on to another question about the trusts because they have been in operation a long time and I do not know whether you see accounts from the trusts.

**The Minister for Housing:**

Yes, we do.

**Deputy J.A. Hilton:**

But the mortgages must be coming to an end and so there must be a substantial amount of money building up.

**The Minister for Housing:**

There is.

**Deputy J.A. Hilton:**

Right, so really what I am getting to is my understanding in how the trust was set up, it was either that they reinvested that money in refurbishment or building. So why are the trusts not actually doing more?

**The Minister for Housing:**

Well, they are going to. What you have identified is ... apart from the fact we have a very good working relationship with them and we are working with them to either reduce the States' liability, i.e. pay off their loan, or provide more social homes, which I prefer the latter obviously. We are working with them so we have a very good working relationship with them. But a regulator is exactly why that is needed, to be discussing with them, having got the information from the strategic housing unit as to what is required in the Island, as then looking at: "Well, they are sitting on £10 million worth of cash because interest rates have dropped, which has helped as well. They are sitting on £10 million in cash. Now, are we going to clear the mortgage or are we going to invest in more housing?" Well, actually, we need more housing. Some of that will be provided by the new housing association because they have a

good business case, and some of it is going to be provided by this trust or that trust. That is the role of the regulator, among other jobs. But that is quite significant because it is somebody overseeing what is going on in the trusts. I would not want you to think there is anything wrong there, but again there is not a strategic link. It is all on goodwill.

**The Deputy of St. Peter:**

Then you also need allocation of sites, I presume, to actually create those homes if that decision is made?

**The Minister for Housing:**

You do need some of that. There can be some intensification, done very carefully. But again, you need supply. If you put 3 words into it: supply, supply, supply at the moment.

**Chief Officer:**

I do think that, and you would expect me to say this I suppose, the proposals that were outlined in the White Paper are addressing those very issues about the trusts, about the use of surpluses and, you are quite right, there are several millions of pounds sitting with the trusts in surplus and those surpluses need to be used. They do want to use them. We do see ourselves working with them in partnership but coming under instruction from the strategic housing unit and enforced by the regulator, which is part of these proposals which we see as crucial.

**The Minister for Housing:**

It has to be much more than just goodwill. It has to be a strategic plan and then enforced rather than just ... goodwill is great and hopefully we will continue with that, but it is not enough.

**Deputy J.A. Hilton:**

Just changing the subject slightly now, recently I asked you a question in the States regarding the housing of single teenage mums. I was wondering whether you had given any thought to that recently and whether you had had

any discussions with Social Services about the best way to address some of the issues around teenage mums and the support and the help that they need. Not just their housing needs but ...

**The Minister for Housing:**

It is a really interesting question and I will answer your question but I just want to widen it slightly at the moment.

**Deputy J.A. Hilton:**

Okay.

**The Minister for Housing:**

Currently, if you are under 25 we provide nothing for you. That concerns me. You could say: "Well, as Minister for Housing, change your criteria." I cannot change the criteria unless I can increase the supply because all I am doing is increasing the waiting list. I do believe strongly that we send out the wrong message. So under-25s are not housed unless they have a baby. What message does that send?

**Deputy J.A. Hilton:**

Not a good message.

**The Minister for Housing:**

Not a good one, so we are agreed on that. I thought we actually were very close to having a scheme with Health. We are talking to Health about it. My own view is there needs to be more support for these young people if they do ... I mean, some young people plan to have a baby and that is fine if that is their decision and they can support it and that is what they want to do. That is fine. But those unfortunate to find themselves perhaps parents earlier than they would have planned, they need more than just housing, they need support, they need help, they need encouragement. I see that in some form of sheltered hostel type accommodation then moving on perhaps after they are comfortable, they have had that sort of support and they are comfortable moving on to almost sheltered housing in their own accommodation, more

independent, before they come into the mainstream social housing. That is the sort of scheme I have in mind. That is the sort of discussion we are having with Health and Social Services. I thought we actually had a site; it may not be. It is not all lost yet but it may not be, but that is something I would like to do.

**Deputy J.A. Hilton:**

I understand like a decade ago La Chasse provided some sort of mother and baby unit, which I think was very successful at the time. I am not quite sure why the policy changed, why we moved away from that idea of young teenage mums at La Chasse with support 24/7 to being housed by themselves. I do not know why that happened.

**Chief Officer:**

Well, I think some of the properties that were offering these services were frankly not good enough and I think there were issues of privacy, et cetera, and again probably a lack of capital investment meant that appropriate buildings could not be provided. Of course, in this day and age people would be expecting to have bathrooms and separate kitchens and things like that. But actually there was a lot of good came of helping people in situations like that and we are keen to pursue that with Health with the appropriate buildings and we have been active in that respect. But one thing I would say is if you are going to help people under 25, which is certainly something the Minister and the department is very supportive of, you have to have an income support system that is going to assist them. At the moment, that is not available. So it is fine for us to create the housing, but if they cannot afford to pay the rent then ... So it is actually a bigger issue with financial implications.

**Director of Strategic Development:**

Can I add one point? We do presently provide landlord services for Women's Refuge, Causeway, Shelter, of course, and are very keen to strengthen those links and to ensure that people moving through those third sector housing services are picked up early by the gateway and that an appropriate long-term solution is found for them as they move out of those services, which are

providing support and accommodation, that kind of crisis intervention sort of role, into living independently, be that in the social sector, and for many that will be appropriate, or elsewhere. But it is very important that the handover between the third sector and the public sector, as it were, is co-ordinated and we are working very closely with those organisations to ensure that the affordable housing gateway provides that co-ordinated link.

**The Deputy of St. Peter:**

Can we move on to talk about the low interest loan idea? I am quite interested to understand a little bit ...

**The Minister for Housing:**

Right, okay, you mean the deposit scheme?

**The Deputy of St. Peter:**

For first time buyers, yes.

**The Minister for Housing:**

Yes.

**The Deputy of St. Peter:**

Where do you expect the money to come from?

**The Minister for Housing:**

Right. Well, I am told by the Minister for Treasury and Resources that it can come from the dwelling houses ...?

**Chief Officer:**

Dwelling houses loan fund.

**The Minister for Housing:**

... fund. There is about £5 million in there. At the moment, we do not have a scheme. This is something I would like to look at, as the Chief Minister mentioned in question time, but it is very much an idea at the moment. I am

committed with the Minister for Treasury and Resources and the Chief Minister to find a way of doing it. My own simple view is that - but it is not as simple as this - the States loan scheme, which I think the maximum at the moment is £120,000 of which one loan was made last year for understandable reasons, should revert into a deposit scheme. But that is easy to say and it might even be easy to change the rules of the States loan scheme to do that, but you have to be very careful that, for example, are lenders going to be happy to have a scheme whereby they are going to be lending some of the money and the people they are lending to are going to be borrowing from another place. Those sort of issues have to be sorted out first and it might be that - this is just me speaking freely - it might be more appropriate to have a Homebuy type scheme available on the open market rather than on development sites where the person buys the house outright and we support them and that money has to be repaid. These are all ideas but I am committed to bringing a scheme forward. But this is an interesting one. I am committed to bringing a scheme forward; it actually does not sit with me. It sits in the Population Office so I have again the accountability without the responsibility, which is not right.

**The Deputy of St. Peter:**

I was going to ask what work is being done to work through these issues. Have you met or have ...

**The Minister for Housing:**

I am meeting the Minister for Treasury and Resources at 12.45 p.m. this afternoon.

**The Deputy of St. Peter:**

Right, good. What about meeting with lenders and ...?

**The Minister for Housing:**

Those are all things that we are doing, but I know that lenders generally are not that comfortable about the person they are lending to not owning the house outright.

**Chief Officer:**

You also have an issue, of course, with the lenders at the moment - and have they not changed - that as soon as the States are involved they bring criteria out to obviously reduce their risk. Pity they had not done that before.

**Deputy J.A. Hilton:**

I suppose having a mortgage and borrowing the deposit as well, it is slightly high risk, is it not, because it is going back to the idea of 100 per cent mortgage, which cannot be a good thing. We should learn from what has actually happened over the last 5 or 6 years.

**The Minister for Housing:**

You are right.

**Deputy J.A. Hilton:**

So we need to be really careful about ...

**The Minister for Housing:**

Yes, you are right. The road to hell is paved with good intentions, is it not?

**[Laughter]** So we need to be careful and we need to ensure that we have really sound advice on this. But I think it is a way forward in certain circumstances done in the right way, so I am committed to looking at it. But as I say to you, it is a strange one. It does not matter what work I do, I actually am accountable but not responsible.

**Deputy J.A. Hilton:**

Yes.

**The Deputy of St. Peter:**

But in a way, though, the moral argument goes back to the fair rent scheme. I apologise if I sound like a broken record, but if there is some ... is there some moral need to help people, and obviously there would have to be some incentive there perhaps that while they were in your accommodation saving

so that they can put that deposit together and providing that support so they can go out and access ...

**The Minister for Housing:**

Absolutely, but fundamental to that increase supply first. Cannot do it without it.

**Chief Officer:**

I think we were talking before, were we not, that what we would like to see is that increase in the social rental market. It may be that certain sites will be rental/future purchase where somebody is renting a property for a number of years and in that rent that they are paying to us they are helping themselves with a deposit. So be it in 5 years' time when their financial position has improved and they have met certain criteria with their rental payments and their tenancy adherence, then they could convert that rental opportunity into a purchase which is affordable, which they understand, which they know the property. Those are the kind of schemes that we are really interested in but, as the Minister says, what we need is that supply.

**The Minister for Housing:**

You need that supply. The other thing I like about that scheme, actually you are rewarding responsible behaviour. We in the public sector tend to reward poor behaviour.

**The Deputy of St. Peter:**

How do you do that is quite an interesting question. Right, okay.

**Deputy J.A. Hilton:**

I think I am fine.

**The Deputy of St. Peter:**

I think we have satisfied all of our questions for today. Thank you very much. It has been very interesting, yes.

**The Minister for Housing:**

It is interesting because it also helps me to ... I know what I want to do. When people ask you why, it helps to focus and it is really helpful, thank you.

**The Deputy of St. Peter:**

Good. Well, I hope so. I think that is the intended purpose. That is great, thank you. Thank you very much to the public for attending. We will close the meeting formally.

[11:14]