

# STATES OF JERSEY



## **PUBLIC SECTOR HOUSING: ESTABLISHMENT OF A MANAGEMENT COMPANY (P.105/2003) - COMMENTS**

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**Presented to the States on 11th May 2004  
by the Finance and Economics Committee**

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**STATES GREFFE**

## COMMENTS

The Committee supports the need to examine new and efficient organisational arrangements to accommodate the functions of the current Housing Committee within a Ministerial government structure, which facilitates the delivery of high quality affordable housing.

The Deputy's proposition raises a number of key issues that will need to be carefully considered when developing such a model, but does not, in itself, provide a solution capable of implementation.

The Deputy considers that the proposals will deliver financial and manpower savings in the longer term, but it is not apparent from the information provided what level of savings will be achieved and how they will be obtained.

The proposal represents a significant change in the policy for managing the delivery of social rented housing and requires much further study to identify and demonstrate the claimed benefits before States members can engage in an informed debate.

The proposal lacks information in a number of areas, including –

- why the proposed company structure is preferred;
- how the transfer of stock is to be achieved;
- the structure of the proposed company's balance sheet;
- the status of tenants under the proposed company;
- the means to create a workable management board and the role of its political members;
- how potential conflicts of interest of tenant board members will be managed;
- the legal and fiduciary responsibilities of board members;
- the means to transfer existing staff; and
- how the relationship between the new company and the States is to be managed.

The Committee is particularly concerned that the number of members and composition of the proposed Board is unworkable and cannot be supported.

The Committee simply cannot endorse the use of significant resources to support the proposition as currently presented. The Committee would, however, wish to encourage the Housing Committee to progress actively the development of policies relating to the future ownership and management of the States' social housing stock, the delivery of affordable housing and the provision of housing benefits.