

# STATES OF JERSEY



## PUBLIC SECTOR HOUSING: ESTABLISHMENT OF A MANAGEMENT COMPANY

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Lodged au Greffe on 8th July 2003  
by Deputy A. Breckon of St. Saviour

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STATES GREFFE

## PROPOSITION

**THE STATES are asked to decide whether they are of opinion –**

- (a) to approve in principle, subject to tenant approval, the establishment of a Public Sector Housing Management Company, being a limited liability company wholly owned by the States, to manage the Public Sector housing stock and perform all the associated roles and functions, with a management board comprising –

up to 6 tenants' representatives or their nominees;  
up to 6 Members of the States of Jersey;  
up to 6 other persons with relevant experience;

and to request the Finance and Economics Committee to decide and keep under review suitable terms of reference for the operation of the company and management board;

- (b) to request the Policy and Resources and Finance and Economics Committees to enable the transfer of existing employees involved in the management and general functions relating to the public sector housing stock from the employment of the Housing Department to the employment of the limited liability company, once formed, on their current terms and conditions of service.

DEPUTY A. BRECKON OF ST. SAVIOUR

## **REPORT**

The States, in general terms, have agreed that the role of Government as both provider and regulator should be separated. However, to date there has been no attempt to do this in regard to housing, although there is considerable effort to pass the duty for the provision of social housing on to “agents” at considerable and ill-defined cost to the long-term public purse.

Presently, the Housing Committee is competing for States capital and revenue funding alongside Health and Social Services and Education Committees and others with little or no success, when an element of freedom could prove beneficial and in the public interest – properties would be able to be managed and maintained in a cost-effective manner – although to some extent this would be a stand-alone venture – benefits could flow through other sectors of the Public Sector.

The total assets would continue to belong to the States of Jersey, however, an arm’s-length relationship would develop for the management and general benefit of the community.

I believe it would be prudent in the current States financial climate to create a very pro-active Management Board which would bring together a group of people with a variety of skills, knowledge and experience drawn from within the Jersey community to fill these important roles.

This proposal has in mind the setting up of a wholly-owned company, whereby ownership of the substantial assets continues to be held in the name of and ultimately belongs to the States of Jersey, however, the operating company will have a certain amount of commercial freedom to manage more pro-actively the portfolio of property and if necessary use it as collateral within agreed limits to raise funds for future investment to adequately house the Island’s population.

In due course any ‘housing benefit’ would become the role of the Employment and Social Security Department and would not be part of any new remit of a management board.

### **Financial and manpower implications**

I believe in the medium to longer term the above proposition will bring savings and benefits to the public sector purse.