

STATES OF JERSEY

OFFICIAL REPORT

THURSDAY, 16th MAY 2013

| | |
|---|-----------|
| PUBLIC BUSINESS – resumption | 3 |
| 1. The Reform of Social Housing (P.33/2013): fifth amendment (P.33/2013 Amd.(5)) - resumption..... | 3 |
| 1.1. Deputy S. Power of St. Brelade: | 3 |
| 1.1.1 Senator P.F.C. Ozouf:..... | 4 |
| 1.1.2 Deputy G.C.L. Baudains of St. Clement: | 6 |
| 1.1.3 Deputy R.G. Le Hérisssier of St. Saviour: | 6 |
| 1.1.4 Senator S.C. Ferguson: | 7 |
| 1.1.5 Deputy M. Tadier of St. Brelade: | 7 |
| 1.1.6 Deputy E.J. Noel of St. Lawrence:..... | 8 |
| 1.1.7 Senator A. Breckon: | 9 |
| 1.1.8 Deputy T.M. Pitman of St. Helier: | 10 |
| 1.1.9 Connétable J.M. Refault of St. Peter: | 10 |
| 1.1.10 Deputy J.H. Young of St. Brelade: | 11 |
| 1.1.11 Senator P.M. Bailhache:..... | 12 |
| 1.1.12 Connétable J. Gallichan of St. Mary: | 12 |
| 1.1.13 Deputy J.A.N. Le Fondré: | 13 |
| 1.2 The Reform of Social Housing (P.33/2013): third amendment (P.33/2013 Amd.(3)) .. | 16 |
| 1.2.1 Deputy J.A.N. Le Fondré:..... | 16 |
| 1.2.2 Deputy A.K.F. Green of St. Helier:..... | 18 |
| 1.2.3 Senator S.C. Ferguson: | 20 |
| 1.2.4 Deputy J.H. Young: | 20 |
| 1.2.5 Deputy J.M. Maçon of St. Saviour:..... | 21 |
| 1.2.6 Senator P.F.C. Ozouf:..... | 21 |
| 1.2.7 Deputy G.P. Southern:..... | 23 |
| 1.2.8 The Connétable of St. Peter: | 24 |
| 1.2.9 Senator F. du H. Le Gresley:..... | 25 |
| 1.2.10 Deputy S. Power: | 26 |
| 1.2.11 Deputy T.A. Vallois of St. Saviour:..... | 27 |
| 1.2.12 The Connétable of St. John: | 27 |
| 1.2.13 Deputy R.G. Le Hérisssier:..... | 29 |
| 1.2.14 Deputy J.A. Martin of St. Helier:..... | 29 |
| 1.2.15 Deputy P.J.D. Ryan of St. John: | 31 |
| 1.2.16 Deputy J.A.N. Le Fondré: | 31 |
| 1.3 The Reform of Social Housing (P.33/2013) - as amended | 34 |
| 1.3.1 Deputy G.P. Southern:..... | 34 |

| | |
|--|-----------|
| 1.3.2 Deputy G.C.L. Baudains:..... | 39 |
| LUNCHEON ADJOURNMENT PROPOSED..... | 40 |
| LUNCHEON ADJOURNMENT..... | 40 |
| 1.3.3 Senator S.C. Ferguson: | 40 |
| 1.3.4 Deputy M. Tadier: | 41 |
| 1.3.5 Deputy K.L. Moore of St. Peter: | 42 |
| 1.3.6 Deputy J.A. Martin: | 44 |
| 1.3.7 Senator P.F.C. Ozouf:..... | 46 |
| 1.3.8 Deputy J.G. Reed of St. Ouen: | 48 |
| 1.3.9 Deputy S. Power:..... | 50 |
| 1.3.10 Deputy J.A.N. Le Fondré: | 51 |
| 1.3.11 Deputy J.H. Young: | 52 |
| 1.3.12 The Connétable of St. Mary: | 54 |
| 1.3.13 Deputy S. Pinel of St. Clement:..... | 55 |
| 1.3.14 Deputy S.G. Luce of St. Martin: | 55 |
| 1.3.15 Senator A. Breckon:..... | 55 |
| 1.3.16 Senator I.J. Gorst: | 59 |
| 1.3.17 Deputy T.A. Vallois: | 60 |
| 1.3.18 Deputy A.K.F. Green: | 62 |
| ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS | 67 |
| 2. Connétable A.S. Crowcroft of St. Helier (Chairman, Privileges and Procedures Committee): | 67 |
| 2.1 Senator I.J. Gorst:..... | 67 |
| 2.2 Senator A. Breckon: | 67 |
| ADJOURNMENT..... | 67 |

[9:30]

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

PUBLIC BUSINESS – resumption

1. The Reform of Social Housing (P.33/2013): fifth amendment (P.33/2013 Amd.(5)) - resumption

The Greffier of the States (in the Chair):

Debate resumes on the amendments to the Reform of social housing, P.33/2013. We were debating part 2 of the fifth amendment in the name of Deputy Le Fondré and Deputy Power was next on the Bailiff's list if he is ready to speak.

1.1. Deputy S. Power of St. Brelade:

I did not realise I was first out of the blocks this morning but I shall summon my brain and kick it into gear. I am not going to support this amendment and I would like to tell Members why. I agree and accept in principle that we do need to have a uniform gateway, a uniform set rent approach for all the social housing providers across the Island. I would also say that not only will it apply to the States stock of housing but to the providers, to the trusts and to the private rental sector, as and where this will apply. I think it is important that we remember that. For any trust to want to opt out of this, or for any other mechanism to be introduced to allow anyone to opt out of this, in my view, is not appropriate. I would like to read. I think it is really relevant to remind Members of the comments by the Council of Ministers to the second part of the fifth amendment. It is at the bottom of page 2 and if Members will bear with me while I read this because I think it sums it up absolutely relevantly. It says: "The amendment suggests that because the financial models of the different social housing providers will vary, there is no need for the introduction of a requirement to charge a fair rent level [this is the uniform approach] and refers to the Income Support findings and recommendations within the Health, Social Security and Housing Sub-Panel's report. However [and I think these next 2 paragraphs are very important] it is important to remember that the housing trusts as a whole have yet to commission independent professional condition surveys of their properties to see whether their housing stock complies with the Decent Homes Standard in the same way that the Housing Department have done." Indeed, as the Minister for Housing will agree with me, this was started in 2009 and 2010 and involved a huge amount of work because Members will realise that the estate comprises the 4,600-odd houses, flats and bedsits that are owned by the public. I think that this next paragraph is also so important to remind Members and I will read it: "Three trusts have co-operated with the Minister for Housing in developing longer term business models to address this. However, one housing trust which accepts that it has a significant proportion of its stock currently not meeting the standard, has declined to provide a business case or other financial model. This is needed to demonstrate how, with the very low level of maintenance being spent on the properties concerned, that that housing trust will ensure that the stock will be refurbished to that Standard. As a result, the Minister for Housing and the Council of Ministers cannot be confident at present that this housing trust has made adequate provision for the future to maintain homes to this standard, which must be of serious concern to the States and the trust's tenants." I think that it is important to remind Members that while people and the public and, indeed, States Members continue to take pot-shots at the Housing Department and the fact that the Minister for Housing has been open and honest about saying that 25 per cent of the stock does not meet the Decent Homes Standard, there is a plan. There is a condition survey that says that they will be brought up to speed and brought up to a Decent Homes Standard within the timeframe that is specified in P.33/2013. I wanted to say that because it is important to remind Members that it is not just the Housing Department that has this issue and I think it is important that Members realise that the gateway and the uniformity and the uniform approach on the 90 market rents is so

important to provide a uniform standard right across all social housing providers. Even though he is not in the Chamber, I do want to take issue with what the Constable of St. Clement said yesterday. He said, or words to this effect, that in his opinion, there are examples of why the housing trusts are, in some ways, more efficient than the Housing Department. I would counter that view, that attitude and that opinion by saying, and I will repeat some of the things I said yesterday, that the Housing Department has to house people that the Trusts will never take. I mentioned yesterday people who come out of prison, people with bad credit, people with no credit, people with complex psychiatric or psychological issues, people with dysfunctional behaviour and I would say that the Housing Department takes these people and as a result, has to have a compliance team, has to have an assisted living team, has to have an enforcement team. Recent examples of some tenants I know because I am on the committee of the J.S.P.C.A. (Jersey Society for the Prevention of Cruelty to Animals) are breeding animals, dogs particularly, which are inappropriate in a social housing environment and that has caused problems for other neighbours. So there are many, many issues where you cannot compare the scope and level of activity and the tenant profile of the Housing Department compared to the other trusts. I will finish up on this because it is relevant. It was recently brought to my attention that there is a housing trust that shall remain nameless that has ground floor flats with disability access designed for people with disabilities and they are occupied by able-bodied persons. I think that is a situation that needs to be rectified and it will be rectified by how we progress this work that the Minister for Housing is carrying on. So I am a great defender of the Housing Department and the people in the Housing Department and, for that reason, given my comments on the 90 per cent, and what Deputy Le Fondré is trying to do in this amendment, I cannot see that it can be supported so I will be opposing this amendment.

Deputy J.A.N. Le Fondré of St. Lawrence:

Is it appropriate to make a point of clarification on 2 of the comments that Deputy Power has referred to?

The Greffier of the States (in the Chair):

Is it a correction or a clarification?

Deputy J.A.N. Le Fondré:

It is meant to be a correction, Sir. One point... on the basis that I am making an assumption that a trust that is referred to there is one that I am familiar with. The point is it says in the comments, which Deputy Power has directly referred to, that: "They declined to provide a business case or other financial model." We have not fully completed the business case but other financial details were provided. The second point on the Decent Homes Standard is that I think the reference was made in Scrutiny, that the trust has accepted that it does not, I think the expression was "tick all the boxes" of the Decent Homes Standard. That is different to not meeting it and that is in the correspondence that was sent to Members a while ago.

1.1.1 Senator P.F.C. Ozouf:

I am not going to speak for very long [**Approbation**] but I want to give an analogy - I am going to make a fundamental point and try and explain it. A number of years ago, we reorganised effectively the telecommunications industry. We had a board - an old J.T. (Jersey Telecom) Committee - that used to provide telecom services that regulated themselves, that regulated competition, and also set overall telecommunication policy for Jersey.

[9:45]

That was all wrong because those 4 different roles needed to be performed with a constructive tension by different people. At the heart of this debate is separating out properly the conflict of

interests that the Minister for Housing has as being the *de facto* Managing Director of a large pool of supply of accommodation, sorting out the regulation and putting in the proper regulation and putting in place the right policy. We had a number of excellent contributions yesterday and I would refer, particularly in terms of this amendment, to what 2 Members had to say. One of those speeches was from Senator Le Gresley on income support and the other one was the impressive and heartfelt and passionate, and in many ways absolutely correct, Deputy Vallois who really wanted the outcome of this whole debate to give people better standards, to give people better rental accommodation, and to get into the option of home ownership. Why is this relevant? The fact is that there are going to some social housing providers - not all, but some are going to be regulated. Now, they must be regulated consistently and fairly because of the income bit that Deputy Vallois and many of us are concerned about and, in fact, her speech was almost rightly questioning some of the income support arrangements as well as being concerned with some of the supply issues. Deputy Le Fondré I think is the Secretary of one of the Trusts and what he is trying to do is he is trying to get effectively put one Trust potentially on a different basis to another, and he is shaking his head, but that is exactly what he is trying to do in getting the ability for a regulated Trust to give [Aside] ... I am not sure that I can speak very much when somebody is trying to interrupt me behind but I will be quicker. The fact is that the amendment before us is giving a discretion of a regulated housing trust effectively to charge something different from definitely a 90 per cent and that is unfortunately going to mean a lack of consistency on regulation of housing providers in the same way that Cable and Wireless or Babel, or whatever the company is called, would be given a different regulatory effectively of licence from J.T. We would all say that was completely unfair and so there are 2 issues with this regulation. First of all, it needs to be consistent. The Constable of St. Clement spoke yesterday and I agreed with a lot of what he said. If there is a benevolent individual that wants to set up a housing company, if it was the Constable of St. Clement's Homes Limited and he wanted to put 50 homes in place, and he wanted to charge 50 per cent of the market rental, that would be absolutely fine provided that he had not asked the public to support that initiative whereas Deputy Le Fondré with the responsibilities that he has for this other trust, that trust and all of the regulated trusts, are going to be trusts that have got support from public funds, past or present or future. That is why there has to be consistency. Les Vaux Trust, the Jersey Homes Trust and the Christians Together Trust have all received public money, something which I know a number of Deputies have been concerned about in terms of the Jersey Homes Trust. I want... and of course I am a huge fan, I think we have delivered an awful lot of good in relation to these alternatives. Les Vaux has saved a massive problem for the States in terms of having taken over Troy Court and Perquage Court, *et cetera*, and we were reminded yesterday just of the problem. Their trustees give good work free of charge and all the rest of it - and all the trustees of some of these other organisations - but they got public money. They got cheap loans from the States and that is why we have a stake in it. That is why all the trusts are regulated because they have had public money, because there are social landlord provisions, they have to have the same rule otherwise it is unfair. As a matter of principle, I would also argue that if we have a large housing trust with hundreds of units of accommodation like the Jersey Homes Trust or Les Vaux, it is going to disrupt the arrangements that are in place that we have for income support. For better or for worse, we have put the income assessments that people need to help to live to pay their rents in income support and we cannot have a situation where one trust has hundreds of units of accommodation and they choose themselves to charge different rents. Where is the income support arrangement consistency of application going to leave social security? We cannot have that. So I am afraid if a trust wants to have public money and wants to have support and wants to be supported, like all of those trusts that I have mentioned, and we gladly support and we gladly want them to do more and we want the Jersey Homes Trust to get on and deploy that equity that they have because as a result of those falling interest rates, which is the reason why they have been well run, they have not had the interest rate exposure for a long period of time, they have got more cash,

they have got net equity. The Minister has been very clear: we want to see Jersey Homes Trust get that equity into the market, get delivering more units of accommodation. There has to be consistency. If they get public money, they should be regulated on a consistent basis and let us take ourselves out of the weeds of the detail, that is the issue why there needs to be consistency of a 90 per cent. Now I know some Members are concerned about the 90 per cent. This is not an amendment to have, with respect, another go at the 90 per cent issue. I understand a lot of the concerns. Deputy Maçon spoke yesterday about 90 per cent of the wrong market. Well, if the market is going to fall, the 90 per cent is going to be okay because it is 90 per cent of the market, it is not a fixed amount. There have been a number of well-intentioned but, I am afraid, erroneous comments made. If it is going to be 90 per cent, it has got to be consistent, otherwise that is not fair for matters of public financial investment because obviously they are owed a significant amount of money effectively to the public purse to the public in terms of the assistance they have been given. It must be consistent and it is just simply not right. I ask Members to keep that simple issue in mind. Let us not get into the weeds. It is a simple issue. These trusts have had public money. It has got to be consistently applied. Deputy Le Fondré's amendment should be rejected on that basis, if I may say.

1.1.2 Deputy G.C.L. Baudains of St. Clement:

While I agree with much of what the previous speaker has said, I would just like, before I get on to what I was going to say, to touch upon some of his opening comments where he said that separating out the different functions of the department was necessary. I would just suggest that, as a previous Member of both the Jersey Telecom and the Housing Committees, I thought we operated quite well and it seems to me that it is only under Ministerial government that these issues are arising. In the private sector, it is quite normal for all these functions to be carried out in-house. But getting back to what I wanted to say, I am concerned about the lack of flexibility that would arise without adopting this amendment. I have been concerned in the past that pushing up public sector rents can encourage private landlords to raise theirs to maintain the differential and it becomes a vicious circle. It has happened in the past where it has been known for private landlords to set their rents high in the full knowledge that the tenants cannot afford that rent but, hey, it does not matter because income support will top-up the difference. It used to be called rent rebate but now obviously is a component of income support. I am therefore concerned that it is quite likely that what we are suggesting will push up the cost of income support which just perpetuates the merry-go-round of money, which I thought this proposition was seeking to avoid. In my view, this amendment provides flexibility which sadly is missing from many laws that we adopt in this Assembly. What worries me, especially from the comments that the Minister for Housing has been making over the last day or so, is that we are being essentially being asked to sort out housing problems but only by pushing the problem elsewhere, mainly on to Social Security. I support the Deputy of St. Lawrence's amendment provided he keeps his summing-up brief.

1.1.3 Deputy R.G. Le Hérissier of St. Saviour:

I find myself in the position of Senator Ozouf. I remember several years ago there was a continuing stream of questions on housing trusts. There was also a continuing stream of questions on the fact that the Parishes should define more clearly their gateway. That was another issue. It was all, as I saw it, to deal with the fact that we had been very unclear when we set up the housing trusts. Some of them had amassed large cash mountains and, as Deputy Power intimated, they had more choice in a sense in choosing tenants and so forth. There were lots of issues that I thought were valid that Members were bringing up and it strikes me as very ironical that now the Minister for Housing has brought up a plan with, I hope, a light touch, which will try and deal with those issues and deal with the incredible fragmentation which was causing Members so many concerns just a few years ago and I find it, for that reason, very difficult to accept that we should allow all

these different tendencies to go off in different directions when several Members identified a few years ago that there was a major issue with the way housing trusts ... that does not deny the fact of the specific of the particular which Deputy Le Fondré of St. Lawrence is arguing, namely that he is associated, as he is, with an excellent trust which has a very proud history and very proud origins and so forth, but that is not the issue that Les Vaux deserves to be independent. That is not the issue we are discussing. The issue is that we need a better-supervised market. We need to ensure that people have proper opportunities on an equal basis and that will mean the Parish gateways have to be looked at and I want a clear explanation from the Minister on that issue. There is some excellent work going on in the Parishes. There are estates being built and so forth but again, people are worried. They are worried about access and they thought that these reforms were intended to deal with that, to deal with cash piles, to deal with allegations that there had been incestuous relations in some of the trusts in terms of how maintenance work was allocated and so forth. I thought these were all valid issues and we are in danger because some people feel that the Minister for Housing has proposed a quango under the aegis of the establishment that everything he is proposing is wrong. I think he has gone away on this issue and he has come up with a very good solution. Yes, much of the judgment will be in the telling, in other words, how this is implemented, but we cannot have it both ways. We cannot have total fragmentation in the housing market and then complain when people do not get proper access, when people create cash piles, *et cetera*.

1.1.4 Senator S.C. Ferguson:

It was quite interesting yesterday evening. I downloaded the Decent Homes Standard Guide. It seems to me that the Assembly have overlooked the fact that the Decent Homes Standard gives the impression that aged facilities do not comply with the standard. Now, my kitchen is 30 years old and this does not comply with standard so I think we have got to be a little careful when we apply these things. My understanding is that Les Vaux facilities are aged rather than decrepit. Now, I may be aged [**Laughter**] but I defy anybody to say that I am totally decrepit and, sadly, the Decent Homes Standard does not make that distinction. Moving on, each of our housing trusts is individual and I would suggest that to force all of the trusts into the position of charging the highest rent possible is really quite crass. You do not supervise markets by pushing-up prices. That is quite ridiculous. I urge Members to support this amendment which allows flexibility or, dare I say it, even competition. It seems to me that perhaps the Minister for Treasury and Resources has misunderstood the thrust of this amendment and perhaps Deputy Le Fondré can explain it clearly to him in his summing-up.

[10:00]

1.1.5 Deputy M. Tadier of St. Brelade:

I think it is necessary to correct what I see as some incorrect statements from the Minister for Treasury and Resources. He talks about first of all that we have a stake in all of the trusts, whatever they are, because at some point in the past, we may have given them a loan or we may do so in the future. I would say if those trusts have paid off their loans and that debt has been repaid, we no longer have a stake in them. Of course we want to know what they are doing and we need to have good relationships with them to make sure that they are carrying out the functions that we require them to but we do not have a stake in those. They are doing their jobs and that is fine. He asked a comment, where does it leave income support if some of the trusts are not charging 90 per cent rent, they are charging, say, 80 per cent rent because they feel they do not need to charge the full 90 per cent ceiling? Well, where that leaves income support is that they will pay less money out in income support so it is not going to be rocket science. It will be exactly the same as what happens currently in the private sector. If somebody in the private sector does not want to charge an expensive rent because they are quite happy with this flat that they have owned for the last 40

years in the centre of town which is well maintained, they may be charging a 60 per cent market rate. When they go down to Income Support, you do not see the agent at the desk thrashing around with angst saying: “Oh no, no, what do I do here, what do I do, because this is the amount of money I am supposed to give you.” They simply say: “Well, that is your rent so that is the amount of money I am going to give you to cover your rent.” Everybody is happy, including the taxpayer, because the amount that is going out is less than the ceiling. So that is just one of the positive things. If we allow these trusts to say they can make do on 75 per cent when the Housing Department have tied themselves to 90 per cent, then that is a win/win for everybody involved. They will still be regulated so they will still need to meet basic standards. Are we saying essentially because we are overcharging our tenants for their rents, then the trusts, which may, in some circumstances, be able to work more efficiently or work equally efficiently but because they have not been tied into this 90 per cent they must be forced to do it? That seems a very perverse thing to do. It is almost saying like 2 wrongs make a right. Surely this is about the return to Treasury and if they can return what they will be required to to the Treasury without needing to charge 90 per cent rents, why should they be forced to do so? It does not seem to make sense. It seems that we will be tying the hands of the Trusts. It also seems to me that there is a question mark over the relationship that will be set up with the Parish homes. I am not really sure how that is going to work at the moment. Will the Parishes be forced to also pay 90 per cent rents? Presumably they will be because we have talked about this consistency so we have to be careful today about setting a precedent. There is no way we can say trusts have to adopt a 90 per cent rent ceiling without it being optional and then go around to the Parish schemes and say to the Constables that even if they think they can run these schemes in a different way, they will not be allowed to do that so we have to be mindful of those logical consequences. I think that Deputy Le Fondré’s amendment, for all of these reasons that I have outlined as well as other ones that I have heard today, are reasons for supporting it.

1.1.6 Deputy E.J. Noel of St. Lawrence:

I would like the rapporteur to explain to me why he appears to be so against transparency and a level playing field? I say “transparency” because 90 per cent of the market rents... those who need income support will receive it. Those who do not need income support will not get a hidden subsidy. I say “level playing field” because all of those housing trusts, if they share the same gateway, they should also share the same charging policy, thus avoiding placements to those who are eligible for the gateway to be entered into what would become a rental lottery depending on which housing trust they ended up with. I agree that some trusts will be more efficient than others, given their respective portfolios, mainly due to their different structures and obligations and their honorary service but that does not mean that they should not charge under the same rent policy. All it will mean is that those who operate on less funds will have more money to invest in additional units. Surely that is beneficial for all concerned. So I make a humble request to the rapporteur to explain his rationale for his amendment because if our aim is to provide more affordable homes for Islanders across all types of tenure, then that is exactly what the Minister for Housing is currently proposing. I would also like the rapporteur to explain to me what he means by “on the one hand meeting minimal standards but on the other not ticking all the boxes” as his point of correction in Deputy Power’s speech. Surely you have to comply with the minimum standards or you do not.

The Greffier of the States (in the Chair):

I was not sure, Deputy, at the start of your speech, you referred to the issue of transparency. I did not quite understand. I just wanted to ensure it was not imputing something incorrectly to the rapporteur. I did not hear in your speech why you used the word “transparency”.

Deputy E.J. Noel:

Because to have transparency in the social rental market, you do not want to have a hidden subsidy by not charging the correct amount of rent.

The Greffier of the States (in the Chair):

Thank you for that. The way you said it, it implied it could have been the Deputy personally but thank you for that.

Deputy E.J. Noel:

Not at all, Sir.

1.1.7 Senator A. Breckon:

I would ask Members to consider this, in that there are some very real differences between the standard and the quality in the property that the trusts serve and that is for a reason. Some of the trusts have had land at subsidies of various sorts - capital write-offs, interest subsidies, help with development - and in the case of one trust, they bailed the States out of a very embarrassing position. I know some of these flats because they are in my old district in St. Saviour so I know them very well. Work has been done on some of these older ones but the fact is the only real answer is to rebuild them. Now, that is not possible at the moment when debt is hanging over them but it is the long-term plan and I am talking the 35-year term plan where you do that. In one particular complex of flats, there are 96 flats and when the States were bailed-out, they were sold a couple of times and they finished up belonging to a company in the British Virgin Islands. Eviction processes were in place and people were appearing before the Petty Debts Court and at the time they were given by the then Magistrate 7 years' stay of eviction and that was an embarrassment to the speculator because it scuppered their plans and that is when the States got involved through a trust which did this. Now, to say you move to a certain level of the market is not appropriate because the trust - and any Member can go and have a look - will appreciate that they are not worth that amount of money. The States themselves were in exactly the same position with Pomme d'Or Farm, with Clarence Court, with flats at Les Quennevais because no money had been spent, the rents never went up and it was a bit of an embarrassment. Some of them were a single block. They were damp, they had crittall windows, they had no heating systems and that is the reason why some discretion is required by the landlord. I have had cases, as I say, in the private sector that are appearing before a Rent Control Tribunal where it has been exactly the same situation and the Tribunal found that the rent was this level because of the state of the property and I think that is where Deputy Le Fondré is coming from because if you ratchet it up, then you are charging people a rent that is not appropriate. It is just not appropriate. Now, if you move down the line and there are 6 blocks of 16 flats in this particular place that I am talking about, if you move down the line, in 35 years' time, there is other land around and as a long-term policy, then those flats will be at 90 per cent or more of whatever the market is at that time but that is the long-term policy that is required. That, I think, is where Deputy Le Fondré is asking for the discretion so that the trustees who we are saying are getting on with the job and doing the thing can have that discretion to do that and that is really where it is, because I think it is wrong to say that everything is 90 per cent because it is not and there are some people who have lived there a long time and they love it as it is. They are quite content to live there. They get on with their lives. They are law-abiding. They pay their rent on time and that is really where they are and some of them, regardless of income support and their circumstances, will not be claiming income support because they are just not going to go there. Some people may be using a part of their savings or their other income to do that but that is where they are and they are proud to do that for exactly that reason. I know even with the States old rebate system, there were people who would not claim who should have done, and I have had cases where somebody went years and then struggled and Housing put that right. So that is really what it is about. It is about that flexibility and that allows the trustees to take a loan because, do not

forget, many of the trustees are volunteers. So you are talking about regulation and we do not want heavy-handed stuff. We are talking about people who give their time and effort and provide a community service in many cases, so that is really I think where Deputy Le Fondré is coming from and that is where I will support that because it gives them or any other trust the flexibility if they are given an older set of properties and it happened just around the corner from here. Bas du Mont in Pier Road was sold or given to the Christians Together Housing Trust for £10 and they made the development happen and there are other cases the same. Now, you cannot say you can have that for £10 and then say you have to put the rents to that level because it just cannot happen, it should not happen, it is not fair to the tenants and I think that is where Deputy Le Fondré is coming from and I think it is a reasonable request and I would ask Members to consider it in that vein.

1.1.8 Deputy T.M. Pitman of St. Helier:

Only a few points and I did not speak yesterday because I did not feel very well but what it did give me a real opportunity to do was listen to the debate and there were some good speeches, I have to say. I think Deputy Vallois spoke the best she has ever spoken in this Assembly and what I would say is welcome to the club of winning the argument and losing the vote but I think she was quite right in what she said yesterday. It was the end of social housing really and I think this is just another attempt to put the final nail in. I have been a big critic of housing trusts, not that they do not do good things because they do but when you see the appalling lack of social people skills that many of the people controlling some of them have and the bullying and the way they treat people, just as cash cows to be quite honest, they do need regulation. Of course, that is not this Assembly's fault. It should have been done years ago. That is why we are here now. But I think just as Deputy Vallois spoke very well yesterday, we should thank Deputy Tadier and indeed Senator Breckon because they have just made 2 very good although fairly brief speeches. All this red herring about income support and we have to have the 90 per cent. Well, things are not going to change from what they are now. Why should people be forced? You do not control the market by forcing-up prices. That is an absolute nonsense. There are far more important things that the Minister for Housing needs to have support in in ensuring that these housing trusts run properly. Nobody wants to see £100 million cash piles. It is ludicrous. No one wants to see, of course, people forced to live in shoddy accommodation but I do not think that is what Deputy Le Fondré is trying to ensure continues. He is asking for some flexibility. He is asking for the opportunity for the people who control those trusts to not overcharge tenants who might be living in places that whether they are aged or decrepit or whatever as Senator Ferguson points out, they are not worth that 90 per cent. So I often say this, but my voting record shows I vote for everyone on the balance of what I think the argument is. Let us not vote against Deputy Le Fondré just because it is seen to be against the Minister for Housing. I support the Minister for Housing generally. I think he has done a good job and he works hard. I just happen to think he was wrong with what transpired yesterday and I think Deputy Le Fondré is offering us a small opportunity to alleviate some of the potential damage so that is why I will be supporting him.

[10:15]

1.1.9 Connétable J.M. Refault of St. Peter:

I would really just like to follow on from the last 2 speakers on specifically the topic of flexibility and I was energised by Senator Breckon's comment about the single block construction of flats. A single block construction of flats would attract a very low rent. All we are proposing is that we would only charge them 90 per cent of that very low rent which it would attract because of the condition of the property. If you look across the housing stock that we currently have, and let us just take that one-bedroom flat as an example, there is a whole raft of different rents appropriate to the flat depending on the condition, location, and the standard of those flats. That flexibility is

already there and I am sure the housing trusts have similar arrangements, whether it be one, 2 or 3-bedroom properties but, depending on the property and the condition and the services that it has, it may attract a higher or lower rent. What we are proposing is that under the new arrangements, we will only charge 90 per cent of the open market rent, which that property would have attracted anyway. I just wanted to make that clarification.

Deputy G.P. Southern of St. Helier:

A point of clarification for the last speaker. Is the Assistant Minister saying that a single block flat will be left *in situ* and not refurbished and improved over the next 10 years? I thought the plan was to spend on refurbishing or knocking them down, removing those sorts of properties?

The Connétable of St. Peter:

I entirely agree with the last speaker. Yes, we should not allow people to continue to live in substandard homes and I totally concur with his points and the housing trusts and the Housing Department must work towards making them all decent and the only way we can do that is by having the 90 per cent rental market place across the board.

1.1.10 Deputy J.H. Young of St. Brelade:

I can remember when the trusts were first set up and I very much align myself with the contribution of the Constable of St. Clement. The reasons for supporting trusts and helping them are as valid today as they were then and I think we should remind ourselves. I have been very disappointed and rather upset with some of what I think is the tone of the debate which seems to be very pointedly about Deputy Le Fondré and his role and as a trustee and remarks such as “pernicious” and so on. What we need is surely a diversity of social housing providers. We read in the Scrutiny Report that the Parishes clearly are a social housing provider. They provide for certain groups, clearly reading the comments in there that the Parishes, in the way they operate those homes, were making the very case for flexibility. I think following that principle, there is no doubt that some of the trusts have gone for particular types of property. Some have been very keen to do large new developments, modern buildings. That was their vision of the groups that they were trying to provide for, perhaps an alternative tenant group. Others were prepared to take on much more difficult premises, small premises, isolated, old, outworn premises, and what those trusts have been able to do and I think why we need to encourage in the future is that they will have... and I think this ties-in strongly with the work that we need to do on regulation, we need to look to ensure there is flexibility in the gateway arrangements as such so that the very types of special needs that people have for housing can be accommodated within the diversity of trust providers. So, for example, we have had planning policies to try and help us do this. Whether they have been successful or not is another matter. With this policy of when we zone land putting a requirement for 55 per cent first-time buyers and 45 per cent social housing provision and, of course, who has taken those up? Well, we have got Parishes and others but I think we need a diversity there. Of course, we still do not have a replacement for the planning policy to achieve affordable homes to replace H3 and, of course, we know - I think I picked up somewhere in the papers - that a 90 per cent rent level is getting at the point where we are starting to have housing in the intermediate category of affordability which will help us move people up the housing scale if you like, but we also have those who will not be able to do that. I think this says to me that there is a need for flexibility and diversity. Now, what was coming across to me in the speeches against Deputy Le Fondré’s amendment is that his amendment is being portrayed as an attempt to destroy and undermine the integrity of this proposal. I am really having a struggle with that because I thought yesterday we adopted the recommendation or the amendment - with the support of the Council of Ministers - of the Scrutiny Panel to remove the detail about regulation and to allow us to have a further debate about the scope and the details and the working of that regulation so that seems to fit very well. I think we are almost getting hung-up

on this. For Members to say: “Well, Deputy Le Fondré’s amendment is seeking to destroy this and we must have firm, hard-hand regulation on this and everything that is cut and dried. If we do not we are in trouble”, surely I think that is an issue for us to look at under the terms of the amendment which has already been adopted. We have always needed regulation of those social housing providers and clearly some of the problems that I am hearing from Members arise from the fact that we have not had that and we need it but I still think that this is a case for diversity and flexibility. The amendment is a good one to help encourage these groups with their community spirit and giving up their time and efforts and expertise for nothing and I think I am really worried about sending very negative messages to the trusts so I am very inclined to support Deputy Le Fondré’s amendment.

1.1.11 Senator P.M. Bailhache:

I was, I must confess, very nearly persuaded by the Constable of St. Clement and Senator Ferguson who talked about competition as a concept which had not really figured in this debate and, I must confess, that I do not really see any reason in principle why there should not be competition between housing trusts and the public sector to the extent that it is going to be brought in line with the trusts, provided that the necessary standards can be met. Why should a trust be compelled to charge a rent that is higher than is necessary in order to meet the necessary obligations of maintenance and repair and restoration and providing for financial liabilities which may lie in the future just as any responsible landlord would do? So I was, I must confess at one stage, attracted to the notion that the 90 per cent should be a ceiling rather than something that is mandated. I still hover slightly in the balance but my concern about the amendment really relates to standards. Standards seem to me to be of fundamental importance. I do not want to see a situation where a provider of social housing can do so by providing housing of a lower standard in return for a lower rent. That seems to me to be laying-up problems for the future which we do not want to have. All residents of the Island are entitled, in my view, to a proper standard of housing and we should set in place a structure which enables that to happen without any shadow of a doubt. Now, I am not clear at the moment and perhaps the proposer of the amendment can address this very briefly in his reply, as to the way in which the regulation is going to work. If I have understood it correctly, it is something that will be examined by the Scrutiny Panel in due course and I think that my current position is that that is the best way for it to be taken forward. There is an advantage in uniformity but there is an advantage in making it absolutely certain that the minimum standards of housing are met for all people who occupy social housing in this Island and, at the moment, it seems to me that that is not the case. Some providers of housing fall below, perhaps well below, that standard and considerable investment is needed. So I am inclined to think that for the present the 90 per cent rule is the correct one but that the Scrutiny Panel, when it examines the question of regulation, should consider very carefully whether and to what extent some flexibility can be built into the system in due course.

1.1.12 Connétable J. Gallichan of St. Mary:

I will be very brief. Like the previous speaker, I have been influenced both ways by this debate. It is a very tricky question. I have got the feeling that the fair aspect is that everybody who accesses property through the gateway should access it at the same rental for each category of property and it can only achieve that if it is the same level of rental. On the other side, I have had through my professional dealings a great deal respect for the author of a letter we all received that explains why flexibility is an issue, so I am really fluctuating but the thing that I would like to say... I know this is not a debate about housing trusts, good or bad, whatever, but we have had, as one of the other speakers has said, a lot of comments made. I was in a position relatively recently of trying to provide some over-55s housing in the Parish of St. Mary and with obviously the small rate base and budget that we have it is very difficult to finance that ourselves and I had talks and calls and

negotiations with a couple of housing trusts and, indeed, with the Housing Department themselves as to how this could be provided. I would just like to say that from the dealings that I had with those various entities, I was absolutely convinced that each and every one of them wanted to provide good housing for potential tenants at the best rate possible and wanted to see people well-housed and there was no difference between the Housing Department and the trusts that I dealt with in that. In the end, we went with a housing trust. I keep very close contact with my parishioners and I talk to them regularly about how they are finding living in those properties and how they are finding relationships and I am getting good reports and I think we need to bear in mind that we are not talking about ogres of landlords here. We are talking about people and entities that have a desire to see the best for the tenants and because I understand both sides of this equation, I am finding it very difficult but I think it needs to be said and reiterated that we are not demonising the Housing Department or the housing trusts here. We are trying to find the best way to continue on their aims.

The Greffier of the States (in the Chair):

If no other Member wishes to speak, I call on Deputy Le Fondré to reply.

1.1.13 Deputy J.A.N. Le Fondré:

It has been a quite useful debate. I think I need to make a few comments just to address some of the remarks that have been made today. Firstly, it is not about allowing anybody to opt-out. It is not about the 90 per cent rent level and it is not about surpluses. This is about flexibility, it is about discretion. In other words, it goes back to the point of allowing the trustees within the parameters that the States set to exercise their discretion and I again reiterate that is the standard for England. It is the regulatory framework for social housing in England from April 2012 by the Homes and Communities Agency.

[10:30]

They regulate housing associations from size 10 to above 50,000. **[Aside]** But the point about that is that the Homes and Communities Agency is the regulator and they specifically state, and I quote: “The guideline limit is a ceiling not a target. It is open to providers to increase rents by a lower figure where circumstances justify doing so.” That is a basic thing. Surely if it is good enough for England for 5 million residents, for 2½ million houses, why is it not good enough for here? They must have all ranges and types of accommodation. It is not about not meeting Decent Homes Standard. As we said in answer to Deputy Noel, I am surprised he does not appreciate this. But some things, and in particular the Decent Homes Standard, for example to pass one criteria, let us stick to the principle, I cannot remember the exact details, you have to pass 5 of 7 say, therefore you will not meet 2 on that condition necessarily. You could meet all 7. You could meet 6. You could meet 5. If you meet 5 you pass that condition. You can still therefore not tick all the boxes too but still pass the standard and I am surprised it had that kind of argument put through because that is how it works. I was surprised to hear from Treasury, particularly using the phone industry as an example because I always thought the way the phone industry worked is you regulate the prices and they have competition below and some of them charge lower prices than others. I am not going into competition about a landlord industry right over here, what I am trying to say is if it is possible, as the English regulations state, for an entity to operate its course or whatever, or perhaps it is where it is in the lending cycle, so it might have more free cash or, for example, as is the case, there are estates that do not have any interest subsidy or any capital subsidy because the trusts in the instance I am thinking of have gone and done it themselves. What do you do then because there is not any public money involved? They have done a service. In fact they have gone to the Housing Department and said: “We have done this but we will house more of your people.” That is the ethos we are in. That argument about this subject is not consistent all the way through but it is

about flexibility. If there is an issue about subsidies going forward in the future at the right time in the cycle and things like that, I do not see any problem why the trust should not be required to pay them back at some point. Why not? If they are sitting on large chunks and piles and there is not development happening and they are able to repay them or stagger them over a few years, great. The point is it is about allowing the discretion of people to operate, and bearing in mind that we have talked about trusts because it is a convenient thing, my actual amendment talks about social housing providers. You look at the last paragraph in here, it says: "Social housing providers will be free to use their professional experience." It does not just say "trust", it is anybody who gets caught up and defined as a social housing provider and that could be the Parishes because we have been told it is not at this stage the regulation. So why do you not want flexibility? As I said, to be fair, there is not a uniform approach within the trusts. I think it is because they are at different stages in their lending cycles but I do know, we have also had one letter recently - this is the submission that went to either I think Scrutiny or to Housing or wherever last year from a different trust - and they say: "It should set a maximum fair rent for social landlords not to exceed, and not impose a policy that forces landlords to increase their rents." That is about a ceiling, not a target. I think that is the point. A further bit of the standards: "It is therefore a regulatory requirement for private registered providers to keep their annual rent increases to no more than the limit specified." To turn round and say: "Well, that is entirely appropriate for an Island to the north [and I do not mean Guernsey] but it is not appropriate for us", I find amazing. I actually agree entirely with Senator Bailhache because absolutely we want to get the accommodation up to proper standards. There is a difference between, as we have said, meeting the Decent Homes Standard which is this panacea, which we are saying is a minimum standard, that is the problem. It is the elderly versus the decrepit argument almost, and all right-minded landlords, social landlords, with a social conscience will want to do it, but to do it without putting the rents up to the limit, why not allow them to do that? It is giving them that discretion, that flexibility to do it and surely it is better and is that what Jersey is about? It is also the point; I do try and look at a lot of this stuff in the longer term. As I said, I know 2 of the entities that I am familiar with in terms of trusts, only through familiarity in looking on their websites and general knowledge, they are at a much earlier stage of their funding so they are having to pay lots of capital and lots of interest at the same time, as it were. But as they get further down as they get much closer to clearing-off the States what will their view be, because will the pressure still be there in terms of the funding requirements and therefore maybe they can turn around and say: "Well, we do not need to put up the rents in the future to this level to meet our financial obligations." It is about the actual market going ahead. It is allowing that discretion. Yes, this is the point. People have made very welcome comments about what did happen in 1989, the headlines and stuff like that, and as we have said as well, even now the feelings of some of the individuals in there who went through that particular process, it has left a scar and it has left a scar towards the States. If you like, my contract with those people was to ensure their homes were protected and they could continue to live in them. It is not about benefits. My social conscience cannot rationalise putting rents up to people who cannot afford rents to go up but who are working hard to support themselves when our financial planning and forecasting does not require it. What sort of message does that send out? Is that part of the responsible approach that we are meant to be applying to social housing? Again it is about professional judgment. I am going to go back a generation. The headlines that I distributed the other day, they had some pretty respected politicians in there, Senator Dick Shenton, Senator Reg Jeune, former Senator Ralph Vibert, who all supported the creation of the trusts and the ethos at that point and it was about housing people. It was giving them protection in their homes, not just those on benefits, and that, as I said, was at Christmastime. There is a pretty stunning editorial in there and it is about ensuring the right mix of tenants as well in the States. Can you really see them saying: "No, we are going to go down this rigid approach. You will do this." I have 2 young children and yet I trust them when we go out and we will set parameters. We say: "You are going outside [wherever, a restaurant or something,

and it is a safe area] you can go between there and there but not over there.” It is not: “Sit on that rock and stay there once we are eating.” Is not what this is doing if we do not put this through treating the trustees like small children? It is saying: “Sit on the rock. Do what you are told.” Do not allow flexibility. It does not allow them to make a difference, to use their professional skills to make a contribution in their voluntary role that they follow. I am interested to see, for example, how some of the Scrutiny members vote on this because somewhere in their report, key finding: “If the housing trusts are to be relied on to deliver a sizeable portion of new social and affordable housing developments, growing the sector should be the overall goal rather than compelling providers to achieve uniform standards.” That is a key finding. Are they going to be all voting against or voting for this proposition? I shall be very interested to see because that is a pretty fundamental thing in their report. As I said, this is an English standard and yet the Council of Ministers calls this amendment pernicious, wicked. It is about removing the compulsion. It is about keeping the flexibility. It does not matter if other bodies want to go or need to go to the 90 per cent. They still can under this amendment. It is about whether we need, as the States, and want to compel voluntary bodies that we want to work with in the future to deliver part of this plan. Again I reiterate the point about the Parishes, they are not at this stage to be regulated. That probably means that at some point in the future they may well be, and like the Constables or perhaps the Sheltered Housing Committee on which they operate, want the ability to flex their rents according to their skills or according to their costs or according to their future repayment requirements. To quote again from the English regulation: “This figure is a ceiling, not a target. It is open to providers to increase rents by a lower figure where circumstances justify doing so.” Why should we not want to follow that very sound guidance when we are embarking on this very significant step? It is reasonable, it is prudent and I think it is an important change. I really do ask Members to please support this amendment. Thank you.

The Greffier of the States (in the Chair):

Is there an appel...?

Deputy J.A.N. Le Fondré:

Yes, Sir.

The Greffier of the States (in the Chair):

The appel is called for on the amendment of Deputy Le Fondré, part 2. Members are in their seats so I will ask the Greffier to open the voting.

| POUR: 22 | | CONTRE: 18 | | ABSTAIN: 0 |
|-----------------------------|--|-------------------------------|--|-------------------|
| Senator A. Breckon | | Senator P.F.C. Ozouf | | |
| Senator S.C. Ferguson | | Senator B.I. Le Marquand | | |
| Connétable of St. Helier | | Senator F.du H. Le Gresley | | |
| Connétable of Trinity | | Senator L.J. Farnham | | |
| Connétable of St. Clement | | Senator P.M. Bailhache | | |
| Connétable of St. Mary | | Connétable of St. Peter | | |
| Connétable of St. Ouen | | Connétable of St. Brelade | | |
| Connétable of St. Martin | | Deputy R.G. Le Hérisssier (S) | | |
| Connétable of St. Saviour | | Deputy of Trinity | | |
| Deputy R.C. Duhamel (S) | | Deputy S.S.P.A. Power (B) | | |
| Deputy G.P. Southern (H) | | Deputy K.C. Lewis (S) | | |
| Deputy of St. Ouen | | Deputy E.J. Noel (L) | | |
| Deputy J.A.N. Le Fondré (L) | | Deputy A.K.F. Green (H) | | |
| Deputy S. Pitman (H) | | Deputy of St. John | | |
| Deputy M. Tadier (B) | | Deputy J.P.G. Baker (H) | | |

| | | | | |
|----------------------------|--|----------------------|--|--|
| Deputy T.M. Pitman (H) | | Deputy of St. Mary | | |
| Deputy T.A. Vallois (S) | | Deputy of St. Martin | | |
| Deputy J.M. Maçon (S) | | Deputy of St. Peter | | |
| Deputy G.C.L. Baudains (C) | | | | |
| Deputy J.H. Young (B) | | | | |
| Deputy R.G. Bryans (H) | | | | |
| Deputy R.J. Rondel (H) | | | | |

Deputy J.A.N. Le Fondré:

Thank you, Sir, and thank you to the Assembly. That is really appreciated.

1.2 The Reform of Social Housing (P.33/2013): third amendment (P.33/2013 Amd.(3))

The Greffier of the States (in the Chair):

Very well. We come finally on the amendments to the third amendment also in the name of Deputy Le Fondré. It is a lengthy amendment. Perhaps I will just ask the Greffier to read the introductory words to the amendment.

The Deputy Greffier of the States:

Page 2, paragraph (a)(iv), after the words “sections 3.38 to 3.47 of the attached report” insert the words “Except that before section 3.46, there shall be inserted the following new sections 3.46 to 3.53 as listed and renumber accordingly.”

The Greffier of the States (in the Chair):

Deputy, have you caught your breath?

Deputy J.A.N. Le Fondré:

Can I have 30 seconds please?

The Greffier of the States (in the Chair):

Is that the length of your speech? **[Laughter]**

1.2.1 Deputy J.A.N. Le Fondré:

Can I just thank Members for supporting that last amendment? I think it really does make a difference to everybody going forward. This is the last amendment everybody will be delighted to know. It is again about setting a principle and it is trying to set as flexible a principle as I can make out. I would like to talk Members through it, obviously. The key bit - please do look at the amendment itself - is the bold section what I am proposing to add in as a new 3.48 paragraph in the report. What it says is: “The administration and such management costs of the company shall not exceed the average admin costs or management cost of existing social housing providers compared on a like-with-like basis”, and that last point is absolutely critical. The next paragraph is also very clear. It leaves all the details in the hands of the regulator or whatever takes its place and sets some guidelines. The guidelines are what they say. They are guidelines. They allow for the regulator to define the costs in question. They allow the regulator to make adjustment for additional costs incurred by the company with such issues as have been identified in the Council of Ministers’ comments, and they allow the regulator to adjust for distorting changes in income. I am trying to leave and not get dragged-down to the weeds, as the Senator likes to call it: keep a principle and leave the details to someone else to effectively work out. The final guideline recommends 2 benchmarks of performance but then allows the regulator a further one, whichever they want to think about. The rest of the wording is mainly about reporting, about allowing the Comptroller and Comptroller and Auditor General to be involved but it also empowers the regulator, whoever it is,

to require the relevant costs to be reduced if they are significantly out of kilter on a like-with-like basis.

[10.45]

It does not say the regulator must; it does not give a timescale - it gives the regulator the ability. Bear in mind, as with much of this whole proposition, this is inserting a principle into a report which has a whole set of principles incorporated into it. Why, in my view, this is important is because the Minister for Housing has made a really great play of the huge changes this programme is going to initiate, but when we are setting up a new structure surely we want it to be efficient or at least that it becomes efficient and we are setting parameters for that. On a like-for-like basis, the new organisation in my view should be at least as efficient as the providers already out there. Do not forget, on a like-for-like basis because otherwise why are you setting them up. It is like-for-like. I keep emphasising that. That is what the proposition says. If not, you are potentially setting up a monopoly almost which can then set, for example, its own remuneration. My amendment tries to take care of that as a principle. Do not forget that both in the U.K. (United Kingdom) and here there are examples where organisations have been separated-off from the public sector and seen remuneration costs, for example, significantly increase. I will give one example and obviously I will say that, as an example, trustees at the moment do not get paid for doing their services as trustees. That is the idea of the honorary system. Let us use obviously one that is publicly available. You can track it down. It is the Jersey Development Company where the directors received £383,000 in 2011. I am not comparing like-with-like because obviously there are different responsibilities there but more importantly Members might be interested if you go to the accounts there that the previous director for them, W.E.B. (Waterfront Enterprise Board), started at around £131,000. His last full year was £266,000. There are other examples of this type of behaviour in other entities which have left the control of the States, and to be absolutely fair to Senator Ozouf, in the past it has been identified to him in Treasury and he has blocked it. He can only do that at a certain level as a shareholder/director. He cannot necessarily get further down into the organisation; as I say, necessarily. Therefore in my view we need to be very careful not to repeat, if you like, the sins of the past when we are setting up a new organisation. This is a principle. Before I criticise and sound too right wing or whatever - or too hardnosed about it, maybe that is the right expression - I do recognise there are differences between the proposed new company and the trusts. I use the word "trust" but it will apply across the board. It is social housing providers. The point is I have allowed the regulator to take account of that difference and I am trying to suggest in here, I have not specified how and obviously it depends what the regulator turns out to look like, but the regulator should be empowered to oversee this effectively. I agree there is a difference between the Housing Department and the existing trusts, no doubt about it, but I do have to say there are times that I sometimes think in nature, not in quantity, the difference is sometimes exaggerated because all landlords and definitely all trusts in terms of the nature of the tenants you are dealing with, will be dealing with needy tenants, tenants with specific interests, tenants with arrears and things like that. They do have to work with them and they should be working with them but I fully accept absolutely, let us be very clear, the Housing Department itself will probably have a far greater proportion of that. That is why you have to consider it on a like-for-like basis and make sure you are comparing apples and apples, not apples and pears. The idea here is setting principles and guidelines and not a straitjacket. One of the key aims of the Strategic Plan was about government reform, about how we deliver services and in what form. When Corporate Services did its review into the C.S.R. (Comprehensive Spending Review) on the delivery, we looked at the decision tree, it was actually shown to the Council of Ministers back in, I think, 2009 and one of the things about it was whether one needed to continue with a service, how should we do it differently and can it be done more efficiently? We are at a point where times are hard and we want to make

sure that we are operating appropriately. To an extent I think: why is the Council of Ministers resisting this? This is a principle. It has been there for a month. If there is anything specifically wrong with it we could have brought a minor wording change to amend it. Does the Council of Ministers not buy into reform? We are at the point - there is £500 million worth of assets, there is £40 million worth of revenue - where you would want to set some parameters here. Despite the comments, and it depends on how you interpret them as to accuracy but there are no real details on performance measures surrounding cost control. There are comments about performance measures but they are sort of generic. This amendment is trying to introduce some clarity. I am seeking to establish a principle which can be established in one sentence which is pretty rare, come on, let us face it, and the principle is to go into a report which in itself is basically setting a whole raft of principles. Again admin management costs to the company, the bit in bold, should not exceed the average admin management costs of the existing social housing providers compared on a like-for-like basis. Why would one not want to support this because surely it is a combination of the taxpayer and the tenant? It is about if one can operate more efficiently then you do not need to put the rents up quite so much. It is about providing the accommodation in an efficient way from the administration point of view. Why is it important for the tenant? There is only mainly one source of income for the trusts, and the new company as well, and that is rent. That is mainly what maintains the estates. The more money spent on administration, the less available either for repairing and maintaining the estate, for delivering that basic service to our tenants, a home that meets the Decent Homes Standard or for repaying to the taxpayer. That to me is why this is so important. It is difficult. It may feel harsh but it is at the point of creation. We are not bringing it in halfway through and I am not being prescriptive. We are facing some really challenging times on the planet in financial terms and to me we need to make sure we are being robust with our money. We need to deliver the service but cap the bureaucracy. On that basis, I make the amendment. Thank you.

The Greffier of the States (in the Chair):

Is the amendment seconded? [**Seconded**] Deputy Green.

1.2.2 Deputy A.K.F. Green of St. Helier:

I find it quite ironic that the Deputy argues for flexibility for the housing trusts and appropriate and proportionate regulation to come back to the House and then attempts to try and tie the hands of the Housing Department or the new housing provider. I regret this debate to some extent because it has turned into - and I align myself with the comments of the Constable of St. Mary - regretfully, a trust versus department debate and that is not where we should be. This is about providing new homes and decent homes for families. We should not allow ourselves to be drawn into that. This amendment is crazy. I cannot think of a more polite way that I am allowed to describe it in this House. This amendment is not right but it does give me the opportunity to talk about the differences in scale. The differences in scale are of the current Housing Department and the housing trusts. Collectively the housing trusts take account of about 20 per cent of the Island's social housing. The Housing Department or new company 75 per cent and the Parishes around 6 per cent, and the trusts do a crucial job and I do have good working relationships with them. I appreciate the work they do and I hope this Assembly does as well. I think it does. The roles of the trusts are radically different, exactly the case that the Deputy made in the previous amendment. The roles of the trusts are radically different from a wider social role played by the current Housing Department and the new proposed company. This was identified by the chairman of Jersey's leading housing trust in his 2011 annual report when he referred to benchmarking - and I am up for benchmarking and performance review but I will come back to that in a minute - that the benchmarking review should not be utilised to compare the performance of the trusts with a U.K. local authority or States Housing Department results. He says, as they, the organisations he is

talking about, are not like-for-like. How right he is. How right he is that various providers are not like-for-like but they provide very different services and this fact may have escaped Deputy Le Fondré. It was recognised by Professor Whitehead in her social housing review when she referred to the Housing Department as: “Jersey’s housing landlord of last resort”, which provides accommodation to those who cannot be accommodated by other social housing providers. The proportion of residents with disabilities and other needs which require specialist support is significantly higher in the Housing Department. Members may not be aware but it is a notable success of the intense social work that the Housing Department does with the majority of tenants with special needs that they live very full, successful and independent lives contributing positively to our society. This is in no small measure a credit to the relatively small group of dedicated social housing professionals at the department, professionals who have the experience to provide the co-ordinated and necessary support. I would like to remind the Assembly of some of those examples, the Independent Living Service which supports people to live independently in their own homes; the Medical Adaption Service which funds improvements to homes to allow people with medical conditions to remain living independently as long as possible; J.M.A.P.P.A. (Jersey Multi-Agency Public Protection Arrangements) which is tasked with the management of registered sex offenders, violent and other types of offenders who may pose a serious risk of harm to the public. This is our community. We have to house them. Somebody has to do that work and do it appropriately. The community liaison team who work to support residents, groups and the tenants’ forum to ensure that our tenants have a say in how services are provided and that issues such as antisocial behaviour are addressed to promote harmonious communities. These are not services provided by the trusts or their appointed estate agents. That is not a criticism. I do not want to be having this debate. This is not a criticism. It would not be effective or efficient for all of us to be doing the same things and it does clearly require a certain critical mass to provide such specialist and valuable services. But there are also other factors such as the difference in stock with some notable exceptions, and we described them today. Properties managed by the trusts generally are newer than those managed by the Housing Department and in many cases these trust properties have been developed anyway by the Housing Department for the trusts or are former States rental properties which trusts have taken on to redevelop or refurbish, Bas du Mont, Le Coie, La Bénédice, David Moon House. As I say we often do a lot of the support work for the trusts and then pass it on. We have to pick-up that cost of course. Older homes inevitably require higher degrees of cyclical maintenance and responsive repairs to ensure that they remain safe and decent homes. These costs will be higher in the States sector because of the age of many of the properties and the long-term underinvestment in maintenance but we have a plan. P.33 is the plan to provide decent homes and increase the homes for our community. No one can argue that monitoring performance of all social housing providers to ensure they are meeting the tenants is a good thing, is an essential thing, is a right thing. No one can argue with that. It is a vital part of my reform proposals and of the regulations that we will be bringing back to be proposed under P.33. These performance measures are set out in paragraphs 4.10 to 4.13 on page 49 of the report, any proper benchmarking exercise carefully implemented by the proposed regulator which focuses on the difference in administrative and management costs between the Housing Department and the trusts. They will quickly identify that in all areas of provision the Housing Department will have additional costs because by its very nature of its tenancy base and the properties, as I have said, that it manages. I can only see that changing of one or more of the housing trusts were to be taking on a wider social role, in other words one or more of the trusts become akin to the Housing Department then, yes, you are comparing like-with-like and you would do that.

[11.00]

Having had regular discussions with the trusts' chairmen it is clear that they do not see this as their role though at the present time and they wish to focus on the more mainstream housing services. Fine. That is great. That leaves us to deal with the more challenging, going back to that expression of 'the landlord of last resort.' I have to say that the chairmen of the trusts have made it quite clear to Scrutiny that they do not support this amendment. To artificially impose a cap on administration and management costs of social housing providers would be nonsensical given that they perform such different roles but which together do address the diversity of our community. Such a cap would inevitably create an incentive for all providers to provide only the most basic level of service, only the most basic level of service, in order to get their costs below the cap. It would be a race to the bottom and I would just like to fall back on my health service experience because this rings a huge bell with me and I am not talking - I am sure the Minister for Health and Social Services, she is not here, will be pleased to hear - about the health service in Jersey, I am talking about when I worked in Mid-Glamorgan Health Authority in the U.K. because this race to the bottom rings a bell with me. It was when the U.K. Health Service decided that one of its benchmarks, and a full benchmarking of the appropriate way, was to be how long a patient took to be processed through the Accident and Emergency Department. Overnight all the authorities met the required standard. It was simple. You just leave the patients outside the hospital in the ambulance until you can guarantee to get them through in the right time, ticking the boxes, not improving the service and I want no part of that. This was not in the interests of the patients and this amendment is not in the interests of the tenant, not in the interests of providing decent homes, not in the interests of providing new homes and not in the interests of ensuring that we have an efficient service, and I urge Members to reject this amendment outright.

1.2.3 Senator S.C. Ferguson:

It seems to me that everybody who opposed the previous amendment should support this. This is a means to ensure that everybody is working to the same standard. Just going back into ancient history, when British Gas was privatised, I clearly remember Cedric - I cannot remember his surname, he was a director, he was not related to Sid, and Senator Breckon may remember him - and his salary immediately quadrupled as soon as they were privatised. I am sure this will not happen under this Minister for Treasury and Resources but I would suggest that until things settle down competition is no bad thing. I shall be supporting this amendment.

1.2.4 Deputy J.H. Young:

I wonder if we are again making heavy weather over something that we need not because listening very carefully to the Minister for Housing's reply and the comments from the Council of Ministers, it seems to me it is based on a premise which I think is false. I think what Deputy Le Fondré is seeking to do is to put some constraint and the regulatory system under the admin and management costs. Admin and management costs are not, in my book, the same as the operational costs of running particular services which are extra, which the Minister for Housing has just described and so in the response we obviously hear about the very important services of independent living service, community liaison team, the extra costs of just being a landlord of last resort and so on. All of those to my mind in accounting terms are not administration and management. They are additional services which are provided by our housing ...

The Greffier of the States (in the Chair):

I hope it is nothing personal but the Assembly is again become inquorate during your speech. If I could ask Members to return? One Member has returned so you can continue, Deputy.

Deputy J.H. Young:

I know accountants are boring but ... **[Laughter]** I will try and not give a lecture but I am trying to say we have become very hung-up on something that we need not be hung-up on. There must be

sensibility about having some regulatory control on the level of that very tight level of overheads that sit at the very top of an organisation - admin and management - because otherwise without controls on that it can and does get out of hand. I do not want to cite examples but I think you just have to go through the States accounts to realise those situations that have occurred in the past in some of but, hey, we are very careful. I think Deputy Le Fondré is not being prescriptive here. Not to my mind. I have read carefully through his amendment. Of course, the comments that we also say that Deputy Le Fondré is saying: "We are going to have a prescriptive ceiling of 4.4 per cent." I do not think it says that. It is a figure quoted as an illustration, but it is not a figure. I would not accept that. Of course, the formula that is has got, I know it is 2 pages of words, which are - I must admit, before today I did not read through in detail, but I have read them carefully now - not prescriptive and they leave it to the regulator to work this out in detail and apply flexibility to make those adjustments. I think paramount to that this is about having some measure, control or yardstick on admin and management and nothing else. We cannot do this. We have public sector reform issues in the background. We are obviously embarking on a whole series of corporatisation of operational functions. I think as a principle this is a good move and is a discipline that we should adopt.

1.2.5 Deputy J.M. Maçon of St. Saviour:

I think Deputy Le Fondré has made a very good point and he is quite right to point out that when we do set up these N.G.O.s (Non-Governmental Organisations) or regulators the costs of management do spiral. The philosophy in Jersey always tends to be: "Well, you have to pay top whack for these people, because otherwise you are not going to get a good service." How many times have we been here in Jersey and found we paid top whack for these people and have not always necessarily got good service or any service in some cases? I am not going to pick out individuals. I do not think that would be the right thing to do. I think Members know exactly what I am talking about. What I would want is for those supporting the Minister for Housing in resisting this amendment to give me some sort of comfort, give me an alternative to how we are going to control this. Give me a way forward, because I want to know how that is going to work. Who loses? It is the service that loses and it is the public that loses. The individual does very well. I think also, on a different point, as reading out the amendment and what Deputy Le Fondré was talking about, he stressed quite clearly that he wanted things done and compared on a like-for-like basis. The Minister for Housing then went to illustrate how that is very difficult to do, because of the different ways that the Housing Department or new body will function and who they have to cater for. So, in that case, we are in a different place, in that Deputy Le Fondré wants us to do things on a like-for-like basis and compare it that way, but we might find ourselves in a situation where you cannot do that anyway. So, where does that leave us with his particular amendment? I would like some clarification on that point, because it seems like if you were to adopt this it might be, in that sense, a bit meaningless, because you cannot do that anyway. I am sure Deputy Le Fondré will correct me on that point. If we could have those points clarified, because I think it is very important to make sure of the ways of these things. Because when you lose the political control that we have, you do see the costs for the higher posts spiral because the philosophy has always been: "You have to pay top whack to get a good service." But, we know we do not always get that. It is incredibly difficult to then get rid of these people on these salaries when they are not delivering, because there is very little will to get involved in H.R. (human resources), which the States do not want to get involved with. It then becomes very, very difficult to move forward. That is what this is all about. Thank you.

1.2.6 Senator P.F.C. Ozouf:

I must say that I have struggled to really get to the nub of the issue on this amendment, since when I saw it. I also just want to say that I do think the Minister for Housing was quite right when he

said, effectively, this debate should not be about a competition between the trusts or attacking the trusts or attacking the Housing Department. This is absolutely not right. The trusts have done a great deal of work in different areas and so has the Housing Department. We should be about celebrating what all of these organisations have done. The nub of this, as I have understood this - and I hope I am not wrong - is that effectively we are going to be tying the hands of the new housing entity, the new legal entity of the Housing Department for a certain administration cost. I think that is what the nub of this whole issue is. I have tried to get out of the wheels and try to get right up to understand it. I am afraid to say that if we are today going to tie the hands of this new housing organisation to an administration charge, which is the same as 2 other of the trusts, I think that that is much, much more serious than the previous debate. Senator Ferguson was right. All the people that voted on one side of the argument in the last debate need to vote on the other side of the argument today. I funnily enough agree with what Senator Ferguson said. I hope she is not going to be supporting this. There is a sense in that, not for the reasons of not supporting it, but because it absolutely must not be supported. The Housing Department is a very, very different organisation from other social rented landlords. We just need to accept that for historic reasons. The new trusts that have been set up and the excellent work that they have done, they have largely - not all - got new portfolios of new properties. They are in some cases - again no criticism - allowed to be more flexible with the selection of their tenants. Some of the really problematic issues in people's lives that must be dealt with, the Housing Department care for all of these types of different people, whether or not it is family issues, social problems, a particular estate that has had difficulty, whether or not it is group homes, the whole gambit of elderly to young people, all the challenges that life face. Therefore, the Housing Department, first of all, it is a much, much bigger organisation. It has thousands of units of accommodation, as opposed to the biggest of the best of the trusts, which is about 800. Therefore, it is simply completely wrong to charge and to force this new entity, almost with a sort of a right-wing: "We are going to make this new organisation. We are going to guarantee it is going to be really efficient." I am accused sometimes of knowing the price of everything, but the value of nothing. The value of what the Housing Department does in helping people with very different problems, whether or not it is breakdown of family, whether it is problematic individual and children, whether it is social problems that make up parts of life... Within this so called administration cost issue is knowing the value of what they are doing, not simply the price. It is absolutely wrong for this Assembly today to be setting that administration cost for this new entity. I would fear for the ability of that new entity to be able to look after, in the right caring way, taking people through credit problems, taking people through transitions of people's lives, if we are going to be setting a fixed rate of an administration charge, which is what this debate is about. This is a very serious amendment. Yes, I say to Deputy Maçon, we are losing some control of this new organisation. If Members are uncomfortable with losing some control of the operational parts of the setting up of a new entity, they should vote against it, because we are. We are setting up a stand-alone entity and we are going to be asking a board of directors, which we will appoint. This Assembly, as the representative, is going to ask them to be the expert to run the operational areas of implementing our policies. They are going to be doing the operational side. We do the policy setting. I am afraid you just cannot ask that group, effectively, to start that difficult implementation work, with their hands tied behind their back, with this so called fixing of administration charge, which is what this debate is really about.

[11:15]

You simply cannot do that. I know that Deputy Maçon may be sceptical of the Treasury's role in holding boards of directors to account, *et cetera*. I hope he is listening. This is what we do. We are an activist shareholder and we hold people to account and where there is failure ... and we are doing such issues in relation to that. If Deputy Southern wants to come in and see what we do day-

on-day in the Treasury with owned entities... because I do not believe that owned entities, of which this housing organisation is a trust, just can do what they want. They are an organ of this Assembly's policies and what we are wanting to do, and they should be regulated. This proposition is possibly one of the most difficult and the most important. This Assembly cannot, with respect, tie the hands of the new housing organisation with an administration charge, which may mean that they cannot do the social work, the important caring work that they are asked to do. I think that is what this debate is really about. I apologise. I am going to be leaving this Assembly for about 40 minutes, because I have to take a class at Haute Valleé School, which I promised a group of school children that I am going to do, and I do not want to let them down. I apologise. I will be back within 7 or 8 minutes, but I will be absent. This is not a scheduled sitting. I apologise for not being here. I hope I am here for the vote, but I do not want to let a group of school children down.

Connétable P.J. Rondel of St. John:

One a point of order, Sir. This is a scheduled sitting, was it not booked down?

The Greffier of the States (in the Chair):

I was about to say that, Constable. You are right.

1.2.7 Deputy G.P. Southern:

Almost - I do not know what to say about this - apart from the fact that this is, as has been noted, the last possible amendment to this particular piece of work. There are 2 reasons why it might be the last amendment. One might be it amends a different part of the proposal. The other might be that it is the amendment of least significance. I believe in this case it is the latter. It is the fifth one, because it is least major in terms of what it attempts to do. Senator Ferguson said, quite rightly I think, that all those who voted against the last amendment should be voting for this amendment. Presumably she means and *vice versa*. Having spent much of the last 2 days being a fellow traveller with Senator Ferguson, I think I now have to get off that particular band wagon, because I do not believe I can support this. Despite the justification produced by the Minister for Treasury and Resources the fact is that we are making another quango and we are creating a new board and that new board will be problematic in terms of how much control we have of that board. The answer, from my experience, and the way in which the Minister for Treasury and Resources always, always, categorises most activities that he is supposed to keep an eye on as operational and not policy and therefore refuses to interfere and manages to justify what I believe to be our enormous salaries for what is being done and not to question those in any serious way whatsoever, there will be those problems in setting up this new institution. Those issues will not go away. We come to how we regulate and how we organise this new body. We do not know yet. Past experience suggests that all problems that we have had with previous corporatisations will occur in this occasion. This amendment does not address that. I had this image of a Dutch dyke and somewhere in it is a great big gaping hole and the sea is just washing through it in millions of gallons per minute. The analogy is that is the return to Treasury. Thirty-year plan that we are just about to embark on, or maybe will not; who knows what the next vote will be. A 30-year plan, which involves £3 billion of rent to create and maintain social housing on the Island, with £1.5 billion return to Treasury over those 30 years. Flooding out. Deputy Le Fondré has noticed a little crack over to the right of this flood and said: "Oh, I think we better fix that." He is beavering away to try and stop this little admin cost that he fears will ruin the dyke. He cannot see the great big hole in the corner. That is the reality. So, the significance of this, while some might consider it important, I do not consider important in the context of half the revenues. I will use the Minister for Treasury and Resources words: "We should not be tying the hands of this new board by accepting this amendment." I believe he is right. Nor should we be tying the hands of the new

board and nailing one of their feet to the floor by allowing half of the revenue of this new body just to leak away. That is what we may be about to do. This is insignificant. I cannot support it.

1.2.8 The Connétable of St. Peter:

What a strange place it is. Over the last couple of days Deputy Southern and I have been on different sides, but it appears we are going to hold hands on this one. **[Laughter]** Metaphorically, I hasten to add. I want to bring this back to the overriding reason why we are bringing forward these reform proposals. So far most of the amendments have centred on the financial aspects of the proposals. This current amendment continues in that same theme. What Members do need to focus on is the overriding rationale for bringing this housing transformation proposition to the States ...

The Greffier of the States (in the Chair):

Sorry, Constable. The Assembly has again become inquorate. I would ask a Member to return to the Assembly.

The Connétable of St. Peter:

I hope it was nothing I said, Sir.

The Greffier of the States (in the Chair):

Very well, you can continue, Constable.

The Connétable of St. Peter:

I will just go back slightly, what Members need to focus on is the overriding rationale for bringing this housing transformation proposition to the States, which is not just about money. It is about the people and the quality of the homes that they are living in or hoping to live in. The money is the means that we need to provide the decent homes for those in our society that need them and want them. The proposals are fundamentally about ensuring that our social sector is able to provide decent homes and quality services, which ensure that tenants' interests are protected. The Minister spoke earlier about some of the social services which the Housing Department provides the tenants that the housing trusts generally do not. I am sure that Members would agree that it is vital that we have at least one provider with the experience and the infrastructure to provide these sorts of services, particularly when we consider that we have an ageing population and yet we will want to avoid people going into residential care when they can live independently with the support of an appropriate landlord. At this point I would like to challenge a comment made by Deputy Vallois yesterday in her statement where she said: "Effectively, if Members voted against this amendment they are voting for the death of social housing in Jersey." I listened to the radio this morning. It was repeated several times on the radio this morning. It also reminded me of another item on the radio this morning, which was about the residents at Maison de Ville, who were very concerned to hear that in 2 years' time they may well be losing their homes. This is my concern. It is that same concern for our tenants out there today who are living in housing properties, who may now well be fearing that social housing is dying in Jersey if we accept the main proposition coming later on today. That is my concern. We drum-up the sort of spectre of failure and we, unfortunately in doing so, inflame the fears of the people that we are trying our best to protect. Nothing else could be further from the truth with regard to: "This will be the death of social housing in Jersey." The Housing Department will continue to do what it does now and whatever this Assembly decides that it needs to do. In focusing back on this amendment I would like to demonstrate the well-intentioned, but seemingly ill-informed views that spawned this amendment, which once again focuses on benchmarking on monies rather than deliverables, services and, yes, monies. I would like to just ask Members, as the proposer did do, to look again at the main paragraph in the amendment. If I can share it with Members: "Administration management costs of the company shall not exceed the average administration management costs of existing social housing providers,

subject to regulation as identified in paragraph 317 on page 22 of this report, the existing social housing providers, compared on a like-for-like basis.” The current Housing Department does and will continue to deliver social support services such as, as the Minister said earlier, the independent living service presently provided by the department, which does not come cheap; adapting homes to fit a lift or a level access shower, which also does not come cheap. I can tell Members, with my Health and Social Services hat on, that these costs pale into insignificance compared to having hospital or residential care beds tied-up by people who are unable to return home because their home is not properly adapted. If this amendment is accepted today then we are going to end up, I believe, trying to provide a service at the lowest costs. When we do that Deputy Vallois’ vision of the future will come to pass. We will lose social housing as we know it today. In that regard, she was probably right to raise our attention to that yesterday. While I criticise the Deputy on one point, I compliment her on another point. I am a firm believer in the need for performance management and of appropriate benchmarking as a means of identifying areas for service improvement, just as importantly as a means of celebrating success. Such a performance will be an independent aspect of any new regulatory regime. What worries me significantly about this amendment is what it seeks to measure. I would far rather see a benchmarking regime which measures outcomes rather than just simple costs. I would want to see providers measured on how they have allocated their homes and who to, how long it has taken them to organise repairs, how many times tenants have been consulted on service provision or management decisions, how many medical adaptations have been carried out to support independent living and so on. These things are clearly more difficult to measure, but I would submit would be things that if measured will encourage providers to do more and not as the benchmark suggested in this amendment would do, which would be to encourage providers to provide just the basic landlord services in order to achieve some rather inappropriate measure of simple running costs. For these reasons that I have just put to Members I will not be supporting this amendment and urge other Members to reject it and support both me, the Minister and Deputy Southern. Thank you.

1.2.9 Senator F. du H. Le Gresley:

There have been some interesting speeches on this particular amendment. I think some of us, perhaps, have missed what Deputy Le Fondré is asking for. I think Deputy Young referred to it. He is referring to the fact that routine administration costs and management costs of the company shall not be permitted to exceed the cost of the housing trusts. He then goes on to say that administration costs of managing repairs or managing voids or dealing with tenant queries are the ones that he is anxious to maintain in line with the housing trusts. This is where I think we have lost our way a little bit; he recognises that certain tenants require greater attention than others and it has been the contention of the Housing Department that they have greater proportion of such tenants and, as such, would incur greater administrations costs. The amendment allows for this issue by giving the regulator appropriate flexibility in assessing such expenditure, should the regulator deem such an adjustment to be necessary.

[11:30]

Unfortunately, some of the arguments that I have heard so far are not in line with what Deputy Le Fondré is proposing. However, having said all that, there is an issue that Deputy Le Fondré has overlooked. This is what is the issue: the largest of the housing trusts outsources their administration function to a private company. That company, I believe - I do not know all the details of the private company because it is a private company, so we cannot find out what it does - also administers other properties which are not belonging to the trust. Therefore, how are we going to assess the true administration costs of the largest trust when it is outsourced to a private company? The answer is: we cannot. Therefore, Deputy Le Fondré’s proposition is impractical, it

will not work and so, I am afraid, I would urge Members not to support it, because it will not work, because we will not be able to get the information from the largest housing trust. Lastly, I would say to Members - the Minister for Housing put this very clearly - the new housing company is the landlord of last resort. What would happen, and this does happen, if a housing trust has an antisocial tenant, who is upsetting other tenants, and they evict them? They are quite happy to evict them, because what happens, where do they go? They will go to the Housing Department or to the new housing company. So, housing trusts are quite happy. They can deal with their management issues or their day-to-day voids and dealing with tenants. They just evict them. They can then go to the Housing Department as a last resort and the Housing Department would have to cope with all the issues around an antisocial tenant. Again, I urge Members not to support this amendment.

1.2.10 Deputy S. Power:

Before I say what I want to say, I want to follow on from a point Senator Le Gresley has just made about the largest housing trust. I hope the Minister for Housing does not realise that this is a tit-for-tat thing, but it is important in defence of the Housing Department that some of these points are made clear to Members and to the listening public. It is this: not only is Senator Le Gresley correct in what he said about how the administration of that trust is administered but also that particular trust has its own private contracting company and the States do not have the financial records of that company. The Minister for Housing does not have access to that information, so we cannot – cannot - compare the Housing Department to that trust company and indeed, dare I say, other trust companies. I want to say this: Deputy Le Fondré makes the point that has been covered by Senator Le Gresley about the basic principles that routine administration costs, routine management costs shall not be permitted to exceed the costs of the housing trusts. I would say this: Professor Whitehead said this as well, she said has said it twice now, that the staffing levels of the Housing Department are parsimonious in relation to other housing organisations in the U.K. She particularly compared the 4,600 units of accommodation that the Housing Department has, I think it was the Kingston-upon-Thames. Kingston-upon-Thames had something like 2½ times the staff level that the Jersey Housing Department has. So, we are not comparing like-with-like when we have a trust and a Housing Department. I will go on and say this, I have said this before and hope the Minister for Housing bears with me on this, and that is that almost every States Member in this Chamber has come to either the Minister or to me in my time or to the former Senator Le Main with a particular shopping list of a particular constituent who has a particular issue. In many cases those constituents were elderly, they were not economically active, they had problems, they had mobility issues, they had all sorts of issues and the Housing Department deals with these and takes them in. Every States Member must be aware of these particular cases that the Housing Department deals with day in, day out, day in, day out. In my time, working with former Senator Le Main, we had frequent visits to La Moye Prison. We had frequent visits where there was liaison between the prison governor and the department as to how a particular inmate, who was about to be released, had to be housed. In my time, with the former Senator Le Main, we had reason to co-ordinate with the Health and Social Services Department, particularly with somebody who was about to be discharged from the hospital or from Orchard House and had particular needs - particular needs. In my time we have liaised, and I am sure the Minister for Housing's officers do and I am sure he is directly involved himself, with the courts and the Probation Service and the Viscount's office to house these people that the other trusts will not take, simply will not take. As Senator Le Gresley said, and as it has been said in our papers, the Housing Department is the department of last resort. If Members do not accept that this is not just a Housing Department, but it is also a housing social service. It is a housing social service. Therefore, in the statement that Deputy Le Fondré made that the basic principle that routine administration costs and charges are to be compared with a trust is simply, I think - the Minister for Housing used the word - insanity. It is not quite insanity, but you cannot compare. You simply cannot compare the work that goes on in

the Housing Department to what some of the trusts do. I hope Members understand that. To me, you cannot compare the work that goes on on those 2 floors in the Housing Department. Finally, Deputy Le Fondré referred to the salary of the Chief Executive Officer of the Waterfront Enterprise Board quadrupling in his time, from the transitional phase of W.E.B. I think that is a very unfair thing to say about the senior team were I to compare this to W.E.B. There is absolutely no comparison between a social housing provider and the Waterfront Enterprise Board or the Jersey Development Company now, absolutely no comparison whatsoever. I know, and many States Members in this Chamber know, the senior team at Housing and it is almost - and I will say this - a vocation to do what they do at the Housing Department. It is almost a vocation, from the Chief Officer to the Accounting Officer to the Finance Officer to the Director of the States to the guy who runs the strategic planning side to the guy that does the enforcement. They do it and I have to say they almost do it for the love of the job. I cannot accept, and I will not accept from Deputy Le Fondré, that the senior team at Housing can be compared in any way to what might have happened at W.E.B. or Jersey Telecom or Jersey Electricity, any of these other State utilities. If, and I hope it does, the Housing Department becomes a private company, I know these people, I know these men, I know these women and I can tell States Members that they are decent people and I cannot for the life of me see that happening. I think it is a scenario that simply will not happen. Thank you.

1.2.11 Deputy T.A. Vallois of St. Saviour:

Just to comment on Deputy Power's last comment; unfortunately the senior team will not be there for the next 30 years. In this particular regard for this amendment, although I think I understand where Deputy Le Fondré is trying to come from, I think we all know that there are concerns with governance arrangements and issues in the States as a whole. Everybody is looking at it and trying to reform it and trying to make it better. We are moving forward slowly. I do not think we are the people who are in the right position to put those governance arrangements in. The thing that gives me the confidence to say that is that within the report of P.33 on 3.45 it does state that it is proposed that the Comptroller and Auditor General would be formally consulted on the proposed governance arrangements to comment on their robustness and probity. As chair of P.A.C. (Public Accounts Committee) I have a lot of confidence in that. I know that that is the person that is best qualified to look at the socio-economic objectives of both social housing or housing as it is going to be as a company, delivering the social services that the Minister and Deputy Power have mentioned, but also to ensure that they are doing it best value for money. For that reason and that reason only, I cannot support this amendment.

1.2.12 The Connétable of St. John:

I have concerns. Over the years I have seen a number of shadow boards, quangos and boards. This has implications for the Island. Until the Ministerial system came into place, Members sat on committees at next to no cost, because most of the Members were doing it in an honorary capacity. The taxpayers were the beneficiaries. Let me give a couple of examples, when we have a query about one of the boards or quangos or put it to the Minister for Treasury and Resources and we do not get answers. I do not believe we are going to get any answer if this becomes a board either. It is of real concern, because things get swept under the carpet. We are aware of things that happen, yet we cannot get to the bottom of it, because we are told we are only the shareholders and therefore the board run their own course. It is not good enough. I heard Members mentioning the Comptroller and Auditor General will have a say. But we saw what happened a few months ago to the Comptroller and Auditor General when he put a report in on a certain building they wanted in Green Street. That was rubbish and we lost a very, very good Comptroller and Auditor General. Are things going to change? If certain Ministers do not like the reports that will be coming back from the Comptroller and Auditor General, what are we going to do? Are you going to change him yet again so it suits the Ministries? I am not in favour of this. I have evidence in my pocket that

board members are led by the nose by civil servants and the Minister and the board is basically rubberstamping Ministers' whims. I have it here. I am not going to read it out, because it is confidential paperwork. But I will say that the last paragraph, the members of the board were sent this information about what was happening within their particular sphere, basically to rubberstamp it, because the last paragraph says: "Although too late to discuss the above, it may be prudent to arrange a meeting of the board to discuss the tender process for an all-Island partner, recent communications with the Minister and non-nominees in June or July." This was sent in March of this year. To me it seems odd that our boards are being told what to do by the Minister and rubberstamp it. This is what is going on. If that is the kind of control our boards have got, it is of real concern - of real concern. I asked recently about funds within boards that could be and may be used to set up satellite companies and the accountability of these companies in the use of public taxpayers' money. Given we have quite a number of these boards, like, Jersey Telecom, Harbours, Postal, Water, Jersey Electricity, the Lottery Board, to name but a few, let alone the one or 2 which have already come and gone, like W.E.B... We are not getting value for money, not in my book. After what we saw happen to the Comptroller and Auditor General we are now going to be putting all our faith, yet again, in the Treasury Department. These people are going to put in their reports to the Minister for Treasury and Resources and it will be for him to decide, not Members of the Chamber. It will be for the Minister for Treasury and Resources. The Minister for Housing's position will probably disappear to be replaced by a Minister for Foreign Affairs or something else.

[11:45]

If we are going to have all these Ministries set up in any new Chamber, we are going to need Ministers. Therefore, they are going to do away with probably the Minister for Housing once this is set up. Because there will be nothing for you to do Minister for Housing. It will be done by everyone else.

Deputy A.K.F. Green:

Sir, can I just seek a point of clarification?

The Connétable of St. John:

No, not at the moment. **[Laughter]** I am not giving way, Sir. After hearing Deputy Power's speech, the officers we have at the moment do an excellent job, a very, very good job. By putting it into a quango, we will not have control at all. The people who Deputy Power was referring to, some of those people who trusts and that do not want, will fall by the wayside. Are they going to be looked after as well as we do at the moment? I doubt it. I very, very much doubt it, once it becomes a board. At the moment, at least, these people can come and see their Island representatives, their Parish representatives and get some input and make sure things happen by speaking direct to the Minister or the Assistant Minister or the chief officer of the department. Once it becomes a board, to get to that board I will probably have to speak to the Minister for Treasury and Resources. The Minister for Housing is shaking his head. But, once he is no longer in office, and as the Deputy of St. Saviour has already said, 20 or 30 years down the line things have changed and these boards get very, very - how can I put it - distant from this Chamber, we finish up with people who will be out on the streets. They will be out on the streets. We will be having to put something else in place. I cannot support more public money being pushed into another board where we will not have the controls that should be in place. We are seeing it with other departments. I have evidence in another area where a lot of public money has been spent and lost because they put the wrong people in these jobs. Sorry, we need the control kept within this Chamber.

Deputy A.K.F. Green:

Sir, can I seek a point of clarification? Also I have a question for the last speaker. Can he confirm that the letter he has in his pocket about some board is absolutely nothing to do with housing whatsoever? Can I also make another point, Sir? I thought this Assembly agreed an amendment yesterday that the Minister for Housing's role would remain.

The Connétable of St. John:

Only temporarily remain, Sir.

Deputy A.K.F. Green:

Sir, he still has not answered my question. Was that letter anything to do with housing?

The Connétable of St. John:

The letter, no, it was nothing to do with housing. Thank you.

1.2.13 Deputy R.G. Le Hérisier:

I think the public must be going absolutely barmy. We are trying to micro-manage [**Approbation**], we are trying to reform the whole of the public service apparently, which I never realised was the intention of this proposition, but congratulations to the mover, and we are trying to remove every board. I mean, the Constable of St. John is quite right, Senator Ozouf has embarked on a quest for world domination. [**Laughter**] We all know that. But, this is not the place. Now, we have just heard he is going to d'Hautree School to also take over the running of that school. [**Laughter**] We all know that. But, I do not know what on earth we are doing with this amendment. This is crazy. We could have chosen 100 things to control in the Housing Department. For some reason, Deputy Le Fondré has chosen to control them through administration costs. I am staggered that Deputy Young, who has experience with administration should somehow end up colluding with the States which at a modest rate costs about £900 an hour - and that is modest - to run and we are faffing about with these minor little points. It is absolutely ridiculous. It is no wonder the public have lost faith in us. I would ask the Deputy of St. Lawrence, Deputy Le Fondré, to withdraw this, because this is ridiculous. [**Approbation**]

Deputy J.A.N. Le Fondré:

Sir, I am happy to sum up, but I am not withdrawing.

1.2.14 Deputy J.A. Martin of St. Helier:

I have to apologise, I probably should have said before I went I had to be with Deputy Pinel at Brig-y-Don with the Bailiff and the Lieutenant Governor. But, we did have this on the radio coming back. I am quite concerned with what I have heard about the new housing company. I will listen to Deputy Le Fondré when he sums-up. But, the company is the company that the building, the voids, the maintenance and everything else... I cannot see why it cannot be run on administration costs the same as other social providers. I totally disagree with Senator Le Gresley because, unless I have been misled for the last 13 years, the large trust we are talking about, the Minister for Treasury and Resources sees the accounts, so does the Minister for Housing, every year. It is broken down into loan repayments, maintenance, administration, new build, *et cetera*. Yes, that may be outsourced, but we know where the administration is. My absolute concern about what I have heard, and I will say this for Deputy Vallois, if she has listened to the same debate as me, it is not about the money, what the Comptroller and Auditor General could look at, it is about ... I was told yesterday we have 1,000 people waiting on the gateway that are coming in from these trusts. But am I hearing only those that are placed in social housing provided by the new housing company will get independent living services, will get community liaison team backup? That is what I am hearing. That is why the Minister for Housing, yes, has got to be in charge, but all the social policy ... and it may take more staff. It may take more staff to deal with

the extra thousands that will go through this gateway, some to different trusts and they are all signed up to it. It is working well. But I get very scared when I hear some Deputy from St. Brelade tell me bad tenants or people who cannot be housed anywhere else will just fall back into the housing company. That is absolutely outrageous, for one. Why would we be putting people out there to fall into housing trusts? That is what this is saying. Forget the costs of the company can be the same as a trust. The social side, which we need and we will probably need more of, I am hearing will only be provided to those that go through the new company and once they are out, they go in. Whether we bring the Constables in, the Parishes in, because the waiting lists are crucial, that they come in and they go out. If there is a problem, that they need their home adapted or they need this, that and the other, they are left on their own. So, I await the Deputy to sum-up. We have brought these together and we are now saying we are going to fail because the social support under the social policy, which does sit with the Assistant Chief Minister, Senator Routier - and should sit - and the staff could go across and be enhanced, should be dealing with everybody who is accessing some form of social housing if they need it. As I say, I cannot believe you can interpret what Deputy Le Fondré is trying to do on business, on that side, the arm that is the company that is doing the building, the letting, the voids, can be run and should be run as a business. We were told yesterday that it will be run as an efficient business. The social side, we cannot say we are only going to deal with one-third of these people because the other trusts are not. I look forward to the Deputy summing-up and if anyone else who has not spoken, if you think I have got it wrong ... but I have got it absolutely bang-on. What has been said in the speeches here, forget a lot of these people, take them in, shove them out and then leave them. It does not work. It really will not work; social and the costs of the running of the company, completely separate. I want assurances that we are not going to leave half these people that go through the gateway and go back out to housing trusts, who do do a job that through that gateway that ... you know, they have provided extra housing. All families come to difficulties, different times, over the years. So, I hope I get that assurance. I will listen, as I say. I apologise again that I was not at the beginning of the debate. But we need some assurances the social side will be catered for for everybody, everybody who needs it. Thank you.

Senator F. du H. Le Gresley:

As the Deputy was not in the Chamber when I made my speech...

The Greffier of the States (in the Chair):

You cannot make it again.

Senator F. du H. Le Gresley:

No, I do not want to make it again. **[Laughter]** I just want to clarify that the Deputy is not correct when she says that the Minister for Treasury and Resources sees all the accounts. The Minister for Treasury and Resources is not entitled to see the accounts of a private company which administers the day-to-day voids, *et cetera*, of the largest trust company.

Deputy J.A. Martin:

I have been told different. For years and years and years that was the only ... that was the reason that it was passed. No one else is privileged. The Minister for Treasury and Resources and the Minister for Housing do see. Not the company, they see the amount that is put aside for administration. I see the Senator nodding. Thank you. Yes, thank you. So, we are both right.

Senator S.C. Ferguson:

For clarification, Sir, some years ago I brought an amendment to the Business Plan which required all organisations which had any access to funds from the States to publish their accounts. Now, I

would suggest that the housing trusts fall into that category and therefore these accounts should be available at the bookshop for Members to read.

1.2.15 Deputy P.J.D. Ryan of St. John:

I am quite interested with the Deputy of St. Helier, Deputy Martin's, speech just now, because I think we are all quite worried about the social aspects of this. But, it does say to me, is there a conflict in the way that she voted on the previous amendment? Because I think that the States passed an amendment from Deputy Le Fondré that has some quite difficult social implications in the previous amendment. I would like to say that this particular amendment from Deputy Le Fondré is not about the social side, it is about the money. It is about the money. I have to say I find it very astonishing that a previous chairman of the Public Accounts Committee with a responsibility - politically anyway - for the Comptroller and Auditor General, would seek to be supporting this. I am very, very pleased that the current chairman of the Public Accounts Committee, Deputy Vallois, has said the right kinds of things. It is for the Comptroller and Auditor General to look at the accounts for wholly-owned States entities. It is purely and very definitely in the area of the Comptroller and Auditor General. It is not for us. I was very pleased with Deputy Le Hérisier who explained to us, in the typical way, that the States were yet again trying to micromanage this process. I absolutely agree with him. Finally, I hesitate to criticise my colleague in St. John, the Constable, but we do know that he is not really, shall we say, fully on side with the way that we run government now. We do know that he would like to return to committee government. Oh, here he is. He is an exponent of the committee system. But, the fact is that we are no longer in the committee system and I do not think we are likely to go back to it and regrettably and, at the risk of being, shall we say, sent into exile from St. John, **[Laughter]** I cannot really support what he had to say at all. There you are. Just to repeat, I find it absolutely astonishing that we are trying to micromanage again. I also find it astonishing that a previous chairman of the Public Accounts Committee would make the kind of speech that she did. I find that very unfortunate. With that, I will sit down. Thank you.

[12:00]

Deputy T.A. Vallois:

Sir, sorry, can I just make a point of clarification? The Deputy of St. John mentioned that P.A.C. have responsibility for the C and A.G. (Comptroller and Auditor General). Can I just make it absolutely clear that the C and A.G.'s office is independent.

The Deputy of St. John:

I did say "political responsibilities".

The Greffier of the States (in the Chair):

I am not quite sure they have that either.

The Deputy of St. John:

Okay, I stand corrected.

The Greffier of the States (in the Chair):

Does any other Member wish to speak on the amendment? I will call on Deputy Le Fondré to reply.

1.2.16 Deputy J.A.N. Le Fondré:

It is nice to have a few friends left in the Assembly. I think what I better start with is I do not do things out of malice or to wreck things; or destruction or denigrate or whatever. I have to say, I do

sometimes feel I have an awful lot of bullets flying my direction, which have got to a personal level, about one trust versus the department. It is not. I represent my electors. I know every time I have knocked on doors, my electors are concerned about costs and how the States spend money. Okay? So, yes, I use it from experience. It happens that I am associated with an organisation which gives me some knowledge. I do not expect it to be perfect. That is why I have tried to set a principle. This is so insignificant. I think I am going to give an illustration, I am afraid. I was not going to give numbers, but I am going to give a couple. I use the trust as an example, because that is the one we are familiar with, but I believe the department uses a very similar spreadsheet, which is called a financial model, to assess how we do things. I pulled up that model last night and I whacked in: "What happens if you borrow £200 million?" which is what we are being told. I worked out roughly the kind of number you would need to do to use the normal repayment and things like that. Then I did a comparison. The one thing I changed was the management fee. I changed it from the trusts and I added it on to which I am familiar with and I added on 1 per cent and I added on 3 per cent. The difference over 25 years was additional costs of, at 1 per cent, £9 million and at 3 per cent was £30 million. That is how insignificant this is. Okay? That is the principle. That is not micromanaging. That is being responsible about what we do with our money and how we spend it and whether we spend it efficiently. So we are saying to our tenants: "We are going to put your rents up, but we are not going to even think about attempting to keep our routine costs down." Deputy Martin was absolutely correct. I was so relieved she realised what I had understood what I was trying to do, in terms of it is the difference between the running of the company and the social policy side. Deputy Vallois, absolutely she is right, this should be Comptroller and Auditor General, to an extent. But all it says in that paragraph is: "Would be formally consulted." Now, C.&A.G. is in a different position and can come in later on. But: "formally consulted"? We have all been consulted in the past, until the cows come home. Those were the exact words, I believe: "Therefore it is also proposed the Comptroller and Auditor General would be formally consulted", yes, "...and the proposed governance arrangements to comment on their robustness and probity." Now, that is really good. One would hope they would not ignore it. Quite often things like this you might get, as we have seen on Scrutiny reports, 20 recommendations and 18 are supported, 2 are fudged or whatever, and then they keep going back through the process. Again, it is about, to an extent: do we set a principle which we want to be implemented further down the line? As I said, I have not been prescriptive on this. I really tried not to. I do not want to get dragged down into the detail. I said the definitions are left to whatever the regulator turns out to be. I have allowed for variations within that lot. I have mentioned 2 performance measures, but I have allowed room for others. The point is as well, this is not prescriptive. If somebody wants to bring out another performance measure on, I do not know, something specific to services to tenants, that is fine. That is not exactly excluded as a result of this proposition. Deputy Young, absolutely spot-on, it is about a principle. That is what irritates me so much on these things is that suddenly people say: "No, we cannot do this." I have not even specified a timeline. So if the regulator using their normal professional reason turns round and says: "Over the next 3 years, it is absolutely reasonable for you to be at such and such a level" that is fine. What we are saying, using Deputy Power's example, he has huge support for his previous officers. I do not blame him. When you work with your officers, you build-up a relationship with them but they will not be there all the time. What you are trying to do when you are looking at a policy is you are trying to say: "What is going to happen in the future? Is there something we want to do to try and just control it a bit?" It is about: "Where are we going?" As I have said, if we are significantly different in costs, on a like-for-like basis ... Deputy Green is absolutely right about all the good things that Housing do. That is why I do get a bit concerned, because I sometimes think I am being misinterpreted. I am having a dig at Housing all the time. It is not that way, it is one recognises that they do an awful lot of good. I do not get overly involved in some of those things but they do that. What he has said is correct but fundamentally that is the social policy and what we

are trying to do, we are setting up a new company which is housing people as well and I want to know that when that money is being spent to house people - this is the bit - then why should we not be comparing it with what people do already out there? The point is, if it is significantly different and if it is not justified because the regulator is in the position of say “yay” or “nay” then there is a cost to it. That brings me back to those rather large numbers I started quoting. I am sorry if that sounds harsh but that is the thought process you go through when you look at these things and why is it important, it goes right back to the tenants. It goes back to the point that their rents go to 3 places, basically. It goes into their properties, it goes into the running of the company, it obviously goes into other social services within that, and it goes back to Treasury to the taxpayer. So the less that is spent on the admin costs, the more that can go to one of 2 areas. It either goes back to Treasury and the taxpayer or it can be invested in the estates. If you apply that across the board and look at those numbers, you think about what impact £30 million would do on your backlog maintenance when building a new estate, and that is just by keeping those costs down. There is no additional financing clause borrowing costs. It is keeping control of your money, it is setting a parameter. I think that is probably where I am going to stop. We have told the tenants we are going to put up your rents, we are not going to keep our costs down. I am trying to say: “Set some principles, set someone a guidance that we want you to go away and look at what is happening out there and compare it to what is being proposed” and if it is different to say: “Okay, you need to change”, if it is not, that is brilliant. The Housing Department said they are more costly in every area than private sector operations but what message does that send if on a like-for-like basis we support that in the longer term. We will need to get a transition there but you need to get the behavioural changes. If one genuinely believes in reform, if one genuinely does not support tax increases, because that is where you go, it is about a thought process, then Members should support this. As I said, it is about people and money. I have done the money, it is about the people, it is about the tenants as well. The more that is spent on the bureaucracy the less they get in services. I think I know what the result is but I call for the appel.

Deputy R.G. Le Hérissier:

May I have a clarification? Am I right in assuming or inferring from an earlier statement in the summing up that if this does not go through all the other mechanisms will not be able to save the £30 million, which allegedly is now going to be irresponsibly spent on unwanted housing administration?

Deputy J.A.N. Le Fondré:

Perhaps the Deputy could clarify what other mechanisms?

The Bailiff:

We cannot have a debate on that. I think that takes it as far as it can. The appel has been called for in relation to the amendment of Deputy Le Fondré. I invite Members to return to their seats and the Greffier will open the voting.

| POUR: 10 | | CONTRE: 33 | | ABSTAIN: 0 |
|-----------------------------|--|----------------------------|--|-------------------|
| Senator A. Breckon | | Senator B.I. Le Marquand | | |
| Senator S.C. Ferguson | | Senator F.du H. Le Gresley | | |
| Connétable of St. Clement | | Senator L.J. Farnham | | |
| Connétable of St. John | | Senator P.M. Bailhache | | |
| Deputy J.A. Martin (H) | | Connétable of St. Helier | | |
| Deputy J.A.N. Le Fondré (L) | | Connétable of Trinity | | |
| Deputy S. Pitman (H) | | Connétable of St. Peter | | |
| Deputy T.M. Pitman (H) | | Connétable of St. Mary | | |
| Deputy G.C.L. Baudains (C) | | Connétable of St. Ouen | | |

| | | | | |
|-----------------------|--|-----------------------------|--|--|
| Deputy J.H. Young (B) | | Connétable of St. Brelade | | |
| | | Connétable of St. Martin | | |
| | | Connétable of St. Saviour | | |
| | | Deputy R.C. Duhamel (S) | | |
| | | Deputy R.G. Le Hérisier (S) | | |
| | | Deputy G.P. Southern (H) | | |
| | | Deputy of St. Ouen | | |
| | | Deputy J.A. Hilton (H) | | |
| | | Deputy of Trinity | | |
| | | Deputy S.S.P.A. Power (B) | | |
| | | Deputy K.C. Lewis (S) | | |
| | | Deputy M. Tadier (B) | | |
| | | Deputy E.J. Noel (L) | | |
| | | Deputy T.A. Vallois (S) | | |
| | | Deputy A.K.F. Green (H) | | |
| | | Deputy J.M. Maçon (S) | | |
| | | Deputy of St. John | | |
| | | Deputy J.P.G. Baker (H) | | |
| | | Deputy S.J. Pinel (C) | | |
| | | Deputy of St. Mary | | |
| | | Deputy of St. Martin | | |
| | | Deputy R.G. Bryans (H) | | |
| | | Deputy of St. Peter | | |
| | | Deputy R.J. Rondel (H) | | |

The Bailiff:

Very well, so that completes the amendments. Just before we return to the debate on the main proposition, I have received a note and I do not know whether Members will be assisted, the Connétable of St. Helier, do you wish to indicate at this stage ...

The Connétable of St. Helier:

I think due to the length of the sitting so far and the fact that some Members are not here, I am quite happy to defer P.40 and perhaps ask Members' leave to put it at the beginning of the next meeting. [Approval]

1.3 The Reform of Social Housing (P.33/2013) - as amended

The Bailiff:

Very well. So now we return to the debate on the main proposition as amended. Does any Member wish to speak? Deputy Southern.

1.3.1 Deputy G.P. Southern:

It has only been 1½ days; we cannot be tiring already, surely not. *Temps passé* we would have done 7 days on something as serious as this, and still not covered it properly, because we have not covered this properly. So let us start at the very beginning. This has gone through almost unamended. One minor amendment. So far so good according to the Minister for Housing, presumably. We have heard cries that this reform is the end of social housing. It certainly sounds like it from where I am and I refer Members to the Shelter UK definition of social housing: "Social housing is housing that is let at low rents and on a secure basis to people in housing need. It is generally provided by councils and not for profit organisations such as housing associations." At low rents and on a secure basis. "A key function of social housing is to provide accommodation that is affordable to people on low incomes. Rents in the social sector are kept low through state subsidy." That is the normal way people look at social housing but all of a sudden in this debate

that has become a hidden subsidy. But most countries in the world employ it because they see the need to house their people properly even on low wages. That is social housing. Is that what we are moving to, hidden subsidy instead of straightforward subsidised? Most governments in the world admit to that and are not ashamed to do that. That is what we do. That is part of government. The social housing sector is governed by a strictly defined system of rent control to ensure that rents are kept affordable. What are we doing? We are controlling rents? No, we are inflating rents in 2 ways. One, the 90 per cent mark, which we have argued about and we may appear to be losing but nonetheless it is there, and not just one mechanism for inflating rents but, 2, and rents will go up year on year by inflation plus 0.75, which according to the advice from the Economic Adviser is likely to be over the long term, the 30 year period, 3.5 plus 0.75, 4.25 per cent. What impact does that have on actual rents? It certainly does not control them, it is inflation plus. It inflates the rents. That is what it does. What is the difference between social rent and affordable rent, because in the U.K. they have a new definition? Market rent is the rent that private landlords charge in an area. Social rent is set at between 40 and 60 per cent of market rent levels and residents have a lifetime tenancy; 40 to 60 per cent of market levels. That means they can stay in their home for as long as they want provided they do not break the terms of the tenancy agreement which could lead to being evicted. Affordable rent is set according to market conditions up to 80 per cent of market rent levels.

[12:15]

Now, is somebody telling me that there is a marked difference between the availability of funding in the U.K. and in Jersey that the U.K. Government can say affordable rent up to 80 per cent of the market? In Jersey where we are told time and time again by the Minister for Treasury and Resources we are better off than the U.K. because we have got no debt, we cannot get access to 80 per cent values, we have to charge 90 per cent of the market rent. The market rent in Jersey, why how high is that? The housing affordability in Jersey 2012 report has just come out. Let me just draw Members' attention to page 17 of that report, which compares us with England and London, West Midlands, Northwest, Northeast areas in the U.K., Jersey way out in the lead. The ratio of median property priced to median earnings in Jersey and England in 2011, where is Jersey? 14.2. 14.2 is the median cost of accommodation in Jersey compared to median earnings. 14.2: completely unaffordable to the vast majority of most people. In England as a whole it is 6.7, so more than twice the English average. We are often compared with London, London is expensive, London and the Southeast, let us have a look.

Senator F. Du H. Le Gresley:

I think I have to ask the Deputy to sit down because this report embargoed and he is breaking the embargo.

Deputy G.P. Southern:

It was out yesterday and it is embargoed until today.

Senator F. Du H. Le Gresley:

It is embargoed until midnight tomorrow, which is Friday.

Deputy G.P. Southern:

I apologise then to the House for doing so. I misread the embargo and I will cease referring to it, except to say that even compared to London we are vastly more expensive. Yet, we cannot raise funds to provide social housing at under 90 per cent of the market rate. How absurd is that, when we have the most expensive housing, and unaffordable housing, in the U.K.? So I ask myself what does this reform do? Does it meet its targets? I do not believe it does. One of the targets set by

Professor Whitehead was to remove or ameliorate the return to Treasury because the reason why we have such a terrible state of social housing in the state sector is because of that return to Treasury. She says at the time in her report back in 2009: "... and the requirement for the Housing Department to make significant annual returns to the Treasury leaves insufficient revenue to address the annual repair needs of the stock." When I am told by the Minister for Housing that Professor Whitehead says that this reform is meeting all its targets, quite frankly I am amazed because that was a fundamental ... it was the first target, the first thing wrong with the old system was the return to Treasury and that is what was causing the damage to our housing stock, a lack of maintenance. Clearly identified, first thing up, has not been addressed at all. Over the 30-year plan £3 billion of rent. You should be able to make something work with that. Less £1.5 billion, half of that sum, returned to Treasury. No wonder it is difficult to make the scheme work, half of it, half of your revenue, half of what you have based your rents is being lost. So what do we have here? The plan does not work, it has not worked for the past decade and more: redouble our efforts. An opportunity completely wasted. Completely wasted. A fresh start, a new plan, we can do things differently and we are going to do things enormously different but we are going to use the old leaking system of return to Treasury. It will not work, it simply will not work. We are going to end up in a mess again and I take no pleasure in predicting that. Does it - second or third point focused on by Professor Whitehead - widen access? We have got restricted ... the waiting list is so short she says because of the restricted access to social housing in the state sector. You should be able to widen that somewhat. Eligibility should be widened. Have we met that target? No, we have not, absolutely not. Why have we not met that target? Because let us look at the provision of social housing. How many net new units of housing are we providing? Well, you can pick a number and you can probably count it on the fingers of 2 hands, you may need to take your socks off, but somewhere between Deputy Le Fondré's one and 84. That is what is in the numbers. Of course we are given the standard Ministerial: "Trust me. Of course we will build more than that, we will do more than that" but what does that depend on? That depends on rezoning of sites and then we are back to the old system. The Minister for Housing says: "I cannot do anything, I do not have any sites. They are not released. It is Planning's problem." A good excuse for the Minister for Housing not to provide any more. The 30-year plan has a net gain of 84 houses so we cannot widen the access; of course we cannot, we do not have enough housing. Yes, the demand is there, surely, at least 400 for social rented houses. Somewhere between 400 and 1,000 let us say is the immediate demand. Are we meeting that? No, we are not because we are building some more and we are refurbishing some more, and we are also selling-off. Another failed policy that we are still maintaining. We were to fund social housing by selling-off social housing. That was the previous brilliant plan and every time a Minister says: "I have a plan" - boy, does that take me back to the first time Baldrick said it: "I have a plan, a cunning plan." Here we have a very cunning plan. I am going to spend God knows how much money ... I am not allowed to say that, am I? Heaven knows how much money on funding a new plan and end up with 84 net extra units of accommodation. That is some cunning plan. So am I going to do anything about affordability? Net 84 units, 300 house sales, not a lot. Have I produced a plan which ties-in with population projections and done any thinking about what population I am supposed to be housing because that is the first demand of increasing population is can you house them, and the answer is on population? I thought not, no sound whatsoever. No sound at all, not even the attempt to address some population figures despite the fact that in the last 12 months the Statistics Unit has worked like trojans to produce population projections which everybody in this Chamber can understand and look at the significance of and yet this Minister, while that was going on, and in 2013 after the report of those population projections, has made no mention whatsoever as to what he is aiming to cater for. Is that an extra 100 people a year, 200 people a year, 500, 1,000 people a year? We do not know but we are asked to trust him because he knows what he is doing, he has a plan. So what does this plan do? What does it do for tenants? It increases their rents significantly. This is where I get really critical because I think the

significance of those rises has been hidden. I said this yesterday: talk about the projections for 30 years with inflation, with the 4.25, with the 90 per cent targets, we looked at those figures and the figures are enormous. We are told and informed that the rent rises are not going to be that significant and they are going to be phased-in so it is not that damaging. Let us take a look. Remember 2 mechanisms. Let us imagine a rent of £200, imagine that it is a new tenancy, someone moving into this accommodation. So that £200 currently will be uprated. If we are to believe the figures from the Minister for Housing, he says that average rents in the state sector have been at 69 per cent of market rates. He has recently said that last year we put some rises in; it must have been significant rises because that has now gone up to 74 per cent of market rents. So the uprating to 90 per cent means that that rent will go up by 16 per cent: £200, 16 per cent, £32. So initially on that rent an extra £32 straight off. But, hang on, we also have the uprating for all rents because we are chasing all rents, market rents are assumed to go up by 4.25 per cent, so we are chasing a moving target. So that rent over 5 years - let us take that short term - will go up by a further 23 per cent, another £46 at least. So within 5 years that rent has gone up by £32 plus £46, it is almost £80. That is the level of rent increases we are producing. Now, for one third of States tenants and for perhaps one half of trust tenants, they do not claim income support and that is going to be off their income. We are told in this report they will pay for that by increases in their income. We know how easy that is nowadays, do we not, to get an increase in your income, in your wages, out of bosses in the Island at the moment. We are going through a recession. Some people have wage freezes in, some people have got less below inflation increases and we are doing inflation plus. So for that third of tenants and half of the trusts, that means a direct attack on their pocket. That is reducing their living standards. Let us make no mistake about it, if we vote for this that is what we are doing. But for those who are on income support what are we doing there? Obviously we are increasing the bill for income support by inflation plus. It is absolutely no use Ministers bringing out figures that say: "In real terms it is only £2 million" inflated, and we are certainly looking at inflated figures, over time, it is vastly much more than that.

[12:30]

That is the reality so that bill will be going up. If for no other reason than in many cases those people who do not claim income support, one has to ask why they do not. Now the Ministers say: "Oh, they are obviously too wealthy. They must have some savings or they earn too much." But you look at the figures and you see that 80 per cent of them are in the bottom 2 quintiles. They are not well off at all. They are eligible in many cases. Now whether some of them are proud Jerseymen who do not want to use State benefit and refuse to do so or maybe it is that they do not want to fill out the 26 pages of an income support claim form which requires you to declare everything, including your granny's false teeth, which is awkward sometimes because she leaves them behind on the dresser. No, no, sorry. Sorry, that is not quite true; my granny did not do that. Where was I? Declaring everything, yes. Filling in 26 pages. They will not want to do that for £5 a week but you tell them their rent is just going up by £32 or £45 and then maybe they will. So people who have not been claiming previously will be claiming and I think the Minister for Social Security recognises that. There will be an increase in the social security bill, sure as eggs is eggs, or teeth is teeth. That is on its way. So what does that do to the taxpayer? That increases the taxpayer's bill as well. Nobody has mentioned the taxpayer most of this debate. We have talked about tenants, we have talked about trusts, we have talked about companies, we have not talked about the taxpayer but that will be a burden on the taxpayer undoubtedly. If for no other reason than the current uprate is 2.5 per cent automatically built-in to income support figures. But we are increasing these facts at 4.25 per cent. That immediately means that over that 30 years, and it will build-up and we know it will, that is an increased demand and that will fall on the taxpayers' pocket. I hope this is making sense to some of you; it is not making any sense to me. So then what

is this new reform doing for landlords? I suggested it previously to the Minister of Social Security and I suggest it again, that in many cases landlords look at what the States does and currently it restrains rent increases to 2.5 per cent to try and impact inflation. They say: "Very good, right, that is what I will do to my rents, 2.5, I will impose that cap as well." It is not going to take very long for the news to get out. Forget 2.5, the new States figure is 4.25 and some, many, a few landlords in the private sector will take that as the benchmark. "4.25, that is what the States is doing, that is what I should be doing and I will do it." So landlords will do very well, rents will go up. This chasing of the spiral, we are chasing a moving target because private rents are linked to it now, 90 per cent private rents will be going up predicted by 4.25 per cent. So we will be doing that, chasing a moving target. Some system; some plan; year-on-year. Right, and then finally I turn back - almost finally - to the constructive tension referred to by the Minister for Treasury and Resources, constructive tension in the political steering group that has devised this cunning plan. Tension says pulling in different directions. One set of directions, the provision of housing and maintenance of housing, another set of directions maintenance of the return to Treasury. Now, I suggest to Members that in that constructive tension there has only been one victor and that is the Minister for Treasury and Resources because he has maintained his return to Treasury. The opportunity was here to reform that basic flaw in the mechanism of funding housing that we have had for the past at least 2 decades. It has been turned down. We are still linking what should be rents going into the provision of housing and maintenance of housing to the Treasury. That should not be happening. Why should it not be happening? Because the Minister for Housing himself says it should not be happening. He says it would not be appropriate for the housing company to bear the cost of changes to income support policy which may have no relation to housing provision. What is that return to Treasury doing? Precisely that, paying for income support. That is where it is going, the majority of it. There is still some left over, it is just going elsewhere for general expenditure but most of it is going there. The housing company will be responsible for providing a social housing stock which meets Decent Homes Standards and high quality services to tenants. It is for the Social Security and the Treasury to manage and deal with any potential changes in demand for the suite of benefits captured under income support. He clearly sees his focus or the focus of the company being the provision and maintenance of housing, not his issue, not the company's issue, what is happening to income support. It is for Treasury and Social Security to sort that out. Now, in my scheme of things that means a fresh source of income and let the housing be ring-fenced to do what it set out to do. That is the reality. That opportunity could have been taken and Treasury and Resources could have had, along with Social Security, a couple of years - the remaining Medium-Term Financial Plan time - to work out what he was going to do to replace that income. We would have broken the link, we did not. That fundamental failure I believe will continue to spoil our housing provision and our social housing provision over these coming years. We are signing up to 30 years on the back of broken economics. As I said before, this is a plan of the order of Baldrick.

Senator F. Du H. Le Gresley:

Could I just seek some clarification from the last speaker? He referred to rents increasing at 4.25 per cent throughout the 30-year term. Could I ask him if he has read page 63 of the full business case, paragraph 521, concerning the proposed rent policy?

The Bailiff:

Is that a point to make when you speak, Minister?

Senator F. Du H. Le Gresley:

I simply ask the Deputy if he has read it.

Senator G.P. Southern:

The Minister has yet to make a speech. I shall go and get it and see if I have read it because I do not know quite what is on it. But I have read the full business case from beginning to end and I have looked at the figures and got the figures that underlie that proposition, the full business case, not just on the surface but underneath it and I suspect that 4.25 per cent is perfectly legitimate to state that all rents will be rising by that.

Senator F. Du H. Le Gresley:

On that basis, can I then clarify ...

The Bailiff:

No, I think not, Minister, you have plenty of time to address any points you wish during your speech.

Deputy M. Tadier:

Could I raise a query about the embargo of this information about housing? I would like to ask the Chief Minister whether after lunch or during the lunch break he could ask for the embargo to be lifted. It seems completely a folly that we have this document with salient information in it that we cannot use during this debate, which has been embargoed almost perversely until midnight tonight and we know that the debate will not be continuing tomorrow. So could the Chief Minister seek to lift the embargo from that document so that we can talk about that in this afternoon's sitting?

Senator I.J. Gorst:

Sir, perhaps I could address that point. I understand that I was excused, I have managed to wind my way back. That document is produced by the Independent Statistics Unit and it would not be right for me to ask them, which I have not done in the past - they do not take lightly to politicians trying to interfere with the release of their statistics - and I would suggest that if the Member has concerns that they would like to highlight about affordability they simply look at the last affordability index, which is in the public domain, which the Deputy will know bears great resemblance to the one about to be released tomorrow.

1.3.2 Deputy G.C.L. Baudains:

I am happy to follow Deputy Southern. I do not share his political views, he leans too far to the left for my taste but I do agree ... well, sometimes I think he is in danger of falling over he leans so far. **[Laughter]** I have to say I agree with much of what he has just said. For example, he said these proposals will inflate rent. Well, he is absolutely right. Of course it will be, as he intimated, not only public but private rent as well. This will encourage private landlords to raise their rent and, of course, ultimately, as I said I think it was yesterday, Social Security will be the people who pick up the bill. It will become a tax. This whole proposition is, in my view, a rather complicated way of ensuring the housing stock is properly funded in future, which is no bad thing, by keeping the Minister for Treasury and Resource's fingers out of the housing biscuit tin and that should have happened some time ago, and by ensuring any borrowing will be off the balance sheet. Yes, there are benefits but during this debate I have become increasingly concerned, mainly a result, I have to say, of the Minister for Housing's comments along the way where he has opposed everything and made it clear he sees no problems at all arising from these proposals, whereas in my view there are many problems. I came here on Tuesday fully intending to support this proposition but now I am not so sure because, as the Connétable of St. John said a short while ago, putting things at arm's length has benefits but it also creates problems. Will we have the same access to assist our parishioners with housing difficulties in future as we do now? I doubt it. The Minister for Housing's priority is coming over clearly as raising the quality of stock. I agree it is necessary in many cases but let us not forget we are not the same as housing trusts, we are in fact the landlord of last resort. As Professor Whitehead said, the proportion of elderly residents with disabilities, anti-

social behavioural issues, *et cetera*, is far higher in Housing Department properties than elsewhere. I was on the Housing Committee for a few years and I was frankly shocked at the behaviour of some tenants. Thankfully a very small minority, the sort of tenant who rips up the floorboards and burns them or rips the kitchen out and sells it and that sort of thing. What do you do with people like that? You do not put them in a 5-star property, you put them in what we used to call in the Committee a sump estate, the estate closest to being refurbished or rebuilt. There is no point in putting people like that in quality accommodation but I get the message from the Minister that he would like all property, all stock, to become 5-star.

[12:45]

I wonder then where we are going to put that small minority of people who would abuse any accommodation they are given. The Housing Department requirements are not the same as housing trusts. As I say, I do have concerns and at the present time I have to say I am not sure which way I am going to vote. I came here on Tuesday fully decided to support it, now I am not sure.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

The adjournment is proposed. The Assembly will reconvene at 2.15 p.m.

LUNCHEON ADJOURNMENT

[14:15]

The Greffier of the States (in the Chair):

Very well, does any Member wish to speak?

Deputy G.P. Southern:

Shortly before the recess I was asked a question by Senator Le Gresley, which was allowed. Am I allowed to answer it?

The Greffier of the States (in the Chair):

Briefly.

Deputy G.P. Southern:

Briefly, yes. The answer to the question was I have read page 63, not only have I read it but I highlighted the relevant bits and I stand by my statement.

Senator I.J. Gorst:

Just before we start could I say we will shortly be sending around an answer to written question 7594 from the last day's sitting.

The Greffier of the States (in the Chair):

Does any other Member wish to speak on the proposition as amended? Senator Ferguson.

1.3.3 Senator S.C. Ferguson:

As I came into the Assembly today the traffic paused on the Esplanade [**Laughter**] and next door to where I was sitting there was an excellent modern, up-to-date building labelled "To Let". I think this summarises our position today. This particular proposition will be an expensive proposition for the taxpayer. Yes, I am extremely sympathetic for the plight of our population and we must make sure they have somewhere warm and safe to live but it is not much use if we have to tax the hide off the other half of the population in order to fund it, as well as increasing rents to 90 per cent

and, in effect, stealth-taxing the people who are in the rented accommodation. It is also not much use if we have to bankrupt the Island in order to pay for it. Yet here we are, planning to spend millions here and millions there when we are in the middle of a radical restructuring of our financial services industry. We do not know exactly what shape the industry will be in and we do not know in which direction we will be heading, but here we are blithely spending money from every little pot within the system. Because make no mistake, the knives are out for the offshore centres. The powers that be are taking a lofty moral status. Tax avoidance, although legally valid, is morally wrong. Unfortunately the powers that be are confusing tax competition in a free market with moral turpitude and they are also arguing from a point of wilful ignorance. Unfortunately, this is what they are doing, and this unfortunately is not the point. We have no alternative. We are being bullied, coerced and kicked around the playground by the bullies on the street. At this point in time we have no option but it is essential that we develop a Plan B. Part of that is to start being a great deal more careful with our assets. We cannot afford to spend until the cupboard is bare now. There may be a time but it is not now. After the G7 meeting last week - which includes Britain, Germany, France, Italy, Spain, I believe Canada - a number of significant countries, the G7, the U.K. Chancellor said: "I am determined that tax that is owed must be paid. We all agreed on the importance of collective action to tackle tax avoidance and evasion. It is incredibly important that companies and individuals pay the tax that is due." He went on to say: "It is necessary to collect tax that is owed and the Crown Dependencies and the overseas territories need to play their part in that drive and they will need to do more." Lovely. With statements like that it is an overt acknowledgment that the knives are out. It is no good saying that we are whiter than white or that we return so much money to the City of London, or even that avoidance is legal, the U.K. has a massive debt problem and politically we are the fall guys. There is a backlash to relentless positivity. It is my contention that major projects such as this housing transformation should be put on hold while we get to grips with the future of the Crown Dependencies. It is not a time to be putting the Island into debt, like the £250 million it is planned to raise using the existing housing stock as collateral. Debts have to be repaid. I am not a defeatist but I am a realist and now we need to be very realistic because it is our children's futures that are at stake. I ask Members to reject this proposition.

1.3.4 Deputy M. Tadier:

What dangerous talk from Senator Ferguson. Let us hope that there were no foreign journalists listening in the gallery or on the radio because she would be taken outside into the Royal Square and metaphorically shot for her traitorous views to the Island, to suggest that the finance industry is facing an uncertain future because the Minister for Treasury and Resources has been telling us all week that actually everything is rosy in the garden. Senator Ferguson and myself do not come from the same political wings but I do believe that there is some solidarity between us, certainly in the views we express over this proposition today. I think it is important that Members listen when there are warning signs coming from all across the political spectrum in the Assembly. We are forcing people into poverty with this proposition. We are forcing more people into States dependency. We have been told that by the Minister for Social Security. We are going to be driving up rental prices in social housing and in the private sector. We are putting more money into the pockets of property owners who can use income support rebates as a backstop to pay their inflated, and increasingly inflated, rents which we are assisting to add fuel to that fire. We are making the divide between the rich and poor worse. We are further supporting a regressive method of taxation and it is quite right when we have heard from different people, whether it be the Constable of St. Clement, Senator Ferguson, Deputy Southern when they talk about this as a stealth tax because we are asking those users of social housing to foot the bill for their increase in rents and to pay for the system, and of course the taxation will fall on lower-middle and middle-earners disproportionately to subsidise the most vulnerable in our system. Senator Ferguson is quite right

to highlight what I would call the folly and the intransigence of a redundant economic model, or rather an economic model which is increasingly, whether we like it or not, coming under threat. Much of what has been proposed in this model is good but we do not need necessarily to have a separate housing company in order to achieve all of the good parts that need to be achieved. Regulation: absolutely that needs to be done and that needs to be done in the private sector as well. That should be done by an independent regulator. It does not need a company mechanism to do it. What the company is there for is to return monies to the Treasury but disproportionately more than the Treasury will be putting in in terms of income support for the housing element to fill an increasingly large black hole which is getting bigger because, as I said, we have an unsustainable fiscal plan, which the Minister for Treasury and Resources and the Council of Ministers know about but they do not wish to publicise. Ninety per cent is predicated on a profit motive and the profit is going to Treasury because the tax policy is bankrupt both financially and morally. There is also a conflict of interest in terms of what it is that the 90 per cent of rents are trying to achieve. They are trying to say why not have cross-subsidy. We have had this in the postal service in the past. If there are certain aspects which we can use ... if there are people in housing that can afford to be there why not rent them their properties at full or 90 per cent of market rents above what it costs to maintain and build the properties in the first place. We will make some profit and we can reinvest that. That is fair enough to do that. I said that during my housing speech, that in an ideal world the Housing Department or the housing company could invest in luxury properties, they could rent properties out to 1(1)(k)s if they want to, to (j) cats. and they could use that to cross-subsidise but we are not in that position yet because we have a massive waiting list, which is over 400 plus households long, which equates to some 1,000 people. We need to get that sorted first and all of these people are vulnerable in one way or another on those lists where they are low earners. We have already been told by the Minister for Housing that that list would be bigger were the criteria extended to what they should otherwise, because there are many people who do not fit the criteria in the first place. It should be our concentration on providing cheap affordable non-profit motive-based housing for those most vulnerable before we even think about these people in housing who, we are told, do not need to be in housing. That is because the realities are different. We should be targeting those who need social housing and not using this as a cash cow for the Treasury. That is all I have got to say on the issue. I cannot support this; it has been done for the wrong motives. I have a lot of sympathy for the Minister for Housing and the very good staff he has at Housing because I know that they have exactly the right motives. I feel that they have been put in a position with the other interlinked tax and funding mechanisms. They have had a very limited ability to come forward with anything that is perhaps more progressive. So I do sympathise with them entirely and I know that they will continue to do the best of their ability, whatever the new mechanism we have in place. There will be alarm bells going off in many of our heads today, listen to those alarm bells, let us not simply rubberstamp this because we are being told it is the only way forward. Let us go back to the drawing board to a large extent and do not throw the baby out with the bath water by any means, let us keep much of what is good in here but let us not base it on the fundamental inadequacy of this 90 per cent stealth tax, which it essentially is.

1.3.5 Deputy K.L. Moore of St. Peter:

Members must not forget that this debate is not about maintaining the provision of social housing as it is today, this plan is about creating more homes and improving the quality of the homes that we can offer to our tenants. We do not wish to burden tenants with unaffordable rents. The reason the sub-panel reluctantly accepts the 90 per cent rent is because we understand the numbers. It is nobody's desire to increase a rent for a social provision but if we are to produce more housing, which we need... and we all understand that need. We have 150 people on the Tier 1 waiting list for social rented housing and they have nowhere to go. We have at least one person in our Parish in St. Peter who has been living on a living room floor with a baby and a young child for almost a

year and they have nowhere to go. I would like the House to support this proposition because I would like to see us provide more social housing and better quality social housing for our community. We appreciate that this is a high cost place to live and accommodation is a high cost but I do not take Deputy Tadier's view that increasing social rent will encourage landlords - private sector landlords - to increase their rents subsequently. We live in a free market and under that free market if people are not prepared or able to pay, they will not pay and therefore the properties will remain empty if a landlord is asking for a unreasonable rent.

[14:30]

Can I draw Members' attention to one of our key findings? If rents are set at lower than 90 per cent of market rents in future the housing company risks becoming unsustainable. Furthermore it may require additional States funding should the property market weaken. So, the purpose of this 90 per cent and the reason the sub-panel reluctantly accepted it is because we want to make sure that the future housing association can produce more units of accommodation. Yes, as Senator Ferguson says, the books need to be balanced and unfortunately that is why we have to go with the 90 per cent. It is morally difficult, yes, but if we are to balance the books and to move forward as a community we are to do it. Much is made of the return to Treasury and, as I mentioned yesterday, we tried as a sub-panel to create a workable system without a return to the Treasury, but as I explained we learnt that this effectively only happens through revenue payments and this would happen elsewhere. Rent would be collected as revenue and put into a central pot and dispersed for other social uses. That happens elsewhere but we are more transparent here in Jersey and that is why we understand where this flow of money goes. We have tried to figure out a way of stopping it and to make social housing self-funding entirely, but it simply does not stack up, it does not make the books balance and therefore we supported the Housing Department's proposition. Also in removing the return to the Treasury it would only slow down the building and refurbishment programme, as would any reduction in the rent limit set. That is not, in this current climate with the need we have for social housing, acceptable. We concluded also that we would prefer to make more housing available to the many people who are in need of housing and to improve the quality of stock, also to make access to social housing an equal thing because rather than charging higher rents, if you made rents cheaper and funded it in a different way, you would be penalising those who are in the private sector and do not have the option of accessing our narrow criteria which allow people through the gateway into social housing. I hope I have made that clear and Members can follow that point. The sub-panel has recommended also that the department or the Strategic Housing Unit should agree a social definition of social housing and there, on that point, I am in agreement with Deputy Tadier because it is very important that we, as an Assembly, understand what we are trying to do in creating social housing and the purpose that it serves our community. Once we have that definition and we can all agree then we can be much clearer about the policies we set in future because at the moment we found, as a sub-panel, that there is not an agreement. Ideas are following the right lines but Ministers unfortunately do not share a common view that is crystallised in a definition. There is only currently a legal definition and that is not adequate, but the Minister has accepted that recommendation and I look forward very much to receiving a social definition of social housing. I hope the Assembly will take this very difficult decision today and approve the P.33.

Deputy G.P. Southern:

Point of clarification, if I may? The previous speaker said that her panel understood the numbers. Did she at the time of understanding the numbers have access to the rental income breakdown, circulated as appendix 2 of my amendment or the loans schedules circulated as appendix 3?

The Deputy of St. Peter:

We did not have access to Deputy Southern's breakdowns, no, but we have had the full business case and the complete model that has been developed by the Housing Department, and we have had information from the Social Security Department. We have not just relied on our own eyes; we have relied on eyes of very experienced advisers.

Deputy G.P. Southern:

If I may, a further point of clarification. Did they the Chairman request the background papers underlying the full business case as I did?

The Deputy of St. Peter:

Yes, we did.

1.3.6 Deputy J.A. Martin:

I will be brief, I just really want to address some of the points that the Minister made yesterday in his opening remarks. Firstly, I would like to start with that on Tuesday he likened this debate with us passing the Discrimination Law in some sort of state-of-the-nation address, saying: "Today we have also reached a great day." Well, like Deputy Vallois yesterday, I think we have not and for different reasons. He always says that we have got to ... and the other Deputies who do not agree with everything he has been asked to swallow is we have to get real; he is a doer, not like us we are wreckers. Well, I have been 5, 6 years in this House ...

Deputy A.K.F. Green:

I have never accused anyone of being a wrecker.

Deputy J.A. Martin:

Well, as I say, you can say it whatever way you like. I think even referring to Deputy Vallois' amendment, the Minister said: "She is not intending to wreck but that is exactly what this amendment will do." You can say it with a smile and it still means the same thing. It is a very sad day. In the opening speech of the Minister he said of the 90 per cent: "Do not worry, the vulnerable will be protected." When you look at an average 3-bedroom at the 90 per cent, you are talking about £300 a week, £15,500 a year. Your very vulnerable hard-working £30,000 to £35,000 earners ... and that is probably 2 people working not even on the minimum wage, not even on Deputy Southern's living wage, but on a realistic wage working 35 to 40 hours a week, 2 partners. They will still have to go cap in hand to the Minister for Social Security, as will the little old lady who lives in St. Peter or wherever she lives, so it is no great day. Just let me remind ... I do think the Deputy of St. Peter and her panel produced a fantastic report and I know there has been some heated discussions in the sub-committee and in the interim report and where we are, and even reading it and listening to the Deputy, they have been persuaded on the figures and by experts. Well, we all know we can get the expert to tell you what you want if you give him the answer before you start. I have been here too long and watched, as Deputy Southern said, the spiral where we have just said to the private landlord, we are going to give you more and we are going to chase you by 10 per cent. Absolutely lunacy, absolutely lunacy. But let me go back to 1990 when they did agree this policy. There was not such a thing as private rent rebate. So there was nothing to chase and the rents flattened out. That is why they were low. Then we introduced it again without the proper regulation, it was good intention, there were people like the Deputy has just described, living on people's floors, not being able to afford ... not coming into the housing criteria, not being able to get that first foot on the ladder so, yes, the private rent rebate I was told would help private landlords refurbish and maintain their property to a standard, but no regulation. It was on goodwill. It has not happened in a lot of places. A good landlord will and a good landlord does not. So you do need that regulation. We had stopped housing qualifications in 1980, they were not reintroduced and that is how I really got in to politics with the Jersey Rights Association, Deputy Dorey, Senator

Breckon and a few others then, to reintroduce it because they thought everyone would go home. Suddenly popped-up lodging houses which now, under the 5-year social security rule - and I agree with it - we fund the rent if the people cannot afford it. We do not care if it is one, 2-bedroom or a room with a sink in the corner, and you are telling me this is going to solve that problem? No, it does not solve that problem. I totally agree with Deputy Southern, in the figures produced by Deputy Le Fondré, this is the census, and he got them from the housing figures based on the population of 2001. Thousands of people want to come here, it is a great place to live, I am not knocking that. But we have lowered, without seeing, the policy ... now, it used to be 10 years renting ... 10 years before you could rent and 10 years renting before you could buy. Then it was stopped overnight, 1979, if you were not here by midnight and you were at 1.00 a.m. on 1st January 1980, you would never qualify. That was reintroduced at 20 years and it has been brought down, and down, and down for 10 years. We know this is not because lots of people think it is the right thing to do. We are being chased and we will be chased under the Human Rights Law, under equality. But our other policies have not kept up with it. We cannot house the population ... I got involved 20 to 25 years ago, we said we would never be in this position again and we are. As I say, it is a very sad day when I think I am a hardworking person or I have been working all my life, I get the pension, I need to pay my rent but I also need to live and later today probably we will pass this law and bring thousands of more people into the benefit track. I think it was only a few weeks ago, and I might be wrong which debate, the Minister for Social Security said: "We cannot keep relying on saying that we will protect vulnerable" I think it could have been in the living wage debate. "We do not want to send out the message benefits are good and this is how you live because it is not a good message." But that was that debate, suited that speech and then we heard his speech earlier. It is very sad when we know that we are on figures - it says figures - I, like Deputy Vallois and others, think about the people. This is actual people who have got to go down there and fill in forms. I do not care if it is a 30-page, 100-page form there are different parts that cover different people. I totally agree with Deputy Southern, I know for a fact they will not probably being doing that for £5 but they will do it for £35. Mum doing the second or third job, who is earning that £35, is going to say: "What am I doing? I am stressed to this, I am running around getting the children looked after, I do not need to do this but I do not want to be on benefits" rent goes up by £35 and that is basically what you are earning so why would you? The culture we are bringing in today is nothing to be proud of, it follows years of terrible policies starting from taking housing qualifications away, bringing them back, moving them by years. Deputy or Senator Paul Le Claire, as he was, warned about this. It is nothing about discrimination, it is about housing the people you have, housing people who are making a contribution and we are ... as I say, I cannot see anything here that is going to help unfortunately the resident of St. Peter who is living on somebody's couch with a child. It is very sad, there are lots of stories like that; so what do we do? We basically say, as was said in the Deputy's amendment yesterday, we do not have social housing, we will give you money on top of your hard-earned wages or pension to be able to live in maybe decent, maybe okay, maybe 5-star accommodation in Jersey. I say to the Minister when he stands up and says what a great day we have reached ... I have been here long enough politically and am older than some of the others politically to know we do not know where we are going with this ... the Minister for Treasury and Resources is ready to go, he is champing at the bit to go after me.

[14:45]

He knows, he has been in this House about 2 years before me and I am very sorry he knows this is why we are in this ... because we have done some very ... we have followed bad policy with bad policy. Just on one last note, it was a remark by Deputy Baudains who said: "We are the landlord of last resort." I just think that is bad. We are the landlord for thousands of people who cannot afford to live, cannot have the pleasure to buy in Jersey and never will. You are putting them on

benefits, you are teaching their children, you are telling the elderly: “Go down to La Motte Street, fill in your form and do not do this, you are vulnerable.” They do not feel vulnerable. This House today is going to make them vulnerable for many, many years to come. I will sit down on that note. A bad day for Jersey, bad day for years of bad policies but please do not ram this down my throat or anyone out there as a great day like on Tuesday when we passed a good law. This is not good. It may be necessary but it certainly is not good.

1.3.7 Senator P.F.C. Ozouf:

Well, I think that that needs an antidote. Deputy Martin was correct to say that I have been in this place 2 years longer than her and some people have been in this place longer than me. She is absolutely right but I would respectfully ask her to really consider her partial reinvention of the nearly 15 years at the end of next year since I have been here and 12 years since she has been in here. I entered an Assembly and I was on the Housing Committee in 1999, I got thrown off it as some Members will remember in 2001. I think maybe the Deputy of St. Ouen might have been in Housing, I am not sure how long he was there. I was thrown off the Housing Committee for having the temerity to suggest that it was wrong to pick owners of property out of a hat, because there was no gateway. I had the temerity to challenge the discrimination of individuals when allocating (g) cases, when there was nudge, nudge: “You know who her mother is” and all the rest of it arrangements. I was in the Assembly when we had 20 years’ housing qualification, giving people who lived in Jersey 20 years of service, of service in the community, never the ability to own or even rent or have control over their front door key. I was in a world where there were sink estates across Jersey, under investment, leaky roofs, unacceptable accommodation in their hundreds. Yes, there are things to do. I was in a world where the private sector rent rebate was simply a system of helping landlords, not people who were tenants. There are people who are against this debate who will recognise this. So we have done a lot in terms of improving that unacceptable, well-intentioned as all of us are in terms of what we believe, we are all well-intentioned but in housing issues and housing economics you can make some dreadful decisions that on the face of it are the right things but actually have severely bad unintended long-term consequences. Today is, in many ways, a bit of an improvement repair job of some of our predecessors who in this place made well-intentioned decisions with very bad consequences of where we are today. I want to completely move to the opposite of where the previous speaker was and say I think this is genuinely a lot done but there is more to do positively. I want to say that I think the evolution of what we are, I hope, about to approve has been a model of good behaviour and good work from Members of this Assembly. We, as a steering panel who was on this, have had some incredibly tense discussions about the 90 per cent. The Chief Minister when he was Minister for Social Security came with some real concerns about income support and 90 per cent and those have been ably and forcibly argued by the current Minister. We have had hours of debate with wearing our respective responsibilities of housing operator, regulator, Treasury, Social Security and Chief Minister, both of them, in relation to this issue. It is the work of some previous Ministers for Housing too in relation to this. I want to recognise the fact that this work, as brilliantly now brought to a conclusion by the current Minister I want to thank also the previous 2 Ministers who also did good work in making us understand some of the difficult issues, and yes, giving the Treasury a very hard time about some of the investment that was necessary. Mistakes were made in the past. Deputy Power is smiling. He was right. He ...

Deputy S. Power:

Lost some of the arguments.

Senator P.F.C. Ozouf:

No; but he won some and he should be proud of where it is today. I am not going to speak for very long, but I do want to put on record a correction, if I may, about this loose talk of this annual return which I understand a lot of Members are concerned about. I want to basically put on record that this is not some sort of dividend, some sort of fund for the Treasury. This is a necessary return from investment that does produce rent for taxpayers generally. I asked Members who were against this annual return. Yes, the annual return does pay for the revenue expenditure component for housing benefit and income support. Guilty as charged: it pays for it. If we did not have it, how would we pay for it? One per cent of G.S.T. (Goods and Services Tax)? That is what that is worth, or a bit more. But the revenue expenditure argument, we in this Assembly put 2 allocations of money. We have revenue expenditure and we have capital, and we have separate debates on both. Those Members who have been criticising the annual return issue and making annual short term comparisons about the annual return, they forget all the good work of the Economic Affairs Scrutiny Panel and the P.A.C. in relation to saying: "Do not just look at revenue expenditure, look at the real underlying costs of the assets that you are using." I find myself somewhere in another place when I hear leading members of the Public Accounts Committee and Corporate Services criticising the fact that for once we are matching properly and doing the proper analysis and treatment of revenue expenditure and capital. So not only, before Members want to vote down this proposition and cast away this annual return, where is the money going to come for effectively the housing component and making sure that we continue to invest into the long-term fabric of our housing infrastructure to mean that we will never again have a world in which we see estates and housing units where people are bringing up families with poor standards, heating systems that do not work, leaky windows and leaky roofs. So I do, and I am sorry if I am being a bit passionate about this issue, but this annual return is there for a good reason. This unfair comment that this organisation is somehow going to be used for a cash cow for the Treasury - I do not regard the new housing organisation as a cash cow, as some sort of service company utility, a company which is an investment. But I will say that this organisation will have net assets of £582 million based upon the rent roll that they get - more than double that if one was to get open market valuation which of course we would never do. I have made sure in my work that this organisation is properly capitalised and properly able to discharge the long-term responsibilities that it has to maintain and improve its stock. It is just not right to also say that social tenants of this new organisation are being unfairly treated. We have had a debate and I realise that we have now made a decision of up to 90 per cent. I am concerned about the issue of hidden subsidies. Deputy Noel was picked up by you earlier when he said about transparency. I think it is important. We now have an income support system which is our universal, rightful benefit system which everybody is entitled to on a universal assessment. The days that Deputy Martin and I inherited in 1999 were when there were 24 systems of benefit, some done by Parishes perhaps because the way you looked or your sex or your age. Differently done with income assessments meant that they were effectively water leaking out of all of these different systems and more importantly, people not getting the help that they needed. It is not right to say that in my view there is anything wrong with a social landlord concentrating on providing the homes that the income support system providing the help you need to have to rent it, and at the heart of this debate dealing with unfair subsidies, hidden subsidies, is one of the main tenants of this. If Members want to criticise the support we give on rent, then Members should attack the income support system and put more money into that, but not try and provide unfair subsidies to people. That is why I support the 90 per cent. I have great respect for many of the advisers and I deeply regret Deputy Martin's comments; I think she meant that you get an adviser effectively to answer the question that you want to know the answer for or whatever it was. I am sure Members understand what I am saying. I think that is absolutely disrespectful to the advisers to the Minister for Housing and to Scrutiny. Professor Christine Whitehead is a leading academic in her field on the social justice side of social housing provision, and she said of the economic model: "The economic commercial management and financial cases put forward in

the full business case [because she read it] set out both the objectives of the new company and the process by which change is to be implemented. These are detailed and well thought through. The most important enable long-term growth and change comes from the new borrowing facilities which are clearly specified.” She absolutely endorsed it. I have probably spent less time than Professor Christine Whitehead on the business cases. I spent some time on it, but I certainly will want to take very close attention from somebody of the eminence of Professor Christine Whitehead. I have certainly taken comfort from the double-checking that Scrutiny has done with their experts and advisers. She also said in her concluding paragraph: “The results of this work should be a social housing regime which is robust and can ensure independence of management, greater flexibility to address requirements in the most appropriate way and access the resources to meet its future needs.” So I think that says it all. I think Professor Whitehead served us extremely well and did an excellent job, and I am looking forward to working with the Minister for Housing on the implementation of this; and I am looking forward to working for now with the new Minister for Housing when he is newly-created in his new area of policy so that we can deliver genuinely some of the real and absolutely heartfelt correct views of Members like Deputy Vallois who believes that we need to do better and we need to do more in terms of social housing provision both in terms of rental and affordability for ownership. I was thrown off the Housing Committee because I dared to suggest that shared equity was an option. Gone are those days; they are 40 years ago. I am looking forward to working with the Minister for Planning and Environment and the Minister for Housing on delivering a lot of Home-Buy, a lot of shared equity and increasing the stock of the social landlord, whether it be the trusts or whether it is a new organisation. I warmly congratulate the Minister and the Scrutiny Panel on their work and I thank them and I am going to, with a very big smile, vote in favour of this proposition because I believe it is going to do good and I thought that that is why I am here.

Deputy G.P. Southern:

Point of clarification - and it is a point of clarification: when the Minister referred to those who criticised the return to Treasury, does he include in that Professor Whitehead who said the return to Treasury leaves insufficient revenue to address the annual repair needs of the stock?

Senator P.F.C. Ozouf:

That is again a partial view. Professor Whitehead has agreed with what the proposal brought forward, and indeed there has been - I will not bore Members on it - a tremendous amount of work even since Professor Whitehead completed, and there has been even some slackening of the Treasury position of the transition of rents. I will not bore Members, but if Deputy Southern thinks he is going to get a point-score in relation to whether or not Professor Whitehead fundamentally believes that this is the right way forward and if he has detailed issues of implementation then this is effectively the first reading and I look forward to the debate of the second arrangement that they can be double- and triple-checked. I stand by my remarks.

[15:00]

1.3.8 Deputy J.G. Reed of St. Ouen:

I would just like to make a number of comments. First of all, I would congratulate the Minister for Housing for the way that he has approached and tried to find an appropriate solution to the problems faced by our Housing Department and indeed address the social housing stock. I think that one of the issues that we as a panel raised back in July 2012 has very much come to the fore during the whole of this debate. Sadly it was not addressed before we got here. That was an agreed position on the role and purpose of social housing would help to forward implementation of this programme and contrary to the development of a coherent future policy. The problems is that there are 2 different views being expressed and being felt within this Assembly: the one expressed by our

Minister for Treasury and Resources, strongly held views that our social housing needs to be considered as an investment and needs to have an appropriate return. There is the other view that social housing is a social provision to provide accommodation for those that otherwise would not be able to achieve it; and with that obviously comes a responsibility. Yes, from Government, yes from the taxpayer to fund or help fund or support that provision. That has been the case in the past. However more in recent times we have moved away from that sort of capital grant type system to a place where the social housing has to stand on its own 2 feet like any other business. That is where the tension lies. Sadly we have not resolved that tension even now and I, as a panel member, stand by the report that we produced and all the findings and recommendations contained in it. When the Minister for Housing sums-up, and this is going to be extremely important certainly for me, that he will confirm that he does accept all of the 14 recommendations that we have made without condition; because I have read the Minister's response and in most of the cases in his response it is: "Yes, but" and it is "Accept, but" and the but is: "Well, we are going to go and carry on and do the same thing as we planned to do anyway." I use one example and perhaps it was words inadvertently used by the Minister for Housing earlier when he said as regards to regulation: "Well, I am going to bring back regulation and it will be debated before the summer recess." I am sorry, but our recommendation is not that. Our recommendation and the amendment that has been accepted says that a further bit of work needs to be required to be undertaken both by the Minister for Housing and by the Scrutiny Panel and further consideration needs to be made to the proposed forms of regulation before it is brought back. Indeed, that is supported by the advisers that we have used and even Christine Whitehead who has been mentioned today. He says it is really important that all providers sign-up to the regulation. It cannot be rushed. It cannot be hurried. One of the issues again linked to today and this proposition which again has caught everyone's attention is that we have in our Strategic Plan under "House our Community" a key action that we will put in place schemes to generate affordable housing for social rental and purchase. Sadly this programme does not put affordability at the top of its list, and the reason I say that is that we are planning to make housing less affordable because by raising the rent we are going to increase the burden on many of our tenants. Not the ones that perhaps a lot of the people have been focusing on, but are being supported currently by income support, but it is all those that are outside of that. It will have a significant effect. It will increase the cost for all of those that do not and are not able to access income support and that has significant ramifications. I would also like to point to another of our recommendations, recommendation 5. If you do not mind I will just quickly read the recommendation which is: "An exit gateway combined with savings initiatives or shared equity schemes should be developed to cater to the needs of those wishing or able to move out of the social sector if their financial circumstances significantly improve." That is extremely important because although we have a gateway into social housing, we do not currently have an exit strategy out. However, what we do have, and I commend the Minister for Social Security for a recent document that he has produced which is R.44 which is called Income Support: Support for Rental Costs in the Private Sector. This is one of the ways that we can encourage people to move out of our social housing and into the private sector rental market. The recommendation contained in this report is that the income support limits for rents in the private rental sector should be increased to the average equivalent open market rent of States properties. There is a twist though, and underneath the background - and I will read from the report because I think it is important, I will use his words, not mine that: "The Housing Transformation Programme in Jersey has agreed that rents in the social rented sector should be returned to the policy objective of setting the rent of each socially rented property at 90 per cent of the rent which it is estimated that the property would attract in the open market." It then goes on a few paragraphs later to say this: "The rent proposals in the Housing Transformation Programme will bring the rents of social housing for new lets roughly into line with the average level of rents in the private rented sector." This policy that we are agreeing today will bring the rents of social housing for new lets - in other words for all the new

tenants that are going to be coming into good quality property - roughly in line with average levels of rents in the private rented sector. So forget about those that we - and again we need to be mindful of those that are receiving income support - but those outside of the income support area and they can be just outside, will be significantly affected by this; and it is because of the fact that not this Assembly necessarily, but the Council of Ministers and individuals have decided separately that the taxpayer should not contribute by a capital grant-type system to our social housing, and that it should make and stand alone on its own 2 feet. That is a very commercial decision and I really do struggle to see how it fits with a social policy and hopefully a socially minded Assembly that is wishing to support not just those that are right at the very bottom, but equally other members of our society who we know are already struggling to afford their accommodation and to live. So I am going to be very, very interested to listen when the Minister for Housing sums up, because I think that if I cannot get the real assurances from him regarding the fact that he will accept our recommendations as written and supported in our report without condition, then I think that I have only one choice.

1.3.9 Deputy S. Power:

I have learnt one thing in this Assembly in the last few years and that is that you never get your own way. You never get what you think is nirvana; you never get what you think is the perfect solution to what is the problem, and this is a classic example. This report and proposition is a classic example of a compromise. It is not what I would have wanted in an ideal world, but I think it is to the credit of the Housing team and the Minister that it has been moved forward in the manner that has now been designed and that there is going to be progress with regard to, I would put it this way, getting the Housing Department out in some ways from under the complete yoke of Treasury and giving them a degree of independence, which looks as if it will work for them for the foreseeable future. I think that is important to say. A lot has been said, and I do not intend to say an awful lot. We have heard the Minister for Treasury and Resources wax lyrical about the benefits and what is his perception of the success of this or otherwise, and I have to say that in my various battles with the Minister for Treasury and Resources over a number of years on different issues, invariably he won and I lost. I do remember being at the zoo for a very good reason, because the whole of the Council of Ministers were at the zoo in the autumn of 2010 and we were nowhere near the gorilla enclosure; we were in one of the conference rooms up there, number crunching the C.S.R. and the then Chief Minister and the Minister for Treasury and Resources came up to me and said: "We are taking £7.5 million of your capital budget now, today, from works and monies that was allocated" to I think it was Pomme d'Or and La Collette flats at the time "and we are not giving it to you, we are reallocating it." The problem I had at the time was that I had just been to meet all the tenants of La Collette flats and told them that this was going to go ahead a.s.a.p. (as soon as possible). To the credit of my successor he managed to get it back in short order, I think within 9 to 12 months and reinstated the works at La Collette flats and at Pomme d'Or farm. I think that was one exercise where I sat with the Chief Officer who was sitting out there and we were told in summary justice that we had lost that money and, you know: "That is it; you are not getting it." So I have lost a number of arguments with the Minister for Treasury and Resources. So today the connection between that and today is that we do not always get what we want and in politics and in this Assembly we do sometimes have to compromise. I do believe that today a number of things have been said that I agree with and a number of things have been said that I do not agree with. I do believe that some of this is relevant. I do believe that there will be more people - and I said this 2 days ago - that will need more social housing that is absolutely underwritten. Some of the figures that were quoted by Deputy Le Fondré in terms of over 10 years, only a net 84, 85 houses will be produced is essentially wrong because, of the 630 that are being projected, it is intended that 330 will turn tenants into homeowners out of that figure, and there are a number of other benefits and advantages that will happen I think as a result of this plan. I do

believe therefore that the vast majority of tenants who are in the housing stock, the 90 per cent rent they will not even notice because largely they are on such low incomes that they will be completely ring-fenced by the Social Security Department. I do believe that some of the comments made by the Scrutiny Panel on page 76 regarding the analysis of the return... that there is this revolving door about money going through the Treasury Department. I do believe that it is an issue that has not really been solved to my satisfaction, but I am just one States Member out of 51. I would have liked to have seen at some stage that the Housing Department or the Housing Company to be cut loose completely over a period of 10 years where the annual contribution drops from 24 to nothing over 10 years and that the Minister for Treasury and Resources and the Council for Ministers would have had time to factor-in a replacement for that fund.

[15:15]

But that is obviously not going to happen for the foreseeable future. I want to talk just briefly about the culture that exists in the Housing Department and I mentioned this morning that it is not just a Housing Department. It is almost a social service. I do not know how many Members in this Assembly have recently had a chance to walk down the 2 or 3 floors; it is very clear to feel the level of commitment that is on those 2 floors with regard to those who have no ability to generate income, those who are retired, those who have special needs and all those different things. I advise Members after this debate today to go and ask. Just go and ask to see how it ticks down there because it really is an eye-opener. I do not know really that it is of much relevance to say much more because most Members have made their minds up. I am going to support this proposition wholeheartedly. I am going to ask the Minister for Housing over time to report back to the Assembly with regard to how he proposes to compose his board on the new Co. and that the board is balanced, and I suppose I am going to ask and he will come forward with progress reports as to the mountain of work that now will carry on if this is approved today. So with a great deal of satisfaction and I suppose compromise to some of the work that has been done over the past 4 years, starting from Senator Le Mains, I wholeheartedly support this proposition.

1.3.10 Deputy J.A.N. Le Fondré:

I am on the cusp on this now. Earlier on I had a very interesting conversation with Deputy Young who is very enthusiastic now about some of the changes. It may be time to think about where I stand on the proposition. What I do want to say firstly, absolutely to make tribute as a number of us have done to the Scrutiny Panel. I will speak perhaps wearing 2 hats although I do not speak for anyone. But I know it was very welcome from the people they were interviewing and I know as a States Member it was very, very well written and very well researched. I do also pay tribute indeed to the Minister for Housing because he has done a huge amount of work and his department has done a huge amount of work as well. The point I would always make - and it must be really frustrating - is when you have done all that work internally and it comes up to the external Scrutiny and a number has come up with differing views. But one always has to try and be professional in dealing with differing views. That is what we are here for. Because when it goes out into the real world and the public have to deal with it they will be even more scathing if it is wrong. I then direct my comments to the Chief Minister to say I do believe that some of the comments from the Council of Ministers could have been more professional than they were. But on the proposition, I find myself absolutely wholeheartedly in favour of (a)(i) and (a)(ii), now that we have amended it with Scrutiny. The difficulty I am finding myself, and I was very glad to listen to the Deputy of St. Ouen, is again part 3; I obviously feel it has been heavily improved, which is a real relief and part 4 to the company. Then particularly after my discussion with the Deputy I was thinking, right, what is it delivering, what does it cost and what is the impact? That was what I am trying to get to in terms of voting for, against or even I do not like abstaining but the trouble is I believe it is an *en*

bloc vote, so that is life. I was thinking again what Scrutiny has said. They, for example, had said that their advisers had said that the contribution to Treasury is the most unusual aspect of the rent model being proposed and that effectively they have all been discontinued in the U.K. It is an old model, is the implication I get from that. The reason I was particularly enthusiastic about the Deputy of St. Ouen, he made the difference between the capital model - the existing capital model that works - and the revenue-based model that we are going to. The comment was made that if in the Scrutiny Panel the present model has been shown to work well and it would resolve the issue of needing to raise rents and borrow to fund urgent maintenance work... But effectively there had been a political decision not to follow that. Then later on, and I cannot find the quote, their advisers have said that this is a more expensive system we are going to and that is when we get to the comments that we know now that it is £1.72 million along those lines. Then it comes down to what is it delivering and the trouble is ... I entirely accept the comment that Deputy Power made about the numbers. The thing is it is subject to interpretation. No, sorry. I do not accept that I was wrong. I accept that he and I were looking at them from different angles and the difference is affordable housing, which is the 300 units that have gone up for ownership, versus the impact on the social rented capacity that we have. We have taken the 300 out of that and, in the long term, those will never be coming back at a time that the gateway is showing we need to house 1,000 people plus. Then if you go down the Scrutiny findings it certainly says: "While the return to a 10 per cent rental subsidy increases the potential of income ... it will take a long time to work through and may not increase the number of properties available to people who cannot meet their needs elsewhere." It says: "Tenants [basically on income support] will be reliant on benefits for longer as a result of the proposed rent reforms unless their earnings increase to a greater extent than the cost of living." That is exactly the point that has been made elsewhere about people being trapped in the benefits culture, which intrinsically I am not comfortable with. It talks about: "The implications of the rent reforms for low and high income groups not on income support are not clear [now, this is the Scrutiny Panel's comment and they have obviously done the work] and particularly [and I do share concerns on this one] the impact on low income pensioners not claiming income support" because if you do not know that - and they go into income support - again it is a further cost. It may well be the attitude is they should be in there and they need that assistance but it is what is the bottom line for what we are getting: "A clear consequence of the proposed system is that income support will increase to cover the costs of increased social rent [I think the Minister has been very clear on that; it is going to] but this aspect of the social housing reforms may create pressure on the States taxation and expenditure programme." That takes me back to where Senator Ferguson is: "The potential difference in movement between the financial return from the new housing company on the one hand and the cost of income support on the other risks having significant consequences for the States financial programme, a net gain of 287 new homes is not acceptable given the rising demand for affordable housing on the Island. Again, the present reforms are not sufficient to make any meaningful contribution to the future provision of affordable and social housing." So, you see, that takes me back to: "Does it deliver, what does it cost and what is the impact?" I think that is my problem and I know I am going to be accused of being conservative and doom and gloom. I should be positive. This is a great day. I do not necessarily buy that argument, I am afraid. I would dearly to love at the very least to be voting for (a)(i) and (ii). I do not think that is going to be the case. So at this stage I am probably not going to be supporting it, but I do make it very clear I support a lot of what is in there and I support the work. I do not like the financial consequences.

1.3.11 Deputy J.H. Young:

Thank you to the previous speaker for introducing what I said. Perhaps I had better warn the Deputy that sometimes I do a lot of my thinking aloud. It helps me shape my thoughts. Those who work with me know that, but I do reach conclusions. I was brought up in a London council estate

and so I empathise very much with those that are addressing the social issues about people striving to improve their lives through the proper ladder and better themselves. I was lucky. As Deputy Martin told us earlier, I was able to go out, not to the next borough, outside London and buy my own home at the age of 21. Thankfully I have only had one period in my life when I did not own a home, I think for about 2 or 3 weeks, and I hated it. I have always been aware that I wanted to have control of my own environment. I have been lucky. Can you imagine how, 45 years later, I feel so upset, and almost every day I am conscious of it, to find ourselves in a situation where a whole generation of young people have no ability of being able to achieve homes of their own? Somehow or other we have just got it badly wrong. It is a story for another day as to how that that happened, but to have a situation where the ratio of earnings to own your own home is 14 times the average earnings - when I worked it back in London I think mine was about 4½ to 5 - really upsets me. I know the consequences, how that demotivates people who have strived, and of course they do not have the choice of going somewhere else. So I share very much, in approaching this debate, the thoughts of the Deputy of St. Ouen. This has given me a real heartache over this as to which way to go because I absolutely recognise that the motives of the Minister in producing this are absolutely sound. I believe all the things he says about how we want to drive standards up and how we must have more social housing because it is obvious if we cannot have affordable homes in the Island for people to acquire. We have got to have that on a long-term basis. I disagree with some of the phrases he uses, which kind of puts down those or tends to negate those who have worries about these things but I think it is important that they are expressed. I support his motives and the effort of him and all of his staff in producing these proposals, but they give me real difficulty and the choice I have got is what I think comes down to economic necessity or the impact on people's lives. Which is it to be? It kind of summed-up almost an accounting solution that we have got, because it is clearly a good accounting solution, versus, as Deputy Power said, the ideal social solution that enables us to find what we all are looking for. I am worried about the aspects of the solution that we have because I worry about, I suppose, the disincentives to effort; the fact that if we create a situation where more people are driven into dependency on income support, what disincentives that gives then to people to progress. I think that is worrying. I am very impressed with what the Minister for Social Security said. He is absolutely an honest and loyal man and was persuaded that he has made the very best efforts to give us the right information but, of course, they are based on the present. Nobody can have a crystal ball and say: "Where is this going to go in the future? Where are the limits of that income support that society, the working ..." It is not working ... that is unfair because people work on income support. Where are the limits of that level of support? I do not know. His views are clearly on where we are now, so I worry about that. I also worry about whether it is going to put pressure on private sector rental levels. We have no evidence on that but I worry about it. Thankfully in the debate we covered some very good ground and I suppose we have got some really decent improvements as a result of the amendments. I think the Scrutiny Panel have done a fantastic job of helping us and probably one of the finest reports I have ever read. **[Approbation]** Full marks to them and some real difficulty issues there. I am sure there were passionate arguments on that Scrutiny Panel. Well done. I am pleased I was not on it, but we have ended up there. They have given us some improvements because we have escaped prescriptive regulation. We are going to have further work done on the regulation, which is obviously important. I personally hope that there is more emphasis in the regulation on the service delivery and the service standards than there is on the numbers, on the financial stuff, because I do not think you need that. That is a story for another day, but we have got that improvement in there. We have also got a better organisation because we have got recognition that there needs to be a Minister and political leadership and championship of that. So that is good.

[15:30]

Also, we have got Deputy Le Fondré's amendment, which I think is good, we had a passionate debate, that clearly puts, I believe, flexibility on the way in which the rental policy is going to be implemented; flexibility which will exist and I think we need that. There is also buried away in the fine print in the Minister's response to the Scrutiny Report some good commitments. I glossed over them yesterday, but he accepted the need ... The Deputy of St. Ouen spoke about the need for an exit gateway. I am really looking to the Minister to do those but I think there are some areas in the policy, because we must not ... this is not the panacea. This is a step on the journey. The areas that I think are just not there and are going to be for Ministers to sort out, from everything anybody has said, we are going to have much more need for social rented housing in the future and therefore we need to have supply; absolutely supply, supply, supply. This means land, States-owned land being allocated. It means, whatever plans we have got, bringing forward priorities. Also it means the Minister for Treasury and Resources in those decisions through Property Holdings on States-owned land has got to recognise the need to do some soft deals off the balance sheets to try and facilitate ... I mean soft deals because when they are soft, if they can facilitate the delivery of housing which we need in the long-term, the benefits are there. I leave that to the skills of the Minister for Treasury and Resources. He is a very able man. I am sure with that challenge he could produce them. But it does not stop there. We have absolutely got to have some review of planning policies and I look to the Minister for Planning and Environment. I know he has told us he is going to do this and the Chief Minister has promised it, but these are an absolute must because we have got no means of achieving this intermediate housing. If we are going to have the exit gateway we have to have these intermediate methods and that means we have got to have something that works to replace H3. So I think where this all takes me, it is not a day for celebration for me. I heard what the Minister for Treasury and Resources said. From an accounting financial viewpoint I support you might take that view but I think there are these embedded consequences that trouble people and I think the phrase that shouts out to me in the Scrutiny Report, and it keeps on ringing in my head, is "reluctant acceptance" and I think that is a choice we all have to make. I hope, because I am sure this is going to go through ... having only been in the House for a short time, I recognise the dynamics of this place, but I think it is important that people express their views and so people know on the basis how we reach our decisions. We must keep this policy under review and we should not be afraid to change it and alter it if we find snags and problems. We have got timetables here about legislation dates and so on in 2014. As Senator Ferguson told us, we are in an uncertain world. All sorts of external shocks could still come along and are likely. We must be fleet of foot and flexible. So today is not the end of it. I will be listening to the Minister. I hope the Minister does not ... what I do not want to hear is a celebratory tack. This is a big challenge. I commend him for his motives. I think reluctant acceptance is where I finish up. I shall listen carefully to what he says and cast my vote accordingly.

1.3.12 The Connétable of St. Mary:

I stand with a heavy heart here this afternoon. The Deputy of St. Peter a short while ago mentioned a family in St. Peter that we are both very much aware of. This is just one family, but I think it is worthwhile me going off script for a moment and talking about this family. The grandparents I have known for about 40 years. They are now in their 80s. The grandfather is quite poorly. They have a granddaughter who is married and that granddaughter has 2 children, both young children. For the past 12 months they have been living on the lounge of the grandparents' house. The baby cannot sleep on its own any more it is so frightened because it does not see its father. The father is sofa-surfing around friends' houses and goes out to work. He sees his children rarely. We cannot keep throwing out the baby with the bathwater because we do not like the temperature of the water. I would for 2 bits take this family into my own home, but they are not the only family. There are 165 of them out there today and there will be more. I have nothing further to say.

1.3.13 Deputy S. Pinel of St. Clement:

Contrary to Deputy Southern, I do trust the Minister for Housing and his team who have worked very long and very hard and have had extensive consultation for this visionary and well-considered proposition. The Housing Scrutiny Sub-Panel has also invested extraordinary hours of research and diligence to produce their report. I recall taking part in the Youth Assembly a few weeks ago and a young lady asked a question: "Is it reasonable to expect that I should be able to afford my own home in the near future?" My answer: "Your expectations are too high." This is a culture we have created. I believe that it is vitally important that we make these reforms. For too long our social housing provision has not had adequate investment and a proper long-term strategy. I want to see a long-term housing strategy which focuses on addressing housing needs and affordability. These are not things which can be implemented overnight. They take long-term commitment and planning. More affordable housing available to support our community, both for rental and for low-cost home ownership. Decent homes which are efficient to run and which support family life and life-long homes. A clear rent policy which allows our housing providers to plan and develop new homes and maintain existing homes. A rent policy which ensures that sufficient income is available to develop new homes without the need to rezone greenfields or provide large-scale capital subsidies. The proposals from the Minister for Housing provides for most of these objectives. He is ensuring that we will have a Strategic Housing Unit which will set and monitor long-term housing policy. By establishing a regulator we will be assured that these policies are being adhered to by all of our providers. The 90 per cent rent policy, albeit controversial, is clearly sufficient to provide the necessary income for the housing company and the trusts to bring all the homes up to standard and to maintain homes in the long term. That same rent policy should also provide sufficient income to make brownfield development sites more viable. This in turn means that more affordable homes will be developed. The Housing Department is essentially a landlord only, but as a fully-fledged States department is hindered in delivering against its core function because as Government we do not have the commercial, organisational and financial flexibility and agility to be able to operate with maximum efficiency.

1.3.14 Deputy S.G. Luce of St. Martin:

It is often said that States Members have lost the plot. **[Laughter]** How true that appears to be. We have an opportunity here to safeguard our social housing, especially the tenants on low incomes who will have the security of having a fair rent with the difference between what they can afford and the 90 per cent difference being paid by a Housing component. The component will not be available to tenants who can afford 90 per cent, but that component will allow Housing to build the much-needed housing, something that has to happen now for tenants and for our building industry. We have to at least build to match demand. Only then will we stabilise rents in the private sector and ease the inflated cost of rental and home ownership. This is a proposition to improve the lives of many. It will rely on a subsidy from Social Security to allow that to work. That surely is part of our social obligation. I endorse the proposition.

1.3.15 Senator A. Breckon:

Can I just start by correcting something Senator Le Gresley said yesterday, because he made a mistake and he got it the wrong way round? I quoted from an earlier Scrutiny Report from the Health, Social Security and Housing Panel *Review of Social Housing Plan 2007-2016* and I said: "Closer investigation demonstrates that the biggest growth overall has been in the area of rent rebate in the private rental sector and housing trust tenants. Between 1991 and 1999 this rose from 0.4 per cent to 22 per cent of gross rental income and by 2005 to approximately 26 per cent. By contrast, rent abatement for Housing Department tenants has remained fairly constant over the years, at around 50 per cent of gross rental income." The Senator got confused through his notes. He said I said it was the States rental sector that had grown and he demonstrated with some income

support figures that this was not the case; but that is not what I said and I am sure he will recognise that. The other thing from that report; a number of Members have mentioned: "Well, where has the money gone" and in that same report a tenant's comment was: "What has happened to the money from rents over the last 30 years if not spent on maintenance?" We have heard Senator Ozouf and others talking about leaking roofs and places without heating and without windows and various excesses of substandard. The panel's report of the time, who were advised by the Chartered Institute of Housing - again a well-recognised body, well placed to advise - said this: "The sub-panel's advisers, the Chartered Institute of Housing, was struck by the fact that in Jersey rent rebates and allowances, not only of all the public sector but also private sector tenants, appear to be funded directly from the rental income of States housing tenants. According to their calculations, the net unit subsidy currently paid to the Treasury by States tenants is £4,531 per unit. Under the proposals in the plan, reduced property numbers would see this increase to £6,480." That is assuming some of these properties were sold: "In themselves these figures cannot account for the problems that the Housing Department experienced in maintaining its properties. The department has responsibility for all matters relating to housing policy, including the administration of rent abatement and rebate. So the question is not how did this happen, but why did the Housing Department allow it to continue? In deciding its budget priorities over a period of years, it would appear that a conscious decision must have been taken to divert funds urgently needed for maintenance work into the bottomless subsidy pit rather than address the real issues." The figures were produced in a table attached and they were shown here and it showed totals for rent abatement and rent rebate, a comparison of spend on maintenance and the private sector rent rebates: "On maintenance spending over time, it will be seen from examples that the department spent more on maintenance in 1992 than it did in 2005." They go on to say: "It is hardly surprising, therefore, that the Housing Department is now seeking to fix this problem by any means available and the current plan may be one way of achieving this. However, this calls into question the issue of using capital funds to support revenue [maintenance and repair that is] funding."

[15:45]

It concluded by saying: "The sub-panel believes, as a result of its preliminary investigations, that the history and structure of housing finances requires more detailed review by the Comptroller and Auditor General." Flowing from that, there was a recommendation and report, which is nearly 6 years ago. Recommendation 3 was: "That the Comptroller and Auditor General be requested to undertake a study of the past and present relationships between Housing and housing trust finances and rent subsidy schemes together with the implications of the move to Social Security." Of course, that was never done and the reason I say that is it might be a role perhaps for the Chairman's panel to revisit some of the Scrutiny Reports and see what has been done - I know Deputy Vallois was doing this a number of years ago - and has not been done. I believe that is relevant because had it been the case then the Minister for Housing and the Minister for Treasury and Resources and others could have stood up today and said: "Yes, we have reviewed that. There were problems and these are the solutions." But I do not think we have seen all of that. There are all sorts of tables of facts and figures, but that is fairly recent. Those with longer memories will remember that we have had all sorts of policies and strategies and things for Housing about housing need and affordability schemes and whatever, but from that came the birth of the trusts and they were different because the oldest one came out of a really embarrassing situation for the States and the others were different in that they were facilitators of new-build. Before that and approved before this House, some sites were sold to the trust for £10. I cannot remember them all but there were about 10, I think, and I mentioned one yesterday which is just around the corner, at the bottom of Pier Road, which is Bas du Mont. With that came a number of things. There were letters of comfort, I think, to the tune of about £160 million whereby the States stood as guarantor for their

loans through letters now through Treasury and Resources but, before that, through Finance and Economics. There were capital write-offs and in one instance, if you think of Le Coie Hotel, there was a £12 million write-off between the actual cost of it and what it was sold to the trust for and that was done in 2005. What we did at the time - and I must say I was not an enthusiastic supporter of some of the things that were going on because I knew that one day there would be a day of judgment - we enabled the trusts to have no debt, to have preferential treatment on sites, capital write-offs and interest subsidies, so we enabled them to function and make money. If some of them have got a surplus now that is where they were intended to be so that they could put it back into social housing. We also set up a housing development fund so that we could be hands-off and this would generate, through income and other things, social housing; but, of course, as we know, it has not happened to the extent to meet the needs. Again, because housing is such an emotive issue, it is not just the job of the Minister for Housing or the Minister for Treasury and Resources or the Minister for Planning and Environment or the Chief Minister. It is something that we all are aware of. The Constable and the Deputy of St. Peter have mentioned issues that they know of, but I have to say some of these things are not new. Senator Ozouf mentioned (g) categories and I do not know if you remember but certainly a former Member of the House used to do about 2 a month. He used to take cases to ... (g) is hardship and it is hardship other than financial. It is for circumstances that the Deputy and Constable of St. Peter have mentioned. It is exactly for that, and I am not sure how the system works these days. I think it is the Assistant Minister and then it is appeal to the Minister. It used to be. I do not know, but it is still a category of Housing as far as I know. There are grounds for appeal and, depending on circumstances, people can move up the waiting list. So that is a possibility but, again, that is too simple an example of what is indeed a difficult case. Because it is so emotive, it is not just about price; it is about availability and it is about the comfort things that we described. Now, it is not a "nice to have". It is where people are going to tonight. I think Senator Bailhache mentioned about the standards, but within half a mile of here there are some townhouses that have got numerous people living in that are not very nice places to live and you do not have to go very far. You can go to Rouge Bouillon or you can go to David Place. That is how close we are to what we are talking about. These places take a lot of cash on a Friday night. Millions of pounds change hands in St. Helier on a Friday night. Most of it is cash. I have seen places with 15 or 18 rooms, £200 per room. Now, we have part regulation but there are still things we need to do there. What does this do for those people? Are we all going to move up a bit? Again, there are still lots of things and that is why I say housing is an emotive issue and, again, it is about security. How... we talk about the private sector as if it is some panacea but a one-year lease is not much good if you want to put a few tiles up a few shelves or whatever else it is. If people are moving, especially with children, it does not give them much security and comfort at all because a year soon goes, Members might recall because some were elected nearly a year and a half ago or about that. So, if you think of it in those terms, a yearly lease is not very long. I think there is some danger we have got on to this sort of money-go-round, but perhaps we should come back to what it means to people on a daily basis because we will come and go, but people are here to stay and it is what we can do for them, not just the Minister for Housing but all of us. Now, Planning have got a part to play. The money is required and I am disappointed in things like the Jersey Development Company. We have land. We have assets. What has happened? Somebody said to me: "Well, we have 5 sites." Yes. What happened to the old maternity hospital? I do not know what happened to that. Le Bas Centre, surely we could do something there. That is not rocket science. It is ideal. It is in town. It has got shops and things round about. Why can we not do something like that? Now, if people were coming forward with things like that I certainly would have a lot more confidence. We do have the assets. We do have the land. We have the wherewithal to do it. We have got car parks. We could build on some of the car parks. Not multi-storey. I mean there are little places hereabout where they could put 8 or 10 flats. Nobody seems to be driving this, so I think we need a more general co-ordinated approach to housing. What we

are talking about now is we are putting a very high level about future housing costs because if the States are at that level then there will not be a great deal below it. So that will be the benchmark for moving on and up and that really does worry me because, okay, we are here on the third day but we are talking about something that is going to affect people for the next 30 years. It may be inconvenient for some but also it is very inconvenient for many people out there who we have failed and failed miserably for many years. I have got probably 2 suitcases full of documents of former housing stuff. Deputy Duhamel has been around the same time and he is a bit of a hoarder, so he has probably got 3 suitcases. As I say, it is all right talking about it but then it needs to translate. Okay, we have got policies and we have got strategies, but where are the buildings? Where are people moving in? I do not see it and that is the failure. We have got this lead-lag, then we agree it and then in 3 years' time something happens. I remember having the debate about the Waterfront and it went from one extreme to the other. It was: "Well, it is reclaimed land. We can leave it, do nothing and then we can wait and see, or we can build some housing on it." We have not built any housing on it. Some of that land we lost in a legal dispute which has got housing on it but then the good thing is somebody is living in it, so it is housing that has been created. Some of the developers are criticised but they have enabled some people to buy flats that they would not have been able to do. We were having a discussion yesterday outside and we were talking about the former Housing President, Deputy of St. Lawrence, Henri Coutanche. He, at the time, came with a fairly forceful policy to the States and we bought hotel sites. We bought the Ritz in Colomberie. We bought the Continental Hotel site. We bought Le Coie and some other commercial sites. We bought Channel Television. There were things like that that were done and people said: "Oh, well, things are happening." None of that has happened recently. None of that has happened. We have got the land. We have got money. So why has none of this happened? What is the block that is stopping it happening, because people will pay but then they want to see things happening and if we have got people, like we have heard, who are in desperate housing need then who is doing it? We have got a group who has worked on this but why does the same group not work and work with focus to create some housing and, before the end of the year, come forward and say: "Yes, this is what we are looking at." The maternity hospital, why can we not do anything there? There are about 70 cars parked at the back. Get them off there. Put something on. There are flats the other side. It is a residential area. Why do we not do something? The thing is it is something I think this House is going to have to revisit again fairly soon because if these things do not happen then something is going to have to come before this House, the sort of things I am talking about, that we make a decision and somebody is told: "It is not 'nice to have'. Go away and do it. Do not talk about it. Do not have these cosy gatherings. Do not have these land assets. Do not have this money there. Let us make it happen." With that, we can raise people's hopes and aspirations. If you look at what is for sale, there is property for sale for less than £200,000. It is not a 3-bedroom house with a garage but people as well, as Deputy Pinel has just mentioned ... well, it is nice to own a house but it is also nice to own a flat. There is nothing wrong with that. If people are going up or coming down, then it is done. So why do we not have lots of one-bedroom flats for people going both ways, coming down or going up, for sale and rental? Mix them up. We have done it in the past. We did do some on the Waterfront, a mix, and again they are managed by a trust. We have got that, so we can do it again and it is a strategic priority, but let us make it happen. That way we can give people help because I am worried about just putting in a financial structure without saying: "But we are going to do this." I do not see the "doing this" and that is the bit that worries me. If it is money-driven, okay. There is money to be made out of housing. We know that. There always has been and there always will be, but let us get away from the speculation bit. If people want homes there are penalties you can put in. We can keep them in a certain range and we can do that. We have done with Woodville, if you look at that, and we have done that because there is a restriction on where they are and they still sell for probably under £300,000. They are 2-bedroom flats but there is nothing wrong with that. They are on the edge of

town. They have got parking. There are other things we can do. I am sure we can. I must say, I have some qualified support for this. I am not sure what the rapporteur for the Minister for Housing is going to do; if he is going to take it as a whole or if he is going to separate (a)(i) and the parts. I think he does separate.

The Deputy Bailiff:

I understand he is going to be taking it as a whole.

Senator A. Breckon:

He is taking it as a whole? Thank you for that, Sir. Again, you see, I do have a lot of support for this because we said years ago that we should regulate the trusts but we do not want a heavy hand - many of them are volunteers - so it needs to be sensible and let us take them with us. The other things all make sense because we have just heard from Deputy Power before where, again, money was taken away that was for tenants at Le Coie and Pomme d'Or Farm who were really hopeful that something was going to happen, but when? If we take housing out of the bids for States capital then we take them away from anything that is in competition - a new Magistrates Court, things for the prison or whatever else is going on, health, whatever was happening - and housing, I am afraid, did not get the capital.

[16:00]

They did not get the bids that they had and now we are paying for this, I should say with a great deal of money going round the system because of previous failures. Now, we cannot necessarily wind the clock back, but what we can do is we can try and put things right but, with that, we have to send out a message and others should be working - all of us, not just Ministers or whoever - with the Minister for Housing to make things happen and put the pressure on where it needs to be, because that is people's future. For the young person who spoke to the Deputy, we have to say: "Well, there are opportunities there. There will be things happening" but at the moment I cannot see where they are and I cannot see them happening. We have to do that because it is their future and that is what we need to be aware of and do something about it. I am still in limbo a bit and if the Minister is going to propose it in one then I am a little bit disappointed in that because I think many Members have support but there might be some issues here and there. So I would ask if he would reconsider that.

1.3.16 Senator I.J. Gorst:

A number of Members during the course of this afternoon and during other debates have talked about the struggle that they have had with this proposition. I think Deputy Young used the phrase "heartache" and he had had concern over this proposition. I do not think that Members should be surprised about that. Yesterday the Minister for Social Security talked about his concern about the proposition and the Minister for Treasury and Resources quite rightly said I had similar concerns when I was the Minister for Social Security sitting on the steering group. In some ways the debate that we have had in the Assembly today mirrors the debate that we had as a Ministerial steering group. It is just that, rather than the 4 or 5, now there are 51 of us; so it takes that little bit longer, unfortunately. I think that it shows that Members take their responsibilities in this Assembly seriously and they take their concern for social justice across our community seriously as well. I think there would be more concern on my part if Members did not have heartache when making difficult decisions. I think it shows that we are giving it due concern and I think that was at the very basis of Deputy Vallois' proposition yesterday; how we are providing social housing and where the benefit of social housing should be provided. Should it be provided in a hidden subsidy or should it be provided via the social security system and our single combined benefit system? That has been a difficult decision for Ministers to make and I sense also that it has been a difficult

journey for Members of this Assembly as well. Although I do not like to use the word “reluctant”, as used by the Scrutiny Panel, I think they use it for that very reason - that they recognise that it has been difficult - but sometimes I think that this Assembly does not realise the step forward, for all the detractors, of developing a combined benefit system so that we can, like today and in future, make decisions about social policy and social intervention and monetary intervention right across our community. If we have got subsidies hidden elsewhere in States provision that does not help us to provide a joined-up, transparent benefit to members of our community that we believe rightly should have them. I do not like the term “cap in hand”. I do not think it is a fair one. I think we, in this Assembly, should stand up and say when and where we want to provide help and support, financial, to members of our community and I do not think that should be anything to be ashamed of. What the Minister has brought forward today will deal, in due course, with a lot of the concerns that Senator Breckon has just spoken about, about provision of housing, because we will be setting up a Strategic Housing Unit and the new Minister sitting opposite me, who happens to be the old Minister as well, will, and I know is champing at the bit to, come forward with a co-ordinated appropriate policy which is going to deliver housing that - Senator Beckon is absolutely right - is long needed. He is going to come forward with new mechanisms for delivering affordable housing. He is going to come forward, with the support of the Minister for Planning and Environment, I believe, with sites where not only affordable housing can be delivered but more social housing can be delivered. What he is also proposing today is that there is the appropriate investment in the existing social housing. We do not often like to admit things that we have got wrong in this Assembly, but I do not believe that any of us can be proud of the investment that we have made in social housing in the past. Yes, we started to rectify it over the last 2 or 3 years with fiscal stimulus and we are all grateful to the Minister for Treasury and Resources for the way that he has found that money, but that is not enough. We must do more and we can do more and this proposition will allow us to do more. As I have said, in due course it will also increase the supply; something that both the Deputy and the Connétable of St. Peter have so passionately and emotionally explained the need for today. I hear what Deputy Martin said. I hear the difficulty that Members have had in reaching this decision, but I think, when we take this package as a whole, then I think this is a good day for Jersey. I think that the Minister for Housing should be congratulated and his Assistant Minister and his officers and the officers from all the other departments that have worked long and hard to make this package work. As I said yesterday - or was it the day before, I have forgotten now - we also congratulate Scrutiny for the critical eye that they have brought to this package of measures and the help that they have been, I believe, in helping Members to make their decision today. I would say to Senator Ferguson, perhaps I could plead with her, we cannot under-invest in social housing and housing provision in the future as we have done in the past. Therefore, I do not believe there is an option. I hope that she will change her mind and vote for this proposition today. I accept some of the concerns that she raises about the economy, but she does not need to overly worry about that because, as she well knows, Ministers have a plan of action to ensure that we are preparing for the future and that we are stimulating the economy and we are meeting the challenges that are ahead. We are not complacent, as any number of work-streams that we have put in place, I know, proves. For those Members that continue to have doubts, I ask that they will look at the package of members as a whole and recognise that this Minister is to be congratulated. He is putting social policy and social provision at the heart of the Council of the Ministers’ agenda and I thank him for it and I ask that Members support the proposition.

1.3.17 Deputy T.A. Vallois:

I am not going to keep Members long. I am in an extremely difficult position, as I am sure the Minister for Housing can understand. My family have very personal experiences of housing, in particular the estate that it was in in the 1970s and experiences my family felt from that and I can understand why we need to change. So I am absolutely 100 per cent behind helping the Minister

for Housing in doing everything we can to make housing better for the people of Jersey. I also have been and I always will be, but I keep on coming back to this 90 per cent of rents. I understand Members have tried to give their side of the argument and the one thing that keeps ringing in my ears was the Minister for Treasury and Resources saying: "Strategic investment". It is not. This is social housing and the nub of the problem of this whole debate for me is that we have gone into this debate and none of us are on a level playing field as to what we see social housing is. I have my interpretation of social housing and social housing, in most of the world, has a hidden subsidy, if you want to call it a hidden subsidy, but that is the way it is. We are basically taking that hidden subsidy away, 10 per cent or thereabouts, and I understand the negotiation that was done between the H.S.S.H. (Health, Social Security and Housing) Panel and the Minister for Treasury and Resources to reduce, marginally, with the Minister for Housing, that amount of money to go back as a return to Treasury by delaying the 90 per cent in terms of new tenancies only charged. I thank the panel and the Minister for Housing and the Minister for Treasury and Resources for going back to the board and trying to get that little bit further down. I am genuinely thankful for that, but it still leaves me between a rock and a hard place. The issue of the Minister for Housing: we had the H.S.S.H. Panel's debate on whether to keep the Minister for Housing and, believe it or not, I did struggle with that one a little bit and the reason why I did is not because I do not want a Minister for Housing because it is a Minister for Social Policy we need. Social policy has been forgotten for too long. It has been left on the shelf. It has been put up on the shelf and every now and then taken down: "Yes, maybe we do not want to go down that way" but there are fundamentals because if we are going to follow some form of social policy we do need to know what it is going to cost, not just tenants of social housing, but the taxpayer and how much the taxpayer is willing to invest in social policy, because there is a limit. The way that we provide social policy going forward has to 100 per cent be joined-up. No more silo mentality. The one thing I will say to the Minister for Housing is please take on social policy and drive it through as much as you can. I understand the Assistant Minister, Senator Routier, is trying his best and I go and meet with him regularly. I am really not sure how I am going to vote with this. I do find this very difficult and I look forward to hearing the Minister for Housing's summing-up. It has been a very difficult and very important 3 days. Deputy Martin did say she would not call this successful or a good day. I do and I do not. I call it good because we need to change housing. We need to change the way we look at housing. We need to change the future and where we are going with housing, but at the detriment of affordability ... and that is the problem.

[16:15]

What is affordable in Jersey? The one thing that always jumps out in my mind and a lot of the people that I talk to is why does a States Member not go and try living in social housing; try paying the groceries every week; try bringing up 3 kids and working here and working there and doing this and doing that? Probably a lot of us have. A lot of us have in different times, in different circumstances: all different individuals. So I will come back to the income support system and there is my little issue with the income support system. Well, little but it is getting bigger, especially if this goes through. Income support is absolutely there for fundamental reasons and I and many other people pay their taxes for a purpose, to help people, and we all understand that. But when somebody does not have money put into their hand and see that money and where it goes, how can you understand the cost of something? So when we are turning round to social tenants or any form of tenants and saying: "Right, we will just move that money from this department to that department and that is their rent paid for," they will never know the real cost of that. So when they do eventually go to get a job, they are going to be really shocked at how much they are going to have to earn to get out of that. It may not be shocking to us or other people that we know, but for those people it is going to be a big shock. There needs to be proper support around that area for

when those people have to try and find work or are trying to find work and I know we are investing £2 million and more into Advance to Work, which is doing a great job, and our jobs, jobs, jobs policy, but I think we are going to have to do that little bit more. It is not necessarily throwing money into the pot, but we need to start thinking on our feet. We need to be quicker at doing things. We need to be better at doing things. I want to say a big thank you to the Minister for Housing, to the Housing staff and to the H.S.S.H. Panel for all their hard work, because it has been hard work and it has been difficult and there has been a lot of constructive tension and maybe a lot of criticism from myself in terms of the rents policy, but I think what has been good out of all this is that we have had a proper and good debate on the rents policy. Whether my amendment was agreed or not is neither here nor there. We had that good debate on the rent policy and that, to me, is the most worthwhile thing. So thank you and, for all the Members that have endured this and feel like it has probably gone on longer, I think this has been a very worthwhile debate. I will sit down now. **[Approbation]**

The Deputy Bailiff:

Does any other Member wish to speak? If not, I call on the Minister for Housing to reply.

1.3.18 Deputy A.K.F. Green:

I thank all Members that have spoken and I hope Members will understand that, while I will try and be concise, this is a very important debate and I think Members deserve to have their comments responded to. So I will try and be concise but also take account of what Members have said. I thank all Members that have spoken. Deputy Vallois said this has been a very worthwhile debate. I know that, without exception, every Member of this Assembly, I think, has the same objective in terms of housing our community; about putting our community in good, dry homes; about having sufficient housing for our community. The only difference we have is the route that we take to get there. I would just like to start off by ... I will not try and quote it exactly because this is something I just wrote down, but I think it was Einstein at some time said, much more eloquently than someone who was educated at St. Helier Boys: "Outcomes are predictable. If you always do the same thing you will always get the same outcome" and that is where we find ourselves today, trying to break that mould; trying to have a different outcome, knowing that if we continue down the route we have got we will always have shortages of homes and perhaps some homes that do not meet the Decent Homes Standard. The debate has covered a wide range of issues; on occasions nothing to do with social housing, but in the main P.33 has raised a whole wide range of views and expressions. Before I start picking up the points I really want to, I would like to respond to Deputy Reed particularly and I would like to, again give my thanks to the Scrutiny Panel. Their report was excellent. I am not saying that because in the main it agreed with me but because the work that went on behind that, the challenge that went on behind that, the verification that went on behind that was immense, and I am very grateful to the Deputy of St. Peter and her panel but I am addressing particularly the comments made by Deputy Reed. As I said in my opening remarks, I believe P.33 reflects how Ministers and Scrutiny should work together. I would like to assure the Chair and I would like to assure the Deputy of St. Ouen - it is difficult to talk to somebody behind you - that when I accepted 14 of their recommendations, I accept them wholeheartedly and without reservation. My comments, Members can see for themselves, are there only to provide clarification to Members and to support the panel so, again, I say very clearly to the Deputy of St. Ouen I accept all 14 recommendations. The only reason not to support some of the other recommendations that were in the panel's report is, I think, it might have prevented the commencement of the Strategic Housing Unit, and I will come back to that in the main part of my address. I will work with the Scrutiny Panel and anybody else in this Assembly to ensure that we have appropriate regulation. We have said that we are going to look at that and if in my keenness I frightened the Deputy of St. Ouen, I am sorry about that but I do like to get things done, but of course they do have to be done

properly and I accept that. So moving on, dealing with some of the important issues, it is appropriate that I thank Deputy Vallois and it is appropriate that she spoke just before I did because we have similar backgrounds, and we are similarly passionate about what we believe. I do not wish in any way for what I am going to say now to sound condescending but I thought your summing-up yesterday, you almost convinced me to vote.

The Deputy Bailiff:

Through the Chair.

Deputy A.K.F. Green:

I thought the Deputy's summing-up yesterday was first-class and I can assure the Deputy and other Members of the Assembly, Senator Breckon, others that have raised it, Deputy Rondel has not spoken but he has spoken to me about it particularly, I can assure them that the whole purpose of the Strategic Housing Unit is to develop those alternative systems of tenure. I could give you a whole list of them. I will cover some of them later on but 'rent to buy', I know the Deputy is completely passionate about it. That needs to be there. There is a whole raft of things. The deposit scheme we need to widen out. We need, I think, to have perhaps homes for elderly people wanting to down-size and buy a lifetime enjoyment thus releasing their houses back into the use of the market for our funds. We need those sort and many other imaginative schemes. I intend, as long as I am Minister for Housing, to see that happen. The Constable of St. John - I would just like to clarify this - he was confused. I am sure at different times we were all confused but I would just like to make one thing clear, that the in-principle debate on regulation is exactly what it says. It is an in-principle debate. We have agreed, hopefully if you accept this, that we are going to have regulation and I, as Minister, have agreed I am going to work very closely with Members and particularly with the Scrutiny Panel to have the appropriate regulation. But the other 3 proposals are firm proposals. To transform social housing, those other 3 proposals are firm although they will require legislation to come back to the House for the Assembly's review. It is a time when I am trying to get people to understand what I am trying to do and to win friends and influence people, but I have to distance myself from the comment of Deputy Baudains before lunch. I do not want 5-star homes particularly but I do want good homes that are well-maintained, that are easy to access, that are appropriate for my community as a whole, and I distance myself entirely from putting people that perhaps are less conventional in their arrangements in estates that are not of good condition. I do not want any estates not of good condition. I want decent homes for everybody and, at the moment, I am working on the English Decent Homes. I want to see eventually a Jersey Decent Homes. The Islanders deserve that and we can do it. So coming on to the Strategic Housing Unit, there is a very different significant change from the current position bringing the development of housing strategy and policy development into one single place, a dedicated resource absolutely able to co-ordinate across the housing strategy, and it is absolutely vital. At the moment, it sits a bit with Population, a bit with Planning, a bit with myself in Housing, a little bit with Health, as we have seen recently. We must have it in one place properly co-ordinated. Separating regulation and delivery of social housing is critical and that was identified by Professor Whitehead and this removes the conflict highlighted in that review. Professor Whitehead made it clear it should not sit within the operational department. The Health, Social Security and Housing Panel successfully put the case that a Minister for Housing should be retained to give political priority. I agree with this. It was difficult for me not to agree with it really but I am grateful that the steering group and the Council of Ministers took the same view. With regard to Deputy Vallois' comment whether it should be a housing and social policy, that is possibly a route for the near future, I do not know, but that is something perhaps the machinery of government and when the review of the constitution of the government and everything is sorted out, I think that is something that is quite likely. I have heard many views on the Strategic Housing Unit and Deputy

Southern asked for a response in relation to whether the demands of population had been adequately taken into account. I have said before in recent responses to questions 7621 and 7641 from the Deputy that R.15 contains no estimates of overall population because the overall population of the Island does not necessarily translate into the increase of affordable housing. It is a make-up of that population that is important and that is where we use the Statistics Unit. The need for affordable homes is a much more complex issue than one that is sensitive just to the economic fluctuations. This is why the Housing Needs Survey has been validated against the Statistics Unit. The population model and the affordable housing gateway are reviewed annually and set out in the Department of the Environment's review of residential land availability. The work is going on but it is a make-up of the population that is important - who needs social housing. This document monitors delivery of homes. I am talking about the residential land availability on sites and identifies impacts that are sufficient or slow to emerge on housing needs. Shortages in supply are dealt with in the Island Plan and it was agreed that schemes on States land be brought forward as a means of meeting the level of need identified in the Housing Needs Survey. Of course, we now know that some of those lands will not be available until the middle to longer term and that is why it is essential - I look to my good friend the Minister for Planning and Environment - to bring back some of these sites that were in the Island Plan but were rejected because if the Assembly accepts this proposition today, we would have solved one of the problems. We will have the finances to do the maintenance and to build the houses, and I look to my good friend the Minister for Planning and Environment to bring that land forward for this Assembly to debate as soon as possible.

[16:30]

I have fully acknowledged and have always, as Minister for Housing, been extremely uncomfortable about the narrow eligibility for the criteria for housing. It would be utterly dishonest of me without increasing the supply to widen the eligibility because those people would never ever get to the top of the list. We need to increase the supply and we need to widen the eligibility to reflect modern society and our population as it sits today, and I talk specifically about the under-25s and about hardworking couples, childless couples perhaps by choice or perhaps not, but childless couples and couples in the wider sense that can apply for housing at the moment that are ... couples that work very hard but have low incomes, nevertheless making a valuable contribution to the Island. I need to do that but, to do that, I need to increase supply but I am passionate about that. Moving on to the housing company, we will have the capacity, if the Assembly agrees, and the flexibility to react to changing requirements. As laid out in section 3.83 of the Reform of Social Housing report, the proposed rent policy will enable the housing company and other registered providers to deliver new homes through the use of borrowing with the rentals generated from the new units being sufficient to pay for the borrowing over time, and that seems to have been missed and misunderstood by some Members. I will come back to some numbers in a minute but as long as you have the right income for the accommodation, you can build as many houses as the land is available to build. You can afford to do it. I could have shown some additional growth in the business case but I think to have notional sites and notional costs would have been misleading to be honest. What I will deliver is a restructured social housing sector that revolves around current issues, increases capacity and provides a structure that enables the supply of homes into the long term, when our housing strategy identifies the need for them and suitable sites are made available. To clear up any ambiguity - I always stumble over the odd word - the proposed new company will be able to build as many new homes as we think we want. Already, the programme for the company is the creation of - and I am sorry that Deputy Le Fondré does not read the figures the same way as I do - 598 new homes; will be demolishing 164, so that is 464 new homes, plus 203 new homes provided by the housing trusts; 637 new homes in total but that does not have to stop

there. Once you have a financially viable plan, you can build what you need to build. I stress again the limiting factor is only the land. It is not 84 for 1, as Members might have been told. I can assure the Constable of St. John - going back to the Constable of St. John - that as long as I remain the Minister for Housing and the House supports me, I will be a firm advocate for the Strategic Housing Unit developing housing strategies across the different tenures. Further, I can assure the Constable and any other Members that as long as I am Minister, they are welcome to bring their problems to me and I will do, as I always have done, see what I can do to improve systems and to help out. Next, I come to independent regulation, as I, and I think others have agreed and I hope the majority of the Assembly have if not all - it would be nice if all the Assembly agreed - I think regulation of social housing is needed but it needs to be the right regulation and it needs to be the appropriate regulation, and I am going to bring that back. Regulation at the right level will ensure that tenants will be properly engaged with the service that their landlords provide and that those landlords continuously improve their property, we never find ourselves back where we were today. I could talk for probably a couple of hours on regulation but I think Members would prefer that I moved on to the 90 per cent of rents. I had a lot of thought on this, not just in the Assembly today, not just overnight last night, but over the whole time that I have been Minister for Housing as we worked our way through it, and people talk about increasing dependency of residents on social security. That dependency is there now. The only thing is that we hide it by not doing our maintenance, and all I am doing is asking for the right level of rent to be absolutely transparently clear. My colleague, the Minister for Social Security, has put a package together to make sure that the right support is there and that leaves the new association, if the Assembly accepts it, free to invest and build in housing, and never again will we find ourselves landlords of inappropriate poor-standard accommodation. I also listened, while I am on rent, to Members and I listened to the Scrutiny Panel and that is why the way that we are introducing the rent has been changed to what it is now, that it will be R.P.I. (Retail Price Index) plus 0.75 per cent to the ceiling of 90 per cent of market rates. Some people seem to think I am going to carry on piling it on year after year, year after year. That is not the aim. That is not the aim. I would like now just to address Deputy Le Fondré because he and I, I think, have the same destination. I think we want the same things and, okay, we have not agreed in this debate but I know the Deputy works hard. I know he worked very hard to provide social housing in the work that he does and I know that he was upset by the word “pernicious”. I apologise for that but my dictionary might be slightly different to the Deputy’s because I had it down as “having a harmful effect in a gradual or subtle way”, and not “demonising” as, unfortunately, his dictionary said. I apologise for that because that was not what was meant. What was meant was the harmful effect but I say to the Deputy, let us work together on this one. We can make a difference. We can use your expertise and we can really help the Island have decent homes for everybody. We are talking about scarce resources, so it is important that every resource is used properly and that is one of the reason why we need a proper gateway and why we need proper prudent governance. I could go on. I am getting the message that Members have had enough. **[Approbation]** I am just going to say that this has been a very difficult debate for me. I am sure it has been a very difficult debate for Members. There is more than one way of skinning a cat. I am skinning this cat the way that I have chosen. It is an important day for this Assembly and I go back to why we are here on this debate. We are here on this debate to ensure that Islanders have good, secure, warm and dry accommodation, and if they need help with affordability that is what social security is for. My job is to provide the good homes and the second part of this debate is to ensure that we widen the tenures, the different opportunities for our community. It is about our community. I am passionate about this. I am sorry if I got a little bit too passionate at times but I urge Members to support me and support the Council of Ministers in making this momentous decision to improve social housing and the provisions of homes in Jersey today. **[Approbation]**

The Deputy Bailiff:

The appel is called for. The vote is on whether to adopt P.33 as amended. I ask Members to return to their seats and I ask the Greffier to open the voting.

| POUR: 32 | CONTRE: 8 | ABSTAIN: 3 |
|-------------------------------|-----------------------------|-------------------------|
| Senator F.du H. Le Gresley | Senator S.C. Ferguson | Senator A. Breckon |
| Senator I.J. Gorst | Connétable of St. John | Deputy J.A. Martin (H) |
| Senator L.J. Farnham | Deputy G.P. Southern (H) | Deputy T.A. Vallois (S) |
| Senator P.M. Bailhache | Deputy J.A.N. Le Fondré (L) | |
| Connétable of St. Helier | Deputy S. Pitman (H) | |
| Connétable of Trinity | Deputy M. Tadier (B) | |
| Connétable of St. Clement | Deputy T.M. Pitman (H) | |
| Connétable of St. Peter | Deputy G.C.L. Baudains (C) | |
| Connétable of St. Mary | | |
| Connétable of St. Ouen | | |
| Connétable of St. Brelade | | |
| Connétable of St. Martin | | |
| Deputy R.C. Duhamel (S) | | |
| Deputy R.G. Le Hérisssier (S) | | |
| Deputy of St. Ouen | | |
| Deputy of Grouville | | |
| Deputy J.A. Hilton (H) | | |
| Deputy of Trinity | | |
| Deputy S.S.P.A. Power (B) | | |
| Deputy K.C. Lewis (S) | | |
| Deputy E.J. Noel (L) | | |
| Deputy A.K.F. Green (H) | | |
| Deputy J.M. Maçon (S) | | |
| Deputy of St. John | | |
| Deputy J.P.G. Baker (H) | | |
| Deputy J.H. Young (B) | | |
| Deputy S.J. Pinel (C) | | |
| Deputy of St. Mary | | |
| Deputy of St. Martin | | |
| Deputy R.G. Bryans (H) | | |
| Deputy of St. Peter | | |
| Deputy R.J. Rondel (H) | | |

Deputy A.K.F. Green:

Sir, I hope you will bear with me. I hope it will be appropriate for me just to say thanks to my team for the hard work. Thank you to everybody in here today for their hard work and their questioning and their challenge but thank you to my team. In these circumstances, Sir, is one allowed to name the team? It will not be very long. Can I thank Will Gardiner, John Hamon, Carl Mavity, Dominique Counce, Mike Porter, Lindsay Wood and not above all and not least, my Chief Officer Ian Gallichan, who has pulled all this together with me, Sir? I thank them. **[Approbation]**

The Deputy Bailiff:

It was very naughty of you to breach the Standing Orders, Deputy.

Deputy A.K.F. Green:

I will appear in front of P.P.C. (Privileges and Procedures Committee) later, Sir.

Senator I.J. Gorst:

Sir, could I just apologise to the Assembly on behalf of the Minister for Treasury and Resources? He has had to leave for a flight on States business.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

The Deputy Bailiff:

Thank you. Very well, no other matters on the agenda but, Connétable, the arrangement of public business.

2. Connétable A.S. Crowcroft of St. Helier (Chairman, Privileges and Procedures Committee):

The arrangement for the next sitting is as set out on the Consolidated Order Paper under M with the addition of P.40 deferred from this sitting, which we have agreed to take as the first item, which is the States' liability to rates. Members will be pleased we are not doing that now. Also, P.51, which has now been put down for the 18th June, that is Chief Minister and Chairman of Comité des Connétables: monthly meetings.

2.1 Senator I.J. Gorst:

Sir, on 4th June, I am down to answer questions without notice. I will be, unfortunately, out of the Island on 4th June on official business. I will return on that day and, therefore, I wonder if the Assembly would allow me to answer questions without notice on the Wednesday morning. We have a long agenda and I hope they will still be sitting on the Wednesday morning. I ask that because there will be another point before the summer recess when I will be out for the full sitting and, therefore, will have to ask the Deputy Chief Minister to answer on that occasion.

The Deputy Bailiff:

That seems to be preceding nods of assent from the Assembly so that is the way we will do it.

2.2 Senator A. Breckon:

I have a matter down for 4th June, that is P.31 - Committee of Inquiry: Costs for Local Businesses - and I deferred that from an earlier sitting at the request of the Minister for Economic Affairs who is unfortunately not here. I wonder if one of the Assistant Ministers will say. The reason I deferred it is because I understand the Jersey Competition Regulatory Authority were be preparing a report and the Minister said there might be some crossover, but he said it would be produced in May and as we are now halfway through, I wonder if any of the Assistant Ministers now or very soon could shed some light on that so that I do not waste Members' time either way.

The Deputy Bailiff:

The Chief Minister is looking like a beacon of light here.

Senator I.J. Gorst:

Only, I am not briefed on this matter but I will endeavour to become briefed tomorrow and inform Members accordingly.

The Deputy Bailiff:

Very well, if nothing else arises then the States will adjourn until 4th June at 9.30 a.m.

ADJOURNMENT

[16:44]