

2.13 Deputy J.A. Martin of the Minister for Housing regarding the sale of houses to housing trusts:

Has the Minister investigated the possibility of selling individual houses when they become empty to a housing trust, thereby keeping the properties within the social rented sector?

Deputy A.K.F. Green of St. Helier (The Minister for Housing):

On the first reading the Deputy's proposal sounds quite attractive, however, I cannot see that it would be a positive step at all. There are a number of reasons why and I will try and explain them very briefly. Firstly, there would be a significant cost to housing in respect of lost income while still making a requirement or facing a requirement to make a return to Treasury. It is this return that funds the housing component of the income support system and it is met through our rental income. If we sell a property to an owner-occupier under the deferred payment scheme or other, the income support payment to that owner-occupier stops. However, if we sell it to a trust it is more than likely that the income support payment will continue. But, and this is a big but, the trusts make no return to the Treasury and keep all their rental income, therefore, it follows if we sell too many on this basis the department will not have sufficient rental income to maintain its return and therefore the income support payments will become difficult to sustain. I am sorry it is quite a long answer. Secondly, if a trust borrows to facilitate a purchase, the current rent levels that the trust can charge will mean they would only have sufficient income to fund a loan of £200,000 a year for a 3-bedroom house which might have a market value of £360,000, and I do not see that that is a possibility for the trust. Thirdly, which is just as important, such a policy will need to come before this Assembly, as proposition P.6/2007 stated, there would be no transfers to housing trusts unless explicitly approved by the States Assembly. Finally, I will say my White Paper has completed its period of public consultation and I will consider very carefully the feedback I have received before lodging my report and proposition later this year. I am committed to providing long-term solutions and see this very much as the role of a Strategic Housing Unit, which I will be proposing. I certainly will work with my colleagues in the House to achieve this.

2.13.1 Deputy J.A. Martin:

I am very disappointed in the Minister's very long explanation about income, income, income and why he thinks he cannot do it. He has also stated that the trust probably would not buy because they would only have a rental of £200,000 and not checked that one either. My question is, is the Minister for Housing here to house people because there are more people on the housing list waiting for 3-bedroom houses and they are waiting longer. Will the Minister not confirm that to buy a 3-bedroom house you have to just be an adult; you can be a single adult with one child under 21 living at home and if you can afford that house you can buy it. It is not on need, it is on greed.

Deputy A.K.F. Green:

I think the Deputy is muddling up the social housing part of my role to the open market part. Very clearly I know there are homeless people out there or people inadequately housed and that is the reason why I am bringing a whole raft of ideas forward as part of the Strategic Housing Unit, as I see it. We need not to have knee-jerk reactions to minor things that solve one problem and create 4 others. We need to have a proper strategic review of housing, which is what I am carrying out, and my Strategic Housing Unit, if I can convince the House to support it, will see that we have that across all tenures, not just one area.

2.13.2 Deputy T.M. Pitman:

Could I just give the Minister the chance to reiterate that when he came into the job he was committed to increasing social housing? With the potential for negative equity numbers going to

go up and up and up, demand is going to go up and up. Will he just reaffirm that commitment to increasing social housing as soon as he possibly can?

Deputy A.K.F. Green:

Yes, I do confirm that commitment and I would just like to say of the deferred payment sales we have made in housing and the realignment in one or 2 areas, that money has generated £34 million and has so far, in my period of office, resulted in 131 new homes.

2.13.3 Deputy G.P. Southern:

Is the Minister not once more admitting that his policy options are restricted by the need for his department to produce an income stream for the Treasury and that that will still remain the case following his proposed changes?

Deputy A.K.F. Green:

My department has to meet its obligations with regard to the rent component. We used to pay that ourselves before by just reducing the rent and not getting the income from tenants. That is now more organised and done in a more structured way and we are trying even further to target it to where it is needed. Therefore I have to make a return via the Minister for Treasury to Social Security for the housing commitment.

2.13.4 Deputy G.P. Southern:

Is it not the case that in proposing to put up rents he is merely increasing the income support bill and causing others to become increasingly dependent on welfare?

Deputy A.K.F. Green:

Yes, the Deputy is right about the first part. It will unfortunately increase the income support bill but it will ensure that people are not receiving a hidden subsidy. We have some families that could afford to pay the full economic rent and they should be doing so.

2.13.5 Deputy J.A. Martin:

It is just that the Minister did not answer the question. To reiterate, can the Minister clearly state, is it the criteria to purchase a 3-bedroom house to just have at least one adult working with one child under 21?

Deputy A.K.F. Green:

I am not quite sure where the Deputy is coming from there. We would not sell a house on that basis but of course people on the open market can buy whatever they can afford to buy.

2.13.6 Deputy J.A. Martin:

I am sure the Minister for Housing does not mean to mislead the House; is he saying that they have not sold the houses because I can find him many of the last houses that have been sold which stood empty for about 7 to 8 months were sold to typical families like this, not in need?

Deputy A.K.F. Green:

That is news to me and if the Deputy has information perhaps she would share it with me.