

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY SENATOR B.E. SHENTON
ANSWER TO BE TABLED ON TUESDAY 16th JUNE 2009**

Question

Does the Minister plan to bring in regulation of Housing Trusts at least equivalent to UK regulation and, if so, when?

Given that many properties were transferred into the Trusts at a discount – what happens to any increase in value that accrues during the trust's ownership of the property?

What rights, if any, do the States have to nominate tenants for Trust properties?

Do the States have any controls/powers in respect of composition of the Trustees and/or powers to remove Trustees?

Answer

The Whitehead Review of Social Housing will be issued as a Green Paper for consultation in mid July 2009. Members will recall that one of the key terms of reference for that review was 'to analyse the present regulatory structure, compare it with regulation in other jurisdictions, and recommend a suitable framework'. I have therefore not reached any conclusion about the form that regulation should take and will await the outcome of the consultation process before bringing specific proposals to the house for debate.

Where public assets were transferred to Trusts often at nominal value the Trusts have had to invest in those properties to make them viable homes. Where the cost of developing those homes has proven less than the projected rental yield over a 25 year period, payments have been made by the Trusts to reflect the residual value of the land transferred. All trust properties are assets of the Trusts and the Trusts will benefit from any increase in value just as they will have to deal with any decrease in value. In any case the Trusts are limited to using their properties for social rented purposes only, so cannot realise any uplift in value except to provide for additional social rented housing.

The nomination rights to Trust homes enjoyed by the States vary from Trust to Trust. Generally though, where the Public is providing a letter of comfort in respect of interest subsidy payments the States will have nomination rights to 80% of the new homes, reducing to 50% on subsequent turnover.

At present, the States has limited powers in respect of the composition of the Trustees. All nominations have to be approved by the Minister for Housing before being registered in the Royal Court. There are no specific powers conferred on the Housing Minister to remove Trustees, however, the Minister could if there was sufficient concern, apply to the Attorney General to make a representation to the Royal Court who have the power to regulate the Trusts under the Loi (1862) Sur Les Teneures en Fideicommiss et L'Incorporation D'Associations. Current policy states that the membership of an Association/Trust shall normally be not less than five or more than nine in number, members are responsible for managing the affairs of the Association/Trust, although may appoint staff or agents to carry out the work on their behalf. As I have said, these are issues which I intend to address following the consultation process on the Whitehead Review of Social Housing.