

3. Questions to Ministers without notice - The Minister for Housing

3.1 Deputy G.P. Southern:

In response to written question 19, the Minister for Housing produced a range of rents for 90% of market value. Will he produce equivalent figures giving a single figure which shows what fair rents will be under a 90% regime?

Deputy A.K.F. Green (The Minister for Housing):

In due course, of course, I will have to do that, but the whole point around market rents is that similar houses in similar locations of similar size and structure are a similar rate. Therefore, how a 3-bedroom house, if I make this up, at La Moye might command a higher market rate than a 3-bedroom house in the middle of town. That work will have to be done. But that is what market rates mean.

3.1.1 Deputy G.P. Southern:

Will he do so before 30th April, when we are due to debate this serious matter?

Deputy A.K.F. Green:

No, I will not do so, because it will not be relevant. It only becomes relevant when the policy comes into place with the market rents that apply at the time of the rent increase, which will be, from memory, April next year.

3.2 Deputy S. Power of St. Brelade:

In the proposed Housing Transformation Programme, the elephant in the room in the Housing Department continues to be the £25 million a year, over ½ a million a week, that is transferred to Treasury to cover rent rebate, abatement and different costs for the trust. Would the Minister agree with me that failure to deal with this financial noose is a problem and will continue to be a problem in the Housing Department if it is to be reformed?

Deputy A.K.F. Green:

If it was to continue to be allowed to grow, then I would agree that going forward it could continue to be a problem. We have capped it. I have worked with the Minister for Treasury and Resources and I have worked with the Scrutiny Panel, because they advised me to look at it again. I have worked with both these teams to cap it. As the supply of social rental homes increase, and as the new rents start to come in, then that figure going to the Treasury will be a smaller proportion of the income coming in. Therefore, I live in the real world, as I say, I am here to solve problems not create them. If we were starting fresh with a blank piece of paper today, we may well do it differently. But the fact is we are where we are. If we change it then what is going to not get done? Are we not going to invest in health, are we not going to invest in new schools for education, are we not going to do the liquid waste strategy or are we going to put tax up in order that I can change the basis on which we have worked in the past.

3.3 The Deputy of St. Peter:

In media interviews yesterday the Minister suggested that once the new housing association was on its feet, if the Housing Transformation Programme is accepted by the Assembly, that more social housing units would be built, the full business case provides for, in the H.T.P. Could the Minister describe to the Assembly when he feels, after how many years, the Housing Association would be on its feet to extend such building projects?

Deputy A.K.F. Green:

I am very grateful to the chairman for this question, and it is an excellent one because it gives me an opportunity to explain how this works. When rents are at 90% of market rate, if that is accepted by the Assembly, and we have capped the contribution or the payment that we make to

Treasury, therefore, for the first-time the department will be on a sustainable financial basis. I do intend as part of that basic system to increase the number of social houses within that. But I want to get to the main point; the fact is that the rental incomes will allow investment in new homes. For the first-time it will be possible to take a professional, business-like approach to a new development. It is not rocket science, if you want to build 30 flats on a site and the rental incomes over 25 years allow for maintenance and pay for that, this organisation will be able to borrow. The limiting factor, in terms of houses, will be the sites availability. I am pleased to say, as I said earlier, that the Council of Ministers and the Minister for Planning worked very hard for me to do that. It is all crucial around the 90% rent level, which gives us a sustainable financial future.

3.4 Deputy M. Tadier:

Will the Minister advise why following advice from his department, that one of my constituents should get evicted from his private property? He is now being faced with £1,500 legal bill, having been awarded costs against him for eviction. Is this a policy of the department to advise on eviction and will he be paying for my constituent's legal fees?

Deputy A.K.F. Green:

It is not policy for the department, and of course, it would be wrong for me to try and second guess the circumstances around that.

3.5 Deputy T.A. Vallois:

Could the Minister advise in the H.T.P. proposition report of P.33 there are 2 reports that are due to come forward, Social Security and the financial strategy for the Housing Transformation Programme, could he advise whether they will be available before the debate, and if not, will he defer the debate until 14th May?

Deputy A.K.F. Green:

The first one I think is mine and the second one is for the Minister for Social Security, but I do believe they will be available just before the debate. We are working on them now, it is a lot of work. 90 work streams we have been working on to get this together.

3.5.1 Deputy T.A. Vallois:

Does the Minister not think it unreasonable, considering the amount of time that Housing have had to put this work together, that they expect States Members to debate this on 30th April, just after they have received 2 extremely important reports on the H.T.P. to ensure the sustainability of housing?

Deputy A.K.F. Green:

What we will be debating is the principles. The detail comes later. So I do not think it is unreasonable. My department, along with Social Security, have worked extremely hard on this, and as I said, we had 90 work streams running at one time. Professor Whitehead herself said that in terms of staffing, I think she used a term "parsimonious", that the staffing levels were parsimonious compared to other organisations that she has seen. We have to be fair, this is a principles, the detail comes back later for full debate by the Assembly.

3.6 Deputy R.G. Le Hérissier:

Would the Minister not concede that given all the issues he has raised, given the tremendous drive and energy that would be required and which he currently displays, that it is totally wrong to think that the new housing authority should be put in the hands of a senior civil servant, and it will continue to need enormous political commitment and drive in order that the policy is secured?

Deputy A.K.F. Green:

I do not think it is totally wrong to transfer a staff that is capable of doing the job, they can prove they are capable of doing the job, and it is totally in line, I think, with being a good employer and the principles of T.U.P.E.

3.6.1 Deputy R.G. Le Hérisssier:

Could the Minister confirm he believes that all the targets he wants to be achieved will be achieved without political drive and leadership?

Deputy A.K.F. Green:

There will always be political drive, whether it be a Minister for Housing, or whether it be a Minister where housing is part of his responsibility. There will always be political drive. I think fundamental to ensuring that the work is done thoroughly is proper appropriate Jersey regulations.

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

Would the Minister enlighten us as to whether any progress has been made with establishing a category of housing to enable the lower income groups to buy realistically affordable housing, which is envisaged to be priced in the £200,000 to £250,000 bracket?

Deputy A.K.F. Green:

This is probably a question for the Minister for Planning, but the Council of Ministers, including myself and the Minister for Planning, have worked very hard on this one. I am pleased to say that considerable advancement has been made, to the point that we are not quite there yet, but to the point that the housing chapter in the Island Plan has been redrafted, and I am sure the Minister for Housing will be bringing it in due course to the Assembly for discussion or debate. One of the things that is really important around this one is that there needs to be a synergy between the top end of social rent and the affordability of a mortgage in some sort of affordable scheme. That is why the Strategic Housing Unit is so important, it needs to start bringing forward different schemes that allow people who ... and let us be honest, if they improve their situation through hard work, through getting better education, maybe the children leave home with a bit of luck as well, if they get themselves in a better position we want to celebrate that, we do not want to criticise people that have improved themselves. We want to give them real opportunities to get into home ownership. The work I am getting and the support I am getting from the Minister for Planning is excellent and I believe we will be coming forward with the scheme.

3.8 Deputy S. Power:

Getting back to the £25 million a year that is being transferred to Treasury, is the Minister and his senior officers happy that this £25 million a year, though capped, is a sustainable figure that can be transferred into the new housing structure?

Deputy A.K.F. Green:

Yes, we are happy. I mean, obviously, we would prefer not to have to pay it, but we live in the real world. I have to say that if I was the owner of 4,500 homes and I was transferring it free of charge to another organisation, I think I might want to see some return on it, and capping the figure as we have done I think is more than a reasonable approach.

3.9 Deputy J.A. Martin:

In an earlier answer the Minister said that two-thirds of his tenants, I think there is around 4,500 homes, are already on income support. Does the Minister know when the rents reach 90 per cent of market value how many more people will be drawn into income support, bearing in mind that a lot of tenants only receive income support for housing rent?

Deputy A.K.F. Green:

Because we are protecting existing tenants, not many more will be drawn into the income support. We are protecting them as much as they will be paying R.P.I. plus 0.75 per cent increases. Not many people will find themselves coming into the income support bracket. That said, of course, new applicants coming in will be paying the full rent, but I believe because of the criteria we currently have, most of those will find themselves on income support and rent component in the private sector anyway.

The Deputy Bailiff:

Very well, that brings the question period for the Minister for Housing to a close. We now come to questions for the Minister for Planning and Environment, Deputy Young.