

Health, Social Security and Housing Scrutiny

Panel

Quarterly Hearing with the Minister for Housing

FRIDAY, 13th SEPTEMBER 2013

Panel:

Deputy K.L. Moore of St. Peter (Chairman)
Deputy J.A. Hilton of St. Helier (Vice-Chairman)
Deputy J.G. Reed of St. Ouen

Witnesses:

The Minister for Housing
Chief Officer, Housing
Finance Director, Housing
Director, Corporate Policy, Chief Minister's Department

Topics Discussed

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[11:00]

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

If we are all sitting comfortably we will begin and welcome to this hearing of the Health, Social Security and Housing Scrutiny Panel. We will start by welcoming members of the public also, and asking them if they will abide by our code of behaviour which they are familiar with, I am sure. Then we will introduce ourselves. I am Deputy Kristina Moore, Chairman of the Panel.

The Deputy of St. Peter:

Excellent, thank you very much. So, Minister, since the debate on the Housing Transformation Programme and its acceptance by the States, could you give an overview of what the department and you, yourself, have been doing?

The Minister for Housing:

Yes, there has been a lot going on. The transform work stream continues, the work on the regulation ... by regulation I am talking ... because we have 2 lots of regulation. We have the regulation that I want to have for the Housing Trust and that is a subject for discussion later, probably, and the regulation required for setting up a new company. The company ones are being worked on in detail at the moment. We have a governance programme running, we have appointed our legal advisers. We have appointed a new programme manager part time because the previous programme manager has gone across to help with Health and their need for the new hospital and the such and like. The transfer law that we debated has been sent to Privy Council and we are told it is going to be considered on 9th October and that was one of the things that worried me because, as you know when we debated it, we were right on the line for getting it there in time. But anyway, it has happened. Obviously, if Privy Council approve it and I cannot see any reason why they should not, it will need to be registered in the Royal Court and, as I say, the regulation work has already started. We have done a lot of work ... I say "we". The officers have done a lot of work with the A.G.'s (Attorney-General) Department as well, with S.G.'s (Solicitor General) Department, finalising the transfer of the stock conveyancing arrangements because much of the stock has not been sold or moved or changed ownership for many, many, many years and so there is a lot of work going on there and sorting out boundaries and such like. A new 30-year financial model has now been developed. We have an update of the conditions survey and cost tables underway as part of that. Certainly, the market rent valuations because remember we are going to be charging 90 per cent of market rate. Those valuations are taking place. I have had a few phone calls about that. So that is going ahead. Yes, and we have been in very close discussion although it has to be led by Treasury because of the way the finance law is, we have had very close discussion with Treasury about the external funding, about £250 million we are going to borrow but we did talk originally of borrowing some internally and some externally but we

are going to borrow the whole lot eternally and that allows us ... to be honest, it is playing the corporate game that it allows the Minister for Treasury to have a bit more flexibility about what he needs to do around health and education and things like that. The business plan supports that.

The Deputy of St. Ouen:

Just picking up on that ...

The Deputy of St. Peter:

Sorry, before we ask another question, could we just introduce the extra member of your team who has recently arrived.

Director, Corporate Policy:

My apologies, Director of Corporate Policy.

The Deputy of St. Peter:

Sorry, I thought we ought to do that.

The Minister for Housing:

Sorry, you had a question?

The Deputy of St. Ouen:

Yes, picking up on the comments you just made regarding the borrowing and the fact that it will be all external borrowing.

The Minister for Housing:

That is right.

The Deputy of St. Ouen:

That is a significant departure or change, should I say, from the information we were provided when we undertook ... when we had the transformation review.

The Minister for Housing:

The top line has not changed. I mean, the amount has gone up as I warned it might but that is in anticipation and might go back down if the States do not agree. That is in anticipation of sites coming on board as part of the Island Plan. But, you know, there is no point in rezoning if we can convince the Members of the Assembly to do so. Rezoning, for example, Samares Nurseries if you then do not have the money to develop them. So obviously, if just take that one site and there are several sites we are looking at and we want rezoned, but if you just take that one site,

borrowing the money, the rental coming in at 90 per cent of market rate makes it viable to be repaid over 25 years whereas it would not have been viable under the old rent regime. So you have to have some flexibility depending on whether the sites are approved or not.

The Deputy of St. Ouen:

Can I ask how confident are you that you will be able to borrow £250 million externally?

The Minister for Housing:

I am led to believe by the Treasurer and the Minister for Treasury that they are very confident that discussions have gone well. In fact, I believe some of this is going to be in the budget. I cannot say any more than that and I have a briefing with the Minister for Treasury and the Treasurer in the next couple of weeks. I cannot remember when it is but ...

Chief Officer, Housing:

We are talking about bonds? Bond.

The Minister for Housing:

Yes.

The Deputy of St. Ouen:

All right, yes, as I was going to say. Yes ...

The Minister for Housing:

I think there might be just a ... when we talk about "externally" we are not talking about ...

The Deputy of St. Ouen:

Can you just clarify that because borrowing externally means going out to the banks and other lenders?

The Minister for Housing:

No, it does not mean that. What I meant was it was not coming from the money that is sitting in reserves in the States, so we did not have that.

The Deputy of St. Ouen:

So presumably, what you are suggesting is that the Minister for Treasury on behalf of the States will underwrite the borrowing or will it be the new Housing Association?

Chief Officer, Housing:

John, do you want to explain?

Finance Director, Housing:

The current thinking, obviously, the proposals will be brought with the budget but the current thinking is the bond will be issued in the name of the States and there will be a back-to-back agreement with the company to transfer that borrowing on to the company's balance sheet.

The Deputy of St. Ouen:

Okay, so still a significant involvement by the States in supporting the funding?

Finance Director, Housing:

Absolutely.

The Minister for Housing:

To be honest with you, that is what keeps the interest rates or the borrowing cost right down because that is so secured.

The Deputy of St. Ouen:

Thank you for clearing that up.

Deputy J.A. Hilton:

Yes, I just wanted to ask you a question about regulations for the Housing Trust. You mentioned that a few moments ago. Have you been in discussions or consulted with the Housing Trusts?

The Minister for Housing:

In discussion, no. Consulted, no. Tried to arrange meetings has been very difficult but we have meetings planned to come up in the near future. We believe and Paul has been leading on this work and he might fill in any gaps, but we believe that we almost have a regulation that they will be happy with, that the Scrutiny Panel will be happy with as well because we wanted a lighter touch. But it has been very difficult to get all those people together in one room and I do not ... I am very conscious I want to speak to them all in one go and have those negotiations. I do not really want to talk to one trust and then another trust and have different conversations and appear to be trying play one off against the other. It is very important that we are all working together. I do not think we are too far away from that. I have to say that I am less worried ... if it takes a bit longer, it takes a bit longer. I am less worried about it now because at one time when we were doing it in line with forming the company, I could see it holding up the Housing Transformation Programme. I am not saying I want to unduly delay it but I do not see it holding up the Transformation Programme. I think it gives a little bit more flexibility.

Deputy J.A. Hilton:

So that meeting has been arranged?

The Minister for Housing:

Yes.

Director, Corporate Policy:

Sorry, the meeting has been arranged for later this month. I do not think we have settled on a final date. I mean, the only thing I would say is in the drafting of P.33 there were a lot of discussions with the Trusts around what was proposed in P.33 and any particular issues they had around that. So for example, they had issues which were perfectly legitimate around the levels of sanctions you would apply against the trust in the event of a breach. So what we have been using the summer for is to go back and figure solutions to the issues the trusts have and we want to meet with them before then end of the month so we are trying to fix up that meeting.

The Minister for Housing:

Moving away from regulations slightly, I have been working during the summer very, very closely with Les Vaux on their proposed scheme for Troy Court because we have to get a solution. They want a solution. They want to redevelop it but we have not been able to convince ... well, first of all it needed a slight variation on the boundary with St. Helier and were not able to convince us but they have come up with a plan B now which I am really happy with and I am working with them to get that through as well. Continuing with the question that you actually asked, income support has been working very hard to make changes to the accommodation and rents policy because, obviously, everything I do has an effect on what they do and that has been done. Part of this case has been developed. The housing company, you have probably seen, have the adverts out at the current time for the board. We intend to appoint the chair first and then I think that is right so that the chair has an influence on the members of the board and I wrote to all tenants last week inviting any of those that were interested, we want 2 tenant members on the board, to apply. So it is a slightly different process there and I think that is fair. Obviously, (inaudible 10:31) applications with the tenants, and you have to be a tenant.

Deputy J.A. Hilton:

Have you had a good response to your efforts?

The Minister for Housing:

I am told we have and I have not seen the quality yet because, obviously, we use recruiting agency to do this for us but I am told we have about 30 inquiries to be board member and some coming in on the tenant side as well so ... but the calibre I am not sure because I have not seen it yet but we are getting response, anyway. On the ...

The Deputy of St. Ouen:

Sorry, before you carry on, I mean, you have mentioned a whole range of different matters and I would just like to focus on one area that you mentioned earlier which is that rental valuations are taking place. Who has been tasked with reviewing the rental values?

The Minister for Housing:

It is a company but I cannot remember the name. If you want the name?

Finance Director, Housing:

Yes, there are 2 agents, Troys and Thompsons, and we are doing 459 valuations which cover every type of unit on every location across our portfolio, sometimes more than one. There are also 50 valuations that they are both doing so that we have some consistency between the 2. Where we have ... obviously, there will be some differentiation between the valuations they come back with. Where that is 10 per cent or lower we will take the lower valuation. Where it is more than 10 per cent we will have to look at those individually. We are not expecting any to be more than 10 per cent but ...

The Deputy of St. Peter:

I can confirm that I have seen those valuations actually taking place whilst I have been visiting parishioners and, yes, they are quite speedy visits but I am sure they are getting the information they need.

Finance Director, Housing:

Part of the process is they should be providing information about every visit they undertake with comparators of how they have come to their conclusion. The process is not finished yet but we will obviously be making sure that process has been thoroughly done.

The Deputy of St. Ouen:

Presumably those rental valuations are taking account of current market rentals?

Finance Director, Housing:

Current market and also current condition of the unit they are visiting.

The Deputy of St. Ouen:

Have you noticed there have been occasions where the rental values that have been suggested for a property are less than what is currently being charged?

Finance Director, Housing:

Yes, for a number, yes.

The Deputy of St. Ouen:

You have?

Finance Director, Housing:

Yes.

The Minister for Housing:

That was not a surprised, though. We knew that would happen.

The Deputy of St. Ouen:

When will you be in a position to indicate what the overall position will be regarding rental valuations and the anticipated overall income?

Finance Director, Housing:

That will form part of the final business case that will be produced towards the end of this year.

The Deputy of St. Ouen:

End of?

Finance Director, Housing:

End of this year.

The Deputy of St. Ouen:

This year? Thank you.

The Minister for Housing:

Continuing with the work that is going on, and I am just giving you sort of headlines, really. Drafted company's Articles of Association have been commissioned and started. We are working on a branding and the manning for the company, you know, so external procurement and accounting policies are being reviewed, as they will be slightly different, and company law training is underway for the senior officers as obviously it is slightly different. Staffing arrangements, we have been working on the staff transfer policy and all our policies are in line with or are being

developed with Central H.R. (Human Resources). We are doing recruitment for the posts that we need to fill. Pension arrangements have been already sorted out, i.e., the new company will be of admitted status, or something like that, anyway, and with on-going staff consultation and I have to say that you might think that we are blowing our own trumpet but the trade unions have said they are very happy with the way they have been consulted and kept involved. I am not saying they would not be worried about the process but they are not unduly disturbed, so that is good.

The Deputy of St. Peter:

Could I just stop you there for a minute? I am just interest to know how you feel that your relationship with members of the public has changed given the new structure?

[11:15]

The Minister for Housing:

It has not changed at the moment but it will change when the new company comes into place because my role then will be purely policy and working mainly with the SHU (Strategic Housing Unit) and Population Office and regulation is one, obviously, for all the housing company and trusts but at the moment, from the public point of view, it has not changed. I still get phone calls about, "My mum's toilet doesn't flush," or whatever but that is a part of local politics, is it not?

Deputy J.A. Hilton:

Can I just touch on the regulator role again? Has there been any discussions with Guernsey on sharing a regulator and have you given any consideration to an alternative to an independent regulator?

The Minister for Housing:

No, I have not given any consideration for a ... to return to an independent regulator. I think the independence is essential. Never again will I want to see, as in our case at one time, and the officers have done a lot of work to improve on that massively as you have seen, but never again do I want to see our tenants in properties that have £80 million-worth of outstanding maintenance. I know regulation is more than that but that is one of the things that really drives the need for independent regulation. Have I spoken to Guernsey? Yes, I have but not in a formal sense. We spent at day looking at Guernsey's housing arrangements. Their set up is very different to ours in so much as the whole of their housing is provided, and Ian will correct me if I am wrong, but the whole of their housing is provided by an association or trust or company and the Housing Department does the regulation. So it is slightly different. I did mention it to Deputy Jones when we were there but I do not think they are in a position at the moment where they want a regulator. So our post will be part time and we have yet to work that up.

The Deputy of St. Peter:

You mentioned there the outstanding maintenance work that was in existence. What position is the department at now with that work? How far ...

The Minister for Housing:

Well, it has improved significantly. I will pass on to ... one of my officers can take you through the different things that we have done. But I mean you only have to look at the work that is going on. We have nearly finished Pomme d'Or Farm. That is virtually finished. We have ... Jardin Des Carreaux is complete. We are working very hard at the moment on the high rise at La Collette. We have done Le Squez and will you please help me with that?

Finance Director, Housing:

The phase 2, we can see, of Le Squez is being built at the moment and we are working on the next phase of Le Squez which will be the ribbon development along by Marks & Spencer as you come up that road which will be 23 units. Thereafter, the final phase of Le Squez, and hopefully it will be the final phase, will be the demolition of the remainder of the estate and the building of about 110 units to replace where the C, D, E, F and G block are.

Deputy J.A. Hilton:

In percentage terms, how many of your properties still do not reach Decent Home Standard?

Finance Director, Housing:

The last time we had a Conditions Survey carried out by surveyors, they estimated that 76 per cent met Decent Home Standard. It was 73 in 2010. We are updating the cost table ... and the backlog maintenance was £48 million. They are updating the cost tables at the moment which will give us a revised figure for that £48 million. But obviously, a lot of work has been undertaken but, obviously, since 2010, all the properties, or the majority of the properties are now 3 years older so some of them will ...

Deputy J.A. Hilton:

So what sort of time scale are we talking about to get, you know, all ...

The Minister for Housing:

Well, we set the target of 10 years in our business plan. Of course, we must not get this out of perspective. There are some that really need a lot of attention and those are being prioritised, such as the high rise at La Collette. There are others where you are talking about the need to change kitchens and things like that so they are wind and watertight. Others we need to insulate.

Chief Officer, Housing:

I think as well the important point is that the age profile of the stock is that of course, as we have said in our P.33, is that some of the stock starts to dip into the Decent Home Standard because of its age. So I think when we talk about 10 years, I think it is important that we are talking about a period where some that are meeting the Decent Homes will need that refurbishing within that 10 year period. So as the Minister says, a big percentage of the stock is in excellent condition and there is a very big programme on going at the moment and, obviously, you will see the scaffolding around. So it is not all Le Squez.

The Minister for Housing:

And that is right and proper because, of course, we still need more supply as well and that is what the Island Plan changes are about but also we are not sitting on our laurels. We are on Lesquende now, at last ...120, I think, slow worms they got off it, I think, and breeding season is over and we are on our way now, at last. So we have ... Journeaux Street is well up. I do not know if you have seen it but that is looking good. We have work going on with De Quetteville Court we are hoping to start fairly soon. We have planning permission on that one now, have we not?

Finance Director, Housing:

Yes.

The Minister for Housing:

It changed in size slightly but we have planning permission on that now. So there is a lot of work going on but we know it is not enough, which is why we must have some more site. Now, some people say the States-owned sites are the answer. They might be the answer in the long term but I cannot move the ones at Rouge Bouillon until the police move off and so we need so short and medium term solutions as well.

The Deputy of St. Peter:

At what stage are your discussions with the Minister for Planning regarding those short and medium-term solutions?

The Minister for Housing:

As I say, he has brought forward the Island Plan proposed changes. Unfortunately, the law requires about 9 months of different consultations and inquiries in public before we can bring it ... or he, it has to be him, no one else can do it, before he can bring it to the States. But at least when he brings it to the States, if the States accept it, we have the funding in place. We should be able to move much more quickly than we have done in the past. We need those homes.

The Deputy of St. Ouen:

Can I just come back? You say the outstanding maintenance is worth £80 million?

The Minister for Housing:

Yes.

The Deputy of St. Ouen:

What is it now?

Chief Officer, Housing:

£48 million.

The Minister for Housing:

We had another Conditions Survey.

Finance Director, Housing:

It was 48 in 2010 and we are updating the Conditions Survey as we speak and once we have that for the end of the year as well and we will have the updated position.

Chief Officer, Housing:

That is the accurate figure we have at the moment.

The Deputy of St. Peter:

Going back to the Island Plan and different planning considerations, have you put any thought into the idea of the changes within the town profile. If the International Finance Centre goes ahead, for example, what the knock-on effect will be if some currently commercial-use property within St. Helier changes use and becomes residential, are there any opportunities for the department?

The Minister for Housing:

Most of the ... yes, there may be some opportunities in isolated sites but most of the office accommodation that I have looked at that is vacant would not lend itself to change of use. It would have to be demolished and it would have to be redeveloped. We are not in a position to do that yet. We do not own those properties. They are privately owned and that is a long ... I think a long to medium-term plan. Not dismissing it, in fact I think you are right. Places like at Colomberie would benefit from having a change in the use along some of that, bring some life to it and provide much-needed accommodation but we are a long way off that yet.

Chief Officer, Housing:

I think the other thing is that what is highlighted is and the exciting bit that we have been talking about is the plan for St. Helier, a regeneration of St. Helier. Now, you are talking about a big plan and huge sums of money but there is a big prize for, not only in terms of quality of life for people but, obviously, economy-wise as well. But St. Helier needs a plan.

The Minister for Housing:

But you are right and I think it will happen but it is not a quick fix.

The Deputy of St. Peter:

No. In the present day, how is your waiting list. For example, with the tier 1 list at the moment?

The Minister for Housing:

I have asked all of the officers here for tier 1 but I know that we have about 700, just over, families that are in urgent need of new accommodation. Some of that would be in band 2 and some of that will be in band 1. As I said in the States last Tuesday, it was something like 720 families in need of urgent accommodation.

The Deputy of St. Ouen:

That has increased significantly over recent times?

The Minister for Housing:

It has increased and it is bound to increase with the difficult economic situation we find ourselves in and people in over-crowded, unsuitable accommodation, frankly, accommodation they cannot afford but affordability is not usually a criteria for moving. But it is bound to as the economy changes.

The Deputy of St. Ouen:

You make various comments and I fully understand why you want to make sure people are accommodated appropriately, but I need to pick you up on a comment you just made about 700 families, presumably, or households.

The Minister for Housing:

700 households.

The Deputy of St. Ouen:

Households urgently needing accommodation. The previous figure, I mean, obviously now we have the Gateway system and our previous published figure was closer to 407 and I am just trying to understand where is the evidence to support your claim?

The Minister for Housing:

The evidence is in the Gateway. It is not being plucked out of the air.

Director, Corporate Policy:

I do not have the back series now but we can easily provide that but it is a combined Gateway on the top priority bands. At the moment we have 763 households waiting. I have no reason to doubt that figure whatsoever, nor the process of the Gateway either.

The Deputy of St. Peter:

We have always used the tier 1 as the indication of most immediate need. Do you have that figure, because it is much easier for us to compare apples and apples?

Director, Corporate Policy:

Well, the figures I have to hand and Dominique over there may be able to help me. We have had 151 new applications for band 1 and we have 144 existing tenants awaiting transfer in band 1. So those are sizeable numbers of people in the highest priority band. I think that is illustrative of the absolute level.

The Deputy of St. Peter:

When we were in the States debate, the figure was between 150 and 170. So that has almost doubled to some extent?

Director, Corporate Policy:

Those are additional ... new applications on band 1, the 151 that I mentioned and the 144 is people awaiting transfer in band 1.

Finance Director, Housing:

Who are already in social housing.

Director, Corporate Policy:

Yes, I think it would be helpful, and I do not have it now, but to provide a time series so you can see how those bands have moved over time because I think that does go towards the credibility of the bands and we can give a short paper as to why but the broad reasons are the economic

climate, the work that is being done on the stock in terms of refurbishment which will require some decanting and so then invariably there is going to be some increase in that waiting list.

Deputy J.A. Hilton:

The waiting list is growing and growing and growing. Can you just remind me how many new social housing units, new, additional ones that you are proposing to produce over, say, the next 5 years?

The Minister for Housing:

I have the sites but probably ...

Deputy J.A. Hilton:

If you could just remind me of the sites that are definitely earmarked for social rented housing?

The Minister for Housing:

Whether it be over 55s or whatever?

Deputy J.A. Hilton:

Yes.

The Minister for Housing:

What is vacant and available? Well, there is Lesquende. There is 2 phases at Lesquende. A small development at Journeaux Street. Le Squez, we sped that up a little bit because there were a number of different phases and we are rolling that off. So there is there. La Collette, we have the site in as much as I want to develop a front and work with the Minister for Planning on that but at the moment we are working on the refurbishment of the high rise. I want to put new development on the front of La Collette. Not on the road, but you know where I mean, and drop the building at the back.

Deputy J.A. Hilton:

How many new units are you hoping to deliver?

The Minister for Housing:

I do not think we will end up with very many more new units, to be honest with you, because we are losing the ones at the back if planning goes ahead.

Chief Officer, Housing:

We could end up with 90.

Deputy J.A. Hilton:

90 additional units?

Chief Officer, Housing:

We have Langtry Gardens, of course.

The Minister for Housing:

Of course, we have Langtry Gardens.

The Deputy of St. Peter:

That comes on line next year?

The Minister for Housing:

Yes.

The Deputy of St. Peter:

Yes, but the discussions, going back to La Collette and your idea for that ribbon development the front of that, those discussions have been on going, we have heard about then for at least a year.

The Minister for Housing:

It took quite a lot of time to convince the Minister for Planning that the buildings at the back, which are the ones I want to drop, they are listed. I do not know why they are listed because I cannot think of why anyone would want to keep them, as an example of slums, I think, really. But anyway, they are listed. We have convinced the Minister for Planning that we need to be brave and bold and we have appointed an architect to lead on that project and we have a meeting fairly soon with the Minister for Planning because I have promised him that we will work with him to do some of the more inventive ... innovative ... to have a look at different methods of construction and so on.

The Deputy of St. Peter:

But that all takes time, I would imagine.

The Minister for Housing:

It does not take time because the new modern methods of constructions are much quicker. So we have to have a plan, though, and we have appointed the architect and we are working on it.

The Deputy of St. Peter:

Do you think the timescale that you have working on this project for already has been ... are you content with that timescale?

[11:30]

The Minister for Housing:

No, I am not. It takes a long ... but if the law says these buildings are listed you have to work through that.

The Deputy of St. Ouen:

Can I ask, please ...

The Deputy of St. Peter:

Sorry, but if there is ...

The Minister for Housing:

It is not in my care to list something. I have to work with the Minister for Planning and the planning law as he has to as well.

The Deputy of St. Peter:

Yes, but in the last 6 months your housing list has grown significantly and, therefore, when you have such increasing need over such a short period of time, there should be some joint working perhaps with your Ministerial colleagues.

The Minister for Housing:

There is joint working but you cannot throw a house up in 10 minutes. You have to ... first of all you have to get planning permission and, as I say, my plans there are quite radical in as much as I want to bring it on to the front of the site, I want to drop the buildings at the rear of the site and they were listed. That does not happen in 5 minutes. And yet the waiting list does grow. That is why we are saying ... I have been pushing and pushing and pushing for the review of the Island Plan. At last we have that. It has taken far too long to get there, but we are there.

Deputy J.A. Hilton:

Do you feel you have a cooperative relationship with the Minister for Planning?

The Minister for Housing:

I feel that sometimes it takes a bit longer than it should.

Deputy J.A. Hilton:

How are you going to address that issue?

The Minister for Housing:

We have addressed it, have we not? We launched the new plan and is more specific about the way he must consult. There has to be so many months of public consultation, there has to be an inquiry in public. That is not something that can be changed. Not easily, anyway.

Deputy J.A. Hilton:

Can you just remind me how many social rented units are going to be made available at the old J.C.G. (Jersey College for Girls) site.

Chief Officer, Housing:

I wish it was not our J.C.G. site.

The Minister for Housing:

It is not our site and we do not know because that is changing all the time.

Deputy J.A. Hilton:

You said 40?

Finance Director, Housing:

That is in the plan. It was sorted, yes.

Deputy J.A. Hilton:

But do you have ... is Jersey Homes one?

The Minister for Housing:

Yes.

Deputy J.A. Hilton:

Okay, have you any reason to believe that it is going to less than 40 delivered for social rent, then?

The Minister for Housing:

No, I have not but I know the Minister for Planning think they can do better.

Deputy J.A. Hilton:

So it is going to be more and not less?

The Minister for Housing:

It is going to be more and not less if the Minister for Planning has his way but again, that means nothing is happening whilst it is being, you know.

Chief Officer, Housing:

Yes, without being controversial, it would be nice if something was put on the J.C.G. site in our lifetime but very well.

The Deputy of St. Ouen:

It is rather interesting when you say that it is not our site because the Jersey Development Company is owned fully and solely by the States of Jersey. Their J.C.G. is a States site and I look at the Minister and I ask the Minister, knowing that there is an urgent need for more houses, are you saying to us that you have no ability to speak to and work with the Minister for Treasury and others to make sure that the States site that we own, J.C.G., provides the appropriate accommodation that you require?

The Minister for Housing:

I can speak to anybody but the evidence is there that site has been empty how many years? Still nothing is going on and they are still talking about what will be on there.

The Deputy of St. Ouen:

So are you saying that is your fault?

The Minister for Housing:

I am not. No, I am not.

The Deputy of St. Ouen:

Well, why have not you been able to ensure that your need which you clearly describe is met?

The Minister for Housing:

Because I cannot because I have no influence. I mean, Lesquende, for example sat there empty for years and years and years. We have taken possession of that and within a year we are on site. If you want to persuade ... I cannot persuade anyone. If you want to persuade Property Holdings to give that site to us, I will take it.

Chief Officer, Housing:

Yes, I think in fairness to the Minister, we discussed this before. The States was looking to have its cake and eat it because it has these sites but it wants to extract value from them. Well, you cannot have both and one could argue that J.C.G., Lesquende, and there is a whole host of States sites that should be used for ...

The Deputy of St. Ouen:

I would like to correct you, though, because you say that the States want to extract value from these sites. That is not untrue but the States have agreed and have a policy of using States-owned sites for social housing. What you may be correct in saying is that the Treasury Department wishes to extract through using a development company the maximum value for the sites that may be in its ownership.

Chief Officer, Housing:

Well, J.C.G. was ... one of its remits was to extract value from States sites, was it not? But I mean I think perhaps while I am agreeing that frankly some of these sites should have been used for social housing and social housing should be there now.

The Minister for Housing:

One of my frustrations moving on to a different site, one of my frustrations particularly around the sites at Rouge Bouillon, do you remember the Island Plan said that if, was it 150 houses that had to be approved on States-owned sites?

Finance Director, Housing:

Yes.

The Minister for Housing:

That 150 homes had to be approved on States-owned sites otherwise its sites such as Sunray would come back without the States and public inquiry. Unfortunately, 150 homes have been approved on these sites. When I say "unfortunately", it would have been better if they had not because we could then be talking about Sunray now and getting on with it but those sites are not going to be available in the sort to medium term. They might have approved 150 homes on them but where is the police station going to be built? Because that has to happen first. That is why I pushed for the Island Plan to be changed but the process, the formal Island Plan process has to happen because those 150 have been approved. It is regrettable they were, in some ways.

The Deputy of St. Peter:

Could it not be argued there, though, in the interim period the need has changed and, therefore, that figure of 150 was perhaps given at the time to fit with the profile of need then but it is currently different.

The Minister for Housing:

I have argued all of this. I have argued we withdraw the planning permission, everything to try and speed up access to those sites but I am told we have to follow the law.

The Deputy of St. Peter:

Going back to other proposed schemes, you mentioned earlier your discussions with Les Vaux regarding changes at Troy Court. Would that project involve any additional units of accommodation?

The Minister for Housing:

No, it is very similar. When I last spoke to the chairman, first of all it was going to be the same, then there might be one or 2 but we are not going to see a significant increase. What we are going to do, though, is see a significant improvement in the standard of housing because those are not good homes. You know, people look after them, they make the best of it but they do need to come down and (inaudible 37:25) has been working very hard to come up with 2 or 3 different schemes which have not met the support, really, of St. Helier more than anything else but they have a scheme which I think, will, this one.

Deputy J.A. Hilton:

Can I just ask you about the Ann Court site and what the plans are for that particular site?

The Minister for Housing:

Yes, the Ann Court site, once the shaft is finished and T.T.S. (Transport and Technical Services) have done their work, I think there is some underground car parking to be sorted out there as well. An architect has been appointed, Carlo Riva, and that is going to be run by the Jersey Homes Trust for us.

Deputy J.A. Hilton:

Presumably that site is going to consist wholly of social rented units?

The Minister for Housing:

Absolutely, yes.

Deputy J.A. Hilton:

Okay, thank you.

The Deputy of St. Ouen:

Can I ask and I want to come back to the issue of supply and need. Minister, how confident are you that the information captured within the housing Gateway can be relied on?

The Minister for Housing:

100 per cent because it is not some theoretical exercise. People make an application, they are spoken to, they are interviewed, and I am absolutely convinced that what you are seeing, and perhaps I should not be saying this, but what you are seeing is the minimum on a very tight criteria. It certainly is not overstated, if that is what you are asking.

The Deputy of St. Ouen:

So you believe that the housing Gateway is capturing all demand?

The Minister for Housing:

No, I did not say that. What I said was it is capturing some of the demand. It cannot capture all the demand. The Gateway, for example, does not capture people under 25. It does not capture couples under 55 unless they have children or there are exceptional circumstances. All that needs to be sorted out and you cannot sort it out, it has been an ambition of mine for some time, but you cannot sort it out until you increase the supply. It would be utterly dishonest, you would be putting people on the waiting list that they would never get off and we have to increase supply and that is why I must have Samares, I must have Longueville and there are those other sites as well, as you know, in the Island Plan. I look to the parishes and encouraging the parishes to do their little bit as well because everything helps. It also brings movement in the other housing market but, unfortunately, St. Ouen have had Field 622 refused recently.

Deputy J.A. Hilton:

Can I just ask you a question about that? Where the parishes are putting forward greenfield sites for rezoning for housing, we have a ... there is a development at Trinity at the moment which was a greenfields site. Are all of those units allocated through the Gateway?

The Minister for Housing:

No.

Deputy J.A. Hilton:

Why is that?

The Minister for Housing:

Because the parishes are not ... they are voluntarily part of the Gateway. If I was to come down too hard on the parishes at the moment, nothing would get done and ...

Deputy J.A. Hilton:

But do you think that is fair? Do you think it is fair that ...

The Minister for Housing:

No, I think it is something to be looked at later on. But when you take the Trinity development particularly, that was money given to the parish as a bequest and they want to spend it in the way they want and if we try and over-regulate that then you would end up with no development at all.

Deputy J.A. Hilton:

Okay, that may be seen as an exception to the rule but do you think, generally speaking, if the States are agreeing to rezone greenfield sites in the parishes that those units of accommodation should be allocated through Gateway?

The Minister for Housing:

That is in rezoning proposal but I cannot make it retrospective. It is a ...

Deputy J.A. Hilton:

All right, thank you.

The Minister for Housing:

The St. Ouen's one was unfortunately, really, because the Minister for Planning asked them to do a village plan which they did not do which is one of the reasons why he refused ... he wants to see where that particular field sits in context with the rest of it.

Deputy J.A. Hilton:

It seems a little bit bizarre that he would approve houses on Plémont but refuse an application for this.

The Minister for Housing:

That is something you will have to ask him about, sorry.

The Deputy of St. Ouen:

So with regard to St. Helier, we are not going to dwell on that particular application but I would suggest that the Minister should read the independent inspector's report ...

The Minister for Housing:

I have read it.

The Deputy of St. Ouen:

... on 622 because one of the issues he raised and one of the confusions he had is around demand and need.

The Minister for Housing:

Absolutely.

The Deputy of St. Ouen:

I would just point the Minister to one of the recommendations that were contained in our review of the Housing Transformation Programme that was presented to the States on 10th May this year which was accepted by yourself which basically said, you know, there is a need for a protocol to be established and agreed between yourself and the parishes to provide this greater clarity so that it will ... which will help you when you present and identify figures for housing.

The Minister for Housing:

Okay, cards on the table. I have read that report and in the report ... the Minister says in his decision, which comes about from the report, he refused it for 3 reasons. (1) he was not convinced about the supply and we will talk about that in a minute, (2) he had asked for a village plan and there was not a village plan and, (3) there had been no robust looking at alternate sites within the parish. Those are the 3 reasons the Minister refused it. Now, I have read that report and there is some confusion around the numbers but nobody came to the Gateway and asked for numbers. Nobody from the parish discussed it with me. I did not even know the thing was being examined in public until after the report came out. So joint working goes both ways.

The Deputy of St. Ouen:

But Minister, are you working on a protocol between the parishes and yourself to determine and to provide greater clarity around the Gateway?

The Minister for Housing:

I have spoken to the Constable of St. Ouen about his particular needs and we will be speaking to the other constables. But you have to work together and you have to follow the planning

guidelines. You cannot be cavalier about it and that clearly did not ... I have read the report and the report said there were 220 sheltered housing requirements, 70 of which were instant ones, at which the planning inspector, the independent inspector, found bizarre. Now, I could probably explain some of that if we were asked but they did not get the information from us and it is regrettable that they did not come and ask us for up-to-date information.

The Deputy of St. Ouen:

But moving away from St. Ouen for a minute and coming back to the Gateway system and demand and the revision of the Island Plan which you, I believe, have been instrumental in progressing and promoting, I would ask what conversations have you personally had with the parishes either individually or collective about the land that is proposed to be rezoned for 80 per cent social housing and 20 per cent affordable homes for sale?

The Minister for Housing:

Yes, I have spoken to the Constable of St. Martin, I have spoken to the Constable of St. Brelade directly. No others at the moment, and the Constable of St. Ouen.

[11:45]

The Deputy of St. Ouen:

So we have a situation where you are suggesting and you are aiming to promote and work closely with the parishioners and the time frame of consultation is ending on 25th September and you are sitting here today saying that no conversations have taken place with the parishes for whom decisions against are going to be made ...

The Minister for Housing:

Sorry, the parish of St. Lawrence as well.

The Deputy of St. Ouen:

... regarding the rezoning of land?

The Minister for Housing:

No, I am not saying that and you are twisting my words and you are also putting a date on there that is not relevant. The timeframe for public consultation is that and then there will be the independent inspector's inquiry in public and that is when I will, as I did last time, make my cases.

The Deputy of St. Ouen:

But would you not believe that it would be better to involve the parishes before you get to the point where public consultation ends rather than after?

The Minister for Housing:

No, we will speak directly, as we did last time, we will speak directly with the inspector.

The Deputy of St. Peter:

But if I remember correctly, the Constable of St. Saviour and the Constable of St. Clement have both ...

The Minister for Housing:

Well, I have had discussions. There is another 2. Constable of St. Saviour is off work and the Constable of St. Clement has made it quite clear there will be no development, that will be over his dead body, so I do not see how we can move anything from that. That is a battle we will have to have in the States. I understand where he is coming from. He says enough is enough in St. Clements and there is certainly many people that live in St. Clements that feel the same way. But I cannot ignore, which is why I said last time in the debate in the States when we did the Island Plan a couple of years ago, I cannot ignore the independent inspector's advice when he said that Samares, in particular, and there were a couple of other sites, but Samares in particular was the best housing site in Jersey. Now, as Minister for Housing, if I did not chase that I would be not doing my job. But I can understand why the Constable does not want it there. Personally, I would rather see, not just as Minister for Housing, I would rather see a nice housing development there than the falling down glass houses and trees growing out of them and everything else but the Constable seems to prefer that to a nice housing development. I cannot answer for him.

The Deputy of St. Peter:

Another solution to your supply issues that has been suggested in the media recently has been that of pop-up housing. What are your views on that?

The Minister for Housing:

I am waiting to speak to the Minister for Planning about by what means by pop-up housing. He did not discuss that with me and I have no idea what it means.

Deputy J.A. Hilton:

You seem to spend a lot of time waiting for the Minister for Planning.

The Minister for Housing:

Well, I actually do not want ... if it is what I think it is, I do not want it. I want to build proper homes that are good investments and are sustainable for tenants. I do not want some cheap pre-fab thing that is going to ... like we saw after the Second World War that only has a 10-year life. I want proper homes and I want to find out what he means by "pop-up homes".

Deputy J.A. Hilton:

Okay, thank you.

The Deputy of St. Ouen:

Can I just ask a question on the Starter Home Deposit Loan Scheme? I would like to know with regard to the Gateway, because that is the access to the scheme, how many people have come forward to take up the opportunity to use the scheme?

The Minister for Housing:

Yes, I have that here. It is, the Starter Home Scheme, we have so far agreed £935,000 in relation to 17 properties.

The Deputy of St. Ouen:

How many in total have applied and put their names forward for the scheme?

The Minister for Housing:

We had approximately 35 have come forward. Approximately, but you have to remember what the scheme is. People might apply and it might take them however many months to find a property that they want.

The Deputy of St. Ouen:

What is the actual number of individuals that are now identified on the particular band of the Gateway?

The Minister for Housing:

35.

Director, Corporate Policy:

35 have applied for this specific scheme.

The Deputy of St. Ouen:

35. So it is not a separate band? I believe there is a band that already incorporated, or that already incorporated 130-odd people. I just wanted to know what the increase had been.

Director, Corporate Policy:

There is a general band with 271 people on it but this is the scheme, this is the actual live scheme, the parameters clearly defined, went to the States and of those, under this scheme, approximately 35, or 35 have applied, 17 have found a property and approved by us and approved by their primary lender.

The Deputy of St. Ouen:

Great, and that is encouraging but just to rewind again, I believe that that time of the Housing Deposit Scheme a figure of about 140 was spoken about and now you are saying the number has increased to 271, is it? Do I understand you correctly?

The Minister for Housing:

No, some people are on that band 5 because they would not be able to afford to do this but they could afford to do, for example, a shared equity, a deferred payment type scheme that we have as well. So band 5 are people have just sufficient income to be able to buy medium size scheme or other, not necessarily all around the deposit scheme.

The Deputy of St. Ouen:

Sorry, I need to press you on this and maybe it is my problem and I am not asking the right question. The question is that since it has been published that the Starter Home Deposit Loan Scheme is going to be introduced and the requirement was to register through the Gateway to access the scheme. What has been the uptake? What has been the increase from the initial number that was quoted by yourself and the present number?

Director, Corporate Policy:

Can I, sorry ... £3 million was allocated to the scheme. We have so far approved ... sorry, I will get to it, we have so far approved 17 at a cost of a million. If you take that through, that would be 60 people taking up with £3 million. In the proposition we said up to 100, if my recollection is right, and that depends on the mix. So for example, if all the applicants were people who wanted flats, it would be up to 100 or above. Actually, most of people apply want 3-bedroomed homes, they happen to be couples who want 3-bedroomed homes. And also the practice for the Deposit Loan Scheme is not quite the same as band 5. Band 5 is people who want affordable housing. There is a whole range of people. So there is people with less than £15,000-worth of income on band 5. Those people would not qualify under the Starter Home Deposit Scheme.

The Deputy of St. Ouen:

I am sorry, but what is the increase based on the information that you provided? What is the increase from the time that you initially identified the need for a Housing Deposit Scheme and now? That is a simple question, surely?

Director, Corporate Policy:

There are 35 relating to this scheme.

The Deputy of St. Ouen:

There is a 35 increase?

The Minister for Housing:

Relating to this scheme.

The Deputy of St. Peter:

Applicants, but I think the Deputy is trying to ask how many people are in band 5 category when the States agreed on the ...

Director, Corporate Policy:

Apologies, I do not have those figures. I can provide them.

The Deputy of St. Peter:

Okay, thank you, that would be very helpful.

Deputy J.A. Hilton:

Can I ask you a question around how the Home Deposit Loan scheme is being publicised at the moment, if at all?

Director, Corporate Policy:

Yes, when we launched we did the traditional things, press release, stuff on the website. Skipton have also done an article. Ogiers have also done an article in the magazine, I think it is *Places*. We are now ... we are not doing any more publicity at the moment but all the banks are aware, the brokers are aware of it, estate agents are well aware of it. So you now, there is a high degree of understanding around this. The Mortgage Shop did an article ...

The Minister for Housing:

I was just going to say, you walk past the Mortgage Shop and one of the reasons they give for popping in and buying a house is that the States have a deposit scheme.

Director, Corporate Policy:

But I think, if it helps, I think now is probably the time to put a bit more publicity around it. We did have quite a rush when it was first announced. That rush has subsided. I am not sure whether it is the time of the year or not but a million allocated almost, I think it is time for a bit more pick-up.

Deputy J.A. Hilton:

Because your budget was £3 million, was it not? So you still have a couple of million pounds there and it is just, you know.

The Minister for Housing:

I am quite pleased with the way it is going but, as Paul said, the majority of purchase have been around 3-bedroomed houses for couples and I can understand that because it is so expensive to move now that what couples are doing is looking for a home for their family that they are going to start and they do not have to move again and pay all the fees and all the rest of it. So it is not entirely a surprise that people have aimed at that.

The Deputy of St. Peter:

But given the number of properties agreed and the number of applicants, if all of the applicants came forward then it would double probably the amount that you have already allocated. So you could have been almost two-thirds of the way through.

Director, Corporate Policy:

We could be. I mean, I guess the point is that the people who have not found a property, it could take them ... I mean, they might not find a property for another year.

The Minister for Housing:

But once the period is up and the money has gone and people have been housed we need to evaluate it because are we going to continue it? Are we going to have Deposit Scheme 2? Is the criteria right? Some of the people applying and emailing me are suggested our criteria is a bit tight. Those are all things we need to look at as part of a proper evaluation of the scheme.

The Deputy of St. Peter:

Have you also been evaluating the effect or impact it might have on that part of the property market?

The Minister for Housing:

Of course, we took very clear economic advice and the advice was that on the small number that we were talking about there would not be ... we would not create a bubble, I think, to use the term that they use in the U.K. (United Kingdom). The evidence from the Statistics Unit is that the prices of houses have dropped slightly. It is not having an adverse effect. But it is something to be careful of.

The Deputy of St. Ouen:

What monitoring is being undertaken to see whether or not the evidence and information provided by the economist is correct?

The Minister for Housing:

Well, as I said, the Statistics Unit have verified that at the moment, when they brought out the latest house prices. That is what I depend on.

The Deputy of St. Ouen:

So you are not looking at the actual value of the properties that are being purchased by the individuals who are accessing the scheme?

The Minister for Housing:

The individuals accessing the scheme have to purchase property within the criteria which is in the lower quartile lent of that particular type of house or flat. So that helps, I think, to ... I think it could have the opposite effect because a couple, for example, wanting to sell a 3-bedroomed home that might have aspirations on another £20,000 if they can get a buyer that can come into the scheme they lower the price and I think that is what has been going on.

The Deputy of St. Peter:

Clearly, you have been overseeing some significant work within the Housing Department but also taking up your joint role within the Chief Minister's Department. How is that new role progressing?

The Minister for Housing:

It is all right. I still have my old role and I am moving into Cyril Le Marquand House in the near future when they find me a room to move into and as the company board is appointed and the board do take over the running of the Housing Department and it is now, the company, clearly my role becomes much more strategic and I will need to work closely with the SHU (Strategic Housing Unit) and there is a lot of work to be done there. But I have to say one positive, I know you have been questioning me around my sort of relationship with the Minister of Planning but he has lent

me one of his officers to work with us in the SHU so that is a positive and we are getting that up and running. So I am looking forward to perhaps becoming less involved in the day-to-day although I quite enjoy it in way that it is run and being involved in the regulation and the planning and perhaps have more time to bang the desk a bit more about sites.

The Deputy of St. Peter:

Okay, thank you very much all of you for your time today, and I close the hearing.