

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 4th DECEMBER 2012**

Question

Will the Minister explain to members what the impact of the annual transfer of over £20m (currently £24.5m) to the Treasury has been on the Housing department's ability to build and maintain affordable social housing over the past decade?

Will he further state what impact the continuing payment of this sum (indexed) to the Treasury will have on the ability of the new arms-length Housing organisation to fund the building, maintenance and repair of social housing over the coming decade with specific reference to the business plans on which the Housing Transformation Project (HTP) is based?

Will he then state whether the reduction of this payment to the Treasury has been rejected in the HTP and, if not, why not?

Will he further rule out rent increases to fund future day-to-day repairs and scheduled maintenance (historically running at £7.5m annual under-funding) when figures produced by the Cambridge Centre report suggest that £2.5m would be produced by a £35 increase in weekly rent, but cost £3.3m in additional Income Support?

Answer

The overall budget allocated to the Housing Department over a long period has not been adequate to ensure that all States owned housing meets the English Decent Homes Standard resulting in a deteriorating stock. This decline in the stock has been halted to an extent through the sale of some stock and according to my Department's most recent Condition Survey (2012), 76% of States owned homes meet the Decent Homes Standard.

Professor Christine Whitehead in her Review of Social Housing in Jersey (2010) made clear that she believed options for restructuring the funding of States homes were limited. The Professor thought that "day to day repairs" could "only be funded from current income from rents" and that there were "two options available" to fund the shortfall to meet Decent Homes "either the States can forgo £2.5m from the current Housing Department surplus; or rents in States housing can be raised." The Professor opined that "Longer term major works of planned maintenance and improvements can be met from a variety of sources: additional rent income; borrowing; or the sale of assets."

The Professor felt that "Choosing between options is as much a political as a financial issue" and that "the value of some of the options depends heavily on the States preparedness to forego income in order to achieve better services and perhaps expand the role of social housing into a wider range of options." Any such expansion is currently prevented by the reliance on sales and of course is dependent upon a corresponding increase in supply, which is currently highly constrained.