

STATES OF JERSEY

Health, Social Security and Housing Panel Housing Transformation Programme Sub-Panel

TUESDAY, 24th JULY 2012

Panel:

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

Deputy J.G. Reed of St. Ouen

Deputy J.M. Le Bailly of St. Mary

Senator A. Breckon

Ms. A. Davies (Panel Adviser)

Witness:

Senator I.J. Gorst (The Chief Minister)

Senator P.F. Routier (Assistant Chief Minister)

Mr. D. Gibaut (Chief Statistician)

Mr. J. Richardson (Chief Executive)

Mr. W. Gardiner (Programme Manager, Housing Transformation Programme)

In attendance:

Ms. F. Scott (Scrutiny Officer)

[13:30]

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

Welcome to the panel hearing for the Housing Transformation Programme. I just have to alert members of the public to the code of behaviour, which I am sure you are both familiar with. We will kick off by each introducing ourselves for the record. I am Deputy Kristina Moore, the Chairman of the sub-panel.

Deputy J.G. Reed of St. Ouen:

Deputy James Reed, Panel Member.

Deputy J.M. Le Bailly of St. Mary:

Deputy John Le Bailly, Panel Member.

Ms. A. Davies (Panel Adviser):

Abigail Davies from the Chartered Institute of Housing.

Chief Statistician:

Duncan Gibaut, Chief Statistician.

Assistant Chief Minister:

Senator Paul Routier, Assistant Chief Minister.

The Chief Minister:

I am Ian Gorst.

Chief Executive:

John Richardson, Chief Executive to the States.

Programme Manager, Housing Transformation Programme:

Will Gardiner. I am the Programme Manager for the Housing Transformation Programme. I am standing in for Paul Bradbury, Director of Corporate Services today.

Ms. F. Scott (Scrutiny Officer):

Fiona Scott, Scrutiny Officer.

Senator A. Breckon:

Senator Alan Breckon, member of the panel.

The Deputy of St. Peter:

Thank you. If we start, we thought it was a useful point to just discuss what you see as the purpose of social housing, Chief Minister.

The Chief Minister:

I suppose, in its broadest remit, it is to provide a decent standard of accommodation for who could not necessarily afford it via their own means. I suppose that is the historical approach to it, but I think we are now starting to think also not just in terms of cost and quality, although they are important, but also in terms of security of

tenure. I think that is an important issue which we hope delivering housing as per the strategic plan will start to consider and deliver upon.

The Deputy of St. Peter:

So a home for life almost, is it?

The Chief Minister:

You could describe it like that, yes, but certainly more security of tenure than is currently provided by the social housing that the States provides.

The Deputy of St. Peter:

What would you like our social housing to achieve?

The Chief Minister:

Those things around quality. I think the word “social housing” has become associated with perhaps a second or substandard type of accommodation and I think that is wrong. I think that leads to social division, so I want to see the quality provided. Now, that is of course provided in 2 ways: by the provider of the housing providing a physically good building, but it is also around the individual who is occupying that social housing taking responsibility and pride in their environment and ensuring that it is a place that they can call home and are proud of it. Sorry, I have forgotten what in fact you were ...

The Deputy of St. Peter:

We were talking about what we want to achieve in ...

The Chief Minister:

Yes. So that is fundamentally what I want to achieve. I think also, if I am thinking about what literally I want to achieve, we have a very narrow gateway or criteria for access to social housing which narrows it down. I am not sure that that, from a political perspective, is what I want. I want to see that broadened because, as we know, in our community the cost of housing and provision of housing is a very difficult area. Therefore, I think, recognising that in the general market housing is going to be expensive, we should be making provision for more affordable housing

and I see no reason why that cannot be social or some of the answer to that question cannot be social.

The Deputy of St. Ouen:

Just picking up a point you made and just so we are all clear. When you speak about social housing being regarded as substandard accommodation, are you talking about all social housing?

The Chief Minister:

No, but I am saying that we have to admit that historically and one of the drivers for the White Paper is that we have not invested in social housing in Jersey in the way that we should have done. We have, of course, encouraged housing associations and trusts to provide housing and they have done that, but I think we have got to admit that the quality of the housing or some of the stock that we administer is not up to standard.

The Deputy of St. Ouen:

So you are singling out the States housing as separate from speaking about trust housing, social housing?

The Chief Minister:

Yes, although I think some trusts, of course, recognise that they have got older buildings which now themselves need to be reinvested in again.

The Deputy of St. Ouen:

Do you have examples of that? Could you point to examples?

The Chief Minister:

What, of social housing?

The Deputy of St. Ouen:

Trust properties.

The Chief Minister:

I think there are some old buildings from the 1950s and 1960s. I cannot think exactly of their names.

Assistant Chief Minister:

Troy Court.

The Chief Minister:

Troy Court needs reinvestment in. If you speak to Le Vaux Trust, they will say that that is what they need to do and they have got a plan, I think, to do that.

The Deputy of St. Peter:

When you talk about broadening the criteria, how do you see that being done? I presume through the Strategic Housing Unit, but what sort of criteria would you like to see?

The Chief Minister:

That is difficult to say in a vacuum. I think what we can say positively is that it does appear to be too narrow because you have got to have achieved quite a high threshold in order to be considered. In an area where housing is expensive, that cannot quite be right. So you would need to consider the gateway. The Strategic Housing Unit would need to consider what the other policies are that it wished to put forward. You mentioned the term “whole of life housing”, to allow someone to occupy a unit right throughout. Currently that is quite difficult. Where should the threshold of affordability from an income perspective be? I think it is a theoretical acceptance that should be broadened because we see that people on the waiting list fluctuate in grade and it is quite difficult to get on there anyway. We see some people in the private sector again in accommodation which perhaps we do not think is acceptable, that we should be thinking about social housing provisions for. I do not want to restrict it, but it is just an acceptance that I think there is that need.

The Deputy of St. Peter:

You would not say, for example, that one criterion for eligibility should be whether a person claims income support or not?

The Chief Minister:

That is possibly, again, you could say it was a too-narrow criteria. If we look at some of the people in trust housing that are not on income support, I think there is quite a percentage of some trusts where they are not, but the trusts still fundamentally believe they are providing housing to those that need it, that would struggle if that provision was not there. There is going to be a piece of work which trying to understand what exactly are their needs and should we have a wider policy to provide social housing for those needs.

Assistant Chief Minister:

One of the fundamental differences, obviously, between the eligibility for income support and also for being able to use the States-owned accommodation or trust accommodation is that income support has a 5-year qualification period and housing is 10 years currently. So I think it would be quite a change to reduce it from 10 years down to 5 years. It would increase the demand on social housing.

The Deputy of St. Ouen:

Are you saying, as a result of differences in criteria, that has a significant effect on the demand for social housing?

Assistant Chief Minister:

It would do, yes.

The Chief Minister:

It does, does it not? I am straying into areas of Housing, but is the criteria set to fit the stock that we have got or is it set because it is a positive social policy that we are setting as a Government? I think we would be hard pressed to suggest it is the latter, but more along the lines of the former.

The Deputy of St. Ouen:

How do you aim to move to the latter and have a clear States policy on social housing?

The Chief Minister:

That is part of why we would be setting up the Strategic Housing Unit because I do not think we have had real clarity of clarity about what social housing should be providing or who it should be providing for and what policies need to be put in place and that is what we need to do. We need to have that conversation.

The Deputy of St. Ouen:

Is it the case that you do not believe that the existing people that are responsible for providing social housing are capable of determining what that policy might be, rather than necessarily set up a new unit?

The Chief Minister:

It is a good question. Should those who are providing the housing be the determinants of the policy around social housing or should that be independent of that?

The Deputy of St. Ouen:

Yes. You speak about a role of the current Housing Department, but you are being quite selective because the current Housing Department and Minister have other responsibilities that extend perhaps past just simply providing social housing. Am I correct?

The Chief Minister:

They have other ...

The Deputy of St. Ouen:

Responsibilities.

The Chief Minister:

Again, you are asking me to comment on Housing-specific issues. I do not know whether Will wishes to, but one of the acceptances, I think, of getting to where we are now is that the Housing Department is not fulfilling these other responsibilities that perhaps we thought they were.

The Deputy of St. Peter:

Can we come back to ...

Programme Manager, Housing Transformation Programme:

Yes. I think when the Housing Department was defined under ministerial government the Population Office was separated and the social security functions for the previous rent rebate system were separated out as well. So a lot of the policy-making and law-making expertise was taken out of the Housing Department at that time. The focus of the Housing Department has certainly been on providing social housing in the most effective way they can. The Minister for Housing has a wider remit, I think, is what you are saying.

The Deputy of St. Ouen:

Can you just remind us when the policy-making role was removed from the Housing Department?

Programme Manager, Housing Transformation Programme:

At the start of ministerial government.

The Deputy of St. Ouen:

That was linked to the creation of the Population Office or a separate role?

Chief Executive:

When the Population Office was set up there were certainly goals which split between the 2. Some of them went into the Population Office.

The Deputy of St. Ouen:

Right. So we have had a Population Office being responsible for policy-making for a period of 6 years and we still do not have a clear idea of what social housing policy should be?

Programme Manager, Housing Transformation Programme:

The Housing Transformation Programme has been led by the Housing Department, but I think the Chief Minister is referring to the fact that there is a conflict, which the Minister for Housing is aware of, in developing policy and regulation in particular when you are also a provider. That is an uncomfortable distinction and that is why we

have asked the Chief Minister's Department to assist us in leading the work on the regulatory content.

The Deputy of St. Owen:

You are being very clear. On one hand you are pointing to the Housing Department driving the changes but then you say: "Well, we are going to create another unit, another group of people, that are going to develop the policy." Can you explain to us why the policy and regulation issues that we are all well aware of have not been dealt with following the transfer of the responsibilities from the Housing Department to the Population Office?

The Chief Minister:

I think some have, have they not? You have got the Residential Tenancy Law and, no doubt, you can list others that have been slowly taking place, but it is a wider social governmental issue that I think needs to be addressed by the Strategic Housing Unit.

[13:45]

The Deputy of St. Peter:

Before we go into more depth about the Strategic Housing Unit, can we just go back to your wide division a moment? You have described problems in the wider housing market, not only the social housing market. The suggestion was that we should accept these problems and social housing should provide the alternative. Why do you believe this approach is correct rather than perhaps assisting in other areas of the wider housing market to correct issues?

The Chief Minister:

I do not think one approach is correct. I do not think we should be afraid of extending the social housing stock. I think we need to work to remove the stigma attached to it, as I said earlier, but we are going to need to try a number of schemes to deal with these concerns. So we have talked about, in the Strategic Plan, building on State-owned land; the H3 policy, which will go out to consultation shortly about providing affordable homes on all development sites over a certain size; or perhaps taking cash out of those sites. So no one policy is going to solve all the issues that we have got

with housing, but, as I said, I am quite clear that I do not see that an extension of social housing, rightly I think, does have a part to play in solving some of those problems.

The Deputy of St. Peter:

Thank you. Let us focus now on the Strategic Housing Unit itself. It seems that you envisage it being within your department, because we have heard that there are contrary views about its location. Are you still of that view?

The Chief Minister:

Yes. Let us be very clear, there was a discussion at Council of Ministers. I believe you have got the Minister for Planning and Environment before you late this week and he will make a case for saying that it should be at the Planning and Environment Department. I spoke to him this morning and said that I would be making that very clear. It will ultimately be for the States to decide where it should sit. The Housing Department, as I understand it, have gone back to Professor Whitehead and asked her (because obviously this builds on the work that she did in the *Green Paper*) where she believes the synergies are. No doubt she will be looking elsewhere as well and seeing how you can deal with those potential conflicts. As it stands now, I certainly support it sitting within the Chief Minister's Department because you are independent of the provider of housing. You are also independent then of the decider of the land use and they are conflicts which need to be managed in the best way that we can.

The Deputy of St. Ouen:

So you see no need to maintain a Minister for Housing? Is that what you are suggesting?

The Chief Minister:

I have got to say that if the States approves this and the housing stock goes into what has been recommended here, the association, then you would need to have a political individual responsible for oversight of the Strategic Housing Unit, but you do not need to have, in the way that we have seen in the past, a Minister for Housing with a big department like we have currently got. Now, some of this fits in with the changes to the governmental structure that we are going to need to consider because currently

all Ministers sit round the Council of Ministers table and then we ask Assistant Ministers to carry out various functions. I think we should be accepting of the fact that we could have a Minister with a responsibility for something but they do not have to have a separate department. So you could have a central functioning department. There is no reason why Paul, who is now my Assistant Minister, could not be the Minister for, let us say, Population or the Minister for Housing, but he does not need to have a separate department with this bureaucracy under him. You just need to have somebody with appropriate responsibility taking that responsibility for that function. There are quite a lot of areas where that model could work and we should be considering it.

The Deputy of St. Ouen:

Just to be clear; it is no, we do not need to maintain ...

The Chief Minister:

James, as always, it is more nuanced than that.

The Deputy of St. Peter:

Perhaps I could help by suggesting that you envisage that your Council of Ministers table champion for housing our community and look at the broader priority within your Strategic Plan.

The Chief Minister:

Indeed, but we do not have a Minister for children because our model does not allow it. We do not have a Minister for the older members of our community. That cannot be right, but our model does not allow us to give people that specific political responsibility and we need to change it. This is part of those changes.

The Deputy of St. Peter:

It would be very interesting to carry on that conversation, but I think we will go off our terms of reference. So perhaps we will stick to today's plan.

Senator A. Breckon:

Can I just come back to the Strategic Housing Unit? In the White Paper it says: “To achieve the necessary transformation and benefits for tenants, 4 key changes are proposed.” The first one says: “That a new Strategic Housing Unit is developed to develop a long-term cross-tenure strategy for housing, to promote the supply of new homes and to address issues of affordability.” Well, you have already mentioned that there might be some tension between Planning and whoever else about how you achieve some of this. If you have a Strategic Housing Unit you mentioned it coming back to one person, but when you have got liaison with the public and the private sector, developers, the States of Jersey Development Company, getting accurate statistics, with Planning, with Treasury, with elderly housing, this is a mammoth task for somebody to not just wave the flag, but they have to make things happen. Perhaps in the past we have failed to have joined-up Government. So what is your vision into the detail of how that is going to happen? What it is about is translating all these various strands to make it happen, because you said you have no problem perhaps with a larger housing sector. How does it happen and how would one person be able to drive that when they have got all that tension with Planning, Treasury, Health and the rest of it? I mean, what happens?

The Chief Minister:

We are back to Government reform again, are we not, unfortunately? The Council of Ministers met this morning discussing how we can set up structure which deals with provision of the strategic priorities of the States, of which this is one, and not just think about the 10 departments that we have currently got. So a model with a political oversight group, ultimately with one individual who is going to take political responsibility, would seem to me to be exactly the model that is going to enable us to deliver this sort of cross-departmental cross-cutting strategy that needs to be delivered.

Senator A. Breckon:

You are confident that can be joined up then?

The Chief Minister:

I am confident, where people are committed to delivery, that you can get a joined-up approach and you can deliver.

Chief Executive:

Just to add in terms of executive support, because the way you have described the role, it is a very broad spectrum which would indicate that one Minister on their own or Assistant Minister just clearly could not deliver on that. They need support. One of the benefits or strengths of having in the Chief Minister's Department under our Corporate Policy Unit is that, as the Chief Minister has just described, an awful lot to do with social housing provision is not just about providing the bricks and mortar for property. It is about the social inclusion and a lot more about the broader social policy aspects. So by having it within the Chief Minister's Department where we have got a Corporate Policy Unit, that role is specific designed and is now up and running to make sure we do pull together and we can co-ordinate all the various strands. I think there will be a small but quite discrete executive team who are already kitted out and in place to provide that support. Obviously the Minister has political accountability and responsibility but below that there is a small team who can look at not just provision of housing, but more the social elements that go into making sure that all those areas are catered for. That is an area Senator Routier has been working on since we have been assisting us, bringing together some of the more social elements.

Assistant Chief Minister:

It has been encouraging, I have to say, over the last few months that that small team have really joined together and we are progressing a lot of those things. I mean the Strategic Plan, which we have all debated and approved, to house our community is one of these strands which are really important and, in this morning's meeting of the Council of Ministers, we are all looking at how we can all work together across these strands to make sure that we have got a good team of people working on it. So it would not be just down to one Minister the way this is going to operate at all. One person will be accountable, but certainly there is support of that Minister politically and also in the Executive. It will be there.

The Deputy of St. Peter:

The support staff will get a senior executive, will it?

Assistant Chief Minister:

Yes.

Senator A. Breckon:

Are you confident there will not be too much tension between other people's priority, whether it is education or what has happened in the past where things have been taken away into other areas?

The Chief Minister:

There will be tension because there will be tension with Planning and there will be tension with the providers, no doubt, just as there is with most Government policy. There are those who see the need for it and those who kick against it.

Assistant Chief Minister:

We have all experienced over the years the tension that divides between the silo mentality of all the various departments.

Senator A. Breckon:

Shouting loudly.

Assistant Chief Minister:

Yes, exactly. I have to say, after this morning's meeting and the way Ministers are all wanting to work across the various strands of the Strategic Plan, it is really encouraging. It is a new way of working for all of us and I am really excited about it.

The Deputy of St. Ouen:

You say it is new but I just have to pick you on that because we have had experience of the Population Office and the Migration Advisory Group. That is cross-department working and basically that group within the Chief Minister's Departments are required to deliver a policy as agreed by the States. The reality is it has not worked. So how can you justify and promote the fact that it is all going to be different now and another new group will be able to deliver on some of the objectives and aims that you have just described?

Assistant Chief Minister:

I am not sure the way you describe it as it has not worked is quite true. It depends over the years how you look at it. In the recent years it has worked extremely well. Perhaps when the Migration Advisory Group was established a few years ago there was a different economic environment in the Island and there were different decisions being made and people are making a value judgment now about decisions which were made some years ago. But in recent years the Migration Advisory Group has been working extremely well and it has been, as you might want, more controlling of the numbers of people who are being given licences, which has been happening over recent years.

The Deputy of St. Ouen:

We are not going to too much down this route but I just remind the Assistant Minister that as much as he claims that the group is being effective, indeed they have exceeded the targets set the States on an annual basis in very recent times and certainly over the last 3 years. So it is questionable and one certainly could challenge the comments he has made. Moving on, I would like to ask the Chief Minister, basically, what do you want to achieve with the introduction of the regulatory function? What are your aims and objectives?

The Chief Minister:

That Government is able to positively make decisions about housing strategy and policy and that the regulator ensures that the Government policy is put into action.

The Deputy of St. Ouen:

Just to be clear, what you are saying is that Government develops the regulation and determines what outcomes it wants to achieve from the regulation and then it asks obviously for the laws to be written up and the regulator then enforces the regulation. Am I right? Is that what you are saying?

The Chief Minister:

It ensures that that is complied with, yes.

Chief Executive:

But across the whole of the sector, not just one part of it.

The Chief Minister:

Yes.

The Deputy of St. Ouen:

Can you be a bit clearer on what outcomes you would like to achieve from improving the regulation?

[14:00]

The Chief Minister:

That will depend on what regulation Government decides upon. It is probably unfair, but there have been comments made for a number of years that States Members do not feel some of the housing trusts are appropriately regulated.

The Deputy of St. Ouen:

In what respect, though?

The Chief Minister:

Regulation would allow that to take place.

The Deputy of St. Ouen:

Are you talking about further standards regulation? Are you talking about security of tenure type regulation? Are you talking about financial regulation? What emphasis?

The Chief Minister:

If you look in the White Paper I think there is a list there of 10 areas that you might wish to consider regulating to ensure a certain standard.

The Deputy of St. Ouen:

Which would you support out of that list? Where do you think the emphasis lies, if you look at the list now? Can you just sort of highlight some of the more important areas that you would hope to be developed?

The Chief Minister:

I think there probably needs to be work on all of those areas. I am not sure I can pick out one. Of course, I am an accountant so if I go with 3 I will be happy will I not? Keeping, auditing and publication of accounts, but it is a little bit of a false question to pick out one above the others.

The Deputy of St. Ouen:

I suppose the point that I am asking you to consider is a broader question. We come back to what is social housing, who are we providing it to and what is it for? Ultimately, until you answer that question, one could argue that you will not know what sort of regulation to introduce. What are your views on that?

The Chief Minister:

I am not sure that is a regulatory decision, is it?

Chief Executive:

It is the Social Housing Policy Unit's decisions.

The Chief Minister:

That should be Government policy. We should make the policy. To be honest, there is no defined social housing definition in Jersey. So that, surely, is one of the first things we need to do and no doubt that will be something that comes out of your report to help determine that.

The Deputy of St. Ouen:

I am maybe no making myself very clear. Where would you like to target the regulation to support your aims and objectives for social housing moving forward?

The Chief Minister:

I am not sure that we are getting confused between what we might be able to achieve with regulation and how we describe the social housing provision and how we provide it because we might, for example, say: "Okay, we as a Government think we need another 1,000 social houses." The regulation, as I understand it, would come in

around you setting up a trust. How is that trust regulated? It is the accounts, looking at what the rents are going to be, how they are dealing with service charges and all those sorts of things. How are they consulting with tenants? Maybe I got confused by your question but ...

The Deputy of St. Ouen:

I think I will probably ask the Minister for Housing his views.

The Chief Minister:

I am sure he will not get confused.

Senator A. Breckon:

Can I come back to the bigger picture and that is the population. Maybe Duncan might like to contribute here. The last census figures, I think, to say were a bit of a surprise is probably true. If we are going to create housing for people, how many people are we going to create housing for? What is the profile of the existing population? How many households, age, gender and things like that come into? Whole-Island issues come into it. It is not just about social housing because sometimes a single person living in a big house, who is asset rich/ cash poor, cannot maintain it and are not living very well. We do not do that much and if we do these sort of things ... we have got the parishes with information, we have got the utilities with information, but we do not seem to have co-ordinated approach from a whole-Island basis. It is not just about 4,500 States houses. It is about how people are living, where they are living, how long they are living and how many people there are, which is information from schools, Social Security, employment and things like that. Where are we in drawing this together, because I think we might have missed the mark by several thousand with the census, where we were not where we thought we were? Is that a correct assumption?

Chief Statistician:

We published the results of the census in a series of bulletins at the end of last year and the beginning of this year and we published a population in the middle of June, just a month or so ago, for year-end 2011. So it went forward from the census up until year-end 2011. The figure that we published for the present population was

98,000. We did a reconciliation there, looking at the difference between the previous census and the incremental annual increases up until 2009 and the census number at 2011 and we did the reconciliation and understood the difference. The census provides a snapshot of 2011 in terms of the number of households, the age and gender profile, the structure of households and by that I mean pensioners, couples, single parents, single persons, et cetera. The census is one incredibly important source of information. We are building on that, producing a set of population projections which will be released about the end of the year which will be population projections going forward over not just the next few years but the next decade, the next several decades and actuarial-type timeframes up until 2080. The census is incredibly important as a new baseline going forward, which will then also inform the profile of the population, the age, the gender, particularly the pensioner households. So that is a source of information. On top of all this we are currently running a Housing Needs Survey. You are probably aware of these Housing Needs Surveys that the Statistics Unit have run. We have run 4, or at least 4 that I have been involved in: 2000, 2004, 2007 and, yes, we are running another one now in the middle of our social survey and we are going to have the results of that out by end of November, early December. That is incredibly important. The previous report gave us not just addressing potential need and social housing but particularly in owner-occupied and private rent, looking at the effect of the change in qualification period from the non-qualified coming into the qualified sector. We are going to be doing all that again and also getting information on the housing needs of potential first-time buyers. What kind of prices are potential first-time buyers looking at? What is the household income of potential first-time buyers? It is not up to the Statistics Unit to go off and say: "This is the right number. Send it here, there or elsewhere." What we do provide, which we provided in the last Housing Needs Survey, are the distributions; the distributions of house prices or dwelling prices to which first-home buyers are aspiring or all other potential buyers are aspiring, and their household distributions. There are 2 very important sources of information: census-based and projections and shorter-term housing needs. Also in March we produced a housing affordability study, which is quite technical (I make no apologies for it, because it is a tricky problem), on the several different measures of housing affordability in Jersey over the last decade or so. So, again, it is a very rich source of information looking at potential affordability issues for all families, for

working families, for key public worker types. Our role certainly is to provide and inform with robust information.

Senator A. Breckon:

If Duncan is going to produce statistics about what we have got and what we have not got, is that an area where you would have regulation; for example, who can rent and who can buy? Do you think we are coming back to that, where we have some checks and balances? As well as collecting the numbers, if we are going to have brakes and accelerators to do things then they need to be ... we have used housing law and we have used regulations in the past. We know Paul has done a lot of work on, migration and other things, but we are moving away from that, but then are we going to do the right thing and give people housing benefits not in the term of money but in the term of quality and affordability (that is another argument, affordability), accessibility and choice? There are all sorts of things there. With statistics and regulation and brakes accelerators, how do we make it better? That is what we are trying to do, I think, is it not?

The Chief Minister:

It is, but what that will do is provide information from which we then go away and think about answers, policy, the Strategic Housing Unit again. It is exactly what we need. All the points that you have raised are exactly why we need the Strategic Housing Unit, to pick them up and allow that information to form policy.

Senator A. Breckon:

Can we do it quickly enough? If we get the peaks and troughs, then do we get to know too late and then 3 years later we are out in the census figures? Where are we with the catch up with the population? We have had various policies formulated for roads and drains and things like that that were based on a population assumption of: "This is what we have got now." It was less than what we have got now and the housing is the same. So where are we with the catch up, in housing term, in policy? It is all right having groups and people working together, but people want somewhere to live. So when do we see some results?

The Chief Minister:

There are lots of streams of working going on separately now. If you take S.o.J.D.C. (States of Jersey Development Company), they are bringing forward sites for building and there is an element of those that would fall into social housing coming forward on those sites. So there are sites coming forward, but, to a certain extent, all that needs to be brought together and co-ordinated. We are not just waiting for this work to happen before some of the issues are being addressed. That needs to carry on, but we do need to have a more co-ordinated approach ultimately, which is what this White Paper is all about.

Senator A. Breckon:

Just a final question; are you fairly confident that the predictions you make will be useful for policy, fairly reliable and robust?

Chief Statistician:

Firstly, they are not predictions. They are what is called projections. No, it is a subtle but very important point and I hammer on this all the time whenever I see the word “predictions”. These are not predictions. These are probabilistic projections. That is, you put mathematical functions in and you see what comes out under these assumed mortality, fertility and migration dynamics. These are projections. These are absolutely not predictions. However, they inform just about everything. My unit produces information that should and does inform all evidence-based policy development. For example, the first Housing Needs Survey 2001 informed the 2002 Island Plan. The Housing Needs Survey, to which I referred, in 2007 underpinned the latest Island Plan. This 2012 Housing Needs Survey will certainly inform over the next few years. Population projections that we are producing will inform not just Island Plans but will inform much longer-term strategies, actuarial reviews for example, and will, in particular, in the short term, early next year, the population policy. Yes, I am extremely confident that what my unit is producing is reliable and accurate and is done to best practice. We converse with the Office for National Statisticians. We converse with professors of demography and what we are producing is a set of projections which are absolutely reliable. However, what they are is a set of projections. There is no right answer. What we will do is provide a set of projections with all sorts of migration scenarios: net nil, net plus or minus such and such. Yes? Other potential policy options; looking at licences: maintaining,

increasing, decreasing. We can do all of that as statisticians and I am very lucky I have got people in my unit who can do that. However, we are not going to tell you the right answer. What we are going to say is: “Here is your potential source of options. Ask us to produce more. Ask us to produce different ones,” but we have is a set of reliable projections on which one then can make decisions and that is you guys.

The Deputy of St. Peter:

The next question, I guess, what has been done with the results of your Housing Affordability Survey last year and how is that being fed into current policy? If you look at the 90 per cent rent that is being proposed in the Housing Transformation Programme, how did you arrive, with the Minister for Housing, at that decision with regard to the information provided by the Statistics Department?

The Chief Minister:

That is probably a housing question.

[14:15]

Programme Manager, Housing Transformation Programme:

Yes. We looked at a number of different things as part of the development of the outline business case and certainly we looked at 80 per cent market rents as an opportunity. That is the level that is set in the U.K. (United Kingdom), for example. The reality is that the business case with the States housing stock would need a 90 per cent market rent in order to be viable in 25 to 30-year period.

Ms. A. Davies:

Looking at your social policy function, not so much at the business viability function which I suspect we will come to later, you have got a decent understanding of housing affordability now; what is affordable to the people who may live in the housing. How confident are you that 90 per cent of market rent is affordable to the people who live there now and may live there in the future?

Programme Manager, Housing Transformation Programme:

Yes. Some work was done last year looking at the social impact assessment of that and, as a result of that work done by Professor Wilcox, further work was requested by the particular steering group on that precise issue, on the social and economic impact of affordability of the rent policy and indeed the private sector income support options that are being considered by the Minister for Social Security. That work is continuing. It has not yet reported. We are expecting it very shortly, but we had enough information from Professor Wilcox's work to know that it was likely to be affordable.

Ms. A. Davies:

What definition are you using? I got the impression that you have looked at several different measures of affordability. Which one did you settle on for that judgment?

Programme Manager, Housing Transformation Programme:

It was not precisely linked to that because the work was done last year. The work this year, you would have to ask the Minister for Social Security as to whether that work was linked in with the affordability definitions in that.

Senator A. Breckon:

What would you say to the fact that we have had submissions from people who are renting in the trust sector and the private sector and what they are saying is they are receiving income support but they are using part of their disposable income to pay rent and they are not living in grand houses with sea views. Already they cannot afford the places they are living with the subsidies they are getting. If things are 90 per cent, how is it affordable to them?

Programme Manager, Housing Transformation Programme:

You are talking about in States housing?

Senator A. Breckon:

In trusts. We have had submissions from people saying if this goes onwards and upwards then you have got more people who will be using their disposable income and even when they receive a benefit that is used and they are using their own money as it is to top up to meet rents which they are saying are too high already.

Programme Manager, Housing Transformation Programme:

There will be some people in housing trusts whose rents will be at or near 90 per cent market levels already and the intent is to set the rent of the individual property at the 90 per cent level for that individual property. So there will be some people who may or may not be affected by the increase to 90 per cent and may already be paying the 90 per cent fair rent level.

Senator A. Breckon:

If we increase the finances are we not just doing the revolving door again between Housing, Treasury and Social Security? What does increasing the rents achieve when we know by evidence in the past the only thing it achieved was just pumping up the volume. It does not create any more housing.

Programme Manager, Housing Transformation Programme:

In the White Paper it sets out that it will free up some rent from the increase from people who can afford to pay more. The Minister for Housing is very clear that he will undertake a means test of all tenants who wish to have one to enable them to decide what the level of affordability is for them and the level at which the subsidy might be removed up to over a 10-year period. So there is that control in place.

The Deputy of St. Peter:

But it is widely understood that, of the increase in rent, about two-thirds will need more income support to pay for the extra rent and so the profit is only a third. Can you just elaborate on the need for the business plan to see a 90 per cent of market rate increase as opposed to the 80 per cent that was pointed to from the evidence gained from the affordability study? Why is the business case forcing this 90 per cent of market rate?

Programme Manager, Housing Transformation Programme:

There are 2 reasons for it really and one is that the sector as a whole in Jersey needs to work. At the moment social housing is very difficult to pay for, for new development. The other side of it is that, because of the backlog in social housing, there is a need to pay off that backlog through the business case for the new association and the backlog

is so large, in terms of compliance with decent homes, that there is a need to meet that level in order to pay it off in a time period which the business case operates, which is 30 years.

Senator A. Breckon:

Is there a backlog because you paid the money out in rent rebates and no one moved into the property? Is that not where the void is? The maintenance money has been paid out in ...

The Chief Minister:

You could argue that but, at the end of the day, that money from Housing went into Treasury and it was part of the income of the Treasury which balanced the book. Now, if that money did not go there then Government would have to think of some other way of raising that money.

Senator A. Breckon:

Or not paying the subsidy in the first place.

The Chief Minister:

That is what I am saying, or not paying the subsidy ...

Senator A. Breckon:

The money from the housing has gone round. It has not gone into maintenance. It has gone back into subsidies and it has been paid out. So if you had not paid it then ...

The Chief Minister:

But to people not only in the private sector but also in the States sector.

Senator A. Breckon:

Yes, but then if you put the rents up again are you not just accelerating again and doing the same thing?

The Chief Minister:

No, because in this instance you are investing in the infrastructure. The whole thing is premised on you allowing for the investment.

The Deputy of St. Peter:

But of the increase in rent return it is our understanding that only a third of that returns to Treasury as profit, for want of a better term, and two-thirds of that will have to go back to Social Security in increased income support because there will be more tenants who move into the income support bracket, if you see what I mean, because of the increase in their rent.

The Chief Minister:

I have not come with all the details today. I do not think you should raise these questions with the Minister for Housing. I do not know if Will has got them.

Programme Manager, Housing Transformation Programme:

The number of people who fall into income support, as I said, we are doing that economic and social impact assessment to measure that, but largely it is going to be a factor of how the economy changes as well, but it is not thought there will be a huge number of people dropping in. The income support system is there for those people who cannot afford it in those circumstances that you have talked about. There will be some people who would fall in, but some would naturally in any case.

The Deputy of St. Peter:

We are quite interested to ...

The Chief Minister:

But income support does not automatically pay your rent. It is an in-work benefit. So it looks at what income is coming into the household. It looks at what Government policy says you would be entitled to in benefit. Part of that is a rental component. It might be then, at the end of the day, because it is an in-work benefit, you are entitled to £20 a week. Now, obviously your rent is not £20, but it is just the way that the system calculates; you get money and it, in effect, supplements your income. So it is not a valid crossover question.

The Deputy of St. Peter:

But it is widely understood, Chief Minister, that by imposing a higher rent level to tenants that more will come into the income support bracket, which will have a greater cost to the Social Security Department. I appreciate that you suggest we should speak to the Minister for Housing. We have discussed this with the Minister for Housing and his department, but we are quite interested to hear your views also because we do feel it is a fundamental issue and a fundamental part of the Housing Transformation Programme and its workability. Perhaps, if you are not happy to answer questions more fully today, we could have some written submissions from you.

The Chief Minister:

Yes, I am happy to do that because I have not got the numbers here in front of me to be able to talk in any great depth. So it would be not necessarily meaningful.

The Deputy of St. Peter:

Absolutely.

The Chief Minister:

But I think one of the guiding factors was that there are people receiving the hidden subsidy in social housing who could afford to pay. Is that right?

Senator A. Breckon:

What could they afford to pay?

The Chief Minister:

A higher rent.

Senator A. Breckon:

Where would they go to pay it?

The Chief Minister:

What do you mean where would they go?

Senator A. Breckon:

Well, if you have got people who are 58 or 68 years old who had 3 children who has now moved into a single flat, they have nowhere to go if they are in a States place.

The Chief Minister:

Yes, but if they are ...

Senator A. Breckon:

They cannot buy. They are too old. They have got no money. The private sector, unless it is a trust, does not offer much security. So where are they going to go and what are they going to pay?

Chief Executive:

I do not think there was any ...

The Chief Minister:

I do not think there was any mention about them going anywhere.

Senator A. Breckon:

It is the thing about people getting hidden subsidies that are in the system, but it is fact. If you look at the profile history, they have got nowhere to go.

Chief Executive:

I do not think that is ...

The Chief Minister:

That is not what we are suggesting.

Chief Executive:

There will be some people in current social housing who can afford to pay more but at the moment are not paying more and there are some who, when they are asked to pay more, clearly fall into the income support bracket. As the Chief Minister said, we have not got the numbers here today, but I think that is the question you are asking and it is the number you are looking for. Potentially how many people who are

currently living in social housing provision could afford to pay more but would not fall into income support and how many are currently in social housing provision who, with the increase in rent, could possibly fall into a requirement for income support? I think that is the question that needs answering in terms of numbers. Unfortunately we did not come with those numbers today because we did not think we would get into that level of financial appraisal. So that we can make sure the Chief Minister has got the information to answer, can I just clarify that that is the question you are asking?

The Deputy of St. Peter:

Very much so. Thank you very much. That is very helpful.

The Chief Minister:

We are happy to do that. It is just that we had not picked up from your question that you wanted to go into the financial appraisal today.

The Deputy of St. Peter:

Apologies for that.

The Chief Minister:

No, it is no problem at all.

The Deputy of St. Ouen:

Perhaps it is a good time to pick up on another strand of that discussion and ask you, Chief Minister, what do you see as the purpose of the new Housing Association? Is it primarily a social landlord or a strategic investment to make a financial return?

The Chief Minister:

I see it as a social landlord that is providing quality accommodation up to a decent home standard. Of course, it provides the financial return because that is what has happened in the past and that is what, as a Government, we are asking it to do.

The Deputy of St. Ouen:

You say that it has been a case in the past that, as a Government, we have required the Housing Department in fact, not the Housing Association, to make a return to the States. Is that still your proposed and preferred option for the future?

The Chief Minister:

As described in the White Paper, yes.

The Deputy of St. Ouen:

As it is described in the White Paper. Do you believe that that is a model that is reflected elsewhere in other jurisdictions, whether it is the U.K. or elsewhere?

The Chief Minister:

That I cannot answer.

The Deputy of St. Ouen:

One might suggest that it is not necessarily the normal model that is used and I would point to our current trust model as the model that is generally the preferred choice when seeking to delivery social housing in the preference that you have just described. Would you agree or care to comment on how you see the Housing Association and the way that that is going to be formed against the trust model that we all know currently exists and already delivers its function?

The Chief Minister:

I am not sure what you are asking.

The Deputy of St. Ouen:

Well, at the moment, Chief Minister, you are fully aware we do have housing trusts and they are tasked with delivering social housing.

The Chief Minister:

Yes.

The Deputy of St. Ouen:

They are not required to return any funding to the Treasury or anywhere else for that matter. This proposal, the White Paper, is suggesting something different from that for the new Housing Association and the suggestion is that quite a significant ...

The Chief Minister:

It continues as it currently does, of hopefully paying money.

The Deputy of St. Ouen:

... amount of money will be required to contribute to the Treasury and I am just asking what your views are and why you have chosen to support this proposed new model rather than the trust model that we know has worked well.

[14:30]

The Chief Minister:

I think the decision was taken that the housing and the new association needed to continue to pay that quantum of money back to the Treasury. If we were not going to do that then we would have to think of some other way of raising that money, which would equally be politically difficult.

The Deputy of St. Ouen:

Have those documents been considered by yourself or the Council of Ministers?

The Chief Minister:

I am not sure if Will will remember. I think they were considered right at the very start of this process when Professor Wilcox was looking at these issues but it is so many years ago now I cannot say that with certainty.

Programme Manager, Housing Transformation Programme:

One of the unique features about Jersey is that the income support implications of housing are very transparent and therefore in other jurisdictions they are not transparent in the same way and so there are not those connections made up in quite the same way that they are in Jersey. Effectively the return has been in place in broad terms since before the Housing Department was a ministerial function and to replace

that was considered a key success factor for the business case for the new association and it continued to pay a return, and because the business case could be made to work with a 90 per cent rent and continuing to make that return that was considered a viable solution as opposed to the alternative which you are talking about for the housing trust model where you do not make a return, but I should just draw your attention to the fact that if they make surpluses those surpluses in their funding agreements are supposed to return to the States of Jersey.

The Deputy of St. Ouen:

Is that the case with all trusts?

Programme Manager, Housing Transformation Programme:

Yes, all of the 4 which have received public benefit.

The Deputy of St. Ouen:

Are there agreements to that effect?

Programme Manager, Housing Transformation Programme:

Yes.

The Deputy of St. Peter:

Have they followed up how much money the Treasury has received from those housing trusts?

Programme Manager, Housing Transformation Programme:

They have not been used yet but the intent is to ensure that the balances on the housing trusts are invested in social housing use or they will be returned. Indeed, in the White Paper the increased rent policy will result in income support costs for the housing trusts and the intent is that those income support costs are recirculated back to the Treasury and captured in the same way for the housing association. So it is a unique model but it is the result of 2 things, transparency in income support and the need to make a return.

The Deputy of St. Ouen:

I am interested when you talk about transparency because the reality is surely that the subsidy is being provided by the tenants who are accommodated within social housing, because obviously for those that can afford to pay the full amount their contribution is paying and helping to subsidise those who cannot.

Programme Manager, Housing Transformation Programme:

Correct.

The Deputy of St. Ouen:

So you are saying that our social policy is that those that we house in social housing should help to fund others in social housing and not taxpayers, not general taxation?

The Deputy of St. Peter:

Our adviser has requested ...

Ms. A. Davies:

Will, you have spoken about how the proposed model works for what you want the association to do, it works for the Treasury on the 90 per cent model. What sort of stress testing has taken place whereby if the social rents are 90 per cent of market rent but market rent goes up quite a lot social rents could go up quite a lot and thus income support would as well? What has to happen in the private market for that business model to go out of kilter and stop being workable for the States?

Programme Manager, Housing Transformation Programme:

I am not an accountant so I will preface my answer with that. There has been quite a lot of sensitivity work done on those sorts of situations. There is a natural hedge in the approach taken in that if there are inflationary factors in the sector, for example if inflation goes up, the cost of housing goes up, the cost of construction goes up and the return goes up, and equally the reverse is true as well. The interest rates are fixed for the period through the internal borrowing and borrowing that will be secured externally for the association but sensitivity has been done around that. We have also looked at different speeds of convergence, different assumptions in relation to sales and different assumptions in relation to the model of growth, so how many additional houses could that business case accommodate should the strategic housing unit want

to bring in different levels of housing. So we have looked at all of those sensitivities and indeed the 80 per cent market rent level that we talked about earlier. So there are those flexibilities assumed in the sensitivity modelling that we have done.

Ms. A. Davies:

I am not absolutely sure I got the answer I was expecting. Social rents will be paid to market rents. If market rents go up a lot, social rents go up a lot and the social security bill goes up a lot. At what point does that return to the Treasury make it so that the association no longer has enough money to do the quality improvement, the Jersey homes programme, that it is committed to do?

Programme Manager, Housing Transformation Programme:

I cannot give you the answer off the top of my head, to be honest.

Ms. A. Davies:

Do you believe the question is being considered somewhere?

Programme Manager, Housing Transformation Programme:

Yes. I think it would be a question for the Finance Director of the Minister for Housing chiefly. I could not tell you what the figure was at which that no longer makes sense but clearly if inflation got to ridiculous levels and could not be accommodated by the business case then there would have to be some consideration on either the return made or the speed at which decent home compliance was made, but within the broad parameters that have been modelled. We have not looked at wide fluctuations.

Senator A. Breckon:

I think from a statistical point of view the evidence shows that the rents have been rising at greater than the rise in inflation in the last 4 to 5 years?

Chief Statistician:

I cannot say that. I do not have all those figures at my fingertips.

Programme Manager, Housing Transformation Programme:

I can say that because they are 1.5 per cent more historically I think.

Senator A. Breckon:

Than the rate of inflation?

Programme Manager, Housing Transformation Programme:

Absolutely. So the model of consumption of three-quarters of a per cent allows for some fluctuation.

The Deputy of St. Ouen:

Can you just confirm, because I just want to pick up a point you made earlier, that you will be expecting the housing trusts to contribute towards supporting tenants in did you say the private sector or the social housing sector?

Programme Manager, Housing Transformation Programme:

My point was that the housing trusts will benefit from the new rent policy in terms of the amount of rent they receive but the income support for the 50 per cent of tenants in housing trusts will also increase and the intent within the White Paper is for the increase in income support being met by those housing trust rentals. So a sum will come back from the housing trusts to meet the additional costs of income support.

The Deputy of St. Ouen:

Has that been agreed with the housing trusts?

Programme Manager, Housing Transformation Programme:

It has been discussed with them, yes, by the Treasurer over the last year.

The Deputy of St. Mary:

A couple of questions. Do you think that the 90 per cent rents proposed will drive some people out and into the private sector with the result that you will reduce your funding?

The Chief Minister:

I personally do not think that, but again I have not got the sensitivity analysis in front of me. I cannot see that that will be the case because what we are doing at the same time is a programme of investment and improvement.

Assistant Chief Minister:

My take on that would be that if there were not going to be in social rented housing at 90 per cent they would move out of that and be paying 100 per cent.

The Chief Minister:

That is right, which is why I cannot see that move.

The Deputy of St. Mary:

The only thing is they might find in the private sector something that is better quality, better position and just pay the difference.

Assistant Chief Minister:

If they can afford it I suppose that is ...

Programme Manager, Housing Transformation Programme:

That is a good thing if people can afford it, yes.

The Chief Minister:

But then it comes around to that equivalence of rent to a particular property, so if somebody was moving from property A and did not want to pay 90 per cent there but were moving to property B which was a far better property than property A, a 100 per cent of that would be greater anyway than the 90 per cent of the A. They would only be moving then if they had even more financial means in order to move.

Assistant Chief Minister:

If they were to make that choice it would obviously free up the social housing for people who perhaps were deserving it more than perhaps they are.

Programme Manager, Housing Transformation Programme:

You have got to remember that over time as well people's circumstances change and children leave home or whatever and so you do have a cycle of people who will be able to afford more rent over time.

The Deputy of St. Mary:

The other thing is how independent can the association be when it is bound to the Treasury to make an annual return?

The Chief Minister:

The independence will depend on how you set it up, so it will be the structure that you have used and the governance over that. I do not see that making a return would interfere with its independence.

Chief Executive:

It is very much on the same lines as the ability(?) grant where they give a return to the Treasury.

Senator A. Breckon:

Paul will remember because you have been around about the same amount of time. We have done some estate trusts for £10, we have done various novel things sort of getting started, but here it looks like we are going to have a housing association that is an arm's length management organisation. It belongs to the States but they are the management. What we are doing, and it is something that has been touched on earlier, is we are saying you must make a payment to the Treasury. We are also going to saddle them with some debt which is coming through now, which is money loaned for refurbishments, and then we are going to ask them to seek money in the markets through the banks. What will be the view of a bank in taking third place to existing debt, which needs to be repaid, and the return to the Treasury? How are they going to raise the money against that profile?

Programme Manager, Housing Transformation Programme:

We have that discussion with the funders.

Senator A. Breckon:

Do we need to give comfort as the Government, do you think?

The Chief Minister:

Well, interestingly we have given Government comfort to the trusts so it would not be differential treatment if we had to, but I do not know what the results of those conversations have been.

Programme Manager, Housing Transformation Programme:

Broadly, in many cases they follow the U.K. model where the funders often get first call on finance.

Senator A. Breckon:

Before the Treasury in this case?

Programme Manager, Housing Transformation Programme:

There are some discussions about that.

Senator A. Breckon:

There will be some discussions about that.

Programme Manager, Housing Transformation Programme:

Discussions are continuing with funders and the Treasurer about the most appropriate balance of that, but clearly funders are going to want to see some security.

Senator A. Breckon:

Just another thing on trusts, we have a system now which States housing you can say is very accountable because any of us can ask questions of a Minister on allocation. If we are letting that go, where are the checks and balances? We had a committee inquiry into allocation from the trusts because it was not seen to be fair and transparent, so trusts have come into question already. If we are going to set one up, how confident are we in Government that the people who will be doing that will be accountable to us as Government who are giving them that and also to their tenants and community at large and transparency about finances? Are you confident that we can make something fit to make sure that they do all of that?

The Chief Minister:

That is why the pieces of work are being brought forward together, is it not, the central gateway for allocation, the regulator that is looking at these very issues, how does it consult with tenants, et cetera, how does it report its accounts, what process is it using? So hopefully that will deal with those issues.

[14:45]

Programme Manager, Housing Transformation Programme:

You will have 2 tenants on the board of the proposed new organisation.

Senator A. Breckon:

How robust then do you see the business plan needing to be for this association to do that? They are going to have debt, they are going to have monies to pay, they are going to need money to borrow, they are going to need monies outside of ... where is the business plan for 30 years?

Programme Manager, Housing Transformation Programme:

Well, there is an outline but ...

Senator A. Breckon:

It is work ongoing, is it?

Programme Manager, Housing Transformation Programme:

Yes, and it has been provided, I believe, to ... but that is an outline business plan. The full business case, the intent is to share it with yourselves as that is developed and modified.

Senator A. Breckon:

It has had some peer review and stress testing? How robust is it?

Programme Manager, Housing Transformation Programme:

It has had Sector Treasury Services do an independent assessment of it. The full business case will also have the internal audit function review it and then it will come to you as well, and you will have a look at it, and we also have the political oversight group who are looking at it, so we have a lot of people looking at it. It does not have a lot of flex in it in terms of a lot of fat in it, if I can put it that way, but it is considered robust.

The Deputy of St. Peter:

Do you have any idea when that might come to us?

Programme Manager, Housing Transformation Programme:

September.

The Deputy of St. Peter:

Thank you. I do not think we have any further questions.

The Deputy of St. Ouen:

I just want to explore a little bit the issue of what is termed the hidden subsidy in the White Paper. It speaks a lot about it and it talks about the removal of the hidden subsidy. I would just like to ask the Chief Minister, how do you interpret that term? What do you believe that to mean?

The Chief Minister:

The difference between the rent that is being charged and market rent and if you could deliver that altogether and just give people a means-tested benefit to make up the difference. What this plan is saying is we are not going to go that far. We are saying up to 90 per cent.

The Deputy of St. Ouen:

So basically you are suggesting that an element of hidden subsidy remains. Who determined it should be 90 per cent rather than, say, 80 or 60?

The Chief Minister:

Some of that comes out of the business plan.

Programme Manager, Housing Transformation Programme:

Broadly it would be the Council of Ministers and the States who determine what the rent policy would be and it will be a separate regulation that will be debated, but the 90 per cent will be a transparent subsidy rather than a hidden subsidy. At the moment we know the proportion of subsidy that there is but tenants do not understand what level of subsidy they are getting, for example.

The Deputy of St. Ouen:

My question is is this proposal driven by financial matters, which is about funding for social housing, or meeting the needs of those people who cannot normally afford appropriate accommodation? Chief Minister, maybe you would like to respond to that?

The Chief Minister:

What we are trying to do is have a completely clear situation where those people who cannot afford it can access income support, and that gets to this point of having a one means-tested system rather than having subsidies right across and then on top of that layering on a means-tested benefit. That surely is the right way to go because we can then make a clear decision.

Assistant Chief Minister:

There is also a desire to have sufficient funds to invest in the existing homes which do need to be refurbished. There are a number of houses, as we know, homes that need refurbishment and we need to have sufficient funds to be able to do that.

The Deputy of St. Ouen:

I fully appreciate the capital requirement but equally we have a responsibility to provide, as you have rightly said, affordable housing. I suppose what I am trying to test is what decision process you have been through to determine that the right policy is to maintain a hidden subsidy, albeit at a smaller level than perhaps it is currently, rather than look at other ways of providing and supporting those in need through social housing. I could suggest you could go for a transparent hidden subsidy of 50 per cent rental and just provide social housing for those that fall within those levels

for accommodation and require others to move out into the private sector or trusts. Presumably that has all been looked at.

The Chief Minister:

You could do. That might be what you perhaps propose in your report, but of course sometimes this is about what is acceptable, what you can build agreement around, what is financially viable, and it is going to take, as Will said, a number of years to get where we want to get to. But the priority I think at this moment in time has been to get the money or to enable the investment in the infrastructure. That is probably the critical driver.

The Deputy of St. Peter:

Thank you very much. Thank you all for your time.

The Chief Minister:

Can I just double check, please. I apologise that we have not come with all the numbers that you could crunch with us. Can we just confirm that that is broadly the area that you would like us to go away and provide information on, the relationship with income support, the moving round the system of the money, if we might call it that?

The Deputy of St. Peter:

If you would be so kind we would be interested to have your views on it.

The Chief Minister:

Yes, bearing in mind that obviously that piece of work is still ongoing with the Social Security Department and Professor Wilcox.

Programme Manager, Housing Transformation Programme:

It is now at the Cambridge Centre for Housing and Planning Research who are providing that support to the Minister for Social Security.

The Deputy of St. Ouen:

Any information, to be honest, that helps identify how you have chosen a particular option would be extremely useful. We have received quite a lot of information from yourselves and others but if there are further reports or other information that you can usefully provide that would be welcome.

The Chief Minister:

Okay. Thank you very much indeed for your time.

The Deputy of St. Peter:

Thank you very much.

[14:52]