

# STATES OF JERSEY

## OFFICIAL REPORT

**TUESDAY, 17th JULY 2007**

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**The Roll was called and the Dean led the Assembly in Prayer.**

## **PUBLIC BUSINESS - RESUMPTION**

### **1. Social Housing Property Plan 2007-2016 (P6/2007)**

#### **The Greffier of the States (in the Chair):**

The Assembly yesterday had commenced consideration of the Social Housing Property Plan and the Minister was half-way through his speech. I am sure Members would agree it is appropriate to continue [Laughter] More than half-way - we shall see. I am sure Members will agree to continue this debate and revert to the questions for the Chief Minister in the statement later in the sitting. So, Minister I call on you to continue. Deputy de Faye.

#### **Deputy G.W.J. de Faye of St. Helier:**

With great respect to the Minister for Housing, a number of papers have arrived on our desks this morning and, although I am a great believer in Scrutiny and I believe Scrutiny should be as wide-ranging as possible, I am confronted with a paper from the States of Guernsey Scrutiny Committee. Sir, is there some explanation for this?

#### **The Greffier of the States (in the Chair):**

Perhaps the President of the Chairmen's Committee could just have a word.

#### **Deputy S.C. Ferguson of St. Brelade (President of the Chairmen's Committee):**

Yes, I think the particular paper from Guernsey will be relevant to our discussions on the Code of Practice and I would ask that Members have a quick read through it before the debate.

#### **Deputy G.W.J. de Faye:**

I am grateful for the explanation.

#### **Senator J.L. Perchard:**

With respect, again, to the Minister for Housing, in future when papers are put on our desks in the morning can the provider of the papers please make themselves known?

#### **The Greffier of the States (in the Chair):**

Very well.

#### **1.1 Senator T.J. Le Main (The Minister for Housing):**

I am glad you said I was half-way through my speech. I really have got the mood of the Assembly this morning and last night that, perhaps, you would like me to wrap it up as quick as possible. [Approbation] So, I am going to do just that because I respect all Members and I respect this Assembly so much that I am going to do that. First of all, Sir, I am going to say that Members are well aware that in this Plan, as is proposed, we are proposing a shared equity scheme where the purchaser buys a whole property between 75 per cent and 100 per cent of the first-time buyer value at the time of the purchase. Secondly, any balance is recouped by the States at the next conveyance and no legislation is required. A second charge will be secured against the property and the acts of alleviation will be contained in the contract of sale to ensure that on the happening of certain events the States will be reimbursed with its share, the 25 per cent or otherwise as agreed or through inheritance. First-time buyer conditions are attached to all the properties for sale in perpetuity and, as I said before, Sir, sitting tenants will have first refusal. They buy if they wish; they do not if they

do not want to. Remember, we have a large turnover in States rental, Sir, approximately 500... **[Interruption]** Sir, we have a large turnover in States rental of approximately 500 homes a year. So, there will be plenty of opportunity over the next 10 years for tenants to buy their home, or people now that are being able to save up and see that in the future - within the next 10 years - they are going to be able to buy one; their own home, or an empty one in another estate. Sir, I can give an assurance to Members that categorically no one will require to move as a result of these proposals. These properties will be offered, as I say, to people in situ, people who occupy their own homes at the moment, or when a property becomes vacant and everyone will be treated with compassion and respect. It is their choice - our clients' choice - at the end of the day. As I have explained, I am not going to go through all my figures, but the need to acquire sheltered housing within this Plan is so important. I explained yesterday that it does not look as if we will have one sheltered unit or sheltered accommodation come on line on rezoned sites until at least 2010 or 2011. This is so important if we are going to continue to be able to offer sheltered housing, lifelong homes to clients of ours: this is so important. So, I am not going to go through the whole issue again. The other issue, Sir, is that we do not believe there should be any further transfer of stock to the Housing Trusts. They have made a significant contribution by providing homes to Island residency needs, Sir, and, of course, that will continue. Each day that passes the financial position of the Trusts improves in the terms of their borrowings. We have got one Trust that is half-way through many of their borrowings and they are accumulating funds where, in fact, they will be able - without letters of comfort, without any States support in the future - to continue to pick-up some of the demand that may come on line in the future and this is a very important point that Members must consider. The issue is that they will continue to provide new homes, their funding will improve and the States will then take a step backwards. We believe, Sir, that there is no benefit in moving transfers of property to the Trusts because that would only just compound the problem that we have at the moment. Finally, Sir, as regards Scrutiny, perhaps, I may make a little bit of an apology this morning that I probably have been a little bit hard on my comments on Scrutiny yesterday. But let me just say that I do respect all Members; I really respect all Members and the roles they have to play and Scrutiny, in my view... I have to say I was disappointed with the outcome of this, but I think it is a learning curve. It is quite clear that the experience that I have learnt for the first time being really involved with Scrutiny has given me a great insight in the way that we can move forward with Scrutiny. There is no doubt about it that there were many issues raised by the Scrutiny Sub-Panel that, as I say, did not have any relevance to the Plan or raise issues that really in future I urge Scrutiny members to please call us back a second time or third time, so that we can give an explanation to some of the issues that were raised. I mean there were issues raised in the Scrutiny Panel's report that we were unaware of until we read it and we would like to feel that in future that the aims of... When I first spoke to Deputy Power it was that please can we work together, can we get this policy together - this Property Plan - can we take it to the States joined-up, so that we are both on line. We will pick up some of the issues you may raise if they are relevant and we will work with you and we can go to the Assembly jointly both agreeing. Unfortunately, I understand that Deputy Power and others will not be supporting the Plan and I feel very sad about that because I think this is a good Plan. It is for the people, as I say, we all represent. This is a bold Plan, Sir. This is Plan that tackles the issues facing the department and puts forward current evidence-based solutions. We cannot keep asking for more reports, more facts before we make up our minds. States tenants, Sir, have waited far too long for their homes to be repaired. They have waited far too long for an opportunity to be able to buy a home of their own and yet, remarkably, some would have them wait a little bit longer, just so that we can keep talking and avoid our responsibilities. No, Sir, we cannot. I came into politics to make things happen and the public are saying out there: "Make decisions, run with them, make them work" and we cannot continue as we have done in the past. So, I conclude, Sir, with the phrase which appears in the Property Plan which, for me, sums-up what we are trying to achieve: for the greatest good of the greatest number. Sir, I urge Members today to consider that we are talking about real, ordinary people. We are talking about young people with families who would like the opportunity to be a

homeowner. We cannot continue for ever and ever subsidising the many millions of pounds. I mean something like £24 million or £25 million - £500,000 a week - £500,000 a week in subsidies, £25 million a year in housing subsidies plus the other subsidies that have gone to Trusts and other issues. It is an enormous thing. We need to create more home ownership. We need to give stability to the people. We need these people to be part of the estates when we are going to be now selling-off - if you approve this - selling-off, making home-owners in the States. It is going to change the structure in all the estates where homeowners will take part with tenants and clients, where they will have tenants' associations. It gives us a wonderful opportunity of having better quality, less bad behaviour and issues like that. So, I have made considerable notes to continue, but I am going to finish with that, Sir, that I urge all Members, in the interests of the people they represent, to please support this Plan. Thank you.

**The Greffier of the States (in the Chair):**

Is the proposition seconded? [**Seconded**]

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

Could I ask for a point of clarification? The Minister seemed to refer yesterday to having brought down the rent rebate total. I think he referred to some millions. I have had a look in the book and it says there has been a reduction from 2005 to 2006 of £50,000 and that is it, and it is rising into 2007. But would the Minister clarify what he means by having brought down the rent rebate?

**Senator T.J. Le Main:**

All I said was we had reduced in 2005 the rent rebate where we were advised by the Scrutiny Sub-Panel that the rent rebate subsidy was out of control. We reduced it in 2005 from 2004 and it is anticipated this year that there will be a further saving on 2006 by approximately £1.6 million.

**Deputy G.P. Southern:**

The figures do not say that.

**Senator T.J. Le Main:**

Well, I can give you an assurance that is correct.

**Deputy S. Power:**

Just a point in clarification, Sir. Can I just tell the Assembly that all 5 Members of the Sub-Panel will be speaking separately. We will not be duplicating. We are all covering separate sections of the Business Plan.

**The Greffier of the States (in the Chair):**

Does anyone wish to speak on the proposition?

**1.2 Deputy C.J. Scott Warren of St. Saviour:**

This Property Plan makes important and necessary links with the physical and mental well-being of Islanders. Members will know that originally I had fears that those States' tenants currently living in the 800 homes for sale would over the next 10 years, if they could not or did not wish to purchase their homes, have to move elsewhere. The Minister has given this House and the public an assurance that this will not be the case. I am, therefore, able to give the Property Plan my wholehearted support. I would also like to say that I believe that the questionnaire sent out by the

Scrutiny Panel was excellent and is to be commended, and I also understand that it was much appreciated by the States' tenants. I support more home ownership and a shared equity scheme will offer more States' tenants this opportunity. I am also pleased that the Housing and Planning Ministers will be offering similar schemes to some tenants in the private sector in future. As Assistant Minister for Health, I have 2 overriding concerns. Firstly, catching up on the maintenance and undertaking the refurbishment of States' housing is important. It is right that the Housing Minister aims at the very minimum to achieve the U.K. (United Kingdom) Decent Homes Standard for all States' housing by 2016. The annual report of the Medical Officer of Health, Dr. Rosemary Geller, in a chapter called "Safe as Houses", lists housing problems which includes cold, damp and cold, indoor air pollutants and infestation, overcrowding and beside each of these categories she lists related health impacts. She continues in her report on page 41 regarding the figures from the Jersey Annual Social Survey. I quote: "In 1999, 45 per cent had at least one problem with the quality of their accommodation rising to 50 per cent in 2006. Lack of space was the biggest concern with lack of light and heating growing in importance." She ends the paragraph by stating: "In 1999, 4 per cent considered that their housing conditions had made their health worse, increasing to 7 per cent in 2006." Dr. Geller continues: "The 2006 survey also highlighted the link between housing and mental health issues. Mental health complaints almost doubled when comparing those who reported living in satisfactory accommodation with those who live in unsatisfactory accommodation." The second and a very major concern is the need to agree that the Housing Department should plan for the creation of additional sheltered housing through conversion of existing stock and acquisition where appropriate - Part 4 of the proposition - and this works hand-in-hand with the draft Health and Social Services Strategy New Directions. As stated in the Draft New Directions on page 36: "We know that the number of people aged 85 years and over is predicted to double during the next 20 year period and this is irrespective of migration scenarios." It is, therefore, patently clear that we cannot afford to be complacent about our housing standards. We need to align the housing stock, taking fully into account the predicted demographic changes, the need for lifelong homes and sheltered accommodation. The latter will obviously free-up larger properties for families. We need to keep people living at home for as long as possible. This is a major part of the New Directions strategy and, therefore, it is vital that there is the availability of the most appropriate housing in order to achieve this. Sir, I support this Property Plan now in its entirety. It offers a chance for tenants to become home owners and it will achieve a better standard of accommodation overall. It will also enable, as is already happening, the Housing Minister, Planning Minister and the Health and Social Services Minister to work together to provide sufficient and the right type of accommodation for couples, families and the elderly. It will certainly be the catalyst for establishing and maintaining a better healthy homes environment. Thank you, Sir.

### **The Greffier of the States (in the Chair):**

Does any Member wish to speak? The Constable of St. Martin.

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

This is a well-thumbed copy of P.6. In fact it is the second copy because I wore the first one out. My aspirations and ambitions for social housing in Jersey are virtually identical to those of the Housing Minister. I agree with the 4 points listed on page 3, namely; the serious refurbishment problems have got to be sorted out; the realignment of stock to take the demographic bulge of the elderly; putting the budget of the Housing Department on a sound footing; and increasing the level of home ownership in Jersey. When I first read the Property Plan I thought: "This is quite good. Now, where is the business plan in this?" On page 6 I came upon this statement: "However, unlike other social rental landlords the Housing Department currently also has responsibility to administer and fund rent subsidy schemes both in the private and public sector. This is rent abatement for States tenants and rent rebate for private tenants. The demands on the annual housing budget to the

point where a reasonable provision for repairs and maintenance of the States rental stock has been and continues to be compromised.” On page 7 there is a statement: “With the imminent transfer of rental subsidy administration to the Social Security Department there is an opportunity to look at the Housing Department budget afresh.” Well, I certainly agree with that. On page 13 we are looking at the Housing Department revenue budget. We see that the gross rentals are £32.23 million and rental subsidies are £25 million or £50,000 a week. I make that about 78 per cent of gross rents are spent on subsidies to States’ tenants, private rental tenants and social rental tenants in Housing Trusts and all this money comes out of States tenants’ rents. At the bottom of that page it says: “It is easy to see the disproportionate impact on this budget of private and public sector rent subsidy schemes. When savings have to be found they cannot be drawn to any significant degree from rental subsidies without creating the very hardship which subsidy schemes are designed to alleviate.” I find this to be absolutely unbelievable. The very reason that has brought this finance of the Housing Department to its knees has been dismissed in 2 lines as being impossible to change. I do not believe it. I would like to speak for a minute about private rental market from my 15 years experience as a rates assessor. Up until 2003 we were required to reassess each property in the Parish every year, including private lets with declared rentals and this was in order to calculate the hypothetical equivalent States’ fair rental value in order to obtain an assessed rental value. Now, by way of an example, if you have 2 identical properties in a road and one was owner occupier and the other was a private let rental and the private let rental was let for £26,000 a year, for instance, would it be right to assume the assessed rental value on the owner occupied was £26,000 quarters? No, it would not, because the £26,000 might be a highly inflated rent. So, what we would be required to do is to put an assessed rental value on the declared rental and to do this we would look at States’ fair rentals, look at a typical 3-bedroom house - perhaps, take it apart into bedrooms, bathrooms, kitchens, sitting rooms, lounges, lounge/diners, et cetera - and give them all a value room by room. By this method we could look at any property basically and get a hypothetical States’ rental for any house. Obviously, location means something because you might have a wonderful view of the sea or the countryside and there has to be a little bit of adjustment in this. So, your £26,000 private rental would probably come down to about £14,000, assessed rental £14,000 on a £26,000 declared rental and the law says 2 identical properties must carry the same assessed rental value or the assessed rateable value, so that is the law; you have got to do that; so you have got to see what a hypothetical States’ rental would be on a private let. Now, it was always with a strong sense of injustice that I saw year after year the difference between States’ fair rental values and open market rents. The difference was about 50 per cent to 60 per cent average - not maximum, average - certainly not the 10 per cent to 20 per cent that has been mentioned recently. There is no doubt that the rent rebate scheme keeps private rentals at an extraordinary artificial high level and it is the States’ tenant who pays the cash for this all for the comfort and profit of the private landlord. This is crazy. I am not saying that the rent rebate scheme should be scrapped. What I am saying is it should be taken under control with drastic steps to force rents down. This Plan shows no will to do this. At the present time a private landlord can say to a prospective tenant: “If you earn less than £46,800 a year, you are entitled to rent rebate.” Not much incentive to keep rentals down there then. I find it an extraordinarily high income bar.

**Deputy J.J. Huet of St. Helier:**

Could I just ask that the speaker a point of order on these rents, he obviously knows what he is talking about and I would like to just ask something.

**The Greffier of the States (in the Chair):**

If he is willing to give way, Deputy.

**The Connétable of St. Martin:**



I did not quite hear your question.

**Deputy J.J. Huet:**

I hear that the speaker is talking about houses. Does this apply to flats or apartments as well?

**The Connétable of St. Martin:**

Flats.

**Deputy J.J. Huet:**

Apartments?

**The Connétable of St. Martin:**

It would, yes.

**Deputy J.J. Huet:**

Thank you, Sir.

**The Connétable of St. Martin:**

Now, on page 21, near the bottom of the page, we have the statement again about the rental subsidy: "Even after rental subsidy function is taken over by the Social Security Department, rent rebate will still be a cost to the States as a component of the new low income support scheme." So, that basically is telling us what is going to happen. Page 31: "A budget transfer of £25 million will take place from Housing to Social Security, reference income support to reflect current costs of rent rebate and rent abatement." That is telling us what is going to be done: "A £75 million investment is sufficient to bring back retained stock up to a standard that is sustainable in the long run assuming that an annual increase of £2.5 million in the revenue maintenance budget pro rata to the revised stock figures." The cost of putting the stock up to standard of £75 million is over a 10-year period. I am going to, perhaps, come back to that but it does seem to me that the money could be found elsewhere. Turning to page 32, and we are looking at the departmental budget in 2016, at the end of the Plan. We see that rents and other income are £28,356,000 as compared to £32.23 million in 2006, so rent has gone down by about £4 million. The budget transfer re income support costs - hello, this is the same figure, £25 million and £50,000 - still the same and I calculate that difference as being you started off with 78 per cent of the rental income and it is now 88 per cent of the rental income to be used on rental subsidies. If you think that is bad, I am afraid it is going to get worse. If 800 of the better-off States' tenants who pay full or near full rentals take the opportunity to purchase their houses, it occurs to me that there will be less cash rent and the requirement for rental subsidy will increase, and when income support comes in, a person will not have to wait 12 years to obtain rent subsidy as now, but will be able to apply for income support - including the housing component - after only 5 years. I will leave you to ponder the implications of what I have just said. When I joined the Rates Assessment Committee in 1991 rate assessors all over the Island were saying that this scheme is a licence to print money. We realised that it was a measure to take the pressure off the Housing Department's waiting list, but we thought it would be somewhat of a temporary measure while the Housing Department got its development act together and could have been phased-out over 5 or 10 years, but it is still with us. What has happened, in fact, the scheme has been let go out of control and has become a monster which has taken over the Housing Department budget almost entirely, in fact, Housing can do nothing because of it. It was during the Sub-Panel meetings that it was implied that the income bar for rental subsidy was £900 a week and

this was confirmed at an Income Support presentation to Constables about 2 months ago. I think you probably have seen these graphs. The top one is housing benefit, the middle one is family allowance and the bottom one is welfare. You will note the yellow one at the top. It has a cut-off point for £900 a week earnings. When you earn nothing you can get £200 a week housing benefit. The family allowance in the middle cuts off at just over £300 and the welfare at the bottom cuts out at £330. The actual difference between those graphs is obvious. Why has the housing got that enormous income situation? At the presentation I questioned the Minister for Social Security and his Chief Officer as to whether the income cut-off point would be lowered under the Income Support Scheme. They said it would but they could not tell me what the level would be. I asked about existing recipients. Would the grant be cut to the lower limit for existing recipients? I was told “no.” It would be allowed to taper-off over the transitional period. I think somebody has got to get hold of this because it seems to me we are just allowing it to go on. It is what has brought the Housing Department’s budget to its knees. It is not good enough. This is one of the essential planks in this proposition. I am in favour of what the Minister for Housing says that he wants to do about social housing, but the actual finance just does not stack-up. It is too wobbly. I do not think it is sustainable when you have got these extra demands on rent rebate. If you open the customer base to a 5-year residency, from 12 years as it is now, I am not sure it is going to work. What we need is somebody to stand up and chop the head off this monster. We need a bold champion. I think personally that our Minister for Housing should do this and I am sure that the Minister for Social Security should do it or could do it. The Treasury Minister and the Chief Minister should take this and look at it and see exactly how feasible all this is. I cannot honestly support this proposition until I see where that income bar is in relation to the £900 at the moment. When I see where it is, I can then make another assessment. But I am going to say I cannot support this and I would advise all Members to think very carefully and do likewise. Thank you.

**Senator F.H. Walker:**

May I ask a question of the speaker please without sacrificing my right to speak?

**The Greffier of the States (in the Chair):**

If it is to clarify a point the Constable has made?

**Senator F.H. Walker:**

Yes, it is, Sir. I understand the points made by the Constable, but I am struggling to see the relevance of them to the actual proposition that is before us today. I wonder if he may inform me and the House of that, Sir.

**The Connétable of St. Martin:**

I am afraid that, having read this proposition, it is so inextricably linked with income support that I cannot explain it any more than that, Chief Minister. It is absolutely intermeshed with income support.

**The Greffier of the States (in the Chair):**

Well, that is the Constable’s view. Senator Routier.

**1.4 Senator P.F. Routier:**

I think it is appropriate that I do say a few words. The criticism of the rent rebate scheme - the existing rent rebate scheme - is valid. I entirely agree with the speaker. What I am a little bit surprised about is, after having been to some of the presentations which we have had on income

support, it is not recognised that the support for rent for those high incomes is not being accepted as that is what is going to happen under income support. That is what is happening. The existing limit of people being able to get support for rent up to £46,000 is going. It is going over a transitional period. It is happening. So, I really do not understand how the Connétable can continue to think that that is not going to be the case. The amount of ... **[Interruption]**

**The Connétable of St. Martin:**

We have been asked to review the document. I have asked questions directly to the Minister for Social Security and his Chief Officer at presentations and I have not received answers and I have mentioned it in my speech, Sir.

**The Greffier of the States (in the Chair):**

The Minister perhaps could elucidate now.

**Senator P.F. Routier:**

I have to say that the comments which are made by the Chief Minister about how it relates to this proposition I am still struggling to see that, you know, that is something that there is a link, but certainly the income support system will be shifting the amount of money that is being spent on rental subsidies, being spent for a number of years, that money will be used to support people further down the income ladder with other areas, like childcare and carers' allowance - a new carers' allowance - and it will be used in a different way, but it will not be being used to support people's rent. What we need to recognise, I think, is that... well I think it is generally recognised - and the speaker himself has said it - that the existing rent rebate scheme just cannot continue and it will not continue under income support, but what will happen with regard to supporting people for rent they will receive an appropriate amount which is according to their needs. It will not be fuelled in the opposite direction which the current system has. It will be something which will be an amount which is appropriate to their own income. It will not be the reverse. This is not an income support debate, this is a Housing Property Plan debate, but I am being asked to comment about it. The income support will require people to work, whereas in the current system there has not been a requirement to work under the housing scheme, so people will be expected to be trying to help themselves and not making a claim for so much support for their housing benefit. I do not think there is any need for me to say much more. I do not know if I am going to convince the Constable, but there is no link with income support and this Property Plan. I will leave it at that, Sir.

**The Greffier of the States (in the Chair):**

Does any Member wish to speak? If not, I will call on the Minister. Deputy Ferguson.

**1.5 Deputy S.C. Ferguson:**

The Chief Minister's comment on the relevance of finance and financial planning: this is the very heart of a policy. If you have not got your finance and your money planned, then what on earth are you doing? You are talking through the back of your head. I am concerned in this Plan with the rent rebate argument, as everybody else is. We have already heard the private sector rent rebate is, in effect, taken out of the public sector rents at the expense of maintenance. But nowhere have I seen in this Plan a comment on the fact that the reduction in rebate will undeniably lead to an increase in the social housing waiting list, particularly if we are bringing the limits down to 5 years. In fact, can we afford to sell 800 units? I am not sure that we can. The Minister talks about the use of Housing Trusts. Well, I am not sure that those are of value to the Island because tucked away in the accounts is something like an £8 million loss on La Coie in the transfer to the Housing Trust.

The Minister may like to comment on that. We talk about sheltered housing. It is not good enough to want to build in green fields. The sites suggested in St. Brelade are not near shops, not near the library and are well off the bus route. We are just establishing a prison for the old folk: no way. I also wonder about the demand to build new sheltered housing. First of all, we look at the utilisation of current stock, which I believe the Panel will be commenting on the Caesarea Court and Convent Court argument. Finally, the Housing Department - the Minister - seems to be focusing on social housing. Now, I am of the understanding that the 1949 Law required the Housing Department to look at the Island-wide housing requirements. I will await more comment from other Members and the Minister, but I am very much inclined not to support this proposition.

#### **1.6 Connétable G.F. Butcher of St. John:**

Just to advise the House I have been a States' tenant in my early years of marriage. I bought my first home with the benefit of a States' loan. I repaid the total subsidy that I have received when I needed it and that home was purchased on a single income. I think if a scheme like that was in place now we would not be seeing the first-time buyer problems that we have at the moment. In more recent years I have been involved in property development in the U.K. The Senator well knows that housing has been an interest of mine over many years for my own family. I have been to the Senator's house for coffee in the past. I did not accept last week's invitation I have to say. **[Laughter]** What I would like to talk about, Sir, is the case for demolition of Convent Court. The Senator states that to refurbish Convent Court it would cost something in the region of £5 million. That, Sir, equates to £52,000 per unit. The Senator, again, plays the concrete cancer card on this one. I would assume that as he has gone to the trouble of getting costings to refurbish this building that the building is structurally sound. Also in the Property Plan he states that to refurbish Clos de Roncier would cost somewhere between £25,000 to £45,000 per unit. These units are 3-bedroom properties. So, I fail to see that a £52,000 cost to refurbish a one or 2-bedroom flat can be correct, Sir. It does not make sense. The bottom line, Sir, is that I think that these refurbishment costs are probably overstated to bolster the case for demolition. I am not convinced, Sir, that the case has been made regarding the demolition of Convent Court which must be structurally sound. As at the present time, Sir, there are 96 units of accommodation there. This plan is proposed to spend £4.33 million to demolish it and replace it with 9 three-bedroom houses which are proposed to be sold. If they were sold at say £225,000 per unit, this would produce £2,250,000 which would mean that the 12 one-bedroom units remaining would stand the Housing Department in at £191,000 a piece. This does not make economic sense in my mind, Sir, and that takes into no account the land value. It would also mean if that one was demolished there would be a loss of 84 potential units for sheltered accommodation. I, Sir, would suggest that the £5 million would be better spent on redesigning and making secure Convent Court and Caesarea Court to accommodation for sheltered housing, purely for the sheltered housing or last-time buyer market. I mean a similar set of equations applies to Caesarea Court, Sir. I would suggest that if these 2 units are demolished there is a potential loss of 142 units for sheltered housing and, as many Members will know, I have put out a call for evidence for the great need for sheltered housing. My understanding is now that the Senator is saying that there are 544 units needed. You would almost think that the way this list has gone up that the Minister is importing elderly people. As I said, Sir, I recently put out a call for evidence for St. John because I know there is a push to try and use green field sites in the country parishes. There was a half-page article in the Evening Post. I did 3 nights of advertising as well as a spot on the radio and I have had the staggering response of 4 which I have added to my list. At the same time, Sir, I wrote to the 25 people that were on our list already because we constantly phone around every time we have a vacancy. People do not want them, they do not want to move yet, they want to stay where they are. I have had 12 back out of the 25, so I now have a list of 16, instead of potentially 29. So, needless to say, Sir, I do not have a lot of faith in lists in this way because I do not think they give you a good figure. I will move on from that. Just lightly on the subject, the Minister also talks about wanting to realign his stock. I fail to see that that can be done properly when the Minister does not know the tenant profile or income band of 27 per cent of his

clients, so I find that difficult to believe that an accurate figure could be done there in realignment, Sir. The Minister talks in the Plan about this being to help home ownership. Now, I do not disagree that there is a great need to increase the home ownership in the Island. My view is that if stock needs to be sold that complete estates should be cleared, people moved, and the estate put up to everybody, because there are a lot of other people other than States tenants out there that would like to buy a property, Sir. We talked about the rent subsidy. We know where a lot of the maintenance money has gone from, Sir. I do not agree with the principle of selling-off capital assets to pay for revenue expenses. That would not be the normal case in any sort of business world. Treasury for some reason have given this permission at the moment. Equally, I would say, that Treasury could give permission for the Housing Department to borrow money to renovate their property, so at least we could see if there is a proven need to sell-off some of their property because I cannot believe, Sir, that in an Island where we have an increasing population that we are going to need less social housing stock. It just does not seem to equate in my mind, Sir. Moving on, the Senator is talking about the vast urgency that he needs to get on with this Plan. If this Plan were defeated today, there is nothing stopping him carrying on with what he is proposing because he has already got £30 million I think approved by Treasury to carry on with it. He would have no problem with selling off the 22 odd-ball units, although I feel that he has shot himself in the foot a little bit by agreeing that tenants can stay in these units for a period of time. He stated yesterday that he had only given assurances to 4 people. I understand there are 5 in my Parish alone that have had those assurances and I have only got 5 social housing units in St. John. I think, Sir, that the whole way that Housing are being funded in the subsidies that they have had to give to people, Sir, is totally wrong. Housing should be run on a business footing. It should be that the rent comes into Housing, they maintain their properties and any surplus they have got goes back to Treasury. We have talked about Social Security. We have talked about various things like that. I think those are arguments that need to be dealt with between Treasury and Social Security and I think that Housing should be allowed to run their business in that manner, Sir. Thank you.

### **1.7 Deputy R.C. Duhamel of St. Saviour:**

Some Members of this House will recall some 12 years ago, when I was a member of the then Housing Committee along with other members such as Senator Kinnard and Deputy Breckon and, indeed, Senator Le Main, the ideas that have come forward today were first being spoken about. Questions were being raised, somewhat unpopularly with Members, as to whether or not the 4,000-odd properties were either sufficient for the Island's social renters or, indeed, whether or not we had too many properties. There were discussions then which rambled on as to whether or not shared equity was a sensible programme beginning to be thought about and, perhaps, if we could find the courage to do so, implemented for Jersey tenants. I am very, very pleased, therefore, that those ideas have found a realisation in the document that we see before us today. It is not perfect by any means, but it is a sensible step in the right direction. That more tenants should be encouraged to stand on their own feet is, Sir, the essence behind the new Income Support Scheme, so it seems absolutely right that a similar expression of interest or push forward should really happen for housing as well. For most of us, buying a house will be our biggest personal investment and, for those who manage to do so, it does put you in a very secure position once the property is paid-off. We have the roof over our head, so the other issues that have to be addressed in terms of living expenses are entertainment - well probably not in that order, but food will come next presumably, then education and entertainment and a whole host of other things besides. But for those who do not manage to find themselves in the fortunate position of becoming home owners, those Members are committed to a life where they are always struggling to make ends meet and I think it is absolutely wrong that in such an affluent Island that we should not be in a position - having espoused the capitalist way of the world - to be trying to encourage as many people to get on the band wagon of home ownership which, as I say, will set them up and their families for life. I am heartened under 5 that there will be no further transfer of stock to the Housing Trusts unless explicitly agreed by the States Assembly. The transfer of stock to Housing Trusts was a cause of a

previous downfall of the Housing Committee because it did not represent a good deal. I am heartened by the comments, and there have not been too many as yet, but notably by the Constable of St. John, that the Housing Department should be put on to a business or commercial footing. That is absolutely right. In passing over a sizeable chunk of our property to Housing Trusts, we did not really get it right. The penny has dropped. It has taken, as I said, a long while for it to drop, but I think in putting forward proposition part 5 that there should not be any further transfer of stock to the Housing Trusts, unless it is explicitly agreed by the States Assembly, hits the nail absolutely on the head. We heard yesterday, and I do not think the Minister was saying these things in order to secure my vote - I certainly hope not - but we did have the assurances that he gave quite freely to this Chamber in his speech, and he did not have to be asked for them in his summing-up and that is a notable turnaround, that he would hope to work with as many Members of the House as possible, should they have ideas in order to improve the framework that has been put forward. As I said, Sir, it is not perfect by any means. There are chunks of further work that need to be undertaken, particularly in relation to rent rebate, but this debate is not about rent rebate at the moment. It is about setting up a framework that we can all buy into that spreads the goodwill of owning property as far as possible and rebalances the department and the way it handles its property and puts it on a firmer footing. We heard yesterday, Sir, that in relation to the proposed demolition of high-rise buildings that the 3 suggested were Caesarea Court, Convent Court and De Quetteville Court, that the Minister has said that the demolition programme is not cast in stone and that he would be happy to work with any Members of the House, myself included, and Deputy de Faye and others, to come forward with any plans that would bring forward a betterment of that particular site. This, Sir, I think is the key thing which is going to allow me to support in total the whole of the housing plans that are put before us today. If there is an attitude shift in the way that the Minister of the department is suggesting, where he is happy to work with all Members of the House to come forward with the best that we can possibly get, then I think that in itself deserves the support for this proposition today. We have had those promises, Sir, from the Minister and I think we should support him on that basis. That said, I would like to possibly push the boat out a little bit more and suggest that I do have strong reservations about the sheltered housing programme. I think if we look on page 18 of the report, under "1.12 - Encouraging Homeownership" it does state the somewhat evident - if Members are prepared to go and look into the issue - ideas that mixed tenure estates tend to be socially stronger than those which consist of social rental units and it also suggests that an increased sense of pride leads to reduced resource demands in the form of maintenance bills and costs generated by vandalism. For years, Sir, we have populated our housing estates by people who have to rent and that brings along with it I think a social stigma which we really should try to get rid of. In the private sector, we look over our shoulders at our neighbours, and we do not look down at them in terms that they are only able to afford to rent their properties or look up to them perhaps if they own their properties, it is a big mix. I think one of the things that I would like to see in terms of the continuation of the housing programme with the H2, H3 sites and, indeed, the H4s that are beginning to be spoken about, is that we move strongly away from this idea of providing social rental housing estates, built on housing estates and filling them up with people who can rent or people who have problems or people who have too many children or other difficulties and start to consider community building. Housing is about creating communities, not just about building houses and this is one of the things that my particular Scrutiny Panel has been covering in its Design of Homes Review and Members will have heard yesterday that the final review will be on Members' desks within a short period of time. If we can have an assurance from the Housing Minister, in addition to the one he gave us about the potential improvements to the suggestions for the high-rise demolition programme or refurbishment programme, then indeed he will encourage these housing officers to look into ways - and I do not think he will have to encourage with any great difficulty, because from the officers I have spoken to there is a very strong interest in doing these things already - to move in the direction of building communities. Then I think again, with this move towards assisting those who can purchase their own property, we will have a further strand of improving the lives and the lots of those persons who do remain in

a tenant situation. Finally, Sir, there was just one other point and there seems to be a little bit of difference or incongruity with the figures. It was suggested yesterday by the Minister himself that we had some 4,600 properties and that some 800, I think it was, were going to be sold-off, but at the same time some 400 new were going to be replacing those over a 5-year period or a 10-year period. But on page 31, Sir, we do have under the Financial Implications of the Property Plan the suggestion at the bottom of page 31 that a retained stock level of 3,500 units is sufficient to clear demand - need that is - for social housing into the long term. Now, this is a key issue, Sir, that has to be addressed. I do not think it has as yet, but I am hopeful that it will be. The Island has to determine the extent to which it requires rental units and those rental units to be provided by the Housing Department or the Property Services Department, whatever you are going to call it, and indeed the private sector through Homes Trusts. With that in mind, Sir, I think if we can move away from this idea of just building boxes, I think we will have taken the arguments to a new height and I am hopeful that the improvements that by doing this will be spread and shared more evenly among the population. So, with those things in mind, Sir, I am going to give this particular proposition my wholehearted support and look forward with other Members to working with the Housing Minister into the future. Thank you, Sir.

### **1.8 Deputy G.W.J. de Faye:**

I think one of the difficulties that Members regularly face in this Assembly is often the way propositions and strategies are brought to the House and one of the difficulties in this particular debate - which is in some respects wide-ranging - is that we have never sat down and debated the principle and concept of home ownership and all that entails; the consequences that follow of saying that home ownership is something that we as a government should strive for. Today, we are looking at a particular aspect of home ownership within the social housing sector and I thought it was curiously coincidental that a well known journalist writing in the Sunday Times of 15th July wrote - in I think an interesting and helpful way - on the alleged housing crisis in the United Kingdom. Now, I say immediately that, of course, the situation with the local controls that we have is not directly apposite to the U.K. situation, but nevertheless, Sir, with your permission I will just read a couple of paragraphs because it certainly helped me focus my mind. The journalist in question is a highly reputable gentleman known as Simon Jenkins and he writes: "There is no housing crisis, there is just a housing market, there is housing demand and housing supply and the assumption that every adult citizen has 'a right to a decent home that they can afford courtesy of the Government' must be the last hangover of post-war socialism." It goes on to say: "Yvette Cooper, the Labour Government Housing Minister, assumes that this right is reflected in a fixed stock of housing need unrelated to price or any other financial variable. Indeed, the Labour Government has identified a so-called shortfall between demand and supply of 40,000 units nationwide for people wanting a house they have not got but would like at a price they can afford. Mr. Jenkins briefly concludes by saying: "Thank goodness this approach is not applied to roads or foreign holidays as the government would then find itself approving lower fuel tax and cheaper air fares." I think that helps put things in context in terms of this debate because it all depends on how you look at things. I find it interesting if we reflect upon what the Housing Minister said when, early on in his speech, he said: "We are providing homes for 800 new homeowners at no cost to the States." Now, it depends on how you look at things, because I do find it difficult to see how selling 800 publicly-owned homes into the private sector can be at no cost to the States. It seems to me that there in fact is a cost. There was certainly a cost of building those homes in the first place and there will be implications of changing the social housing matrix. So is it at no cost? It depends how you look at things. In the same vein, I have been quoted apparently as saying that I am in total support of the Social Housing Plan despite a few hiccups on the way and I hasten to add that the Housing Minister and I are still good colleagues, we merely, as I think everybody now knows **[Interruption]** - indeed, at the moment - indulge in what we best describe as robust email exchanges. So do I have total support? In a sense I do, but in reality I have qualified support for this Plan. For while I can see all the benefits of allowing States tenants to have an interest in their homes, I am concerned that

we may not have appropriate criteria for determining which States tenants should have interests in their own homes. The Assistant Minister for Housing took me up on this point and outlined, I think in a very helpful way, a story of a single mother, who lived in States' housing as a tenant some 20 years bringing up the children and how they regarded it as a family home. My, perhaps predictable, response was: "Well, that is clearly a deserving case for someone to want to change rental accommodation into home ownership", but an interesting potential criteria has been introduced in that here was someone who had lived in her home for 20 years and that is, it seems to me, a reasonable criteria to set. Why do I think there should be criteria? Because I do want to make sure that home ownership goes to the right people. One of my concerns about the Social Housing Plan is that it is restricted in its scope. It does leave out a large chunk of our society, in some respects some might say the most hard working and put upon, those who struggle to obtain mortgages, those who are in private rental but not paid so badly that they fall within States subsidy, who are saving for their deposits, hoping to get on the home ownership market. I retain a strong concern for them but I was very pleased that the Housing Minister, with the support of the Minister for Planning and Environment, gave me specific assurances saying that these people in our society - in some respects as I say, the most put upon, those who will be hit by 20 means 20 probably more than any other section - they have not been forgotten and that in short order appropriate shared equity schemes will be put forward for that section of first time buyers among us. I welcome that assurance but I have to remind both Ministers that assurances are all very well and I have enormous faith in Senator Le Main, he is a man of the people: indeed if I did not know that he had a mother you might be forgiven for saying that he could well have been quarried from Jersey granite. He is a robust gentleman. But if he keels over next week his assurances are not going to be much good. So I want everyone to know that this is not an issue that I am simply going to leave in a hedgerow to be quietly forgotten about. But that is the point of principle within this that I have had issues with and that I have now gratefully received assurances on. There are 2 areas of perhaps more specific detail where I have had very helpful exchanges with the Minister and the Housing Department, and again I am grateful for the assurances that have been made in that respect. Firstly, I have got concerns over the future of Caesarea Court and Convent Court, perhaps not in the obvious sense. There are clearly intentions by the Housing Department to deal with both these properties, I understand, primarily by demolition and replacement by low rise or that form of new construction. In broad terms, that seems to be quite a sensible and reasonable thing to do, particularly if it does help, as is hoped, regenerate those parts of St. Helier. My concern, however, and I am grateful that the Housing Minister has indicated he is keeping an open mind on this, is that these are currently high rise properties and they must intrinsically have a planning value on the basis that they are high rise. It seems to me that as soon as you demolish them and turn them into low rise, you have eliminated a significant part of the intrinsic value of those sites. Therefore I would be urging the Minister before final decisions are taken to investigate the possibility of selling those sites into the private sector, thereby saving the States itself of any considerations or costs of the demolition hopefully having the potential to enhance the overall value of those sites as high rise sites and having the potential to spend the capital accrued elsewhere in the sort of low rise sheltered housing bungalows that the Minister has in mind for the development of his housing plans. Secondly, and this is really drilling-down into the very tight detail, I would like the Housing Department to take another look at Westmount Park. For Members not familiar with Westmount Park, it is located on People's Park, just on the other side of the road, it is right next to one of St. Helier's old people's homes. It does seem to me to have potential for sheltered housing. Regrettably, I note that the current position of the Housing Department is that this site of 55 units is proposed to be disposed of during the tenures by way of shared equity sale. Now, one of the difficulties with that particular site - and I do not know how many Members are intimate with it - is that there are 5 substantial blocks and one very large main block. A peculiar feature of the individual blocks - and as I say there are 5 of those - is that they have lift shafts but no lifts. It has been a source of constant frustration for residents who live there that these lift shafts have existed as effectively a kind of square gap down the front of the buildings, anyone with a modicum of



architectural sensibility would realise that 5 glass-fronted lifts would not only enormously enhance the architectural value of those sites in an aesthetic way, but they would also change currently exposed balconies into internal balconies and realistically open up all the floors to potentially disabled access. So I would like the department to look again at that issue, particularly the issue of installing the lifts that were never installed in the past, doubtless for financial reasons. It would be very difficult in the future if all those blocks were split up into independent shared equity homes to get all the tenants, or rather the new owners, to agree to install lifts. Frankly, if it is ever going to happen the time is now before it is all split-up in whatever way it may be split-up. But I do feel that there is an opportunity here to have another look at whether this should be looked at in terms of sheltered housing or not. After all it is right next to an old people's home, there must be an opportunity for sharing of facilities and I just have a concern that we may be going in the wrong direction. Having said that, Sir, I think that, given the assurances that have been made, given that the Minister for Housing is with us for many more years, I am content that I can support the totality of this Social Housing Property Plan. It is more than a step in the right direction but it should be regarded as such, it is the first step of many more steps to come and I will be watching the progress.

### **1.9 Deputy S. Pitman of St. Helier:**

The Minister in his speech yesterday talked a lot about the consultation that he had carried out among his tenants. A couple of weeks ago - or more than a couple of weeks ago now - I spoke to him about this consultation and asked him how many people had been to his surgeries and he told me 6. I have consulted with 95 out of about 235 households within my constituency who live in properties designated to be sold within the Plan and thus feel I have a good idea about the confusion and concern among these tenants because of the lack of information. So when I hear how much the Minister cares about his clients, I start to get rather nauseous. I would like to inform the House that most tenants in Convent Court want to stay there and all they really want is some new windows. But apparently the department has not got any money. They have a £75 million backlog of maintenance with a shortfall of £2 million a year. The Housing Minister has pleaded poverty while he has, with the Treasury, wasted millions during his tenure. I would like to refer to sales that have been given to Housing Trusts during the Minister's tenure. In 2000 the sale of the old La Motte Ford Garage site to Jersey Homes Trust was £10. In 2001 a sale of numbers 8, 12 and 12a Lempriere Street to the Christians Together in Jersey Trust was sold for £400,000. Numbers 12 and 12a were bought and redeveloped for just over £300,000 and number 8 was bought and redeveloped for £155,000. In 2003 the sale of Bas Du Mont flats in Pier Road was for £10 to the Christians Together in Jersey Trust and we have to remember how much we lost with the Le Coie site - £8 million was written-off. This is just a sample of where money has been lost in this way to Jersey Housing Trusts. To add to this, Sir, the department and Treasury also agreed to pay-off capital interest on loans that Trusts have taken out with private companies, originally agreed if the rate was over 4 per cent but was later changed to 6 per cent. For the years 1999 to 2006 this has cost the States approximately £9 million. The States have also provided a number of grants to the Jersey Homes Trust to facilitate certain developments. These grants amount to £10 million. From information given by the department, I understand that once a loan is paid-off after whatever the agreed term of years, a Trust is obliged to pay back the subsidies or it is required to provide more social housing. Why is it, Sir, that this is left up to the Trusts to prove this to the States? It should also be noted here that such agreements with Housing Trusts have now ceased mainly due, I believe, to the exponential rise in rent rebates to Housing Trust tenants. I would also like to bring up the issue of what the Minister has said about how there is a surplus: we have too many States properties. With the possibility of the creation of 500 jobs a year and 250 people on the housing waiting list and the reduction in years of housing qualification, the Minister says we have far too much housing so we will sell 800 States' homes. This Property Plan has been sold mainly by the 1,000 best well-off tenants as the Minister has often referred to. In a question I tabled to the Minister in June, he talks of these 1,000 best well-off tenants, 404 are aged between 41 and 50, 371 are aged over 60. How many of these people of these ages are going to get a mortgage out? How

realistic is it at that age? I fear that those families whose children are leaving home with a 2-bedroom property will be ousted due to the policy of the Housing Department of downsizing. I know it is their policy but does it meet the U.K. Housing Standards to allow a quality home that meets the needs of families i.e. where you have a 2-bedroom house, the children have left home and they want to come back and stay, if they are moved into a one-bedroom house, where do they stay? Furthermore, Sir, the Minister has spoken of these better-off tenants in terms of their income, he mentioned yesterday £42,000 is the income of many tenants. In that, Sir, he has not considered their disposable income. I am certainly not against home ownership as I was brought up in a States house myself and knew how much my parents wanted to own their own home. However, I have strong reservations about this Plan and think there is a lot that needs to be thought properly through. In finishing, Sir, as I oppose this Housing Property Plan, will the Minister, as he threatened Deputy de Faye, consider resigning?

#### **1.10 Deputy P.N. Troy of St. Brelade:**

Just having a little chuckle at that, Sir. I think I need to address... certainly I will address one of the things that the last speaker said, which was regarding the sale of properties in the past at £10 to Housing Trusts. I think that where the previous speaker has gone wrong is that you must look at it as it was a need at the time to provide social housing and how were we going to do that? We owned land and it was considered that we, as the government, could subsidise the provision of social housing and this is how we worked in partnership with the Housing Trusts to create social housing. When we pass land to Housing Trusts at £10 we were not losing a lot of money. If there was a site, maybe it had a value of £2 million, we might have passed it to the Housing Trust for £10 but we were not losing £2 million. We were providing a social benefit, we were providing people with housing, we were providing what was needed at the time. There was a cost to it for the government, but it was worth it because it was important at the time that we provided that housing. Of course now the Housing Trusts have filled a very important part in the community, there has been enormous social benefit, a major community benefit which cannot be measured in pounds alone. Next, I would like to move on to reiterate some of what Senator Routier said regarding the fact that the rental subsidy budget is being moved from Housing across to our department at Social Security and will be utilised in a different way and people at the upper end of the scale who are earning significant amounts of money will have the amount of financial support that they receive reduced. Then those funds will be diverted elsewhere to people at the lower end of the income scale so that we can provide people who are at the worst income levels with increased benefit. That is a different debate but that does not impact on this, the Property Plan, because we are purely dealing here with the property and not dealing with the rental subsidy. I wanted to look at the actual proposition and of course what is happening here - what Housing are trying to achieve - is that they will firstly sell all of their non-core stock. So they will sell property which has been identified as either surplus or not quite fitting into the future housing strategy and that core stock will be sold. The first part of that is to create a shared equity scheme and you can offer property to the tenants. With the shared equity scheme what is superb about it, of course, is that anyone who manages to purchase their own property they get ownership of their property and it is everyone's dream to own their own home. You then, from that, get pride in your own property. You care for it, you love it, you enjoy it and so you have pride in your own property and then that creates stability for families. They have a permanent base, you have your family around you and you have a commitment to a home and family lifestyle and that is very important. It enriches the whole community if we have developments where people take on their own homes there will be an increased pride in where they live and it will have again a social benefit. Then, of course, from the sale proceeds we will then have funds - or Housing will have funds - to carry out a proper refurbishment and regeneration programme. Those properties that will remain can be refurbished and regenerated and again that will be good for the tenants that are in there. Then finally, the creation of sheltered housing. The sheltered housing element is quite important in that those who move into sheltered housing will possibly even sell a property of their own which may release more

properties on to the market for other families who are desperate in the market place to get homes. We have all heard the results in the last few months of the need for sheltered housing. There has been a need identified and it is important that we now do something to meet that need and Housing are doing their best on that. So, I think this has been a major piece of work, a lot of thought has gone into it and I would like to congratulate the Minister and his staff at the department because this will give stability within the housing market. It gives it new direction for the Housing Department and congratulations to the Minister.

### **1.11 Senator F.E. Cohen:**

The principles of this proposition are first class and they have my full support. The principles are elegant and will deliver a refurbished stock of homes together with a significant increase in home ownership. Shared equity was first proposed, I understand, by Senator Ozouf in his election manifesto in 2001. He was well ahead of many other jurisdictions that have since implemented the principle so successfully. I made shared equity a key principle of my election manifesto in 2005 and I have been working since my appointment as Minister together with the Housing Minister to find mechanisms to deliver this. Literally every week there have been discussions to work out how best to deliver shared equity to Island families. This Property Plan will deliver the dream of home ownership to States' housing clients at their option. For my part, I will shortly be bringing a proposition to the States to deliver shared equity on all rezoned sites and I will, subject to States approval, be making a start with the development presently underway at Goose Green. Delivering home ownership to Islanders is one of the greatest opportunities available to States Members. The Plan also lays the foundation for a proper solution to the provision of homes for the retired. The increasing dependency ratio is one of the great issues facing the Island and this Plan puts in place a proper resolution to the provision of retirement homes. The Housing Minister is passionate about his obligations to deliver better housing and extend home ownership. I assure you that he has many sleepless nights worrying about States' housing clients and I hear from him on a weekly, if not daily, basis about matters relating to housing to push me to deliver shared equity as quickly as possible and to push me to endeavour with him, as a partner, to deliver retirement homes. His Plan will fundamentally improve the lives and circumstances of many Islanders. This is a win-win proposition for everyone. He has my full support and I hope Members will join in supporting this proposition.

### **1.12 Deputy J.J. Huet:**

I am not sure that I like to follow Senator Cohen because he always sounds so kind, reasonable, intelligent and everything else. But we will have to do the best we can. **[Laughter]** I am not after any favours, Sir. I am not joined to the hip to Deputy de Faye though we are Parish Deputies - or 2 of them - but we do have similar concerns on some things. The ones that he has brought up, I have to say I have exactly the same concerns. I also include La Collette low rise of 36 two-bedroom places and Westmount of 47, making a total of 83. To me, Sir, especially the Westmount ones, it is not only as he - Deputy de Faye - says next to an elderly folks' home, it is also next to a park. It is also next to a chemist, a pub, little shops, a florist. It has got everything there that one needs for our senior citizens. It is on a bus route and as Deputy Ferguson said, we do not want our senior citizens cut-off, out in the far countryside where there is nothing. These 2 places, to me, should not be sold. They should be for our senior citizens. A lot of them are 2-bedroom ones and again I have heard people standing in this Chamber saying: "People should be in 2-bedroom places so that there is a place for their family to either stay with them or look after them or whatever." I have greatest admiration for the rest of the Plan and I believe, in conjunction with the Social Security Minister, that it will be a brilliant success. But I would ask for these 2 properties to be looked at again because I am not convinced that Westmount should be sold. It should be kept for our senior citizens with the lifts installed in the position it is in.

### **1.13 Connétable M.K. Jackson of St. Brelade:**

I appreciate the difficulties the Minister for Housing finds himself in and also the necessary sensitivity in dealing with people's homes, which, by necessity, are a fundamental part of their lives and well-being. Any decisions made by this House regarding the selling-off of States' property will have far reaching effects on many local families who have worked all their lives but never been in the privileged position of owning their own house. I would also remark, Sir, that I, for one, take the Scrutiny Panel's report seriously. I am aware of the experience that the members of the Panel have in property and housing matters and consider the Minister's posturing somewhat inappropriate and reminiscent of a small child throwing his toys out of the pram because he cannot have his own way. I will comment on the proposed property disposals in St. Brelade particularly because I am familiar with them; 108 and 109 Clos des Sables are a pair of houses opposite Acorn Lodge at Les Quennevais School, which we agreed to dispose of as part of the Treasury Minister's Property Plan some time ago, so I do not really have any difficulty with this; 30 Clos des Sables and Belleville, properties more appropriately owned within the private sector. However, Sir, I am horrified to see a proposal to dispose of 163 to 170 Clos des Sables. Members will be interested to note that these 8 bungalows are on the periphery of Clos des Sables, adjacent to the railway track and within easy reach of the community facilities and shops at Les Quennevais and they display a remarkable similarity to the retirement homes that the Minister wants to rezone green fields for in other areas. These 4 properties may not be in good condition but their site value is high and I would urge the Minister to reconsider the disposal of these properties because, it seems to me, entirely illogical. We must not dispose of these, they should form part of a refurbishment programme; it must be less expensive to do this and it is not compatible with paragraph 4 of the proposition. Many problems the Minister has inherited are a result of poor management and control in the past and I understand that this Assembly must agree a plan to permit the Minister to improve the present situation. The analysis of figures is somewhat subjective and based on questionnaires which can be slanted to suit the needs of the day. I am not comfortable with the numbers produced as they are not corroborated at Parish level. One does detect an element of desperation in this Plan which does have holes in it which have been alluded to by previous speakers. Nevertheless we must allow the Minister to move on in a fair manner which is not only fair to those already in States' accommodation, but also to those who aspire to their own property one day. Any subsidy by means of shared equity, I feel, or any other means must be fair to those taxpayers who have struggled to purchase their own properties in the past at considerable personal sacrifice. The present Plan could be viewed as simply a numbers game which simply favours the few who are presently States' tenants and who the Housing Minister is keen to get off his books. I would say that the present situation must not be allowed to continue and I would prefer that the Minister was slightly less blinkered with regard to the Scrutiny Panel report. I think the House has been rushed into agreeing to this somewhat flawed Plan but I look forward to hearing the Minister's summing up before deciding which way to vote.

#### **1.14 Deputy A.E. Pryke of Trinity:**

We are being asked in this proposition for the housing stock to be brought up to date. How can anyone not agree to that? Every person has the right to live in a house or flat that is in good condition and well-maintained. But, as we all know, that comes at a price and if the Housing Minister had not included in his proposition how he was going to fund that then most Members would quite likely not be impressed. To fund such a project, the money needs to come from somewhere. We have been told regularly that we have not got the money, especially the sum that the Minister requires to bring that stock up to date. So where does it come from? But this is more than about the money needed to refurbish property. This is also about people being given the opportunity to buy their own homes at a price they will be able to afford and in an area that they wish to live. As we have heard, the level of home ownership is low in Jersey compared to that of the U.K. and even Guernsey. This is a way of raising that level. The proposal is not to sell all the houses in one go, but over a 10-year period. The first tranche of them being at Le Squez sold last year proved to be very successful and there has been a backlog of potential applicants. Great success - a win-win situation for everybody. Do not forget these are for existing States' tenants

who would not normally have the chance to buy on the open market and perhaps through shared equity. No chance to buy, perhaps like you or I have been fortunate to. Most of the tenants who may be interested in buying their own home may have been paying for rent. That means having an income of perhaps £42,000 a year in a 3-bedroom house. We have heard the Minister saying yesterday that the income level had to be raised that some homes could be occupied. Is that right? If this proposition is approved, the money raised will go to realigning and refurbishing existing stock. When I first began my nursing career on the community over 20 years ago, I was appalled by the condition of some of the estates. The houses, the flats were cold, damp, mould on the walls, badly maintained; which can only result in a vandalism culture, which in turn can lead to increases in crime. It is so important then that these estates are regularly maintained. Over the years, I am pleased to say, they have improved. But it is not a one-off job, it is a continual process. The standards are raised - more efficient heating, more eco-friendly, et cetera. But all this comes at a price and we all here have a duty of care. I hope by now everyone realises that we will have a problem in the future, the need for sheltered housing. The report from Housing clearly states the need by the year 2031 - which is only 24 years away if my maths is correct - 30 per cent of our population will be of a retirement age. That is frightening and we must plan for it. We are all living longer and it is a worldwide issue. These figures have been verified by many studies. The Island-wide Strategy for the Aging Population back in 2004 identified that need. The report by Housing in 2005, Planning for Homes, noted that due to the aging population the need for retirement homes and downsizing will increase. People are concerned about their future. Will they be able to afford to stay where they are? Will they be able to cope with the size of the house they have now? As they get older and less mobile can the house accommodate their needs? As part of the Scrutiny Panel review, they conducted a survey of all States' tenants with a response rate of 28 per cent, 41 per cent of those respondents said they would be interested in sheltered housing in the future. Of the over 60s, 48 per cent said they would move at some time and 8 per cent said they would move immediately. This is an up-to-date survey and I congratulate the Panel on such a good one. We need to do some planning. The last retirement homes built were in 2002. As you are all aware, any new development takes many years to plan, submit the plans, consultation before they are approved and then built. If any plans are approved this year, the earliest they would be occupied is 2009 to 2010. This is a long-term commitment, over 10 years. Any refurbishment, sale of homes, sheltered housing all takes time and planning. There is no quick solution and I would urge Members to support this proposition.

### **1.15 Deputy R.G. Le Hérisier of St. Saviour:**

Very useful. One of the issues that has been rumbling around is the role of Scrutiny. Now, if you read the Overdale response which has just arrived, you would think Scrutiny was composed, in some respects, of people who are maliciously motivated, utterly incompetent and when faced with total reason from Ministers are utterly unable to deal with it. That would be the picture you might gain of a maliciously motivated group of total incompetents. We all know that, of course, not to be true, I hope. **[Laughter]** But there is another side of Scrutiny other than the one which has been erected within the Overdale Report and that is the side that says you must have a good, strong argument and almost like an essay, we are going to mark and assess your arguments. That is what we did with Housing and part of the problem, Sir, which led to the tension which may be about to be resolved, was that we collided with Housing when they were in - what you might call - high-selling mode. They were selling their programme, they felt they had reached the stage and we were, in that sense, a bit of an irritant to the process. But, that having been said, Sir, we did analyse it; we analysed the strength of the argument and we did come to the conclusion more and more, which of course is what is going on here, that unless you looked at the bigger issues you could not assess this sell-off. Because it is a very seductive sell-off as my colleague to the right has just mentioned and as people like Deputy Duhamel - who would have thought Deputy Duhamel was a right-to-buy person? But he clearly is, for example. It is a very seductive argument and it has been very well put by the Housing Minister, but what he has not put, Sir, is the whole argument and

there is an attempt in their response to suggest that we in Scrutiny are losing our way and the Chief Minister mentioned this when he raised rent rebate. Well, the reason we raised rent rebate and the Constable of St. Martin went into such detail about it is because time after time we had been told this is what is driving housing into its maintenance deficit and has driven it into this almost not uncontrolled deficit, as I have been reminded, but into this major deficit. That they have had to deal with it and there is this 'Alice in Wonderland' or 'smoke and mirrors' view that if you move the budget - with Housing still paying I think capped to £23 million - to Social Security... and I was amazed when Senator Routier said: "You just remove the high earners who are clearly an irritant in this process" - as no doubt they may be - you remove them as recipients of this grant, that somehow the problems will be solved. They will not be and housing finance is still linked, as the Constable made very clear. Okay, it is capped, but it is, to a point, linked and I want to see robust and trenched arguments from the Housing Minister even though he has wished goodbye to the rent rebate scheme. I want to see robust arguments as to whether the problems that led to that scheme ballooning out of control have been resolved because the rationale that the Social Security Minister came with about the 44,000 people who will no longer benefit is simply not good enough. That, Sir, is one of the reasons why we have said, unpopular though it is, that the big picture has to be looked at. Other elements of the big picture have to be looked at and I know it is a chicken and egg, it is a cart and horse situation and I know the Housing Minister and his assistant are desperate to get the big study off the ground because they now realise they should have got it off the ground earlier. I know they are desperate to get it off the ground. The issue of Housing Trusts - the money that is going to Housing Trusts and the money that is going from the rent rebate system to Housing Trusts - half of the tenants in Housing Trusts are, I understand, full recipients of rent rebate. So the States is pumping-in a massive subsidy to that scheme through the rent rebate system, so its effects are perverse, they are everywhere and until the inter-relationships between the different parts of finance of the housing system are fully appreciated, you cannot assess that big picture. You cannot assess why a quick fix programme... because despite what my colleague said, it is a quick fix programme because if you read the Property Plan we need the money to pay for maintenance even though the States is pumping-in various elements of that money, for example, if I am correct, £30 million over 5 years as a special one-off to try and rectify the maintenance deficit, so to speak. So all those elements have to be brought out and what I ask the Housing Minister to do is not set to make a full and frank confession as to the financial issues that have arisen from previous Committees because historically why should he do that? He has only been in charge 8 years, I think, which is, in human history but a speck, but in terms of the States of Jersey and in terms of politics, a long, long time. I would ask the Housing Minister, Sir, in his summing-up, would he please say, given that Scrutiny has approached it in a positive way... yes, housing finance needs to be well and truly looked at and I want to get at the bottom of where the subsidies are going and how they are affecting the housing market and how they are affecting the never-ending growth of Trusts. I want the Housing Minister to give a very clear promise that he is going to look into this because this is a very serious issue. That brings me, Sir, to another issue: we have to look at the rigour of the Plan. Does it hold together? Now, we have had a lot of talk again from my colleague and others about the sheltered housing programme, but what started as a plan to deal with a maintenance situation has become a housing realignment plan. All well and good, but that was never fully told us. What has also happened is some of the Parishes, it appears, are now getting mixed messages. On the one hand they are told: "Bring back those who have a birthright and resettle them" and on the other they are told: "In order to move people through the States system and to deal with the 800 vacancies - albeit the mismatched vacancies - we have got to build on green fields within all the Parishes." Now, what is the Plan about? Is it about Parishes dealing with people who have a birthright or a strong right to return; or is it about dealing with the people who are going to be displaced and have to move forward? I really think that has to be worked out. I have got no problem, Sir, with the Housing Minister pushing the sheltered housing, in fact, he has to be praised for that, but there are, as far as the Panel is concerned, very mixed messages coming out from that. The other issue, Sir, as I expect - and good luck to him - the Planning Minister made a great play for shared equity

because that was obviously part of his electoral platform. It is not analysed in the Property Plan to any extent and again something we in Scrutiny are duty bound to look at, it is almost like being negative initially to be positive later, which a lot of Ministers have not quite frankly got their head around: "Why was the States' loan scheme dismissed as an alternative to generating property ownership for first-time buyers?" We know it has died but at least what were the arguments? Why were the arguments not put up? If only to be knocked down, why were they not put up as one of the alternatives? I do get the feeling that shared equity, which has an enormous number of issues - we have hardly discussed them, they are outlined about the carry over most particularly for the 25 or whatever per cent it is, for example - but it has not been properly examined in this debate. Another issue, Sir, that Scrutiny brought up, which has been fluffed over, is the choice of buyers. Again there has been a shift in Housing's position on this which we were duty bound... well, it has shifted so recently we have not been able to bring it up, but it is this issue of does the right to buy go to those occupying the houses that will be put up for sale or those who are in the general area if the immediate occupants do not exercise that choice or are they given a choice of buying void properties? Now, void properties have come very late into the picture we notice; are they given the right of buying void properties? If they are, presumably the whole of the States' tenancy group will be offered that right. In terms of occupancy, Deputy de Faye made a great play about the assurances he had received, well, given he appears to have committed another one of the great U-turns between the emergence of his emails and today - what were those assurances that he has received? I mean, it would be nice if the rest of us could be told them because they are very, very important I would have thought because the purchase by tenants... who has the right to purchase? Who will be top of the queue in purchasing is very, very key. Another issue, Sir, where in the response Housing were very critical of Scrutiny was refurbishment. There is a massive back-up report from the Chartered Institute of Housing which is on the website to show that our research was not just like the research allegedly carried out in the Overdale Report, it had a clear route from a major study often examining other jurisdictions. We know from our research that the issue of selling properties refurbished is not an issue where you need to take the stand that Housing have taken. That it is quite conceivable you can sell unrefurbished property and indeed if you take on board what people say about tenants - the sort of things Deputy Duhamel said, that they show a pride in ownership, they really raise the level of an estate and there is much more commitment to an estate and the good prevails, in a sense, over the bad as the theory has it - surely you would accept that they will refurbish their properties? Okay, over a long period of time - over a long, long period of time - but, like a lot of first-time buyers if the property is wind and water tight they can then proceed from that point onwards. Why not? People know that that is a responsibility of home ownership and of course what it would do is it would reduce the number of houses that the Housing Minister would have to sell. He would not have to sell so many houses. I know he might want the proceeds, but the point, Sir, I would like to make in conclusion is I think there has been this over-reaction to the Scrutiny report. The aim of the Scrutiny report was not to rubbish the Plan per se. It was not to say that the right of tenants to buy under certain conditions was wrong - quite the opposite. In fact if you read the Chartered Institute of Housing report, Sir, what it says is - and this is stated very explicitly: "If the purpose of the plan is to create maintenance funds in a reasonably quick time, with some changes, the plan is acceptable." That was said by the Chartered Institute of Housing and we took that on board. So the idea that the Panel, Sir, came up with a negative view of this Plan and was trying to find every reason to down it is, quite frankly, misplaced. There are strengths to this Plan, but there are areas that, quite frankly, do need strengthening and I am hoping the Deputy Minister can give me - unlike the assurances he gave to Deputy de Faye - some public assurances and I am hoping, Sir, he can go some of the way and say: "Look, there are major, major issues with housing finance and I am quite prepared to sit down and get independent people to look at these and try and reform the situation." We are not saying he has to be responsible for the last 20 to 30 years of perhaps wrong decisions that have led us down the wrong paths, but we are saying: "Please, please be open about this and let us try and deal with it." So there are broader issues despite what people say.

**1.16 Deputy A.D. Lewis of St. John:**

It is always a pleasure to follow the articulate Deputy Le Hérissier but I am going to turn the volume down a little bit and I am going to change the tone a little bit. I fully support this Plan. It is about making our assets work much harder for us. I think that is fundamental. I drive down Queen's Road most days and the view I have in front of me is Convent Court and I am sorry, it is not a pretty building and I will be delighted when it is replaced with something more modern and more user friendly, more usable. I am sure many of the tenants, contrary to Deputy Pitman's suggestions, would prefer that. I would like to see more home ownership...

**Deputy S. Pitman:**

Can I just make for clarification, I have consulted many of the tenants, most of them in that building and most of them want to stay there.

**The Deputy of St. John:**

Thank you for that, Deputy Pitman, that is certainly not the information I am getting back from the Housing Minister and I am indeed surprised. I would like to see more home ownership. One of the main reasons why properties in Jersey are expensive is there is simply not enough of them to buy. That is the fundamental economic reason. We will be putting more housing stock into ownership of private individuals with this Plan. I do not think sheltered housing should be in tower blocks. Maybe there is a place in some places in the world - maybe in London where there is not much land - but in Jersey we do have other places where people can be housed in their latter years. I know lots of elderly people who would be delighted with a small 2-bedroom bungalow on one level, perhaps in the countryside. Not all want to be in the countryside, I accept that and providing the Minister for Transport and Technical Services can provide a wonderful bus service - he is not here - then I am sure that they would prefer to be in the countryside. So, I am sorry, I have to disagree with my own Constable on his assertion that there is no demand for sheltered housing in the countryside. There clearly is not much demand from ex-St. John folk that want to come back to the Parish, but this Property Plan is not about getting people back to their Parish of origin, this is about providing sheltered housing in the long-term for everybody and some of it may well be in their Parishes and I think we have a duty in each Parish to provide some of it; not all of it, not acres and acres of it, but definitely some of it. If you turn to page 3 as the Deputy of Trinity referred to in the Plan, it is a very stark diagram; the graphs of the aging population - 2030 is scary. We will have a lot of people retired and very few people employed supporting them. This is a time bomb, if you like, but it is quite a nice one, we are all going to live a bit longer, I think that is fantastic news. But what those people do not want is to be in institutions. They want to be living in their own home, a lifetime home, a sophisticated one where they can live for ever. With medical advances they can stay in those homes for a very long time much, much cheaper than total care in institutions. People do not want to be in institutions, they want to be in their own home. This Plan goes a long way to helping that. I was at a presentation last week - the New Directions Health Plan - - a fascinating presentation. It talked a lot about lifetime homes, how people are healthier, they live longer even and they are happier in those types of homes and we should be striving to do that and this Plan helps us do that. I was interested on page 8 of P.6 about the amount of stock that has been constructed in recent years. Now, the Minister may be able to answer this for us in his summing-up, but it does say that in the last 7 years only 0.6 per cent of the housing stock has been constructed. I am assuming that does not include of course the Housing Trusts. Nevertheless, that is quite a scary statistic in that since 1990 and 2000 there was only 12 per cent of the stock constructed. In other words the majority of our stock is quite old and not suited for modern living and I think this Plan goes a long way to helping fix that. Shared equity is a great idea so let us get on with it. Somebody mentioned the States' loan programme earlier on. My parents bought their house back in the 1960s on a States' loan; they could not have done it any other way because the



interest rates were high, the multiplier was low so we could not borrow enough money, so they did it on a States' loan system and then they were tied to the State for 25 years and some longer. I am sorry, the States of Jersey is not a bank. There was a reason for that and I have just stated what it was - high interest rates, low multiplier, it was a good idea in its day. The markets have moved on, we do not need it any more. The banks do it better. The States of Jersey is not a bank; we should not be going down that route again. By helping subsidise people to buy their homes over 25 years is not for today, but helping them buy a home that has a small element of subsidy, a one-off subsidy, I think, is the way to go. More ownership means less maintenance costs, it is an obvious one; it is a score. This is social engineering, but it is consensual, it is providing security and pride and commitment to communities that these people live in. The Plan provides sheltered housing; it releases housing stock for growing families; it saves us having to build more 3 and 4-bedroom houses by providing more sheltered housing for those who are in their latter years. It will save the taxpayer money. It will dramatically improve the existing social housing stock. It will make our assets work harder for us and as Senator Cohen said - and others - this is a win-win-win situation. I urge all Members to support the Minister and his team.

#### **1.17 Deputy C.F. Labey of Grouville:**

I would just like to make a couple of points, so many questions have been asked already. I would like to know, as I was telephoned this morning by a constituent, how the houses that are being offered for sale have been chosen. This particular gentleman's house had not been offered to him and he was rather disappointed not to have the opportunity, yet his neighbour, a couple of doors down, has been offered the opportunity to purchase their house, yet cannot afford it and now faces the prospect of being moved on. So, I would like some clarification as to how the properties that have been chosen for sale have been compiled and why every tenant was not given the opportunity to purchase their own home thus deriving a list of willing purchasers and satisfied tenants. I will listen to the summing-up about rent rebates because I found the Constable of St. Martin raised some very interesting points and I would just like to say I would support community housing rather than socially specific ghettos. So I shall listen with interest to the Minister's summing-up.

#### **1.18 Deputy S. Power:**

I would like to talk for a few minutes about first of all how the Panel came into being, how it worked, the release of the Scrutiny report itself, the reaction to the Scrutiny report and finally some of the content that has not been covered by some of my colleagues. Members will be pleased to hear me confirm that I do not intend to give them an exhaustive blow-by-blow account of the Scrutiny report or, indeed, how we interpreted the Housing Property Plan. But I would like to give Members a feel as to how the Sub-Panel worked. I said earlier that Sub-Panel members would speak on different parts of the Property Plan and we are almost there. I am not going to do any heart-tugging speeches today, I do take my responsibility as a States Member, as a Jersey taxpayer and to Scrutiny really seriously. The Housing Department's rebuttal of our Scrutiny report used the word "incorrect" 23 times and I do not think we got it wrong 23 times. Senator Le Main also said yesterday - he used the word "ignorance", there was ignorance on the Sub-Panel. Now, I presume the use of the word "ignorance" was in relation to our interpretation of the Housing Property Plan and not ignorance of the Sub-Panel in general, so he might clarify that in his summing-up. So he also said that we - and I presume he means the Housing Department - and the States have messed around for years and years and years with the problem. Sir, in our Scrutiny report, we have attempted to address some of the mess that the Housing Minister refers to. At times we felt we were being used as a Trojan Horse. Deputy Le Hérisier coined that phrase in February at one of our early meetings. We wondered on many occasions why on earth Housing, in the 18 months since the election at the end of 2005, had not dealt with the bigger issue before it decided to come back to the States and sell another 600 houses on top of the 200 that we had not had a full report on. If Housing are going to write a complex report analysing the future need for housing stock, taking into account the publicly-owned Housing Department stock, Housing Trust stock and the private

rental sector and factoring-in the increased immigration into the Island and the likely future effect of the 5-year qualification rule, then I would have thought you do this before you sell-off anything. This is the piece of work that will provide many of the answers and this is why, in our view - my Sub-Panel, the 5 members of the Sub-Panel - we believe that this is more than a Property Plan. We have yet to see the results of the Le Squez/Le Marais scheme that was approved by the States in 2005 before many of us were elected. We know the problems that this has caused for the Housing Department; we know some of the financial problems it has caused. We know that some of the contracts have had to be revised. We know that houses were sold on the basis of valuations that were 4 years out of date. So that is where we were coming from. I have worked on a number of Scrutiny reports since I got elected. I had the privilege of working on the Planning Process review where Deputy Baudains was lead member and if there is one thing I learned from Deputy Baudains it was how to drive a report on quickly. He was a good leader. I also had the privilege as has been mentioned a number of times this morning of working on the Overdale Review with the Deputy of Trinity and she showed how member selection and balance on a Panel was as important as the ability to analyse information and write a balanced report. I put a great deal of work also into the Waste Review with Deputy Duhamel and in the Design of Homes Review while on the Environment Panel. Indeed, Sir, once I get this week out of the way I am assisting in co-writing the Design of Homes Review with the Environment Panel and with the Planning Department and I do believe that the Design of Homes Review, to be finalised soon, will be an important framework document on how we design homes in Jersey and it will banish the mediocrity of the last 30 years. So, Sir, I have had some benefit of working on Panels and Sub-Panels. We come to this review and can I remind Members of dates and sequence? This review was carried out in 18 weeks. May I remind Members that the Health, Social Security and Housing Panel did not exist until the first week of December last year? Two reports have been completed since then, the Phone Mast Review and this Housing Property Review. We received a copy of the Housing Department's Property Plan on Wednesday, 20th December - Christmas week. I read the report over Christmas and the New Year, I discussed the report briefly with Deputy Breckon and Deputy Le Hérissier and they agreed that the best way to carry out a review because of the complexity of the document would be to form a Sub-Panel. I wrote my first summary report on the review early in January and Senator Le Main referred to that yesterday. The States reconvened on 16th January this year and the Sub-Panel had its first meeting on 2nd February. As I have referred earlier, I did pay particular attention to the composition of this Sub-Panel. I approached the Constable of St. Martin and I approached the Constable of St. John. They were 2 relatively new Members of this Assembly. Well, they are seasoned veterans now, I can tell you after the reaction to our report in the last month. Both agreed to work with me and to review the Property Plan. In addition, I had the experience of Deputy Breckon and Deputy Le Hérissier. So, we also had a brand new Scrutiny Officer who had started work in the first week of January. You can imagine, Sir, there were a lot of things to get used to and to get up to speed. So, if you look at it, we had a new fifth Panel, a new Sub-Panel, 2 new Constables and a new Scrutiny Officer. I was, to say the least, apprehensive when I took on this job and when I look over to my right here at the great performer himself, that great hand-shaker, glad-hander, lobbyist and veteran of many political dogfights, the Housing Minister, Sir, I felt a bit like a young boy scout facing-off to a grizzly and seasoned fairground boxer. However, I will take this opportunity to say here today that despite the differences we both have in the content of the Housing Department document and the Scrutiny report, I have no doubt whatsoever that I will continue to be friends with both the Minister and the Assistant Minister as neither myself nor my 2 colleagues referred to are the types to bear grudges. We are all working for the Jersey taxpayer. So, Sir, that is a little bit of background. I think the Sub-Panel met 14 times, we believe we had over 26 meetings. There were hundreds of man-hours in officer meetings, phone calls and emails. It was quickly apparent to me and to other members of the Sub-Panel that there was hardly any dissent or arguments between us. We did have lively discussions. We argued and we counter-argued but my experience on this Panel - much as was on Overdale - was that we worked together harmoniously and nobody's arm was bent and certainly nobody's ear was bent. I think we agreed

fairly quickly - I think it is fair to say - on the areas of the Property Plan that we were not happy with. None of us were quite prepared for the reaction to the release of our Scrutiny report. We released it on Thursday, 14th June. The day after its release, - on Friday, 15th June at 5.00 p.m., - the Chief Minister took it upon himself to send an email to the Chairman of P.P.C. (Privileges and Procedures Committee) asking P.P.C. to scrutinise the way my Sub-Panel had conducted itself, had we exceeded our terms of reference and chronology of our work. **[Interruption]** I am not giving way, Sir. I am not giving way.

**Senator F.H. Walker:**

On a point of accuracy, Sir, it is not what my email said. Just so the House is aware of that.

**Deputy S. Power:**

Had we exceeded our terms of reference and he wanted a chronology of our work. In that email he related to animated and acrimonious email exchanges. I am still waiting for the Chief Minister to explain to me or even to my Sub-Panel - even without asking for an apology - to explain this extraordinary request. Had we made a complaint about housing? No. Had housing made a complaint to the Chief Minister? I do not think so, as the Housing Minister is well able to look out for himself. We were then - as we are all States' Members - over the past 4 weeks witness to the spectacle of the Housing Department turning up the volume and the heat and lobbying members intensively for support of its Property Plan. I just wonder what had we said to cause such alarm? One of the many things that the Housing Minister said yesterday is that we had only spent 2 hours with him and had not discussed our findings with him. I have to say here, Sir, that Scrutiny is not meant to negotiate an agreed way forward with a department, Scrutiny's role is to write a report based on the evidence it finds. We do not plea bargain. We do not negotiate the final result because that is not how it works. So what could possibly have caused all this distress, worry and consternation? There were many sandwich lunches at Housing in the recent past and conveniently at the earlier set, no Sub-Panel member was invited. As we know there was Ministerial minestrone this last weekend and there were many phone calls, emails and lobbying of States Members recently. So I would say that the whip is well and truly out at the moment, and what whip do I hear you say? I think it is a Ministerial whip. It goes something like this, all good Ministers and Assistant Ministers must be good boys and girls and must stay in line and do the necessary and dutiful thing. Forget about being an independent Member of this Chamber right now. I feel sorry for Deputy de Faye, he incurred the wrath of the Housing Minister last week, we all saw it on Saturday's J.E.P. (Jersey Evening Post) and the conversation on the phone lines must have gone something like this: "Let us winch-in this smart and silver-tongued Minister for bogs, bosses and brushes, if he dares show disloyalty then we will make sure that he loses his qualies, his job, his t-shirts and he will end up glad to be cleaning the lavatory on the Minquiers." **[Laughter]** No buses out there, Mr. Minister, try public transport now to get back to Jersey. So I think, by now the Chief Minister will have a selection of what a good and acrimonious email is and he has a choice of some juicy ones that I am sure were issued recently between the Housing Department and Deputy de Faye. So, I think our Panel has worked hard but it may be a guilty Panel. We created this whirlwind of frenetic activity, Ministers arguing, Assistant Ministers being told: "Do not even think about not voting." Sir, our conscience is clean. We got down to work, we quietly wrote a report, published it without fuss and since then we have done no lobbying. There are certain things about this Property Plan that we agree with. We agree with spending £30 million over 5 years. We agree with selling the properties in Appendix C because they do not fit the profile. That should raise another £5 million to £10 million. We now know as a result of the Scrutiny Report that the Comptroller and Auditor General has been in touch with housing. We know the problems at Le Squez and Le Marais. We know it has been over-subscribed for a number of reasons. One of the reasons for this is the pricing was fixed some time ago. There is also the interesting spectacle of

tenants that were on abatement suddenly being able to buy a home. We know about sheltered housing. We agree that sheltered housing has got to be prioritised. We have done a section on our report on sheltered housing and we feel that the market for sheltered housing and the provision of sheltered housing has got to be created in the future. But sometimes there was very little detail in the Property Plan on sheltered housing and we struggled with the content. The Minister said yesterday that he cannot wait to transfer abatement, rebate and the whole rent subsidy nightmare to Social Security. I wonder why would he say that? The answer is because it has not been dealt with. The Constable of St. Martin discussed this this morning and I think he did a very good explanation. The Minister said yesterday that 50 per cent of all tenants in the Housing Trusts pay full rent, that means 50 per cent of tenants are on rebate, some to a maximum amount. We believe as a Sub-Panel that the elephant in the room is subsidy, elephant in the room is abatement, rebate and subsidy and it has not been dealt with. We refer in our report to the fact there are no stock condition survey reports. We refer in our report that there is no proposal to do proper valuation by an accredited member of the Royal Institute of Chartered Surveyors. Take an example, take one estate, Clos de Roncier: if you take a house that is south-facing, west-facing, on a corner there is no way that that property should have the same value as a property that is in the middle of a terrace. You have heard the Constable of St. John go into some detail on the funding and costings for a demolished Convent Court and Caesarea Court and how it does not stack-up. You heard Deputy Le Hérisier speak eloquently on a number of issues on it, and I think you will soon hear Deputy Breckon speak. Where is the evidence that we do not need 3 and 4 bedroom units in the future. All we are asking Housing to do is to put a bit more meat on to this, we are not asking them to write a tome, and if I may show as an example the Hills Report which is entitled "Ends and Means - The Future of Social Housing in England" was written in 3 months. So I am saying to Housing that you should put a bit more meat on to this report - Property Plan - work with us if necessary and take some of the summer. Yet the Housing Minister wants to push this through today. I now want to deal in some detail of what I call one of the anchor documents that the Property Plan is based on. It is "Planning for Homes 2006". It has been described by housing as their Plan being the definitive guide to demand for housing in the Island and the subject of repeated comments in their response. "Planning for Homes" is a well-meaning attempt to indicate potential housing requirements to the end of 2009 but it is largely based on just under 3,000 returns from the Housing Needs Survey carried out in 2004. So essentially it is a snapshot of a situation based on a sample of people's expressions at that time. One could argue that the entire housing market has turned since 2004. It has been tinkered with to try and update it statistically and has had housing waiting list figures mixed-in. But as we know these are not a particularly good indicator as they exclude all sorts, including non-qualified people, single people without children, under the age of 50 and are subject to wider influences such as the availability of private rental and levels of subsidy. It does not have the benefit of up-to-date population figures. I am just going to quote directly from "Planning for Homes" here: "The alternative migration assumptions include nil net migration and net annual immigration levels of 50, 100, 200, 500 households respectively. It should be recognised that the highest level assumption for inward migration of 500 households provided for is the absolute worse-case scenario. However, this is not consistent with what was stated in approving the strategic plan, where the emphasis was based on achieving controlled economic growth and the related growth in the workforce through maximising the contribution of residents who are not currently employed. As a consequence it is believed that the number of immigrants required for increasing the working population would represent a small proportion. In the worse-case scenario - that is the qualification period is reduced to 10 years, a net inward migration of 500 households per year - the required average building rate climbs to 540 homes and would be much more difficult to sustain. This rate has only been exceeded twice in the past 20 years during 2002 and 2003. Although it is on par with average rates achieved during the 4 and a half years since 2002." To add to this the Treasury Minister's recent comments on 6th June referring to a 900 increase in population last year, this equals 375 new households at 2 and a half persons per household. Well on the way to the absolute worse-case scenario. These are some of the factors that have not been

taken into account in this Property Plan. The final concluding points I would like to make are, Housing has confused the existence and the formation of the Sub-Panel with the main Panel, which I have now clarified. On page 2 they insist that their Plan was in draft form in July 2006 and they tried to avoid linkage to P.211 of 2005 although they indicated to us that it was the final evolution of work begun in 2005. They point to the revision of the Housing Needs Survey and Planning for Homes as ensuring a continuous assessment of housing needs into the future. The Sub-Panel might query their robustness and look for something bigger. They make statements about tenants' average earnings increasing by 10 per cent in the 18 months to June 2007 and claim that income profiles of 215 of the applicants will support a mortgage of £211,000. We do not know where this figure comes from or how accurate it may be. How many times have house prices gone up in the last 15 months and they are pinning their prices in the Plan. The other big problem is refurbishment of existing homes. Housing indicate they would have to make a decision as to which homes on each estate would need refurbishment from the outset and some people might have to keep living in un-refurbished accommodation for 10 years. This, to us, seems rather strange and completely ignores the point that they could proceed with sales directly if not constrained to refurbish these properties so people could benefit from entering the property market up to 10 years earlier. As for concerns about well-kept poorly maintained properties, this will happen anyway unless, of course, Constable Butcher's preference is for selling-off whole estates - which I think is something that should be considered. I want to comment briefly on decent home standard. Just about every comment that has been made about decent home standard tends to follow the view that the U.K. is nothing like Jersey even though they claim that a different local standard here cannot be credible. Even a very different limited acquaintance with decent home standards suggests that it could very easily be improved to the benefit of tenants and a cynic might suggest that it represents a convenient minimum standard benchmark that is easy to achieve. Housing have dismissed some of the Sub-Panel's suggestions for widening the scheme on grounds of age discrimination yet they seem happy to accept discrimination on the basis of income, once again ignoring the fact that those who would benefit most probably should not have been in social housing in the first place and should have maybe been moved out years ago. They seem to ignore their own intention to raise rents post-refurbishment as a possible catalyst for renewed rent inflation which would drive more people toward social housing. So we have reservations. We also have major reservations about the 5-year qualifying rule. Finally, the Minister referred to anecdotal evidence and asked me to send him this evidence. Given the departmental reaction to our Scrutiny Report I am not likely to go for a double-dose of jeopardy, however, I will say this; there is some evidence out there, anecdotal and not complete, that off-Island investors are buying share transfer and flying freehold to rent to locally qualified (a)-(h). On the Island H.N.W.I.s (high net worth individuals) and C.A.s are buying (a)-(h) property to rent locally. Estate agents are buying properties locally, remediating them, taking a turn on them and selling them on and recent (j)s who are approved are doing the same. This is taking (a)-(h) property out of the local supply chain to buy and enter the rental market. I do not have a complete picture, I did say it was anecdotal and if I have this time this summer I will look into this. I could spend another 30 minutes on my feet, another 20 minutes on my feet, I do not know how long I have been on my feet, but I am not going to do that. I want to say that the Sub-Panel worked well as a team. We respected each other, listened to each other and we stand by our report. I ask Assembly Members to dwell on what I have said and what my colleagues have said on this Sub-Panel. You vote for this Property Plan as an independent member, please think carefully. The Sub-Panel will not support P.6 in its present form, accordingly unless the Housing Department withdraws P.6 the Sub-Panel will vote against it.

### **1.19 Deputy J.B. Fox of St. Helier:**

This Property Plan has been long overdue. We have been having all sorts of various policies over the years as urgent needs and demands arise and how things change and it is impossible in one page of propositions to carry every scenario that is going - certainly when one looks to Appendix C and Appendix D and details there. They say in politics that a week is a long time. In this particular

Property Plan it is going to be 10 years and States Members will come and States Members will go and this Property Plan, I am pleased to say - like an Island Plan - is a living document and it is going to change. It is going to change as circumstances dictate and hopefully between the Ministries and the Scrutiny Panels and all the individual Members plus the people outside, that it will change for the better. One of the things that has changed a lot is, of course, the demand for first-time buyer homes was paramount, and also social rented housing. We had a lot in our H2 and subsequent plans that concentrated on this era. Through the various policies that came forward much of that housing has now been produced and we are looking at lifelong homes, retirement homes, shared equity and those type of dwellings that give people far more opportunities to live in their home in better quality and better standards for the future which benefits the Island. As many of us are getting older, the new generations are coming in, and we want to keep them here. It is very important. As the Assistant Minister for Education, Sport and Culture I suppose one of the most predominant things that I deal with is young people and students and their parents, of course, who continuously are concerned about the high price of properties and attracting our young people - our academics and indeed our non-academics - back to the Island to be able to play their full part. Only recently, as you know, I spent some time again the Falkland Islands and they have been very successful in their shared equity... in bringing back their students, most of whom now are running their own Island and less and less are relying upon what we could call (j) category. They are people that they bring in for short periods of contract, which is a success. Of course there is a difference in size between the 2 Islands but there is great similarities inasmuch as that we need a sustainable long-term future and to do that we have to change to fulfil. There has been talk today about retaining some that are included in the various appendices and not others but I would just like to comment that the one thing that we are being told at the moment is that the Waterfront and the new Director of W.E.B. (Waterfront Enterprise Board) is talking about east of Albert with the possible huge developments that could go along around the Waterfront there. As a Parish Deputy at St. Helier it is not lost on us that currently there is a feasibility study being looked at by a property developer with the agreement of the Parish Assembly on West Mount Quarry. That too, with the changing circumstances could provide so many homes with all the access that we require for our senior citizens, or indeed for other groups of citizens, disabled, et cetera, or those that are less able to move around - being close to shops has already been mentioned, bus routes, et cetera. So there are a lot of opportunities going and we have to keep a broad mind to ensure... At the moment we are looking at La Pouquelaye, a very densely populated area but again fulfilling a very important role: it is still within the catchment area of St. Helier, it needs more community facilities but it is also subject to the current Island Plan and no doubt in the future Island Plan for more housing, especially for sheltered housing. Again it is on a bus route and fulfils many of the other requirements. I could talk about other areas but I do not feel as confident as I do in the area that is in my particular district, and it would not be right anyway because Senators and Connétables and Deputies of a particular Parish or area have much more knowledge than I do. But we must recognise that we can build on our brown field sites and utilise that land much more efficiently. Yes, it might cost us a bit more initially but I think it is extremely important that we do treat all this in an overall plan, and that is what I am pleased to see in this Property Plan today. I am not going to go on and repeat a lot of things that others are saying, only to say that 51 per cent of home ownership in this day and age, it is long overdue to increase that ownership and give quality housing to quality homes. There is one thing that we are still not recognising in St. Helier is the fact that we have an awful lot of people that are now, their families have left home and we are having single people, retired, widows, widowers, et cetera, that are living in 4 and 5-bedroom houses that could quite easily be used for young expanding families. This is an area that I think that with some more support many of these peoples would be delighted to downsize but there is a lot of trouble and aggravation in doing it. We need to give them support as well. So without going over what everybody else is saying, I support this proposition. Yes, it is going to be a living document and it is going to change over the 10-year period but I think that the time is very appropriate that we give it support and let us get on with it.

**1.20 Deputy A. Breckon of St. Saviour:**

I should declare that I was a member of the Sub-Panel and I was asked to look at the financial aspects of this plan, past and present, whether Members like it or not. I would, Sir, seek your permission to seek a reference back. The reason I say that is from a financial aspect this Plan lacks structure, lacks process, lacks protocols, lacks transparency, lacks accountability and it lacks checks and balances. I would demonstrate to Members how it is not safe to proceed without more information. It needs a management structure. It needs advice, perhaps from the Public Accounts Committee and the Comptroller and Auditor General, which are part of the recommendations from Scrutiny. I would, Sir, wish to proceed. I do not know if you care to give an opinion on that or would you just like me to continue?

**The Greffier of the States (in the Chair):**

Standing Order 83, Deputy, allows any Member of the States to propose a reference back on one of 2 grounds. One; that further information relating to the proposition can be provided to the States or that any ambiguity or inconsistency can be clarified. I understand what you are saying, that you would be relying on the first ground. There is an important proviso that the proposal cannot be allowed if it would prevent debate on the proposition resuming at a future meeting, you were quite heavily critical of the Plan just now but you do still think that with the additional information the debate could come back at a later date, is that what you are saying?

**Deputy A. Breckon:**

What I am saying is that there are areas of the Plan that could indeed proceed as the Minister touched on yesterday but in order to fully implement it and proceed with it I believe that these things need to be in place, not just for now, not just for next week, but in 6 years' time. I would in a few words following this demonstrate the reasons for my concern.

**The Greffier of the States (in the Chair):**

I think we do need to be clear on exactly what further information you would be seeking through the reference back. Can you please clarify for Members exactly what information you would like to be provided to the Assembly for future debate?

**Deputy A. Breckon:**

There are a number of aspects. It has been referred to - the sale of the properties at Le Squez and Le Marais - which was approved by the States in P.19 of 2004. I believe there is some financial information that the House will not be aware of - perhaps the department know, I have not been able to find it - that we should be because the basis of sales in the future has the foundation here and I believe there are some flaws in that system that I would like to demonstrate to the House. There is also the funding of the Housing Development Fund. The latest accounts appear on the final page and perhaps Members need more detail of what is contained in the Housing Development Fund. There are also letters of comfort which are now approaching £150 million that have been issued by the Treasury, I believe more detail is required about that. Others have touched on the rental aspect and the transfer to Social Security, in my opinion the outcome of that is about as clear as mud. There is also the Trusts, the Minister says at paragraph (v) of his proposition: "To agree that there should be no further transfer of stock to Housing Trusts unless explicitly agreed by the States' Assembly." Bearing in mind it was a policy of the past, perhaps an explanation and more detail of this U-turn, if I dare say that. Perhaps the House is owed an explanation and if the Housing Department themselves cannot provide it then perhaps somebody qualified like the Comptroller and Auditor General would care to look at that. I think it is important for the financing

of housing that these issues are looked at, and therefore that is why I am asking for a reference back. I do have more to say but I will leave that with you.

**The Greffier of the States (in the Chair):**

I have noted that you mentioned 5 areas where you think further information should be provided, you will correct me if I am wrong or missing any. The financial information about the sales at Le Squez and Le Marais; financial information about the Housing Development Fund; about the letters of comfort; further information about the transfer of rent rebate to Social Security for the Income Support Scheme; and the further reasons for the underlying change in policy on the transfer to Housing Trusts. It is a matter for Members. I am prepared to allow the reference back to be proposed. **[Seconded]** You wish to speak further on the reference back?

**Deputy A. Breckon:**

What I would like to do firstly is just explain a little bit of my background and how I come to this. As I say, I am recently appointed Chairman of the main Health, Social Security and Housing Panel and Vice-Chair of this particular Sub-Panel. I did live in States' accommodation for about 20 years, not as a tenant but I did live there. I am also a former President of the States Tenants Action Group of about 10 years. So I know some of the background to it and I do not need to go on a visit. I remember areas like Nicholson Park, Clarence Court, Elysée Estate; some of the perhaps darker areas of housing, with respect to all those people who have to live there. I would not claim to be an expert but I do have some background knowledge. When this Plan emerged I took an active interest in it. I have done that because I believe it is important to get it right. The financing is one of the key issues here of getting this right. The Panel looked at this in some detail. There has been criticisms of that but the information is available. It is an open process. There was a scoping document, there was terms of reference, there was appointment of advisors, there was a budget and it went through a triple process; the Sub-Panel, the main Panel and the Chairman's Committee. We also appointed advisors. Again that was an open process. There were about 5; it was whittled down; we asked them to make submissions, they were knowledgeable and professional. I met them on a number of occasions and anybody that is rubbishing them is on the wrong track, I am afraid. Indeed, if you look at Housing's own report they have quoted from the Chartered Institute of Housing. There was some tension with Scrutiny: the department, the information, the Minister, and the Assistant Minister got involved, about nothing really, it was about trying to get some information and progress things. I am sure, as the Minister has said, we will learn from this process. The finances have significant relevance to this Plan. The reason I say that is: if I am in partnership in business, say with Deputy de Faye here, and we are doing things and I give him £500 on a Monday, £500 on Tuesday, the same Wednesday, Thursday and Friday and then Saturday he says to me: "I want some money." I might well ask him what he had done with the other. So the finances are so relevant because if Housing have had all this money, why have they not maintained the property? That is the question that we asked. That is probably the relevant question to ask, and the answer is, because we have given it to somebody else. That is why this needs looking at. It has been said that is in the past, you have to look at track records and how we got there. That is very important. You have to establish this financial background because what we are talking about is selling property, selling the capital assets to fund the maintenance which is a revenue budget. In general terms the States have agreed that we should not do that. We should not allow the Minister for Education, Sport and Culture to sell Fort Regent to fund further or higher education, or should we? In principle we have said we are not going to do that. The other thing with social housing, most of this is off balance sheet accounting, it is not in the States' accounts. It is in part but it is not approved in budgets. When I asked for budgets going back 20 years: "It cannot be done, we have got no staff. We do not have it and it cannot be done." So what happened, with the co-operation of others I got the budget books for 20 years and I stayed in downstairs, hooked out the right pages,



copied them and then compiled that and then with somebody's assistance we got that together. But, Sir, this really worries me, if we are going forward and we have not got the information to hand would the Minister for Transport know about the roads, or the drains, how much had been spent. Is it not a legitimate question to ask of any department or any Minister: "What is your track record in spending in any particular area?" Here with Housing we met a blank: "Cannot be done, cannot be done." So the information that is contained in the report came from the work of the Scrutiny Panel. I also discovered during that that there is no easy archive of States' accounts. What was proposed; what was done? There is some sort of smoke and mirrors there, there are still some grey areas. I do not know if anybody has got this, but in the Scrutiny Report, at pages 36, 37 and 38 I have produced some graphs of what has been going on. That is important. It is not a case of saying: "Do not look back", because if you are going to look forward then you need to look at where you are and how you got there. One shows the rebates and the abatements - that is on page 36 - again it is a rising trend. Expenditure, again taken from the accounts, the maintenance on States' dwellings and the private sector rebate on page 37, if you look at it not in real terms but in 1992 Housing spent more in maintenance than it did in 2005. It was around £4 million. We wonder, we really wonder, why we have a problem. We have got more properties, we have aging properties, and it was around about £4 million, so it was less money that was spent. That is shown in the figures taken from the official accounts of the States. Again that is shown in the separate graph on page 38. That is evidence, it is not somebody's opinion, that is evidence, which is what part of the Scrutiny process is based on. It may be uncomfortable but it is true, it is a fact. The reason I say that is why are we where we are today? That is a very, very big part of it. We can have sympathy with that but if we are going to move on then we have to demonstrate process. If we have given away the maintenance money as subsidies and the Chartered Institute of Housing figures show that for every States household they give just over £4,500 of their rental in subsidy to the private sector. Of course, that is not sustainable, that is what others are saying, but that is contained in the Scrutiny Report on page 34. That gives a flavour hopefully of the finances and touches on some of the areas. What is in place that the Minister and the department could proceed with? £30 million has more or less been promised over the next 5 years in maintenance from what was the States Dwelling Houses Loans Fund: it has been transferred and that is part of the process. There are also sales at Le Squez and Le Marais. I would like to come back to that because the States did agree this, I have mentioned this in proposing the reference back, so I want to come back to what the States have agreed and what has happened. This is very important because if you are going to proceed you need to have some rules about how you do it. If we agree then somebody should go away and do it, they should not go away and do something else. That was debated by the States on 9th March 2004. As part of the proposition regarding the sale to Housing Committee tenants of certain properties, contained in that proposition was that prices were to be agreed with the Finance and Economics Committee and with the resultant income to be utilised in the redevelopment programme for both estates. To be agreed with the Finance and Economics Committee. It is also said to authorise the Treasurer of the States to receive these payments as they become due. This is very important because contained within the Housing Property Plan on page 24, paragraph 2.5: "Sales to States tenants do not, of course, represent unchartered territory. The agreed sale of 208 properties to existing tenants is already providing the £50 million reinvestment required to finance the Le Squez and Le Marais redevelopment. The cost of which is not included in the £75 million requirement referred to above." The reason I say that is if there is a shortfall in this it needs to come from somewhere else. I do not know there is a shortfall, but I do not know if there is a surplus either, and I would really like to know that and I think Members should know that as well before we proceed. Bearing in mind that the Committee of the day was told to do that, to agree the prices with the Finance and Economics Committee... Somebody wrote to me, and I think that was probably sent to... certainly the Deputy of St. Clement and possibly Senator Shenton as well. Somebody had an agreement to buy a property, no reference to Treasury or what was the Financial and Economics Committee - substitute Treasury Minister - and this was an agreement for sale. Deposit; prices were in there; and it demonstrates that the prices were out of date and there was a

difficulty, should I say, in how to enforce that, whether it would be a legal challenge or where it was. My understanding of what happened is this: tenants were told they would be given a 10 per cent discount but even with that discount the prices did not stack-up with the current housing market. What happened was that the negotiation was: "We will give you a 25 per cent discount but it stays the same; it is only the discount has got bigger." What they have done is, they have said, well, do not worry because it is going to work out around about the same, but this extra 15 per cent will be worked-off over the next 15 years if it is sold, then your discount will go down 25 per cent, 24 per cent, 23 per cent as opposed to what we were going to provide with the 10-year thing. The reason I say this is, is this a basis to proceed to sell houses when at the early stage you have got this major hiccup which has upset a small number of people - 30-odd people? Where do you go in 6 years' time? If you have not got a structure in place that said: "These are the rules. Leave the price out, these are the rules." That is why this needs advice from somewhere else. That got a certain amount of publicity and it has been backtracked on but you cannot proceed with any certainty if somebody said: "I would like to buy it, what are the terms?" "We will make some up in 3 years' time." You cannot do that, I would contend. You need to have a structure in place that says: Yes, you will get a discount." Who decides the price? Can I tell you when we asked the Minister in a hearing: "How do you value the property?" He said: "We have got 3 estate agents." "What, 3 estate agents?" Well, it might be news but if you want to borrow money you will not get it on the word of an estate agent, with respect, **[Laughter]** it needs to be a proper qualified surveyor for the bank to lend the money. How do you value some of these. "Well, pretty much the same, you get one on an estate ..." but they are not. If you look at most transactions that go through there will be 12 houses, again I am looking to my left in town a bit, there can be 4 or 5 different prices on 12 houses because there is a change internally or externally - garden, corner plot, terraced - whatever it may be. So there is some really serious concerns about that, how that proceeded. For the shortfall... and I do not know that, if there is a shortfall; we are coming back to this Plan because what it is saying is, this will fund this, this will move it on. But what any change does not do, does not delay that but I would like to think it put a robust process in place for that to happen so that people are not frustrated about this, you can move on. Only a few weeks ago the Minister for Housing said: "You will delay the sale to these properties." Any delay to this Plan will do nothing of the sort. What I would suggest is you need to have a process in place that deals with that properly and fairly, not just to the tenants but it is public property. We cannot sell it again next year so we must get it right for people and for government. The Minister mentioned yesterday in his speech it is an internal Property Plan. I would suggest it is wider than that because there are some very broad principles here about how we are dealing with issues. It might be very convenient for any Minister who happens to have a property portfolio to surface and say, well, sell the car parks, for example, that would cure a problem for fixing the roads, but should we have a debate or should we just say: "Yes, the Minister will do it, then he will fix the roads." Should there not be a system in place that asks people, do you want to do this; these are the options? We can have, whatever it may be; that is just an example, but should we not have some discussion about whether we want to do that and whether it is prudent to do that? I do not think anything can be too internal, I think we have got to develop it together. It is not about opposition to anything, it is about developing these things together. The other question I think is relevant is will this Plan do what is envisaged? If Housing go and ask the question, where is the structure? The Treasury Minister is not here but I say" "Okay, you sell properties, how do you report what you have sold, what you have spent it on on an annual basis as you go along, and what for?" There was nothing in place; there is nothing in this report that says that there is going to be an annual report - a structure whatever else - to do any of that; how do we know we are getting value for money with refurbishment, none of it is there. Housing was set aside from the main Property Plan partly for this reason and partly because the difficulties of the management which are a specialised area. All of us, I think, recognise that. But somebody has to be accountable as well. We have got a Housing Development Fund, we have got letters of comfort, there are all sorts of nooks and crannies here, and it needs bringing this together and that is why I think the reference to the Public Accounts

Committee and the Comptroller and Auditor General is vital to put in place a system and protocols that will see this not next week, not next year, but in 5 years time. We will say we took a bit of time, we did that, and we got it right because as the Minister said yesterday, this is an opportunity, and it is indeed an opportunity. We must not waste it and we must, I believe, get it right. It is important to do that. The other thing that I mention is about the financing of Trusts. Again, within the Housing Development Fund I looked in one year's accounts and I could not find it, and then I found that there was a restated amount written-off of just over £8.3 million. When I inquired what that was, that was a write-off for Le Coie. It was restated for 2005 in 2006 and I understand a preliminary inquiry said it was done between Committees and Ministers because from the 1st January 2006 there would be Accounting Officers. In that window of opportunity there was not. That is apparently when it was done. I would like somebody to look at that and confirm that because that is an awful lot of money. The other thing that is in here for the funding of Le Squez and Le Marais, it was said in the projet that the capital vote of £4.68 million will be used to commence Le Squez phase one with short-term bridging finance required to fully fund this phase. When I looked in the report and accounts for 2006 I found Le Squez redevelopment, the spending 2006 was £4.2 million, the total spend to date was £9.116 million. I do not know why because it does not tally with what was said, I cannot find it anywhere else. So I would like to know, and I think the House should know, how that has happened because the onus was that, in effect there would be some bridging finance for Le Squez and Le Marais and it would be self-funding. Not only would it be self-funding it would also sort out the other problems on the estate, so that was the gain. We sell so many properties, we get a finished article; it does something. I have not seen any accounts, any evidence to support that and I think - bearing in mind, this House approved this in 2004 - somebody should report back where we are, how we are doing, if we are front, if that £50 million is still achievable or if it is not. Because if it is not, then we are going to have to come back and find some more funding, so what Housing are predicting in there will be wrong. If it is more than that, they will not need as much, but again the information is not there. The other thing, Sir, linked to this are the recommendations from the Scrutiny Report. We did express some concerns about 5-year qualification for housing benefit.

**The Greffier of the States (in the Chair):**

Well, Deputy, you are raising another completely new issue that was not part of the reference back.

**Deputy A. Breckon:**

Well, it is part of the rent rebate scheme, Sir, which goes to social security. That is a new aspect. **[Interruption]** Again, there is some issues about how some aspects of housing benefit are going to be funded. If somebody lives within somebody else's house - a couple of rooms, sharing a kitchen and bathroom - how does that work out? The recommendations of the Scrutiny Panel, Sir, are about this caution and about the involvement of the Comptroller and Auditor General and the need to look at some of the issues and the reasons for that, Sir, I hope, would be obvious to Members in that we need to proceed with some caution. The other thing that is touched on in the Plan is sheltered housing, but again, Sir, I am not going to go into detail about that, but again that is not fleshed-out and I believe that using the Public Accounts Committee and having the benefit of the Comptroller and Auditor General to inform a proper debate would indeed do that. I would just like to conclude, Sir, by going back to a report of a former audit committee that looked at some of the housing issues and they made some of the recommendations that are coming from this about the sale of the non core properties, about looking at the rebate system, the subsidy system - about it being a monster - and the issues I think that they made which I think was in 2001 are as relevant today as they were then, but some of them have not been addressed but should be addressed. The other thing with this I think that the office of the Comptroller and Auditor General would be a critical friend in this instance and if there are weaknesses - which I believe there are - they would

be uncovered, if that is the right word, and to make sure that we proceed with caution with the information and get it right because it is important for those people out there that other Members have touched on. So, I maintain the reference back, Sir, and I so propose.

## **LUNCHEON ADJOURNMENT PROPOSED**

### **The Greffier of the States (in the Chair):**

Perhaps you would like to propose the adjournment as well, Deputy. Members agree the Assembly will adjourn until 2.15 p.m.

## **LUNCHEON ADJOURNMENT**

### **Social Housing Property Plan 2007-2016 (P6/2007) (continued)**

#### **The Greffier of the States (in the Chair):**

The States are now quorate. Perhaps for the record, I should note that when the roll was asked for by the Presiding Officer, Senator Routier and Deputy de Faye and Deputy Gorst were not in the Chamber although they were present when their names were called. Perhaps I could just draw Members' attention - because I think it is quite a serious matter when this does happen - that if the States had been inquorate when the roll had been called, I was required by Standing Orders to close the meeting. There was no suggestion of us adjourning for half an hour. I would have been required to close the meeting. The business would have remained unfinished and the States would have been reconvened in September. So, perhaps Members will bear that in mind. **[Members: Oh!]**

#### **Deputy C.J. Scott Warren:**

I feel it should be remembered that Deputy Martin is excused this debate because of her conflict of interest.

#### **The Greffier of the States (in the Chair):**

Yes, some Members are noted already as being unwell and excused. Now, the matter before the Assembly is the proposition of Deputy Breckon that the proposition of the Minister for Housing be referred back.

#### **Senator T.J. Le Main**

I just to want to make a comment - I am not going to speak now, I am going to speak in a minute - but I really have a great difficulty when the House is half empty that an important speech or an important issue that one wants to make is very difficult as a Minister or anybody else having to talk to half a Chamber when we are trying to get a point over I am convincing and trying to win a debate, Sir.

#### **The Greffier of the States (in the Chair):**

Now, does anyone wish to speak on the reference back?

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

I consider myself less important than my Minister, so I shall kick off. I do not believe that Deputy Breckon has made the case this morning for this reference back. I am not going to dwell on everything that he said, but again we come back to the proposal of moving rent subsidies to social

security as part of the budget for low income support. This has already been agreed in June 2005 by the majority of Members in this House and I do not believe that this is a good reason for this to be used in a reference back. He also made something of the fact of the problems that we had with the Le Squez development in 2004. He refers to page 24 of our Plan and he is saying here: "If there is a shortfall, Members need to know about the rules for future sales." The Housing Department put its hands up to the mistake that was made in 2004 on the sales of the houses in Le Squez. We have not tried to hide that fact. The management team has changed since then - a new management team, and Minister and myself - and what we are proposing in the Property Plan for the sale of these homes bears no semblance really to what happened in 2004. The process is going to be that these houses will be sold at first home buyer value with any discounts applicable to whatever the individual feels that they can take on and there is a process set out that will be adhered to and so I think his argument that because there was a failing then, in 2004, does not apply to what we are proposing in 2007. As I said, we held our hands up to that. We admitted a mistake had been made and I feel that we addressed that mistake in the best way that we could in trying to protect the interests of the taxpayer, but also being fair to the people who were buying our homes. He made mention about using estate agents instead of a valuer to value our homes. We do say in the Plan that we were going to use 3 estate agents. I think every Member here would agree that estate agents would have a very, very good idea of the current value of properties for sale in the Island and again I just do not think that that is a really relevant point. I am not going to say very much else because I am sure that other Members will pick up on other things, but really just to reiterate that let us not go backwards; let us move forwards. We know that Housing Department rentals have been used to pay rent subsidies over the last 10 to 15 years and we know obviously that there has been a corresponding fall-off in the amount of money that has been used for maintenance on those properties. We all know that. We are aware of that, but please let us move on. We had decided in 2005 that this money would be transferred to social security and used for low income support and that is the point I would like to make. Thank you.

**1.20.2 Deputy S.C. Ferguson:**

I think the Scrutiny Report has contributed significantly to the quality of this debate and I congratulate the Panel. If I extrapolate from Deputy Breckon's comments, there are 3 areas that the Public Accounts Committee would in fact want to look at. These are subliminal to the points he raised in the reference back. We would want to look at the relationship between States Housing Department and the Housing Trusts; the basis on which housing subsidy has been managed and planned and we would also want to consider - and I think this is probably the most important point - the impact of property sales on the department's ability to meet future homelessness demands. You sell the property, you do not have anywhere. As I say, I contribute this because I think it might be useful as I think this sort of information, or certainly Part 3, should have been part of the original policy document.

**1.20.3 Deputy G.P. Southern:**

I think it is entirely appropriate that Deputy Breckon should have brought a reference back in the context of what has been going on with this particular inquiry and in particular the way in which the Scrutiny Panel has been treated by the Minister for Housing and his persistent failure to answer the appropriate questions. Now, if he is not to come to this House today and we are to make him answer the questions that need answering, then he must come back to the States at another time. So, I look forward to hearing what he has to say in response to Deputy Breckon, in response to my contribution or anybody else's to address the questions that have been asked of him since the Scrutiny Panel began. If one looks at the Scrutiny Report, one sees a series of questions that singularly he has failed to answer and, if we start just on page 5 of the Scrutiny Report, it suggests: "The Plan itself states, it is a central principle of the present report that the funding issue needs a long term sustainable solution and not the sort of quick-fix that ultimately makes the underlying problems worse." To which the Sub-Panel responds: "The Sub-Panel is forced to the opposite

conclusion that the Plan has primarily developed as a quick fix for the Housing Department's financial woes." Just there I have noted... and what fundamentally is this quick-fix? It is a very serious fundamental flaw. It is the transfer of capital into revenue. Nobody is doubting that the Housing Minister has a serious revenue problem because during his 8 years he has failed to keep his maintenance bill going. He has failed to maintain his housing stock and so he has a revenue problem to which his answer is to sell-off some of our capital and use that. That is basic bad economics. That is a fundamental flaw in the problem and he needs to identify why, in this particular issue, such a radical action is justified. Further on then, page 14, it says: "It is extremely difficult to accurately forecast what the requirements will be for social rented housing, even over a 4-year period, given the many variables involved." Absolutely true, I hear you say. But who is saying that? Why, the Planning for Homes document - R.94 - in 2006 - the most recent Planning for Homes document. Difficult to predict. Yet according to this Minister, it is not a problem. We can sell-off housing - we can sell-off up to 800 houses - and someone will pick up the slack. It is not a problem. Planning for Homes 2006 says it is difficult to predict. The Minister apparently can predict it and he says who will pick up anything we need? Why, the Housing Trusts again. What does that mean? Well, the Housing Trusts are going to pick it up and not us. So, what does that mean? That means that the rent rebate scheme - not the rent abatement scheme - the rent rebate scheme goes up. So, in his own report on page 21, the Minister says: "Transfer to Housing Trust of stock in good repair for full social rental value would generate short term capital receipt." But the rent rebate scheme would quickly eat-up a large part of any capital receipts. So, relying yet again on the Trust to deliver, increases that rent rebate sum all together. Not a good idea. Again, the Minister needs to talk and to respond as to how this is going to work. Again, in predicting future demand, the advisors' comment says: "Good U.K. practice in relation to housing demand analysis would be to use a wider set of sources than the local authorities waiting list, including assessment of demand and supply across all tenures. Such an assessment has not been attempted." Fundamental question. It is summed-up by one of the tenants. Hit it right on the nail. If properties are sold-off, where are the next generation who need rented housing going to rent? Where are they going to rent? In a nutshell, the evidence is not there. The assessment has not been completed. Are we going to manage in the future? We are assured demand will be met. No answers. Those are the answers that need supplying. Yet again, quoting from the public hearing, the Minister says: "It is my view that people should have a fairly good commitment to the Island and I think 10 years for everyone is about right." I am terribly concerned. We are not going to be subsidising people after 5 years from our tenants' incomes, I can tell you and I told Terry Le Sueur this, it will be over my dead body. I will take it to the States. Yet one month later, June, we have got the statement: "I do not oppose the 5 year rule now. I have had a full explanation." The question is, have we had a full explanation? Has the Scrutiny Panel had a full explanation? Has this Chamber had a full explanation and the answer is, no and that is an explanation that the reference back may achieve or perhaps the Minister may come out with a full and comprehensive explanation of why 5 years is appropriate and will not increase the total rent rebate and abatement bill yet further. I wait to hear. Additionally, advisors' comment: "We would question the value for money of improving homes that will subsequently be sold. While we understand the department's rationale for wanting to avoid the future disrepair of owned stock, it could be that if these houses were not improved a smaller number of units could be sold." That is the advisors to the Scrutiny Panel in their executive summary on page 15. A fundamental question asked about the Plan. No answer supplied. You spend money doing things up, you are eating into the revenue - the capital - that you are getting. These and many others are the questions that have yet to be answered. They were not answered for the Scrutiny Panel to their satisfaction. They have not been answered in the long and rambling debate so far and certainly in the Minister's presentation. It could be that we will get a comprehensive answer to those questions now. If not - if we do not get that comprehensive answer - then the reference back must surely go forward so that we can have those answers supplied to this House and this Minister can be held accountable for what he wishes us to endorse.

**Senator J.L. Perchard:**

Could I give notice to propose closure in 30 minutes?

**The Greffier of the States (in the Chair):**

No, I am afraid you are too early, Senator, because the clock starts ticking again for the reference back and it only started ticking when Deputy Breckon sat down.

**1.20.4 Senator T.J. Le Main:**

Well, here we go, more delay. More delay. More delay. I suspected, Sir, that this was going to happen. Deputy Breckon makes the case on all the issues in regard to housing subsidies, issues about financial aspects, structure of housing finances. I do not think there is anybody in this Assembly that is unaware or unintelligent enough to understand what the problem has been for the last 20 years. It has been solely the policy of this Assembly in instructing the Housing Department to pay this continual unchecked growth of housing subsidies, particularly in the private sector. Of course, Sir, the policy of this Assembly was to increase and to encourage Housing Trusts and of course now with over 1,000 or 1,100 units again that has increased the burden on the subsidies. So, I do not need to be told - or anybody else in this House - where it has gone wrong. The issue is that the Housing Department has failed to secure with other Ministers and other Presidents over a number of years adequate funding because the money was going out into rent rebate and the issue was, Sir, that it was unchecked. We have absolutely no option but to continue until now. Finally, the States approved, as I say, the income support scheme on the 21st June 2005 where it specifically proposed the discontinuation of both rent rebate and rent abatement in this new scheme. Sir, it is a red herring to talk back about subsidies now. This Assembly has approved income support that is now a reality. It is ready to go in the next few months and it will take away the full issues about the subsidies and the difficulty we have been facing for a number of years. Sir, this Property Plan is a living document. It is a document on over 10 years. As I have explained to this Assembly, I will work with the Public Accounts Committee. Where have they been for the last 6 months? Where have they been for the last 18 months? Sir, we have not seen them at Housing - they are so concerned about it. Where has the Auditor General been? We wrote to the Auditor General. We sent him a copy of our Property Plan when this was lodged. We sent a copy to the Auditor General again with our response to Scrutiny. Well, he is so concerned: yes, Friday, we get a letter on Friday - this last Friday - saying that he is considering it. That is all he is doing. He has asked us would we give him certain information and he is considering whether he wants to look at it. Well, I would welcome the Auditor General - I would welcome, as I have said, to the Chairman of the Public Accounts Committee - any kind of financial assistance and help in my living document. As I say, I intend, Sir, to work with the Public Accounts Committee. I intend continuing the excellent working relationship that we currently have with the Treasury. The Treasury - highly professional people - have been advising us on all the figures and issues in regard to this Property Plan. Sir, it has the blessing of the Treasury Minister. It has the blessing of the department. Sir, I am more than happy, as I say, to work with all Members. Deputy Southern: capital into revenue. Disappeared again, Deputy Southern. I am sorry he is not there to listen. All very well to criticise and when I stand up he walks out of the room. Capital to revenue. **[Laughter]** Absolutely untrue. This is about what any decent landlord or businessman would do in private sector or anywhere else. Too much stock. Sell a bit of it off and refurbish what you have got and bring the value up and maintain a proper stock portfolio that you can manage, that you could let out and that you could get a decent return for. Sir, it is about reinvesting into our stock. Deputy Southern is incorrect. It is making it better for all our customers and it is not about employing extra staff and consultants and all that. It is doing what any of you would do as a property owner. It is reinvesting the money. At the moment we have got stock there that is fetching peanuts because of the condition of the stock. We upgrade all that, the income generates

further income and what have you. Quite honestly for some of the issues about trust - Deputy Southern brought it up, and Deputy Breckon - on a lot of these issues I believe, Sir, Deputy Breckon has failed in trying to convince me and to convince, I believe, Sir, this Assembly... many of the issues that he has raised today have nothing to do with the Property Plan. It is about the future plan of social housing; the role they play in Jersey; whether the Housing Department should be provider and regulator; whether Trusts should continue as they are; whether they should be more tightly regulated; what role they play in the future. It is all about talking to everyone - presenting a green paper to all Members. It is perhaps involving ourselves much more with the Connétables in this review. What sort of provision and what sort of assistance they can provide in assisting this Island in the provision of homes for people. What amazes me, where is Deputy Breckon... a nice chap: he is a friend of mine and he told me yesterday what a good job I did making my speech downstairs - my gosh, good job I did not have a gun in my pocket. **[Laughter]** Deputy Breckon has been a Member of the Housing Committee. When all these funds were going into Housing Trusts and private sector abatements, the question I asked, what did Deputy Breckon do about it? Absolutely nothing. Very, very easy to criticise today. I just cannot get my head around this issue, Sir. The issue is that I request, I plead with this Assembly to reject this delaying motion. We have got everything in place, Sir, so that if the Plan is approved, that we can work with the Public Accounts Committee. We will provide some nice sandwich lunches for Deputy Ferguson and Deputy Reed. We can work with them and we will work with them and, as I say, we will work with the Auditor General and anybody else. But at the present time, this is a delaying tactic and to delay it again will mean that we have further hardship. We are going to be in a position one of these days - and unfortunately I have not said it publicly, but very soon - when we are getting names to the department, for housing for elderly people, we are going to have to say there is no chance of being housed. That will be the first time in history because the major problem is this aging population and it is not the 3 bedrooms all of you know very well, Sir, and it is a red herring to bring that up again like Deputy Southern has brought it out now. It is an absolute red herring. The issue about social housing... all of you have seen the figures. There is no need for further 3-bedroom social housing at the moment and we can dispose of them. It is quite clear that at the moment on the H2 site there are another 107 three-bedrooms programmed to come in line for Trusts; 107 on H2 sites that are currently being built, on top of what we have got at the moment. Sir, as I say, the Trusts have a huge role to play in the provision over the years. But we are being sidetracked. We are being sidetracked by the issues that Deputy Breckon and others are highlighting today. They have not been to see us. The first I have heard about these concerns is Deputy Breckon standing up today. Well, I am amazed. No one - Deputy Breckon has not been to see us; Deputy Southern has not been to see us to talk about them; the Public Accounts Committee have not been to see us; the Auditor General has not been to see us. This is a delaying tactic and all of you that care about your people - the people that have voted you and I in, all the ordinary people that many of you have espoused your views as representing - by supporting Deputy Breckon you would be letting them down.

#### **1.20.5 Deputy C.J. Scott Warren:**

We do need to know how the financial management of property sales, the maintenance budget and refurbishment will proceed and I believe, Sir, we can most certainly do so. The Public Accounts Committee and the Comptroller and Auditor General have been established to provide us with this information and to give us the surety to proceed today. If the Public Accounts Committee were and are so concerned about this proposition before us today, why have no comments been issued separately by them? I will not, Sir, be supporting this reference back.

#### **1.20.6 Deputy G.C.L. Baudains of St. Clement:**

I was getting somewhat concerned about Senator Le Main there, I was concerned about his blood pressure; he was getting all excited. **[Laughter]** Sir, the issues raised by the reference back, I think were important and valid. The rent rebate, Housing Trusts, lack of maintenance over the



years, sales of stock, and so forth are all valid issues and I would normally oppose selling capital assets in order to resolve a revenue problem. However, we do have a problem. We cannot simply sit on our bottoms and hope it will go away. It will not, it will only get worse, so action is needed. So, Sir, I do not oppose the Plan, even if it is a living document, I can just visualise it growing gently in the Senator's front garden. But basically it focuses on selling 2 types of property; that which is unsuitable for use as States' rental accommodation, and that which will enable first-time buyers to have a home of their own, and surely it is in everybody's interests to encourage home ownership. I did have a concern, Sir, which was touched on by the reference back and that is, that having solved the problem, we might be back here in 10 or 15 or 20 years' time with a similar problem and, having sold our assets, how do we then get out of it? However, Sir, I am reasonably - I have to say I put it no higher than that - satisfied that the necessary ring-fencing is in place to prevent such an occurrence and, therefore, I believe, Sir, that the extra information that is being requested by the reference back is largely irrelevant, because what it is addressing, are issues of the past. We are all aware of those past issues, what we are trying to do is to move forward, Sir.

**1.20.7 Deputy P.V.F. Le Claire of St. Helier:**

I will not be supporting the reference back either. I think the points made by Deputy Scott Warren, and also Deputy Baudains, were extremely valid. I have just witnessed, and been through in the last couple of weeks, a herding process in trying to stave-off an attack on the Environment Scrutiny Panel, who were accused of not having done any work and not paying attention to their duties, and now I sit here and listen to the Public Accounts Committee bleating in the wind about the lack of information while they have been pursuing our agenda for the last 6 weeks. I think it is disgraceful to hear that they have not been along to ask the Housing Department about these issues, where it is one of our largest pieces of capital expenditure and has been for some time. I do not think there is a person on the Island that does not realise that the rent rebate scheme has been an issue and is an issue and needs to be addressed. But it is not something that we have missed. It is not something that the Council of Ministers have missed. It is something that is being addressed. I try to keep my emotions out of this because, although not concerned too heavily about myself, I am one of the few States Members that does not own a house, and I do know what aspiring to home ownership means and what the dream of home ownership means, and it certainly will not be served today by supporting a reference back proposition that has been brought past the eleventh hour in relation to issues that have been issues since I have been in this Assembly. If they needed scrutiny, they could have been scrutinised from when and before I joined in 1999. Certainly with the resources and the availability and the additional new Members that have got academic rigour to their credit, they could have exercised that academic rigour and gone over and said: "Hello" to the Housing Department and the Minister, the Assistant Minister, and looked at the issues. Whether or not they are selling-off too many of their properties is an issue for a reference back; how are they going to deal with the stock? The Housing Minister made it quite clear, it is a re-alignment of property that they want to get the best value for. It is also going to be a long term strategy of theirs to purchase 400 new properties. So they are not selling-off and giving away 800, they are decreasing the need for rent rebates by empowering people, encouraging investment in the private sector and bringing up the moral and the self-worth in those areas, and in the surrounding areas, of people who are living in those areas by giving people an aspiration of their own. It also will not be served by supporting a term of reference back when we hear that the private sector - of which I am a member - is certainly going to be served in a very much needed way with a private equity scheme in the future. What is going to happen with that? In 16 months time are we going to be told that we have got a proposition to deal with now in the private sector, and that those States' tenants are going to have to sit tight and watch their properties fall around their ears while we turn some more pages over? I think it is absolutely ridiculous. I wanted to focus today on a positive theme in relation to what we aspire to in home ownership. I have already sensed from one Member, and probably more, that they have already gone past the period of sustainability in relation to this debate because of this motion, and we are already hearing people calling for a closure motion. So I

may not get a second opportunity to speak on the aspirations and the benefits of home ownership but I certainly did want to make it a positive contribution and, unfortunately, I find myself standing up and defending what is a ridiculous notion of going back and trawling over the coals to see what we can dig out of the ashes. If there is an issue, there is nothing stopping the Public Accounts Committee walking across to the Ministry of Housing and asking them to get involved. In fact, I am sure the Minister and his Assistant Minister would probably welcome it. What is the States doing today? It is doing what it has always done and, if you always do what you have always done, you will always get where you have always got - nowhere. We need to kick-out this vote of reference back. We need to get behind the Housing Minister and, instead of talking about solving notional issues of home ownership... 50 per cent: it is so pathetically low in Jersey. I know people and families that are living for year upon year in accommodation that is smaller than some States' Members' bathrooms. It is time it is stopped; it is time we got behind the Housing Minister; it is time we got behind the Planning Minister, and it is time that we got involved in helping people attain home ownership, and it is not going to be done by examining our navels.

**Senator J.L. Perchard:**

May I give notice of my intention to propose the closure in 30 minutes, Sir, on the grounds simply that this debate has been rehearsed?

**The Greffier of the States (in the Chair):**

Your intention is noted Senator. Deputy St. Ouen.

**1.20.8 Deputy J.G. Reed of St. Ouen:**

I will just flag-up a few of the points that I believe States Members need to pay account to. First of all, to avoid any people misunderstanding, the Comptroller and Auditor General cannot be dictated to by a department, or even P.A.C. (Public Accounts Committee). He determines what he chooses to look at and he has his own agenda that he follows. Furthermore, I believe there is an expectation by all States Members that departments are expected to ensure that they consider all issues before promoting a particular policy. It is not the responsibility of others to do it for them and the same applies in this case. I do not need a lunch, I need action. In 1999 the Audit Committee flagged-up the issue that has been raised today and they say the price of property - and, consequently, the rentals - continues to rise and, therefore, so do the rebates and abatements. All the potential impacts of this situation need to be aired and considered before any long-term strategies are agreed. The predicted increase in rental growth and the cost to the States of abatements and rebates may not be sustainable in the future. I now refer to the Housing Department's own Plan. They speak about a fundamental review which is a second piece of work that is going to be carried out in the second half of this year, and what will it focus on? A number of issues, including the purpose of social housing, affordability, allocations criteria, the nature and extent of any currently unmet social housing needs, how it should be regulated and by whom, the long-term future for Housing Trusts and States' rental accommodation, links to other corporate policy areas, medium and long-term costs of options, and the potential for greater inter-agency co-operation. Exactly the things that you would expect to be in place before we decide to dispose of 800 units. Do not be kidded that this is a living document. This is a very specific proposition, extremely specific because we are going to be agreeing to the disposal of a number of core properties as detailed in Appendix C - and Appendix C is attached to this document - so there is no doubt that these are the properties that will be disposed of. Also, the sale of properties will be to States' tenants, as listed in Appendix D. Again, specific properties - this is not a wish list, these are specific, identified properties. Then it goes on to say what they will do with the money. This is a clear indication of what is being planned. The only problem is that there is an issue about funding, flagged-up by the Committee themselves. I will go on. They cite another report - the Parr Report - produced in November 2000. It emphasised, and I quote: "A pressing need to address both how the demand for housing is

managed through subsidy and policy, and how supply of housing might be increased.” I quote another page, this is all out of the current housing document...

**Senator W. Kinnard:**

I am sorry to interrupt and I do not wish to be pedantic, but it seems to me that the Deputy is speaking to the proposition in general, rather than the reference back.

**The Deputy of St. Ouen:**

We are debating the fact that this issue should be referred to the Public Accounts Committee to look at...

**The Greffier of the States (in the Chair):**

But we are not, Deputy, there seems to be some confusion. We are debating whether this should be referred back to the Housing Minister for further information, if the P.A.C. wishes to avail itself of the opportunity to look at it, it is free to do that at any time.

**The Deputy of St. Ouen:**

Sorry, Sir, I thought it was all to do with the financial aspects.

**The Greffier of the States (in the Chair):**

There has been no suggestion the States are not competent to refer it to the Public Accounts Committee, I note it has been mentioned by Deputy Breckon and by the Chairman of the Committee and perhaps I should have intervened before, but...

**The Deputy of St. Ouen:**

Sorry, Sir, I apologise if I have misled, I am just raising the financial issues that the Minister himself has raised, and the need to get the answers to it. However that might happen, obviously I am in no position to say, and I apologise if I have misled Members in that regard. The Housing Department themselves have flagged-up the fact that, even with a transfer, there will be a deficit that will need to be addressed. They also speak about the fact that the rental subsidy issue ... this is the most telling one; clearly the cash limits - this is talking about the transfer subsidies to the Social Security Department: “The spring of 2007, it is expected the income support scheme currently being developed by the Social Security Department will come into operation.” And it goes on: “Rental subsidy as a key element of income support will be administered entirely by that department.” Clearly the cash limits of both departments will change to reflect their changed responsibilities. In the case of the Housing Department, what remains will be a budget whose sole purpose will be to set housing policy and administer and maintain States’ rental properties. It will become more obvious than ever before, that this budget is grossly inadequate for the demands placed on it. It highlights the fact that, even with the adjustments, they will struggle to meet the requirements. It also highlights the fact that for every 100 dwellings that are sold, the overall income will reduce by 750,000. By my very approximate maths, that reduces the overall gross income for the Housing Department by some £5.5 million, if we sell the 800 houses. So there are a lot of questions that arise from this document that are not answered. The Treasury has been silent on this document and, in fairness, the claim that other individuals and Members should have been aware of these problems is misplaced because the Scrutiny document only came out 2 or 3 weeks ago and we have had very little time to be aware that there were problems. Over a period of time, this Assembly has also, at times, told the Housing Department - of which I was a member, I hasten

to add - that the rental issue and the cost issue must be addressed. I hold my hand up and I say: "I am guilty." We should have dealt with the rental subsidy element; we should have dealt with the financial issues that are linked with it, but before we agree to dispose of a large chunk of States' property, I think we should be very clear about the financial consequences it involves.

**1.20.9 Senator F.H. Walker:**

I am particularly pleased to be able to follow that speech for reasons I will come to shortly. First of all, let me make it clear that this reference back proposition has absolutely no merit whatsoever. It is thinly-veiled as a request for information. In reality it reflects Deputy Breckon's deep long-term opposition to any modernisation, any movement forward in the States' housing sector whatsoever. Sir, we have heard of a need for more information on Trusts and how we have dealt with them in the past; we have heard of a need for more information on Le Squez and how we dealt with that in the past, and as Deputy Baudains so rightly said: "Those are where they are, those are issues of the past." We have heard concerns about the control and the reporting of sales, yet the proposition has the full support of the Treasury. The full support of the Treasury. If the Treasury, the Public Accounts Committee and the Comptroller and Auditor General between them cannot come up with effective measures to control sales and report transparently on sales, then there is something far more fundamentally wrong than most of us would believe. Sir, I simply cannot understand, nor can I accept, the position taken by the Public Accounts Committee. We are told by the Deputy of St. Ouen that they have not been able to respond because they have only just received the Scrutiny report. Does that mean that the Public Accounts Committee have to wait for a Scrutiny report before reporting on a proposition? They have had it for months and yet they have not asked the Housing Minister, they have not been into the Housing Department and... **[Interruption]**

**Deputy S.C. Ferguson:**

Clarification, Sir, if I may Senator? We are, in fact, holding public hearings on the States' accounts at the end of this month, at which the Chief Officer of Housing will be one of our witnesses following on from the Treasurer of the States. We have a number of very pertinent questions to ask at that hearing.

**Senator F.H. Walker:**

Too little too late. They have had this proposition for months and they have had months to respond to it. Why wait until today to say they have serious concerns? Why has Deputy Breckon waited until today to ask the fundamental questions and to say he has serious concerns. It is nothing other than a political tactic. It is just yet another delaying tactic upon delaying tactic and it is just not acceptable. One thing I will deal with more factually though, and a little bit more calmly, is the issue of rent rebate and rent abatement because I sense that some Members may be minded to support the reference back, certainly perhaps to oppose the Housing Plan, because of concerns about rebate and abatement. Well let us be clear, rent rebate and abatement will no longer form any part of the housing budget whatsoever. They are being transferred to Social Security to administer under Income Support. So Housing will, in future, charge rents and Housing will be reimbursed by Social Security as appropriate; it will form no part of the housing budget whatsoever and is, therefore, irrelevant to this proposition. It is very relevant to Income Support, but certainly not relevant to this proposition. You cannot say it is relevant to this proposition when it will form no part of the housing budget going forward whatsoever. Some Members seem to believe that, effectively, we could scrap rent abatement and rent rebate and use the money, instead of the proceeds of sales, to fund the maintenance and the provision of further housing. Well, I think that needs a little bit of exploration because, under Income Support, high earners will no longer benefit from the rent subsidy. They will no longer benefit, but are Members seriously suggesting that we take all rent subsidy away from the lower earners? Are they really suggesting that we can do that and then use the money to fund the necessary maintenance and the construction of the properties

we need. No, Sir, we cannot, because to do so would put low earning people in absolute financial catastrophe, and it simply cannot be done. Cut back on the high earners, yes, and that is being done as part of Income Support, but do not pull the financial rug from under the low earners' at the same time. It is just not possible, it is absolutely socially unacceptable. So any Member who has ideas that we could use the saved revenue from rent abatement or rent rebate to fund what we need to do in housing, frankly has not really understood the issue, and I hope sincerely that no one will vote in favour of this totally misjudged reference back because of any lingering concerns about that. I say again, Sir, it is inexcusable to bring a reference back today, on the back of wanting more information when the proposer of that proposition has had months to ask for that information, and months to gather it, and has failed even to request it. It is totally unacceptable, nothing more than another delaying tactic; nothing more than political opportunism. Nothing more, in fact, than political opposition to any attempt to move the social housing issues of Jersey forward. Who suffers? Nobody in this House, I guess, or very few. It is the people of Jersey - the tenants - who will suffer as a result of this proposition. It is ill-judged, it is completely flawed, it has no merit and is based purely on the political aspirations of the Deputy who has proposed it.

**The Deputy of St. Ouen:**

Please, Sir, as a point of clarification, could the Chief Minister confirm that on page 32 of the Plan, it clearly shows on a table showing the department's budget in 2016, a budget transfer of £25 million.

**Senator F.H. Walker:**

Yes, Sir, but that is absolutely dealt with under Income Support.

**1.20.10 Deputy P.N. Troy:**

This is a fairly straightforward issue and there have been a lot of hares running which really should not be running, but this is straightforward. Housing want to sell stock, stock that is inadequate. They want to re-invest and refurbish existing stock, they want to purchase new stock, and that will create higher income streams in the future, and then we can move forward with the new strategy. It is straightforward. I do not know why Members would even contemplate supporting this reference back. I have been contacted by several people who wish to purchase their own properties and one wrote in an email - I have not got the email with me - but one wrote to me, I will paraphrase it, they use the words: "Please, please vote for the Housing Property Plan, it is the only hope we will ever have of purchasing our own property." That was someone from St. Brelade but there are people in all of the Parishes who are desperate to purchase their own homes and this is the best opportunity they will ever have, and we should support this today. Do not vote for the reference back, we must support Housing today.

**1.20.11 Deputy G.W.J. de Faye:**

It is perhaps a little presumptuous of me to want to correct the Chief Minister, but I do think he was being slightly unfair to Members by criticising them for bringing up matters now. Now is the time of the debate of the Social Housing Plan and, whether you have had talks behind the scenes, in public, or whatever, if a Member feels strongly about an issue, now is the time to bring it up publicly in an appropriate debating chamber. Having said that, the Chief Minister's points about when people got hold of information were entirely pertinent. We are debating a reference back and what is the point of such a reference back. In political terms it is 2 things: one is seeking further information on the basis that the department and the Minister have not provided enough; and the other is, perhaps in the broader sense, it is an expression of discontent by Members. I think, if one looks at a record of our housing on this Island, one might be able to have some level of sympathy and understanding with that view, but Deputy Breckon asked us to look back at history. There is nothing wrong with looking back at history if one can learn from it. I think there is a problem

though, if you simply want to go back in time when you have got no time to waste, and I feel that really is the situation here. Now I cannot stand here and describe myself as the greatest admirer of the Housing Department and its policies, but for aficionados of my email, and there are certainly one or two at the Jersey Evening Post, if they read it in detail they would know that I have, at all times, entirely exonerated the Housing Minister and his Assistant Minister for any level of blame whatsoever, and frankly I exonerate the department because the whole of our housing policies have been in the grip of mistaken strategies and plans instituted by the States of the past. That is the problem and we are all well aware here of the history, and I think there is a general agreement on what the mistakes were. It was a grotesque error to continue over years to fail to properly maintain the fabric of our publicly-owned buildings, to fail to refurbish them when they were wearing out. That was a terrible mistake; it was not Senator Le Main's mistake; you could not even necessarily pin it down to the department; it was the policies and the cuts in budgets that were being imposed by the States over decades. So there is a joint blame here that must be shared by all Members; not even our fault, our predecessors. We can all turn around and say: "Was it a good idea to put subsidy into the private sector?" No, it probably was not, it simply allowed the private sector to bump their rents up. Is it necessarily a good idea that, once you are in States' housing you never leave, even though you are no longer being subsidised and you are paying so called full rent? No, it is probably not a good idea and, indeed, is it even a good idea to have the so-called market rent, when we have heard estimates ranging from the difference between the true value as a subsidy ranging between 10 per cent or even 50 per cent as the Connétable of St. Martin said. No, those are all mistakes and we now have a Housing Department that is under new management and, maybe, it will be a new start, but I do not think the Housing Minister needs any serious reminding that - by the same token, and as I said in my earlier speech, it does depend on how you look at things - he may be drinking in The Last Chance Saloon because we really do not want to get this one wrong. I think that all sorts of points have been made; I have certainly put my own case for clear criteria as to determining who sales should be made to; I have made my concerns clearly known about the private sector being missed out at this stage, and at this stage, in my view, unfairly missed out. But we have to start somewhere, and I do not think we can get away from the fact that this entire policy is an enormous Elastoplast. It is a realisation that something has gone wrong with the body of housing policy, there is a gangrene and a rot has set in, and the gangrene has been working its way up and what we are doing is we are having to cut off a leg in order to save the rest of the body. That is basically what the 800 house sell-off is all about. But it has got to be done and it has got to be done now, and the sooner we get on with it, the better. I can see no value in going back and asking for new figures, more analysis, not going ahead unless all the "t's" are crossed and all the "i's" are dotted. The Housing Minister has made it quite clear that he is prepared to work with as many States Members as have concerns. I have seen him taking notes. The only question we have now: "Is the Minister going to take notice of the notes he has been making?" I trust the Housing Minister, I trust his Assistant Minister and I trust his department will take note of what has been said, will understand the clear concerns being expressed and will, if necessary, adjust this document - it has been described as a "living document" - and on the basis that we could all move forward, I see absolutely no reason for going backwards.

#### **1.20.12 Senator P.F.C. Ozouf:**

I do not agree with everything that Deputy de Faye has just said. I think the most pertinent remarks were those made by Deputy Baudains, when he was absolutely correct in saying that most of the questions that were being called by Deputy Breckon in the reference back were trying to do a post mortem of the problems of the past. This Assembly, and this is the heart of the issue, has tried to deal with the conundrum of the unintended consequence of rising economic growth filtering through to house prices, which means that some of our community cannot afford to be housed properly. Over the years, the response from this Assembly has been housing laws, planning policies and shovelling millions of pounds in capital subsidies rent rebate. All very well intentioned, just as I am sure Deputy Breckon is very well intentioned. But he is telling us that we

need more information on Le Squez sales? He is telling us that we need more information on the Housing Development Fund, for the underlying proposition about whether or not we should move the rent rebate system to Social Security. I am afraid this is an absolute red herring. I have stood in this Assembly for 7 years and I think that the Minister for Housing would agree that I have probably been one of the fiercest critics of housing policy of the past. When I got his report, I sent him 9 pages with 32 questions on his proposition, some of it not very polite because it was important to scrutinise it properly. But I got answers for all of the issues and I am content with the answers that I got. Any Member could have done what I did, whether they are a Member of the Executive, whether they are a Back-Bencher, or whether they are a member of a Scrutiny Panel. They could have asked all of these questions that Deputy Breckon is doing. I would say that many of these questions are not even relevant to the issue today, but they had their chance and they did not take it. In this reference back debate, some of the things that have horrified me most have been the comments by the Deputy Chairman of the P.A.C. I am really worried about the role of the P.A.C. The role of the P.A.C. is to examine value for money and to examine the implementation of public policy. When we make a decision in this Assembly, when the Minister for Housing makes a policy decision, it is then up to him to hand it over to his officials for implementation, and it is the Public Accounts Committee that then holds his officials to account. Will there need to be some holding to account of the officials responsible for the implementation of this? Absolutely right. That is what the new world of accountability, both in politics and the Civil Service, is about. I am pleased they are nodding because they do have a role in housing implementation, but it is in the future, it is not today. There has not been a case made for a reference back. There has not been a case for any single one of the 5 questions - and I wrote them down - that Deputy Breckon put forward. There is not one issue there either which we have had no information about or where information could not have been made available before. It is absolutely wrong for Deputy Breckon as Vice-Chairman of the Scrutiny Panel to now raise a whole series of extra questions and I think that the Assembly should take heed of what Senator Walker said. It is just a thinly-veiled disguise to put it off and I would ask Members, if they do not like the policy, then vote down the reference back and vote against the whole policy. Do not start using a thinly-disguised parliamentary procedure to put the debate off. Have the courage, vote against the reference back and vote against the proposition.

### **The Greffier of the States (in the Chair):**

I call upon Deputy Breckon to reply.

#### **1.20.13 Deputy A. Breckon:**

I will address Members' comments, and thank everybody who has contributed, in general terms and just cover them that way. There has been reference to Le Squez and an admission that we got it wrong. My fear was, if we carry on getting it wrong, then where are we going? No, I could not see anything in place that gave me comfort that we were getting it right. I come to something that Senator Walker said. When I made a speech at the start I said that originally I requested information from Housing about the accounts, going back a number of years, and I was told it could not be done - and this is on record, we have got it on tape, there will be a transcript if somebody wants it. It could not be done. I did say - I cannot remember if Senator Walker was here when I said this this morning - that I went and got 20 years' accounts books myself, went through them and took the relevant 4 pages out, I took some of the financial reports. I did this myself because the Housing Minister said: "It cannot be done, we cannot provide you with this information." So what the Chief Minister just said - if I can find it - he said I failed to request the information. That is not true; I did request the information and I was told that it was not possible to provide it. I did most of it myself, and that is how I did it. I did not get it from a department, the Minister told me: "We have 4 staff in the Accounts Department, we have one vacancy, we cannot do this." And it is on tape, it is on record.

**Senator T.J. Le Main:**

The only issue that Deputy Breckon asked of me was for the information, going back 20 years, on housing subsidies and budgets. Nothing else. All the other issues he is raising today, he had never come back to the department on any of them.

**Deputy A. Breckon:**

The inquiry was in general to do with housing finances; it was to do with maintenance and subsidies and other things, and I was told it was not available. It was requested, so for Senator Walker to say today that I failed to request it, is just simply not true. I did, and there is proof of that. Deputy Le Claire mentioned something, which is something that other Members have said. I do not know whether we should be patting ourselves on the back here, or whether it is rather pathetic. The subsidy system was out of control, we knew this was going on. Who has done any thing about it? Who has taken it head-on? We are saying move it to Social Security. What are we going to do, sweep it under the carpet? What are we doing here? There is still no proof that it is being addressed head-on, and one of the reasons for the reference back is, where is this going to go, what difference is the 5-year qualification going to make, and who knows? We have asked questions of the Employment and Social Security Minister. It is uncertain, so the reason for the reference back is to ensure that somebody makes a proper investigation of this. I am thinking as I look around, there were some angry young people, or even angry young men, once who were going to look at housing finances and, perhaps, where we could save money. I do not know where they are today, perhaps they are still around, but these are the sort of issues that need to be addressed because it is public money and it is where it is going. This is not any sort of process to frustrate anything, it is a safety measure I am proposing because I would remind Senator Walker - and he might have certainly been on the Finance Committee, if not the President of the Finance Committee - they had established a Housing Development Fund and this was dating back... I have done some research on this, Sir, and the conclusions of that report stated: "The States are asked to approve the establishment of an innovative and flexible Housing Development Fund with powers to borrow commercially, to finance the acquisition and development of sites by Housing Trusts, the Housing Committee, or any other such body as the States may agree is suitable to undertake such activities. The borrowing liability of the Fund will repay from the rental income gained from the new units, with amounts set aside in the Forecast Capital Programme to provide such subsidies as are necessary. The proposals provide a robust and flexible funding solution to the urgent social and first time buyer needs of the Island, without jeopardising the States capital programme and the Strategic Reserve." The question is: what happened to that? Well, I will tell Members what has happened to that. £30 million was put in it and the cost benefit has never been proven and that is why I have asked for that to be looked at. £8.3 million was written-off on Le Coie Hotel. Members with longer memory might remember housing forums, where there were developers and various people got together. What has happened to that? There are all sorts of issues that were there, that have not been progressed. Some people have done, it would appear, quite nicely out of some of this. But the reason for this investigation is, I tried to get some of the evidence, I made a reasonable request, this was refused by the Minister and what I am saying is that we should do that before we proceed. Members should be aware of how much money is involved. It is many, many millions of pounds. It is the biggest decision we will make for a long time, aside from the business plan. The other issue is: much of this is off balance sheet. Where is the reporting structure for sales of houses, proceeds of that and refurbishment? Where is the structure for sales? We have already heard about one example where prices were agreed years ago, now the thing has changed. There needs to be a system in place so people know the rules.

**Senator T.J. Le Main:**



I will come back to the House once a year with full financial implications of kind of business, sales, everything possible, with the support of the Public Accounts Committee, Auditor General and anybody else who need be. I will report back once a year with all that information.

**Deputy A. Breckon:**

Thank you, Minister for that. The reason for the reference back is to ensure that that advice and information is available to assist the Minister to do that. It is not to frustrate the process. It is to help it happen. There are many, many hundreds of millions of pounds. I for one feel uncomfortable with that. It is not politicking. It is what we should be doing, examining public finances, getting best value, because it is about people. It is the public's money. When you look at some of the indecision and the waste of the past. What will happen if the Committee or the Minister go away with this approval? What will happen? The Minister has said: "I will do this. I will do that." What assurances have we got? The Public Accounts Committee can get involved. The Comptroller and Auditor General can get involved. The idea of this reference back is so that that can be done without anything happening. The Housing Minister has said himself that financially they need some assistance, some help, some advice, some support, even... I know from contacts, I think there have been 3 or 4 accountants in the last couple of years, within housing. When we had the Scrutiny Panel Hearing, whoever the accountant was turned up and I think it has changed since then, so it is talking about contacting a department, getting information. I am not sure who is there. Sir, in my mind there is enough good reason to delay this for another day. It does not frustrate the sale of 208 homes at Le Squez, in fact they will not be ready until the years go on, but what needs to be there is a robust process to say what the rules are for that. The Housing Minister has £30 million: £6 million a year. It does not affect any refurbishments and the Minister could come back with a shortened report for the sale of what are non-core properties and he could proceed and it would give everybody the time to review exactly where we are. Nothing at all would be lost in time. I think it demonstrates common sense and it demonstrates to the people outside that we are conscious about public spending. We are safe-guarding that. We are looking for good value. I do not think it will inconvenience anybody whatsoever if this reference back is accepted. I maintain the proposition, Sir.

**The Greffier of the States (in the Chair):**

The appel? Very well the appel has been called for. All Members to return for the vote. The vote is for and against the proposition of Deputy A. Breckon, that the proposal be referred back and the Greffier will open the voting.

POUR: 8	CONTRE: 42	ABSTAIN: 0
Connétable of St. Brelade	Senator S. Syvret	
Connétable of St. Martin	Senator L. Norman	
Connétable of St. John	Senator F.H. Walker	
Deputy A. Breckon (S)	Senator W. Kinnard	
Deputy G.P. Southern (H)	Senator T.A. Le Sueur	
Deputy S.C. Ferguson (B)	Senator P.F. Routier	
Deputy S.S.P.A. Power (B)	Senator M.E. Vibert	

Deputy S. Pitman (H)	Senator P.F.C. Ozouf		
	Senator T.J. Le Main		
	Senator B.E. Shenton		
	Senator F.E. Cohen		
	Senator J.L. Perchard		
	Connétable of St. Ouen		
	Connétable of St. Mary		
	Connétable of St. Peter		
	Connétable of St. Clement		
	Connétable of St. Helier		
	Connétable of Trinity		
	Connétable of Grouville		
	Deputy R.C. Duhamel (S)		
	Deputy J.J. Huet (H)		
	Deputy of St. Martin		
	Deputy G.C.L. Baudains (C)		
	Deputy P.N. Troy (B)		
	Deputy C.J. Scott Warren (S)		
	Deputy R.G. Le Hérissier (S)		
	Deputy J.B. Fox (H)		
	Deputy of St. Ouen		
	Deputy P.J.D. Ryan (H)		
	Deputy of Grouville		
	Deputy of St. Peter		
	Deputy J.A. Hilton (H)		
	Deputy G.W.J. de Faye (H)		
	Deputy P.V.F. Le Claire (H)		
	Deputy J.A.N. Le Fondré (L)		

	Deputy D.W. Mezbourian (L)		
	Deputy of Trinity		
	Deputy A.J.D. Maclean (H)		
	Deputy K.C. Lewis (S)		
	Deputy of St. John		
	Deputy I.J. Gorst (C)		
	Deputy of St. Mary		

**The Greffier of the States (in the Chair):**

The reference back having been rejected the debate resumes on the proposition itself. Does any other Member wish to speak on the proposition? Deputy of St. Peter?

**1.21 Deputy C.H. Egré of St. Peter:**

Having spent some time in the military **[Laughter]** - in deference to the Governor, the Royal Air Force - part of our role was to plan. I see here in front of us a Plan. It is the start. We have had reassurances today, from the Minister that he is open to suggestions of changing that Plan as it progresses. It is a 10-year plan and he has offered to come back to us on a yearly basis. The Chief Minister earlier stated that certain things were being done, too little too late. Well it may be too little too late now, but it is not too little too late in the future. These things can still be assessed. These arguments can still be put forward and reacted to by the Housing Ministry. I urge people to set this Plan off in motion and support it today.

**1.22 Deputy K.C. Lewis of St. Saviour:**

I was sorely tempted to vote for the reference back, but I think I went in favour of the long-suffering people of Jersey. I have nothing but admiration for anyone wishing to aspire to own their own home, but once one is past the age of 45, it is not easy to obtain a mortgage, so I welcome the shared equity plan. I congratulate the Housing Department on the decision to honour the original contract price for the Le Squez houses and hope this error will not be repeated once the contracts for sale houses have been negotiated. Even though I am a St. Saviour Deputy, I was sent a copy of the contracts from a couple from St. Clement and, as I say, I am delighted that it has been honoured even though I believe that any lawyer worth his salt could have pulled that one apart. Regarding Convent Court and Caesarea Court, I am a little worried about this, whether they need to be demolished or not. As I have said in the past, if there re huge lumps of concrete falling off them, as is claimed, then surely the whole building should be evacuated as it is 13 storeys high. If that falls on you, then you are not going to walk away from it. But if that is not the case and it is safe, then I believe it should be refurbished. Possibly for sheltered housing, because I do not believe that this is a place where families should live. I welcome the reinvestment in States' housing. The condition of some are truly abysmal. I would be quite happy to take the Minister around some of the houses where you could put a foot through the front door as the doors are so rotten. Thank you. The question of rent subsidy must be addressed, as we cannot go on and on pouring money into this scheme. But I would caution against selling too many houses as we need somewhere for our young people to live in the future. There is a question of sheltered housing, but that is a question for another day. I will be supporting this motion, even though reluctantly, I will be voting in favour of the proposition. Thank you, Sir.

### **1.23 Deputy P.V.F. Le Claire:**

I would like us to get on, if we can, to the high ground, because I am afraid we have been travelling far too much on the lower ground, which is not going to come across very well. What we are faced with is an opportunity and I think one of the most memorable things that has been said today, was by the Housing Minister when he said: "Why should we continue to create dependency, when government does not need to?" This is because in the system that we have been living with we have encouraged dependency, dependency upon the States and dependency upon the landlord. The flexible plan, the 10-year vision, that is in front of us today, the realignment of necessary and unnecessary properties, the on-going consultation and negotiation with tenants and other States Members has all been correct. I have been one of the fiercest opponents of something when it has been rigid and inflexible, but the Housing Minister and his Assistant Minister have brought forward a flexible plan. He has stated in this debate, that he is not tied-up to an inflexible plan, he will look at other issues. He will travel and see other schemes. If it is proven and if it makes sense, he will rethink with his officers what has been suggested. But if he had come to the States with no idea whatsoever, then perhaps a reference back could have been supported. He came to the States after due consultation with a plan, with a plan to certainly solve the issue once and for all. What are the benefits of home ownership? One of the key strategies is being adopted today in Jersey, should we agree to this Plan. We are not just agreeing to deal with the issues of rent rebate and maintenance, we are also going to empower people to own their own homes that do not at the moment and never will, unless we do agree to this, in my view. Going further into the election promises of Senator Cohen and Senator Le Main to introduce a shared equity scheme to meet the requirements, people like Deputy de Faye, myself and hundreds or thousands of other people in Jersey's private sector, that want to be able to get into the property home ownership market. What are the benefits of home ownership? Appreciation; real estate values generally rise over a period of years. Tax advantages; homeowners can deduct up to £300,000 on mortgage interest tax relief. It is a tangible asset, which can be lent against. It is something which you can value. Owning your own home provides you with a deep sense of security. From a social perspective, as pointed out by the Assistant Minister of Health, it gives people more than peace of mind, it gives them sanity. People need to own in order to feel that they have roots and belonging in a community. That is what we have been driving for over the last 3 to 4 years, if not longer, in this Assembly. Led first by the Bailiff and then by the Chief Minister and his Council, we have been working to an inclusive policy within Jersey. Owning your own home allows you to make decisions about design and décor. You can upgrade at your pleasure and you can add value to your property over time. You have control over the piece of property, albeit that these particular ones in this instance will be held in perpetuity for first-time home buyers, which again is a laudable aspect of this scheme. You can empower people to get into the actual added-value and wealth-building elements that so many people recognise that have their own home. I was looking at the Jersey house price index for the fourth quarter of 2006, sent to us by the Statistics Department, and I have just received one that I am not able to talk about because it is embargoed until tomorrow. They all indicate the same thing. As in anywhere in the world the value of homes is going up. We are on a par with any modern aspiring capital finance-rich society, with a land scarcity. Our home prices are very, very difficult to achieve if you are on a single income. Many, many people find it hard to achieve the rent, but they would much prefer it harder to find the rent for 2 or 3 years and then own the house after 20, than continue along the tracks that they are headed along at the moment, which is finding it hard and going to find it harder tomorrow. Fifty per cent of home ownership in Jersey, 70 per cent in Guernsey, 70 per cent in the Isle of Man and 70 per cent in the United Kingdom. We can do something positive about that today. We have issues about rezoning land. We have got a Committee of Inquiry ongoing at the moment about the numbers of houses. Put in certain fields in certain parts of the Island. We have a real opportunity to make a real difference to some real people. Some of these people that we are going to be making a difference to - it may not necessarily be all of them, but those people that take this opportunity, and I know a couple that have just recently done it - would have had no other opportunity like this and will have no opportunity unless we agree to it. I am saddened that there has been aspects that

Scrutiny has felt are wanting in bringing this Plan forwards and they felt that now is the time to bring these up. I do not think it was the right time to bring these things up. I think that if there are issues then they need to be looked into and they can be looked into, but it certainly is not the right time to start bringing them up on the floor of the House. If the work needed to be done, it should have been done before, not in the middle of this debate that is for certain. I certainly hope Members will be able to support the Housing Minister and his Assistant Minister in getting behind this Plan and I certainly will be doing all I can to make sure that when the Design of Homes Report, which will land on Members' desks - through the Environment Scrutiny Panel, which Deputy Power has been the main worker on with Deputy Duhamel over the last few months - that those additional elements that will be providing home ownership opportunities and suggestions to the Environment Minister and the Planning Minister, those additional accommodation opportunities, those resources that are within our community, will form part of an overall plan to improve the general well being and housing of people on this Island, because it certainly is something that we need to do. We have marvellous schools. We have a marvellous education system. We do a first class job in many, many areas. This is an area that we need to get behind and this is an area that I totally support the Housing Minister in today.

#### **1.24 Senator P.F.C. Ozouf:**

There was a recent phrase in an Irish election, which I think very well summarises this debate today: "A lot done, more to do." As I said in the reference back, I think that this Assembly has dealt with and spent days in recent years dealing with the fundamental problem of the unintended consequence of economic growth. Jersey house prices rise with economic growth. The unintended consequence is that they become outside of the buying power of a significant number of our population. This Assembly has spent... and I have spent many days of my 7 years in this place and a number of days listening to debates... before I came into this debate, with the States trying to wrestle with this fundamental problem. Twenty years ago the solution was supposed to be to dampen demand; do not build the houses and suddenly the problem will go away. Ten years ago it was slosh lots of money at it. There is a Senator somewhere in the second row in the back there over that side, who I think brought the private sector rent rebate proposition to the States, if I am not mistaken. Would we put funding into some of the well-intentioned policies if we knew the information today? No, we would not. Would we put money into a private sector rent rebate? No we would not, because we have got good economic advice, which says that that translates into high rentals. Members of the Scrutiny Panel and its 2 Connétables have expressed some considerable concern about the private sector rent rebate and rent rebate generally, but I have to tell them that we have known about this for a long time. You can not withdraw it overnight, but it will be withdrawn and reformed by the move to lower income support, which is going to target and subsidy in a much more meaningful way than we ever did in the past. But I am afraid that if there is any Member of this Assembly that believes that you can just take away a subsidy overnight - such as private sector rent rebate - you cannot do it. I was very interested to hear Deputy Breckon speak and his remarks in the previous debate when he spoke about failures. He was attempting to admonish the previous F and E (Finance and Economics) Committee of setting up of their Dwelling Houses Loans Fund, or the Housing Development Fund. I will remind Deputy Breckon, because this is all about a lot done more to do, that the Housing Development Fund has created probably about 1,000 units of social rented accommodation in the Trust sector, a policy which he has opposed since its very beginning. It also helped people get on to the home ownership ladder. I think, if my memory is not failing me, that Woodville first-time buyers are put through the H.D.F. (Housing Development Fund). Also the Albert Pier Housing was put through the H.D.F. I would respectfully say to Deputy Breckon that he comes and meets to find the facts about some of the policies that have worked in the past with Housing. Recently, and I have stood in this place, on a number of days in the last few years defending changes in housing policy. It is very interesting that the Labour Government has, in recent days, put housing at the heart of the New Labour administration policy. For the first time Senator Le Main has an opposite number in Whitehall, such is the importance of

housing. We have done a lot of the things that the U.K. is wanting to now do. Deputy Breckon spoke about a Parr Report, that the U.K. did the Barker Report on housing. There was an awful lot that we have done, but there are some remaining problems: we hold inappropriate stock; we need to deal with the issue of maintenance; we need to widen home ownership and this is what this proposition is all about. The 3 principal arguments that we are being asked to agree today deal with each one of those things. It is right to sell-off inappropriate stock. It is right to invest in upgrading unacceptable standards of accommodation. It is right to widen home ownership. Is this the end of housing policy debates? Absolutely not. There is a lot done, but there is a lot more to do. We need to reform planning obligations. We need to have the detail of a shared equity scheme. We need to reform the first-time buyer categorisation. We need to update the housing needs survey. We need to put in place to get sheltered housing. We need lifetime homes. This proposition, as the Housing Minister has made very clear in his response to Scrutiny, is part of a wider policy agenda. It is not the single silver bullet to our problems of housing. It is part of an overall picture. It is part of an overall reforming policy agenda which started a number of years ago and which we have to continue today. There has been a lot done, but there is more to do. Let us hold him to account for the implementation of that, but let us get on.

**1.25 Connétable K.P. Vibert of St. Ouen:**

I rise merely to maybe take issue with something which the Deputy Lewis of St. Saviour said. I would not like the wrong message to go out from this House, that when he said that - in the case of Caesarea and Convent Court - they may need to be replaced. He said that where they were not suitable for family housing that maybe they should be considered for sheltered housing. I would not like the message to go out from this House that because they are not suitable for family housing that they are necessarily suitable for sheltered housing. I think that if they are not suitable for one, they are equally not suitable for the other.

**Deputy K.C. Lewis:**

If I may just clarify, I was meaning that they were not suitable for children with bikes, prams and whatnot upstairs.

**The Connétable of St. Ouen:**

I do not believe that that is what the Deputy said at the time. He may have meant that, but he did not say it. I think that we have looked back at the mistakes and decisions which have not worked out in the past and I think that today is a day to move forward. I personally am quite happy to sign up to the rationale of this Property Plan, which is a desire to improve the quality and mix of States' rental housing and to protect these assets for the public and where possible to enhance their value, while furthering the States strategic aim of encouraging increased levels of home ownership.

**1.25 Senator T.A. Le Sueur:**

There is a lot more to this Housing Property Plan, than simply the financial aspects, but as Treasury Minister I will just speak briefly on the financial aspects and refer Members to the conclusion on page 35 which says that the Housing Committee and the Treasury have worked together to develop the financial model that underpins these proposals. These models have not been derived without some difficulty and without considerable head-scratching, but eventually we came up with a model which we found was workable and it is on that basis that this scheme, to me, provides a solution. A solution to what was at one time, apparently, an almost insoluble problem. I am pleased that we have been able to achieve this, but it is only a solution if the whole Plan hangs together. That is why it is important that we do accept this Plan as a whole and follow it through. It is in the development stage, but this is a very good first step. I will mention another couple of financial matters while I am on my feet. One is the question of the States' loan scheme. I think the reasons for not doing that have already been well addressed by the Deputy of St. John. Other speakers have

mentioned the rent rebate scheme and the fact that that is nothing to do with this Plan but to do with income support. I think the final one I would like to speak about, was the Constable of St. John, who suggested that maybe the States could borrow to do this work. Borrowing, I remind Members, is there for a commercial purpose and borrowing has to be paid back; meanwhile you have to pay interest on it. This Plan is workable because it achieves a balance over a 10-year period. Borrowing would require us to pay back not only the capital but also the interest and on the returns that we have here, it would just not be commercially feasible. Borrowing is not a sensible option. This Plan is a sensible option.

**1.26 Connétable T.J. du Feu of St. Peter:**

During the day, a lot has been made of the comment by the Minister for Housing towards letters of comfort. Now this is to ensure the lack of any of the current tenants having to worry unduly about being evicted or given notice to quit the properties that they have been in for some time. It has been suggested to me from a particular legal source that this is not enforceable. I would like to ask the Solicitor General if she would be kind enough to clarify this position. Clearly, is it enforceable and will the department, more directed now to the actual Minister himself, in the event of he vacating the position at sometime in the future, whenever that may be, will the policy remain firmly in place? If there is any move at all from any source or quarter to bring about a change in policy and direction, what are the consequential effects that would be felt? I think the underlying concerns that have been expressed throughout the day have really been around the financial ability to be able to sustain this entire proposal. The principles of it, I do not believe anyone could possibly argue with; they have got to be good, they have got to be sensible for the future. But at the same time they have to be entirely sustainable, they have to be within the mechanics of funding within the actual States' workings, because at the end of the day, the suggestion was made by Senator Ozouf that it was not going to be part of Housing but going to be passed on to Social Security through income support. Yes, that is correct, but the end of it all it is still public funds - public monies - which we are talking about. They have to be found and we have got loud and clear - I am sure - ringing in our ears repeatedly from the Treasury Minister and indeed the Chief Minister that we have got to save money in all manner of directions. Now, that is the safeguard - the guarantee - that we want and the assurances that we are looking for and I am sure that if we can get those, then it will appease a lot of the concerns that we have heard today.

**Senator T.J. Le Main:**

On a point of order, Sir, could I perhaps just assist on the letter of comfort, because the Constable has been in touch with me and he was particularly worried about the letters that have gone out to particular tenants in the non-core requirement properties, where I given them assurances that they could stay there as long as they like. The Constable was worried that if there was a new Minister that those letters could be just overturned and those people could be put out of their homes, but I did assure the Constable, Sir, that we had had advice from the Crown Officers that the assurances given by myself, as current Housing Minister, could not be overturned in anyway whatsoever.

**The Greffier of the States (in the Chair):**

I think the Constable did ask the Solicitor General for her own confirmation or otherwise of that point.

**Miss. S.C. Nicolle Q.C., H.M. Solicitor General:**

The position, as regards an agreement relating to immovable property: there cannot be a specifically enforceable agreement which would affect immovable property for a period in excess of 9 years, unless it is created by a contract passed before court. That is because an agreement for a period in excess of that is regarded as an immovable. If there is an agreement evidenced in writing and one party goes back upon it, then the disappointed party can obtain, in certain circumstances,

an order for part performance for a period of up to 9 years, but can also get damages for the balance, whatever the term which is not going to be honoured is. There is also the public law position. What I have just told the House is property law. There is also the public law position, which is that if a person or a sufficiently small group of people to be identifiable is given a legitimate expectation that may be enforceable by the courts. Legitimate expectation: there are 3 tests for legitimate expectation and a fourth to decide whether it should be over-ridden. The 3 tests are firstly that an assurance has been made, which is sufficiently precise for the person to whom it has been made to know what it is. Secondly, that the assurance is given either to an individual or to a sufficiently small number of individuals to enable them to be identified. Thirdly, that the individuals have acted on it to their detriment either by incurring expense, but not necessarily; it could be by failing to take the advantage of some alternative opportunity and simply relying on the assurance and not making alternative arrangements for their position. The fourth limb of the test which is to decide whether it should be over-ridden is that there should be no pressing public interest which should over-ride it. As to the reference to previous advice given by the Law Officers, we have advised on ways in which an agreement could be created which would carry through, for example, by a long-term lease. The 2 points on which I have advised - that is the creation under property law and the rights of recourse if assurances are not honoured, and also the legitimate expectation principals - those will apply whether there is a contract lease or not.

**The Connétable of St. Peter:**

Would you permit me to ask another point of clarification. The Solicitor General, if I am understanding the response correctly, is saying that it is only enforceable for a 9-year period. Beyond 9 years it would have to be a registered contract agreement through the court.

**The Solicitor General:**

I said it is only specifically enforceable. Specifically enforceable means you can get an order that that particular thing must be done. Beyond that period the remedy is damages for whatever the balance is.

**1.27 Deputy G.C.L. Baudains:**

In a similar vein, Sir. Just one small concern that I do have with the Plan is exactly along the similar lines to the previous speaker, because clearly the Minister needs the right to require premises under his control to be vacated for a variety of reasons. Of course it will occur that tenants are required to vacate. It could be for the property to be sold or, I believe, at Le Marais there is a policy now towards housing only the elderly instead of families. Now, this can cause some difficulty and what I am seeking from the Minister is an assurance that he will have due regard to tenants' difficulties and hardship caused by this requirement to vacate the premises. For example, a tenant may have spent a considerable sum of money, especially in regard to the fact that many tenants by virtue of being States' tenants do not have much money in the first place. They may have spent considerable sums on decoration, carpets and the like, only to find that, perhaps these furnishings may only be a year or 2 old, are no use to them whatsoever when they move to alternative premises. This is a considerable financial loss to them. Also, the assistance that is provided by the department towards helping people to move from one property to another is - I understand, as taxpayers' money we cannot throw it around - around about £220. I think most Members will understand that this is a wholly inadequate sum to enable somebody to move all their family belongings from one premises to another. So what I am really seeking - I am sure it will be forthcoming - is an assurance from the Minister that he will have regard to the sort of hardships that can occur as a result of people having to vacate the premises, for example at Le Squez, obviously they have to vacate the premises in order that they can be demolished and other similar areas. Thank you.



**1.28 Deputy F.J. Hill of St. Martin:**

Yes, I would just like to pick up on what the Connétable of St. Peter had to say and I think that Senator Le Main knows full well that the concern he caused to the people in the St. Catherine's area in particular, because unfortunately they know themselves they may well be living in properties which may be worth £700,000 as sites, but certainly as houses they are certainly not worth that value. I think it is quite fair to say that the tenants, like myself, had been satisfied that we are happy with the undertaking that has been given - not only by the Minister, but also by the Solicitor General - that the promise that has been made will not be reneged upon. I do not know whether we will be around in 9 years' time, but I think that what we have got now is lifetime enjoyment or until such time as those tenants feel they would like to leave, because bearing in mind they are - like us all - getting old and they may not wish to carry on living there. I am quite happy, the tenants are quite happy with that undertaking. Thank you, Sir.

**1.29 Deputy D.W. Mezbourian of St. Lawrence:**

I believe the Social Housing Property Plan is long overdue. In June last year, this House - through the Strategic Plan - approved the increase of home ownership, particularly for States' tenants. Too late I am afraid for my parents, who brought up their young family in States' housing. Their aspirations to own their own home remain for them, but a dream. However, my sister and her husband and their young family have recently acquired a new quality of life. They were fortunate to buy one of the new houses at Le Marais. In support of others like them, who have been encouraged by us through supporting the Strategic Plan to aspire to home ownership, I welcome this 10-year plan and urge members to do likewise.

**The Greffier of the States (in the Chair):**

I call on the Minister to reply.

**1.30 Senator T.J. Le Main:**

I thank everyone - and I mean everyone - that has spoken, whether they were in favour or they were against, and it is very important that we understand the concerns and where members are coming from. We will not always agree, but I think this - certainly in all the years and, as I say, with the new ministerial government - has been a very strong learning curve for myself and, I know, my Assistant Minister. We have not always agreed with the way that Scrutiny have worked on this and they have not agreed with the way we probably have worked with them. It is a 2-way thing and I would like to say to Deputy Power and all the Scrutiny members that I hope that in future this will strengthen our bond and the policies that come forward - not only on housing but on everything else - is only for the benefit of this Island. So, thank you, Deputy Power. I would like to thank the members of his Scrutiny Panel as well, although as I say there has been some disagreement, but I think it is hugely beneficial. They are a very great bunch of honourable men who have worked together to produce their deliberation, so I thank them very much. I really, Sir, do not want to bore Members for too long. It has been a long couple of days and I have several issues where members have raised issues that are not the true facts. One of the main issues that Deputy Pitman raised and keeps going on about is the properties we have sold for £10. Let me say, Sir, that the States sold the Old Postal site for £10 and on the completion of the development received a capital sum back from the development of £600,000 and there are land value agreements in place on all these £10 sites and on Bas du Mont, it is expected to receive £500,000 or £600,000 back from that; Aquila, exactly the same and at present on some of these £10 sites that we have sold, around £2 million has been returned back to the public purse. We have not shouted about this, but just to put it in perspective. Sir, I have got piles and piles... Members have made up their minds. Perhaps Deputy Labey, I think I have given an assurance that there have not been any promises to people on individual properties. Sir, I am going to make the proposition, I think, now. Thank you.

**The Greffier of the States (in the Chair):**

Very well. Yes, the appel has been called for. I invite Members to return to their seats for the vote. The vote is therefore for or against the proposition of the Minister for Housing and the Greffier will open the voting.

<b>POUR: 41</b>		<b>CONTRE: 9</b>		<b>ABSTAIN: 0</b>
Senator S. Syvret		Connétable of St. Martin		
Senator L. Norman		Connétable of St. John		
Senator F.H. Walker		Deputy A. Breckon (S)		
Senator W. Kinnard		Deputy R.G. Le Hérisier (S)		
Senator T.A. Le Sueur		Deputy G.P. Southern (H)		
Senator P.F. Routier		Deputy S.C. Ferguson (B)		
Senator M.E. Vibert		Deputy of St. Ouen		
Senator P.F.C. Ozouf		Deputy S.S.P.A. Power (B)		
Senator T.J. Le Main		Deputy S. Pitman (H)		
Senator B.E. Shenton				
Senator F.E. Cohen				
Senator J.L. Perchard				
Connétable of St. Ouen				
Connétable of St. Mary				
Connétable of St. Peter				
Connétable of St. Clement				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of Grouville				
Connétable of St. Brelade				
Deputy R.C. Duhamel (S)				
Deputy J.J. Huet (H)				
Deputy of St. Martin				

Deputy G.C.L. Baudains (C)			
Deputy P.N. Troy (B)			
Deputy C.J. Scott Warren (S)			
Deputy J.B. Fox (H)			
Deputy P.J.D. Ryan (H)			
Deputy of Grouville			
Deputy of St. Peter			
Deputy J.A. Hilton (H)			
Deputy G.W.J. de Faye (H)			
Deputy P.V.F. Le Claire (H)			
Deputy J.A.N. Le Fondré (L)			
Deputy D.W. Mezbourian (L)			
Deputy of Trinity			
Deputy A.J.D. Maclean (H)			
Deputy K.C. Lewis (S)			
Deputy of St. John			
Deputy I.J. Gorst (C)			
Deputy of St. Mary			

## QUESTIONS WITHOUT NOTICE - THE CHIEF MINISTER

### 2. The Greffier of the States (in the Chair):

Very well. As agreed earlier the Assembly now comes to the deferred questions without notice to the Chief Minister and I invite questions. Any questions? Deputy Le Hérisier.

#### 2.1 Deputy R.G. Le Hérisier:

A serious matter. Recently the Minister talked of a Tax Justice Network as being an enemy of the State, yet serious allegations and counter-allegations have been made about the involvement of a Minister in the work of the Tax Justice Network. Does the Chief Minister feel that this should be the subject of a proper independent inquiry?

#### Senator F.H. Walker (The Chief Minister):

I do not. Senator Syvret has made it abundantly clear from as long as I can recall, what his tax policies are and it has been an open secret, if indeed it has even been a secret of any sort, that he has been in contact - he himself has said so - with the Tax Justice Network. On the evidence available to Members at this point, I see no reason for an inquiry at all.

## **2.2 Senator B.E. Shenton:**

Given that this Assembly has deemed 16 year-olds as responsible enough to vote, would the Chief Minister support a move to lower the age at which a youth becomes criminally responsible for their actions?

### **Senator F.H. Walker:**

I probably would. I was one of those who expressed some reservations about the specific proposal that the States approved to reduce the voting age to 16 and I think there are knock-on consequences which we are going to have to consider, so although I would not give an absolute commitment to the Senator on the back of this question, I think he has a point which needs to be thoroughly investigated.

## **2.3 Deputy P.V.F. Le Claire:**

Would the Chief Minister agree that the recent inter-island cricket match and the reception at Government House was a step in the right direction for forging positive relations with our sister Island and is something that should be applauded and recommended for future years?

### **Senator F.H. Walker:**

Wholeheartedly. It was an excellent day, which undoubtedly helped the relationship between the States Members who participated and/or who attended and our counterparts from Guernsey, and I very much hope that it will become an annual event. Sir, it would be remiss of me though to comment on the day without again warmly thanking and congratulating the Deputy of St. Martin for the huge effort he put into it - and it was a huge effort against heavy odds at times - to ensure that the day took place and that it turned out to be the success it undeniably was.

### **Senator M.E. Vibert:**

Perhaps the Chief Minister could tell us who won Man of the Match, and how many runs he scored? [Laughter]

## **2.4 The Deputy of St. John:**

Is the Chief Minister aware of reports in the British media that the British Prime Minister, whom I understand he was with the other day, plans to review the one-sided extradition law between the U.K. and the U.S. (United States)? In light of this, will the Chief Minister take legal advice as to how the Extradition (Jersey) Law 2004 can be amended to meet Jersey's international obligations, and provide maximum possible security to Jersey residents who can provide a reasonable case in their defence? Thank you, Sir.

### **Senator F.H. Walker:**

The answer to both questions in effect is, yes and yes.

### **2.4.1 The Deputy of St. John:**

Supplementary. You have taken the wind out of my sails there, Sir. Will the Minister commit to a formal process of lobbying the U.K. officials to put forward Jersey's interest in this matter?

### **Senator F.H. Walker:**

Again yes, Sir.

## **2.5 Senator J.L. Perchard:**

The Chief Minister is well aware that the Assembly is about to embark on another round of debate on the make-up of the States' Assembly. Is he of the opinion that it is critically important that we conclude this debate? Is there some urgency to restructure the States' Assembly? What is the Chief Minister's personal opinion on the make-up of the Assembly and the debate we are about to have?

**Senator F.H. Walker:**

I think the Senator is going to have to wait until the debate we are about to have before I express my opinion. Can I make a serious point, though? The Council of Ministers has been criticised by some for not coming forward with a Ministerial view on the reform of the States, but that is absolutely deliberate because we have quite definitely distanced ourselves from parliamentary issues as opposed to executive policy issues, the law drafting or law formulation or whatever it may be. So, it is quite deliberate and each Minister will no doubt speak and vote exactly as they feel appropriate on the proposition, as will I. So, I am afraid, Sir, the Senator will need to wait until the debate.

**2.6 Deputy P.J.D. Ryan of St. Helier:**

Just going back to the extradition situation, just for a moment through you, Sir, to the Chief Minister, there would surely have been an opportunity when the Chief Minister had his meetings with the U.K. authorities in Ireland. I would ask the Chief Minister whether this was on his agenda at that time, and if it was not could he give us some idea of when it might be on his immediate agenda to deal with, with the U.K. authorities?

**Senator F.H. Walker:**

It was not on the agenda at the British Irish Council but Deputy Lewis highlighted in his question the fact that the United Kingdom government is looking at changes to its own extradition law, and our extradition law is in effect, inextricably linked with that of the U.K., so any changes to the U.K. law will be looked at very seriously indeed here in Jersey and - I would anticipate - are likely to result in a proposition coming to the House at an early date.

**2.7 Connétable A.S. Crowcroft of St. Helier:**

Now with most of the developers' eyes turned on the Waterfront, would the Chief Minister pledge his continuing commitment that the older parts of town - the Cinderella districts, such as La Motte Street, Cheapside and so on - are not left out in the cold, and will he further pledge that he wants to see the town park move forward with all possible speed?

**Senator F.H. Walker:**

Yes, Sir.

**2.8 Deputy D.W. Mezbourian:**

Will the Chief Minister comment on recent media reports that the prison governor has decided to leave his post due to the surfeit of red tape and bureaucracy that he has encountered over here?

**Senator F.H. Walker:**

I am sure, in common with other Members and I know in common with the Home Affairs Minister, I am extremely disappointed that the prison governor has chosen to leave his post early, because there is no doubt he has made a significant contribution to the necessary improvements in operation and structure of the prison. I was also extremely disappointed to read of his reasons for doing so, but I regret that due to other pressures I have not yet had time to discuss that with the Home Affairs

Minister, so at this point I do not know precisely to whom he was referring, or to what he was referring. But it is an issue of some concern which I will be discussing with the Home Affairs Minister at the earliest possible moment.

## **2.9 Deputy K.C. Lewis:**

Further to recent media reports in the national press where the United Kingdom Government freely admits it has lost all control on the numbers of people that have come into the country, and in light of the fact that local people are now being laid off - especially in the building trade - does the Chief Minister share my concerns for the future?

## **Senator F.H. Walker:**

It is not for me to express concern about whether or not the United Kingdom Government has control over the number of people entering the country, but the fact is that Jersey does. I do not know the exact circumstances of the well-publicised lay-off of staff by a local contractor. I do know that the Economic Development Minister has been in contact with that contractor and as yet, I do not know whether a meeting has taken place. It has taken place. I know that that has been discussed. Jersey is in a difficult position. We do control, as I have said, the number of people coming in. So far as building work is concerned, not so many years ago we had a requirement that any outside contractor had to be at least 5 per cent cheaper than a local contractor if they were going to be awarded a contract. Now that was found to be driving building prices up and it was found not to be sustainable long-term and so for some time now local companies have been, and continue to be, in direct competition with companies from outside the Island. Sometimes inevitably, it is found that companies from outside the Island are more competitive and cheaper, but I would refer the Deputy to the enormous amount of work being undertaken in Jersey currently by local contractors, both at main contractor level and at sub-contractor level. Some have lost out, but some are without doubt still doing very well indeed.

### **2.9.1 Deputy J.J. Huet:**

Can I ask for a supplementary on that? Does the Chief Minister not believe this could be because the building firms that are coming in are bringing British labour with them that are earning half the price that our tradesmen can earn?

## **Senator F.H. Walker:**

I have no specific evidence of that but I deeply regret any situation where local people are losing their jobs, as we all must. But sadly, we do live in a competitive world and Jersey is renowned for having high building costs, and if we engage in complete protectionism in Jersey then we can only drive those costs higher and to the detriment of people wishing to buy their homes - to the business sector as well - so it is a question of striking a balance. Whether the balance is correctly struck at this juncture, I really do not have enough information to comment, but that is something, perhaps, the Economic Development Minister may take up at a later date.

### **2.10 Deputy G.C.L. Baudains:**

On the same theme, Sir, the removal of the 5 per cent differential may indeed have allowed for cheaper prices and more favourable tenders. Does the Chief Minister not believe that perhaps in fact the disadvantages outweigh that advantage of cheaper tenders and would he envisage bringing that 5 per cent differential back again?

## **Senator F.H. Walker:**

I think I have said in answer to the previous question, I do not have enough information to say whether the advantages outweigh the disadvantages at this juncture. This is the first time that a

local company has brought to my attention - in recent times certainly - the fact that they are struggling against mainland competition and I am delighted that the Economic Development Minister has investigated it and met with them so quickly. But we need more information. I would have to say that it would be a big decision to re-introduce the 5 per cent clause again, and as I said earlier, it could and probably would have an upward effect on building costs with losses basically, ultimately to all Jersey residents engaged whatever the building projects may be.

**Senator P.F.C. Ozouf:**

Just a point of clarification for the Chief Minister, we are going to meet, we have not met yet. Sorry.

**2.11 Deputy S.C. Ferguson:**

Following on from Deputy Huet, it was brought to my attention by a constituent the other week about somebody who had lost their job because of the fact that certain of the construction companies are employing imported labour on minimum wage.

**The Greffier of the States (in the Chair):**

What is the question, Deputy?

**Deputy S.C. Ferguson:**

Oh, sorry. Have I not got to the question? Is he aware of this?

**Senator F.H. Walker:**

Not specifically so. What I will say though is that the vast majority of people employed in the construction industry are local and that remains to be the case. I see the Deputy of Grouville shake her head, but that is absolutely the case. Of course, the numbers of people allowed to be imported are controlled.

**2.12 Deputy R.G. Le Hérissier:**

I intended to ask a supplementary but it got swept away. Given the considerable concern about possible leakage from Scrutiny that carries on, would the Chief Minister assure us that there is absolutely no leaking from the Council of Ministers?

**Senator F.H. Walker:**

No, Sir. I cannot possibly give that absolute assurance. What I can say is that I, from day one - and I have been very pleased indeed with the way the Council of Ministers have worked together as a team - we are very diverse individuals in all sorts of ways, but we work very well together as a team. We continue to do so and I have no direct evidence of leaks from the Council of Ministers.

**The Greffier of the States (in the Chair):**

If there are no further questions, the time is effectively almost expired so we will conclude the question time.

## **STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY**

**The Greffier of the States (in the Chair):**

We now come to the statement that the Chief Minister will make regarding the future of the dairy industry.

**Senator P.F.C. Ozouf:**

Do I need to declare an interest and withdraw because the Chief Minister has to deal with this issue because I am conflicted? If so I prefer to declare an interest and withdraw.

**The Greffier of the States (in the Chair):**

If you wish, do so.

**Senator J.L. Perchard:**

Just before the Chief Minister starts given that Senator Ozouf has chosen to do that, I think I am bound to declare an interest also, Sir.

**The Greffier of the States (in the Chair):**

Very well.

**3. Senator F.H. Walker (The Chief Minister):**

Members will be aware of the ongoing process of change in the dairy industry, last discussed when the States approved the removal of the covenants at the Howard Davis Farm site. I have been personally leading the process from the government's side - the States' side - and I want to give the Members an update of progress on this important issue. The overall recovery plan for the dairy industry has been in place for some time and was recognised in the Rural Economy Strategy that the States approved in 2005. Key components are: the reduction in the dairy's debt achieved by the sale of the Five Oaks site; the creation of a modern processing facility with increased efficiency that is capable of underpinning growth in added-value products; and increased efficiency in on-farm performance supported by the use of imported genetics. All of these components are deliverable and the most recent step forward was the vote by a majority of dairy producers to remove the ban on the importation of bovine semen. There is also a focus on improved standards and environmental performance with incentive payments for better milk; the linkage of States support payments to performance; and grant aid for slurry storage and other components of the countryside renewal scheme. Compliance with the Competition Law has added a new dimension to the recovery plan. It is necessary to achieve a solution where an individual producer, or group of producers, can if they wish, retain and market their own product. This issue was examined by the dairy consultants - Promar - and was also looked at thoroughly and constructively by a Scrutiny Sub-Panel under the chairmanship of Deputy Breckon. The conclusion was that a form of voluntary co-operative, or farmer-controlled business was the best way forward. There is a necessary transition period between the current and new structures and I have been insistent that this happens in a managed and planned fashion. I have also stated that I would be ready to grant a public policy exemption (P.P.E.) under the Competition Law if this is necessary to avoid precipitative and damaging action by any party. This has not been necessary to date. I have also made clear that the current controls on the importation of liquid milk will be maintained and that we will vigorously resist any challenge to them from wherever that challenge arises. However, the best form of defence is to improve the efficiency of the industry to the point where the importation of milk is a less attractive option. The form that a farmer-controlled business will take is, to a large degree, a matter for the producers to decide for themselves. We have, however, set out a set of outcomes that we would wish to see delivered. They are reduced milk price to the consumer and self-sufficiency in milk; a single bulk milk processing operation with a market led business; a fair and dignified exit for those wishing to leave the industry; a reduced threat of milk imports; reduced



levels of Ministerial and officer involvement; regulation only where necessary and appropriate; less dependence on subsidy payments; increased efficiency and self-reliance with greater diversity and entrepreneurial activity in the countryside; continuance of the Jersey cow in its Island home with grazing animals maintaining and improving the environment; and finally, increased tax revenues from a successful business and a low susceptibility to non-Jersey ownership. There are 2 different views about the structure of a farmer-controlled business, which can be described as the collective and the corporate farm models. There is also a single-producer business that wishes to operate as an independent. These views are all strongly held and in an effort to promote unity we have set up a process; a mediated negotiation run independently by Carey Olsen. The process is still running and so I am unable to give any details of the discussions to date, other than to say that all parties are approaching it positively and that in my opinion it is likely to lead to an acceptable outcome. I will conclude by saying, Sir, that I want to give a very clear message of support to the industry. It is a key part of Jersey life and it is integral to the character of the countryside and the environment. The Jersey cow is an icon which we must all work together to protect and I will continue to work with the industry as long as it is necessary, to find a positive way forward that meets the principal aims which underpin all the work that we have put together in recent months. These aims are 1 - to provide a viable future for the industry that the majority of producers will want to invest in; 2 - to be fully compliant with the requirements of the competition law; and finally 3 - to put the industry in a strong position to withstand the impact of liquid milk importation in the longer term.

### **3.1 Deputy R.G. Le Hérissier:**

As we all know this is an enormously difficult area for the Chief Minister, but I wonder if the Chief Minister can tell us, Sir, whether he has been able to reconcile the perhaps conflicting demands of the corporate and the collective groups in this debate?

#### **Senator F.H. Walker:**

I think the question was the difference between the corporate and the collective route? I cannot say that it has been reconciled at this juncture. As I said I think, in the statement, it is still the subject of the mediated negotiation, but I would emphasise that all parties are approaching it positively and they remain optimistic that an agreed outcome will be the result.

#### **Deputy R.G. Le Hérissier:**

Without prejudicing the negotiations, would the Chief Minister say that under the Competition Law if the group wishes to do a break away - for example the corporate group - there is nothing ultimately that we can do to stop that?

#### **Senator F.H. Walker:**

No, Sir, I would not necessarily agree to that, but I do not think any further comment from me, given the fact that negotiations are, as the Deputy said, sensitive and are continuing, would at this juncture be wise or appropriate.

### **3.2 Deputy J.B. Fox:**

I wonder if the Chief Minister, talking about the mediated negotiation by Carey Olsen... have we got an indication of a time scale? Is this something that is weeks, months or are we indeed years away on it? Thank you.

#### **Senator F.H. Walker:**

We are certainly not years away and I sincerely hope we are not months away. The approach by all parties has been constructive. We are fortunate in that we have 2 leading partners in Carey Olsen

who are leading the process, both of whom - one in particular - has established a very detailed knowledge of the issues indeed, and I am convinced that this process offers the best way forward to an agreed solution, and indeed the quickest way forward, but I cannot give a detailed timescale at this juncture.

### **3.3 The Deputy of Grouville:**

How will the ban on importation of milk, which I am in favour of, comply with the Competition Law?

#### **Senator F.H. Walker:**

It can work within the Competition Law. We have checked this with the J.C.R.A. (Jersey Competition Regulatory Authority) and again this has been tested elsewhere. It can work within the Competition Law and, as I said in my statement, we will fight for as long as we possibly can, hopefully for the foreseeable future, to maintain the importation. The importation of milk at what would probably - in fact certainly - be a significantly lower price than that at which milk is retailed at the moment, poses a very significant threat to the entire industry, but as I said in my statement, the best way of countering that is for the industry itself - and the dairy - to become as efficient as possible, being capable of reducing the retail price of locally produced milk and reducing the need for - the pressure for - imported milk in the first place.

### **3.4 Deputy A. Breckon:**

To some extent my question has been taken by Deputy Fox, about the timescale, but I would firstly like to thank the Chief Minister for the statement, because a number of members were concerned that there was some urgency with this matter: and there were stories in the media and they were not sure exactly what was happening. Having said that, Sir, I wonder if the Chief Minister would like to be committed and say perhaps whether settlement could be achieved and a way forward found before the end of this year?

#### **Senator F.H. Walker:**

I sincerely hope so. I do not think that anyone believes that we cannot find a settlement before then and I have to say that if an agreed settlement is not reached, I think, long before then, then alternative ways will be brought forward. But I remain confident that an agreed solution will be achievable.

### **3.5 The Deputy of Trinity:**

I am very pleased to hear the Chief Minister speaking about the importation of milk. Could he then explain how St. Ivel milk - albeit with Omega 3, and with the same sell by date as Jersey milk - can be on our shelves?

#### **Senator F.H. Walker:**

I am not aware that there is any pure milk that is available from our shelves. I am not aware of the product that the Deputy refers to. What I can say to the Deputy is that the last meeting I had with milk producers, one of them produced - I will not mention the brand - a litre of imported milk and said how is this possible? I can tell the Deputy through you, Sir, that was stopped that day and it was removed from the shelves. Now, if there is any imported product that is directly competitive with Jersey milk - the fresh Jersey milk - then it is under importation ban. It is not acceptable and if the Deputy can give me details we will take the appropriate action, but I suspect it is a long-life product or a different product to fresh milk. I am not entirely sure but I suspect that will probably be the case.

### **3.6 Senator B.E. Shenton:**

My feedback on the mediation process is not as positive as the Chief Minister's. Will the Chief Minister not admit that Jersey Milk have asked for Public Policy Exemption under the Competition Law in order that they can get their house in order with the dairy move, and is he risking sacrificing the industry on the altar of the J.C.R.A?

### **Senator F.H. Walker:**

Absolutely not. I have had many discussions with the board of Jersey Milk on the need for a P.P.E. and although it is true to say that they were very concerned about the lack of a P.P.E. until relatively recently, they are now content with the position and recognise - following their own discussions with the J.C.R.A. - that there is no immediate threat to the Board. I have emphasised to them, and indeed given them a guarantee in writing, that should the J.C.R.A. pose any threat to them during the necessary time it will take to restructure the industry, I will immediately issue a P.P.E. I have taken legal advice to ensure that I can do that immediately under the Law, so the directors have, as far as I am aware, fully accepted that assurance.

### **3.7 Deputy G.P. Southern:**

Is the Chief Minister content that pending the restructuring of debt, the move to a new dairy and the reduction in liquid milk volumes, that sufficient continued support will be applied to the dairy industry in the business plan in the years 2008 to 2010?

### **Senator F.H. Walker:**

The dairy industry is getting an enormous level of support - quite rightly - and I believe the States will continue and have to continue to offer the necessary levels of support to maintain the euphemistic if you like, but vitally important, brown cows in green fields. I said in my statement that the Jersey cow is an icon, I believe it will be ultimately for the States to decide of course, but I am confident this House will do whatever it takes to protect that position. But also at the same time, we need to be realistic financially and expect the industry to become as efficient as possible so that it can sustain itself to the greatest extent possible and reduce the need for public subsidy. It is not States' money, it is public money and we must remember that. But I re-emphasise the point, I believe this House - certainly I will - wish to do everything necessary to continue with a viable and successful local dairy industry and the protection of the Jersey cow in Jersey fields.

### **3.8 Deputy G.W.J. de Faye:**

I wonder if the Chief Minister would agree with me that there are in fact a number of very serious hurdles ahead of us, not least of which - in fact probably the most important - will be the sell-off of the existing dairy, at which point its value becomes capitalised into cash. Therein lies a very serious risk; that the number of dairy producers entitled to a share may seek to liquidate their relationship with the Milk Marketing Board, with potentially catastrophic destabilisation of the dairy industry. Would the Chief Minister care to outline what measures he intends to put in place to ensure that the sell-off of the old dairy does not prevent the building of a new dairy?

### **Senator F.H. Walker:**

I do not believe the sell-off of the old dairy will in any way prevent the construction of a new dairy. We are well aware of the risks to which the Deputy refers, and the handling of the sale of the current dairy and the management of the cash asset generated as a result is an integral part of the mediated negotiation process.

### **The Greffier of the States (in the Chair):**

Well, that concludes the questioning period on the Chief Minister's statement.

## **PUBLIC BUSINESS - RESUMED**

### **4. Composition of the States Revised Structure and Referendum (P.75/2007)**

#### **The Greffier of the States (in the Chair):**

The next item on the Order Paper is the Composition of the States: revised structure and referendum, Members are content to commence this item today and continue tomorrow? If Members are content to perhaps take the proposition as read, as it is fairly lengthy, I will therefore invite the Chairman of P.P.C. to propose the proposition.

#### **4.1 Connétable D.F. Gray of St. Clement (Chairman of the Privileges and Procedures Committee):**

Members might easily consider that we are revisiting this subject yet again, but I would draw their attention to the fact that under Standing Order 128(a) P.P.C. are required to keep under review the composition, the practices and the procedures of the States, as Jersey's legislature; and bring forward for approval by the States amendments to the Law and Standing Orders as considered appropriate. Clothier recommended various changes in 2000, and while the change in Ministerial government was agreed and implemented, there has been a marked reluctance to reform the composition of the States. There is a need for change and this has been reflected in the 2 M.O.R.I. polls and the comments received, and the public meetings the committee have conducted. P.P.C. was further informed by the in committee debate. During this extended research, we have been diverted from the task in hand by well-meaning Members launching a number of proposals for reform. We have now concluded our investigation and this proposition is the result. We have looked carefully at the results of the research we have undertaken and attempted to bring forward a proposal that brings together all the workable options. What we have tried to achieve is a system that will enable the government to operate efficiently and effectively, that will enable the electors to have some influence over the overall make-up of the Assembly. We have also noted the Senatorial turnout of voters is always higher than that of the Deputies that took place some 4 weeks later. This persuaded the Committee that the election should be held in a single day. It was felt this would raise the profile of the elections and might even raise the turnout. It was clear from the M.O.R.I. poll, where 60 per cent of those who expressed an opinion supported the retention of the Connétable as Members as part of their office. It is proposed from 2008 the office of the Connétable will be managed so that by the general election day in 2011 they will all be elected on that day. The M.O.R.I. poll also indicated 66 per cent of those polled were in favour of reduction in number. The Committee has given careful thought to this and are proposing only a small reduction from the present 53 to 48. This will be achieved by restricting the term of the 6 Senators due to be elected in 2008, to 3 years. It must be borne in mind that there must be sufficient numbers to ensure Scrutiny is effective, so if we are to retain the Connétables it will leave 36 members to be elected as Senators or Deputies. The Island-wide mandate is a very emotive issue and has considerable public support. P.P.C. considered if having all members elected Island-wide was a way forward but they felt that the logistics did not make it feasible. It was just not practical to elect 36 members Island-wide. At present there is considerable imbalance between the number of electors that elect each Senator and those who elect a Deputy. To even this imbalance it is proposed the 6 Deputies are elected in 6 large electoral districts to make a total of 36. It is not a complete solution, but is a practical one that can work. P.P.C. looked very closely at the 6 districts to ensure that the boundaries are drawn to ensure that, as far as possible, all the 6 contain an equal number of electors. Do we need change? Some Members of this Assembly consider that we should leave it as it is until the Ministerial system is bedded-in and this is supported by some members of the public. So can we tweak the system? We could hold all the elections on the same day with Members holding office for the same length of time, but it is inevitable that there would

be some confusion during the election with large numbers of candidates covering different types of seats. Standing for Senator would lose some, if not all, of its prestige if the length of office was the same as other Members. Why go to the additional expense of canvassing to an Island-wide electorate for no other advantage than a different title? We have already spent considerable time on this issue during the past year and I do not want to prolong it today. We have already heard all the arguments on this and a variety of other options, but because we still have a very large agenda, I would ask Members not to rehearse them again. Now is the time to determine that we support reform, that there is a way forward and this proposition is the way. Let us agree to this proposition and let the electorate decide in the proposed referendum. The referendum needs a clear question that could be answered with a yes or no, which will give this Assembly a clear steer. A referendum with a number of questions merely confuses the issue and will not result in that clear answer. If, at the end of this debate, Members vote down P.P.C.'s proposition, that would make it clear to the electorate that we do not want reform. If this happens, P.P.C. will not bring forward any other proposals for reform of this Assembly. Any proposals for reform would be left to the new Assembly elected in 2008. But P.P.C. strongly believes that a reform is necessary and, to that end, we should determine to support this proposition as a way forward. It can cover most of the issues that have been aired. It retains the Constables for those who see them as an important part of this Assembly and retains a vital link with the Parishes. On the other hand, for those who wish to see them excluded, it makes it possible for it to be achieved if it is the wish of a future Assembly. I move the proposition.

#### **The Greffier of the States (in the Chair):**

Is the proposition seconded? **[Seconded]** There are a number of amendments to the proposition. The first amendment to be considered is the first amendment of Deputy Southern and the third amendment and I ask the Greffier to read that amendment.

#### **The Deputy Greffier of the States:**

In paragraph (a), for sub-paragraphs 1 and 2, substitute the words "48 Members to be known as Deputies, all elected in 6 new large electoral districts, with any Parish Connétable, who wished to do so, able to stand for election as a Deputy in one of the 48 seats."

#### **4.2 Deputy G.P. Southern:**

I am standing here again, after a relatively short time, to propose something which is very similar to what I produced last time. However, there is a change. I felt - as somebody was saying earlier - duty-bound to do it. It seems to me that the thrust of what P.P.C. is coming forward with is a worthwhile one. It is, if you like, a nearly radical change in the way we organise things. It is a step away from the Island mandate of large scale - the largest scale we can do - and the abolition of the Senatorial role, but at a compromised position between that and the completely parochial role where all Members are Parish representatives, with the proposal of 6 new, large electoral districts. So it is getting a mandate which is neither parochial nor Island-wide, but somewhere in the middle. Like the 3 bears' porridge perhaps. They thought this one was just right. However, if we are to stay with any consistency and say it is appropriate that we move to these 6 new, large electoral districts, and that is the way to get best representation and effective representation in our States, then all I say is, hang on, be consistent. If that is the right order of magnitude for representation, it should apply to one and all. We should no longer maintain this separate role for the Constables, it exaggerates their *ex officio* nature, saying: "Now you will be the only people in the States representing the Parishes." My feeling is that if we are to move, slowly but surely, we are to be dragged into the 21st century... **[Laughter]** the Constable of Trinity is grinning at me. Very sorry. If we are to move into the 21st century, whether it is step-by-step or otherwise, and if I am to support this movement to a smaller Assembly but with a different representative base, then to get my vote, and I believe certainly some others, we have to stay consistent. So I am suggesting that,

yes, reduce to 48 seats; yes, let us have a try at the 6 new electoral districts but if we are going to do that, let us have everybody representing on the same basis. Whether Deputies or Constables, you stand in one of the larger districts and you get elected or not to represent your voters in the States, which is completely distinct from leading the Parish as Father of the Parish and running a Parish. That is a different role. Let us please distinguish between those 2 roles and not continue to mix-and-match them up in a way that I believe does not offer the best solution for the way forward. I propose my amendment, Sir.

#### **The Greffier of the States (in the Chair):**

Amendment seconded? **[Seconded]** Deputy of St. Mary.

#### **4.2.1 Deputy J. Gallichan of St. Mary:**

As an eternal optimist, I speak in the hope that I can encourage a concise and effective debate on this amendment. There is potentially a risk that in discussing this amendment, Members will stray into the examination of areas which would be more properly considered later in the debate on the principal proposition and first amendment. I am under no illusions that the House will, quite rightly, be spending a considerable time in discussing these wider issues, but I put it to Members that now is not the time. We have a long, very difficult debate ahead with important decisions to make. I would encourage Members, at this stage in the proceedings, to focus their attention directly on the single major feature of this amendment, which is different to the main proposal. Effectively, the perennial question, should the Constables continue to sit in the States by virtue of their office? That said, I would draw the attention of the House, and particularly those Members in their first term of office, to the fact that this matter was previously looked at in various guises in November 2004, during the debate on P.151 of 2004: an amendment directly aimed at removing the Constables' right to sit *ex officio* was defeated by 41 votes to 9. The main proposition, which was strikingly similar to this particular amendment under discussion today, was rejected by 49 votes to 2. The in committee debate called by the Privileges and Procedures Committee in March this year, to gauge the mood of Members for the various branches of the tree of reform, showed that there was still extremely little political support for this particular chestnut, with only 4 Members showing their backing. Furthermore, this concept was essentially debated again as recently as May this year, as part of Deputy Southern's amendment to P.145 of 2006, and again was resoundingly rejected at 4 votes pour, 45 contre. In short, we have all been here before. We are, once again, going over old ground. Today is, to put it bluntly - as far as government reform goes - decision day. We should not allow it to become ground hog day. To close, Sir, I would quote that paradoxical saying: "Less is sometimes more." Today, let us try to give the public what they deserve from a States' debate; less verbosity, more clarity; less repetition, more focus. Finally, please, a decisive outcome. Thank you, Sir.

#### **4.2.2 The Connétable of St. Ouen:**

Can I firstly congratulate the Deputy of St. Mary on the words she said. Can I say that Deputy Southern and I are probably as far apart politically as you can get within this House. Well, we are on opposite sides. **[Laughter]** I have to say, Sir, that I was extremely disappointed by his proposition. Disappointed because he has brought similar propositions before and this is the first time that I felt that his heart was not in it. When he has made propositions in the past, whether I have agreed with them or not, he has always made a very strong case when making his proposition. Today, Sir, his case was weak. He made no attempt to justify what he was proposing other than, if we are going to do it, we do it for everybody. He made no attempt to make a case why the Connétables should not remain as a parochial representative and I think that he failed also to make any attempt to consider the effect on the parochial system of the adoption of this amendment. It is quite easy to criticise the Connétables' benches for the attitude which they take. Obviously, turkeys would not vote for Christmas. But, at the same time, Sir, I feel quite strongly that the Connétables'

attitude is not based on self-preservation. The Connétables' attitude is based on the preservation and the protection of our age-old parochial system: a system which has served this Island over a period of over 500 years and has served it extremely well. I think, Sir, that to tamper with the role of the Connétables and the role which the Connétables has always held in this House, is a step too far. It is a step too far in that I believe quite strongly that it would be the first nail in the coffin of the parochial system. I cannot support this amendment, Sir, and I urge other Members to do the same.

#### **4.2.3 Senator M.E. Vibert:**

Very briefly, as Deputy of St. Mary said, I think we have been here before. It was just to add to her support for the idea that we have had this debate before and the States have not support it. But it is not just the States have not supported this idea, all the evidence that P.P.C. have heard and taken - the M.O.R.I. polls, the listening to people - there is just not the support, not only among the States, but among the public for getting rid of the Constables and it is no good the Deputy hiding behind the fig leaf that they could stand if they wished. The public have made it quite clear; the States have made it quite clear that they wish the Constables to remain in the States *en bloc*. Not just one or 2 and not others. If I was in the prediction game, I believe that the Deputy has had very little support for this before and I would predict that he would have less than a telephone box full this time.

#### **4.2.4 Deputy C.J. Scott Warren:**

I also do not support what is the disenfranchisement of the Connétables in this States' Assembly. I am sure it was just earlier this year - a very short time ago - that the States' emphatically endorsed retention of the Connétables in this Assembly. I believe we are addressing the other issues. I do not agree with the super-constituency either, but that is another debate. Thank you.

#### **4.2.5 Senator L. Norman:**

Yes, just briefly. My problem with this amendment quite simply, is not that all Members should be Deputies. I agree with that, I think that is right. But I disagree, fundamentally, with them all being elected in large districts. I say that because Jersey's political system, our cultural life, our social life is or has been developed from the Parish system. With not one single Member of this Assembly elected on a Parish basis, it will undoubtedly mean - as the Constable of St. Ouen suggested - the beginning of the end of the Parish system. Quite honestly, the Parish system needs to be nurtured and given our support, and this does exactly the opposite. At least one States Member from each Parish needs to be elected on a Parish basis. I believe, as I will say later, that that should be a Deputy; but nevertheless, if it is a Constable, that is fine - I will go with that. But at least one Member has to be in this Assembly to represent his or her Parish. It gets worse. Because if all Members are elected in 6 large constituencies, the most populace of the Parishes will be electing all the Members. The small, less populated Parishes, will effectively be disenfranchised. So, in all ways, although it comes very close to something I could support, because of the large districts, I simple cannot support it.

#### **4.2.6 Deputy A. Breckon:**

I wonder, if I may, ask through the Chair a question of the Attorney General in regard to the Public Elections Law? My understanding - and I may be wrong - is that to be elected Connétable of a Parish, you must live in the Parish, apart from St. Helier. I think that creates a problem if you have electoral districts and if you have a Connétable who was a Connétable who was elected as a Deputy for a bigger district, what *vires* would they have, if any, at a Parish Assembly, for example? Also, that extends to Deputies. If you had 3 Parishes combined, you may have a Deputy who is not able to speak or indeed vote at a Parish Assembly, and I see some real problems there. I know that is perhaps overlapping with the main proposition, Sir, but I do see some real problems there in grass roots representation, if you like - Licensing Assemblies and other things - if the representatives are

not able to speak or indeed vote at a Parish Assembly. Perhaps the Attorney General may need some time on that but perhaps he could comment on the availability of representatives to say whatever the Parish he is in.

**Mr. W.J. Bailhache Q.C., H.M. Attorney General:**

I am sorry, would the Deputy clarify precisely what his question is?

**Deputy A. Breckon:**

If I give an example. If you have 3 Parishes combined - whatever they may be - and I live in one and am on the electoral roll as an elected Member of 3 Parishes, what would my standing be at the Parish Assemblies at the other 2 Parishes in which I did not live?

**The Attorney General:**

I do not read the amendment as proposing that. As I read the amendment - it is really a matter for Deputy Southern to say - but as I read the amendment, there would still be 12 Parish Connétables, but one of them, or more than one, may wish to stand as a Deputy as well.

**Deputy A. Breckon:**

Can I just seek clarification, Sir? The general thrust of the Public Elections Law for elections for Connétables is that the Connétables must live in that Parish, with the exception of St. Helier. Is that correct?

**The Attorney General:**

Yes, that is customary.

**4.2.7 Deputy P.N. Troy:**

I remember the vote when there were just 2 who agreed with the original P.P.C. I was one of the members of P.P.C. and it was Deputy Le Hérissier and I who voted in favour of the changes which mirrored this. At the time, the debate was not going very well and I remember saying that it is probably going to be about another 30 years or so before we see a common type of membership in the Chamber. I think it has probably now moved out to 50 or 60 years and that would put me at being 97 or 107 and I do not think I will particularly care by then. **[Laughter]** Deputy Southern has taken this on rather bravely I think now, because it is plainly obvious that this proposal is not going to receive Member support. I think maybe one day we may get to one common type of membership but, as I say, it could be 50 or 60 years from now. I am still going to support it, in the forlorn hope that it is recorded as such, that I will be supporting it. I think the Constables know that I am resigned to accept the fact that we will not have proper change in this Chamber. Even at the end of this debate, I think I said in the last debate, we may not even get anything different from what we have got now at the end of this one. I am eagerly awaiting to see what happens because it is going to be very interesting to see how we mess this one up as well. **[Laughter]** To get the *status quo*. So this is going to be an interesting debate. I have got a real sense of déjà vu. I am not excited about this debate, I am afraid to say, because I can see us going no where once again. I will, when we got to the main P.P.C. proposals, I am going to support those as well but I am getting to the point now where I have lost hope on this one. Well done, Deputy Southern, just for being brave enough to bring this back to the Assembly.

**4.2.8 The Deputy of St. Martin:**

Deputy Troy mentioned about the last vote or debate we had in 2004 and there were 2 votes. I brought a proposition to the States which asked for 42. I went for Clothier so, again, the single



Member, because I have always been a believer that really we ought to be looking at the single Member vote a Member, should we say, but I got 5 votes so we are probably not going to get very far. I do not know how far we are going to get today, because I do not know if I can support very much of this anyway. What I am disappointed in is the fact that we are going to make a choice today as to what we are going to then throw out for a referendum. The disappointment I have is that we have not got Senator Perchard's options up because I think what we would be better doing, if we were going to have a referendum, is giving the public a choice of something rather than for us saying: "This is what we think you should have, agree with us or not." I really fear I am going to have great difficulty in supporting any of this. Thank you, Sir.

#### **4.2.9 Deputy G.C.L. Baudains:**

I am sure that Deputy Southern brings his amendment obviously feeling that there is a good reason behind its purpose, but I have to say that I have considerable difficulty in understanding the rationale behind the thinking of some who would rather the Constables were not in the States. They seem to latch-on to the idea that being *ex officio* Members, they should not be here. But, of course, that completely sidesteps the fact that every person, when they vote for a Constable, does so in the full knowledge that that person will be sitting in the States. I think this is rather clinging to a quirk, rather than any particular ideal. My greatest problem, Sir, is that in the Deputy's enthusiasm to get rid of the Constables, I am afraid he has brought a proposition which is potentially unworkable. Building on what Deputy Breckon has said, Sir, I think he slightly missed the point, because a Constable would still be elected in his Parish - apart from St. Helier, where of course he is the odd man out, so to speak; the only Parish where the Constable does not have to live in the Parish. But, of course, if we read the first part of the amendment, it says: "With any Parish Constable who wished to do so, are able to stand for election as Deputy in one of the 48 seats." One of the 48 seats. So, for argument's sake, one of the constituencies was the amalgamation of St. Mary, St. Ouen and St. Peter, then the Constable of St. Clement could stand for election in that constituency and he might even succeed. What position - what conflict - would he have in this House when he is representing the north-west of the Island but he is the Deputy for the south-east of the Island? I really cannot see it working because it does not specify that he would have to seek election in a constituency that includes his own Parish. It does not say that. Unfortunately, Sir, it does have these difficulties in it. I cannot understand also why the Deputy should seek to, as others have alluded to, seek to remove the only remaining link between the Parish and the States, because the Constable in super-constituencies, would be the only remaining link between a Parish and the States. But, of course, that would not be equitable, because some Constables might stand for election as Deputy and some might succeed, so some Parishes would have representation, while others would not. So that is an inequitable situation to start with. There are a number of difficulties, Sir, and I really have to say that this amendment is possibly well-intentioned but unworkable.

#### **4.2.10 The Deputy of St. John:**

I am afraid I am not going to support this amendment either. Not because I do not think it is very brave, as one of the other Deputies suggested earlier, but because I happen to get on very well with my Constable and I quite like to see him here. That is not to say I do not endorse the idea of one category of Member. I think that is a pretty good idea too, but it is perhaps let us eat the elephant in small chunks rather than in one big bite. Super-constituencies is an idea that P.P.C. is proposing. I firmly believe there should still be a firm link with the Parishes. This proposition will not help that. If we have super-constituencies, which I happen to think is a good idea, it would increase voter turnout, you cannot have that and not have the Constables in the House if you want to maintain the Parish system and you want the strong link with the Parishes, which I think the public have said in surveys that they want. I do not think you can have one without the other. When we come on to the P.P.C. proposal, I think Members should be very mindful of that. If you vote against this amendment, do think about the super-constituency idea - the larger constituency idea. If you do not

want this amendment, then you cannot have the other one as well. I am not sure I explained that terribly well, but the idea I am trying to get across is that if you want the Constables in the States, fine, vote against this; but be mindful of the other proposal from P.P.C., which is super-constituencies. I believe we should have that link strongly with the Parishes and that proposal will provide that. Also having the Constables elected all on one day, of course will lower the issue of uncontested elections as indeed it will with Deputies as well, if you have a general election. So I think it is all intrinsically linked and I think if you want P.P.C.'s proposition to succeed, then I would firmly recommend Members vote against this amendment. Thank you, Sir.

#### **4.2.11 Senator P.F.C. Ozouf:**

I do not believe this proposition is going to get through. It deserves not to get through. It is nothing short of constitutional vandalism. I am delighted that the word "nation" is becoming to be increasingly used to describe Jersey. I think it is appropriate that Jersey is described as a nation. We are a small, self-governing nation state, but we are different from larger states. We do not have an Upper House, we do not have a check on the powers of a single Member of Parliament. We all sit in this Assembly as different individuals: Senators, Constables and Deputies. I think that there is a case for reform of some of the more numerous Members of this Assembly, over in front of me, **[Laughter]** because there are some real issues about the way that some constituencies are put together. I am delighted to hear the Constable of St. Ouen is putting some forceful remarks in favour of keeping the Constables in the States. He and I both went to the Isle of Man, which was a jurisdiction that had a Parliament - the Tynwald - with Members from their Parishes and, in fact now, the Parishes or the areas around the Isle of Man have virtually no power at all whatsoever. They basically threw out their parochial head from their Assembly and out went with it any form of local democracy, any form of parochial democracy. That is one good reason to vote against this proposition. I hope the Constables are also going to support the Senators on this side and not go further **[Members: Oh!]** with the constitutional vandalism that is being proposed with our carefully balanced Assembly, later on in the later parts of the Assembly. But if there are any Members that do think that they want to engage in constitutional vandalism, there is one reason why Members should simply not vote in favour of this proposition. 48 divided by 6 is 8. That means that each of the super-constituencies would have 8 people in each constituency. I would remind Members of the statistics of the previous voting in the Senatorial elections. Electors do not normally choose - and I can stand to be corrected - I do not believe that, on average, they vote for more than 4.2 people on a Senatorial list. That means that the person in position 7 and 8 is stretching the bounds of democratic legitimacy. That is what we would have. We would effectively have easy elections with people getting in and that is maybe why Deputy Southern wants this. He maybe wants to be easier to get in.

#### **Deputy G.P. Southern:**

Please do not impugn.

#### **Senator P.F.C. Ozouf:**

I do not believe that is impugning. I do not believe that is impugning at all. Deputy Southern has stood in a Senatorial election, and Senatorial elections are tough and they are rightly tough. I think Deputorial elections - some of them, not all of them - are less tough. That is why there have been different results from Senatorial elections and Deputorial elections. That may be difficult for some people to accept, but it is true and we will come to the substance of that later on in this debate. Eight people in a super-constituency will not work. It will not be democratically legitimate, it is unworkable and it should be thrown out on that single reason alone.

#### **The Greffier of the States (in the Chair):**

Does any other Member wish to speak on the amendment? Connétable of St. Brelade.

**4.2.12 The Connétable of St. Brelade:**

Albeit conflicted, Sir, I rise to speak. I really rise to object to this super-constituency proposal: the 6 new large electoral areas. Quite clearly I regard this as an Anglicisation of our present Jersey system. In my experience as Connétable of St. Brelade, I feel that one has taken back the projets lodged ‘au Greffe’ to the parishioners, one has taken on board the views of parishioners, come back here and voted. A very simple system, it works very well. A lot of people contact me and I think I have got a good feel for my Parish. Maybe my feel for one of my Deputies - number 2 - has deteriorated in the last few minutes, **[Laughter]** I am sure, unlike the Deputy of St. John, that can be regained and we can sort out our differences later. Thank you, Sir.

**4.2.13 Deputy G.P. Southern:**

I would like to thank everyone for their contributions and, in deference to the Deputy of St. Mary, I will keep my reply short. To the Constable of St. Ouen, we are not as far apart as possible, politically or by distance, because Senator Le Main sits behind you. Physically he is further away from me. Senator Vibert, oh yes, he says the people do not want this. I am not sure that was a clear-cut result of the opinion poll. I was pleased to hear that Senator Norman said: “It has come very close to something I can support.” It is one of my lifetime ambitions to have Senator Norman support any proposition of mine. Deputy Baudains made a very valid point that I was not aware of, that perhaps the Constable of St. Clement could go and stand in St. John for representation. But, if that were the case and were he to get elected, yes, in St. John they would have 8 representatives, including, perhaps, someone who lived in St. John. Why not? Senator Ozouf pointed out to the sheer impossibility of having people vote for 8 representatives, potentially, and said that is impossible, whereas voting for 6, under the alternative, should this not get through, is possible. Well, is it? Is that absolutely impossible? From 6 to 8 makes it impossible? I do not think it does. It gives you the chance to vote for up to 8 people, which, I would have thought, was an increase in representation rather than a decrease. Then finally the Deputy of St. John suggested that we “eat the elephant in small chunks.” Perhaps he is looking further ahead than he thought because there certainly is an elephant to eat and we may be eating it, small chunks or not, for the next several years. Nonetheless, I maintain my proposition and I call for the appel, please.

**The Greffier of the States (in the Chair):**

Very well. The appel has been called for. I ask Members to return to their seats and the vote is for or against amendment No.1 of Deputy Southern. The Greffier will open the voting.

<b>POUR: 2</b>		<b>CONTRE: 42</b>		<b>ABSTAIN:</b>
Deputy G.P. Southern (H)		Senator L. Norman		
Deputy S. Pitman (H)		Senator F.H. Walker		
		Senator T.A. Le Sueur		
		Senator P.F. Routier		
		Senator M.E. Vibert		
		Senator P.F.C. Ozouf		
		Senator B.E. Shenton		

		Senator J.L. Perchard		
		Connétable of St. Ouen		
		Connétable of St. Mary		
		Connétable of St. Clement		
		Connétable of St. Helier		
		Connétable of Trinity		
		Connétable of Grouville		
		Connétable of St. Brelade		
		Connétable of St. Martin		
		Connétable of St. John		
		Deputy R.C. Duhamel (S)		
		Deputy A. Breckon (S)		
		Deputy J.J. Huet (H)		
		Deputy of St. Martin		
		Deputy G.C.L. Baudains (C)		
		Deputy C.J. Scott Warren (S)		
		Deputy R.G. Le Hérisier (S)		
		Deputy J.B. Fox (H)		
		Deputy S.C. Ferguson (B)		
		Deputy of St. Ouen		
		Deputy P.J.D. Ryan (H)		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy G.W.J. de Faye (H)		
		Deputy P.V.F. Le Claire (H)		
		Deputy J.A.N. Le Fondré (L)		

		Deputy D.W. Mezbourian (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy A.J.D. Maclean (H)		
		Deputy K.C. Lewis (S)		
		Deputy of St. John		
		Deputy I.J. Gorst (C)		
		Deputy of St. Mary		

**Deputy G.P. Southern:**

The traitor, Troy.

**Deputy P.N. Troy:**

Honestly, Sir, I pressed the pour button but it...

**The Deputy Greffier of the States:**

It did not register?

**Deputy P.N. Troy:**

It did not register.

**Deputy J.A. Hilton:**

I think it was probably his papers, Sir.

**The Connétable of St. Ouen:**

Can I say that I am very happy and glad that the Deputy from St. Brelade has seen the light, Sir.

**ADJOURNMENT PROPOSED**

**Senator M.E. Vibert:**

Talking of seeing the light, Sir, I think it is perhaps time we all saw the light of day. It is nearly half past and I think it would be wrong to embark upon a substantive debate at such notice and I propose adjournment, Sir.

**The Greffier of the States (in the Chair):**

Very well. The Assembly stands adjourned until 9.30 a.m. tomorrow.

**ADJOURNMENT**