

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY THE DEPUTY OF ST. JOHN
ANSWER TO BE TABLED ON TUESDAY 18TH JULY 2017**

Question

Further to the Ministerial response to ‘Housing Transformation Programme’ (S.R.6/2013 Res), published on 10th May 2013, could the Minister advise on the current status of the implementation of the accepted recommendations based on the outcomes achieved so far, including, in particular, recommendation 9 on the Jersey Homes Standard?

Answer

The majority of recommendations accepted by the Minister for Housing with regard to the Health, Social Security and Housing Scrutiny Panel’s review of the ‘Housing Transformation Programme’ (S.R.6/2013) have been implemented. The remainder of the recommendations are either subject to ongoing Ministerial oversight or, in the case of introducing social housing regulation, being developed into draft proposals in accordance with the programme of work identified by the Housing Strategy published in March 2016.

A summary of the accepted recommendations and their current status is provided below.

Recommendation 1
An agreed position on the role and purpose of social housing should be developed within 6-12 months to support implementation of the housing reforms. The definition should clarify how the new housing company [Andium Homes] will balance its social and moral obligations alongside its role as a States Strategic Investment.
The Minister for Housing believes that this recommendation is best addressed through the proposals to introduce a regulatory framework for social housing, as set out in response to recommendations 9 and 10.

Recommendation 2
Reliable means to deliver new supply of both social rented and affordable home ownership properties must be urgently investigated and committed to, including partnerships with the private sector.
Additional capital investment from the States should be considered if required and States owned land should be utilised at a price that enables development of affordable housing
A clear commitment must be made by the Housing Company [Andium Homes] to review its Business Plans within 3 years to see if additional capacity to support new development can be identified, and this information reported back to the States.
The £250 million Bond made available to affordable housing providers is providing the funding necessary to enable the delivery of more than 1,000 new affordable homes for rent and purchase as well as the achievement of the Decent Homes Standard on all Andium Homes rented properties by 2020.

Andium Homes also has the ability to seek private borrowing should it require funding above the level of Bond money available in order to deliver more affordable housing developments. This is subject to the approval of the Minister for Treasury and Resources.

The Minister for Housing is responsible for deciding what level of affordable housing supply is required to meet the island's housing needs. As the Affordable Housing Gateway continues to show significant demand for affordable homes for both rent and purchase, the Minister is keen to see more affordable housing delivered in the years ahead, especially affordable housing that contributes towards the regeneration of St. Helier.

Andium Homes is actively looking in the open market to purchase new sites for affordable housing, as are the housing trusts, and the Minister is working with the Minister for Infrastructure, through Jersey Property Holdings, to identify sites that may be suitable for new affordable housing development – the long-term use of The Limes site for affordable housing is a case in point.

Recommendation 3

The requirement for the housing trusts to contribute towards the Income Support housing component should be reviewed and reported back to the States within 2 years to ensure that the Trusts are able to operate efficiently and deliver additional stock.

It is important that all affordable housing providers make a return to the Treasury in order to support States spending on Income Support, but this return must be managed in a way that ensures the providers are able to operate on a sustainable financial basis, as was the intention of the Housing Transformation Programme.

Recommendation 4

The Minister for Housing should establish and agree a protocol with the Parishes within 6 months to provide clarity about how the Gateway system will impact on social and affordable homes delivered by the Parishes.

The Minister for Housing is open to discussion with the **Comité des Connétables should any Parish wish to take forward an affordable housing development, and notes the successful partnership that has been established between the Parish of St Peter and Andium Homes on the proposed Ville Du Manoir first-time buyer scheme.**

There could be benefits for the Parishes utilising the Housing Gateway for their allocations should they wish to do so, although this is a matter for the individual Parishes.

Recommendation 5

An exit gateway, savings initiatives or shared equity schemes should be developed to meet the needs of those wishing to move out of the social sector if their financial circumstances significantly improve.

The Housing Strategy identifies the need to introduce affordable home purchase schemes for first-time buyers to enter into home ownership.

The Andium Homebuy scheme is one such example, which provides medium income households who would not be able to purchase in the open market, including existing social housing tenants, with the

opportunity to purchase an affordable home at a reduced price to the open market. Andium Homes has plans to sell 300 affordable homes by 2020 on new and existing sites.

The Minister for Housing hopes that the Homebuy scheme can continue to develop so that more of the 800 households on the Affordable Housing Gateway waiting list 'Band 5' have an opportunity to purchase a home. This, however, is dependent on new sites coming forward for development.

The Jersey College for Girls development includes forty Shared Equity units sold through the Assisted Purchase Scheme and forty Category A, over 55's social rented units with Jersey Homes Trust.

The Minister for Housing is also looking to introduce a second deposit loan scheme to assist first-time buyers with the cost of raising a deposit on the purchase of a property in the open market. Funding has been identified for a scheme, which originally ran in 2013, and discussion is ongoing with a potential mortgage provider in order to support lending for the scheme.

Recommendation 6

The Minister for Housing should be retained as the head of the Strategic Housing Unit and given responsibility for housing across all tenures. This is critical in helping to address the lack of joined-up thinking on affordable housing policies and should be agreed by the States as it is essential to the success of stimulating new supply.

The position of Minister for Housing was maintained following the acceptance by the Council of Ministers of an amendment by the former Health, Social Security and Housing Scrutiny Panel to P.33/2013 *'The Reform of Social Housing'*.

The Minister is responsible for the development and coordination of housing strategy and policy in all categories of tenure through the work of the Strategic Housing Unit.

Recommendation 7

Additional steps setting out expected ways of working to build a more collaborative culture and ensure adequate resources are available should be developed for the Strategic Housing Unit. This should be reported back to the States by the Minister for Housing within 6 months.

The Strategic Housing Unit is the responsibility of the Minister for Housing. The SHU sits within the Department for Community and Constitutional Affairs and has 2.5 full time members of staff and the oversight of an Accounting Officer.

Since it was established in 2014, the SHU has prepared a Housing Strategy (published by the Minister in 2016), which directs its immediate programme of work. In delivering this programme, the Strategic Housing Unit works collaboratively across departments to deliver housing policy and is a member of both the Safeguarding Partnership Board and JMAPP arrangements. The SHU maintains strong working relationships with all affordable housing providers to deliver new supply.

Recommendations 9 and 10

Prior to introducing a social housing regulator, alternatives for regulation must be brought forward that are more appropriate to the size and nature of Jersey's social housing sector including a Social Housing Charter or Code of Practice developed within the next 12 months and signed up to by all providers.

A Jersey Homes Standard that is appropriate to Jersey's needs must be created within 12 months.

Regulatory activity needs to be focused on improving service delivery as opposed to dealing with service failure and should rely upon cooperation rather than compulsion as much as possible with regard to directing the financial affairs of other Social Housing Providers.

The Minister for Housing will shortly be lodging a regulatory framework for social housing provision, including the Affordable Housing Gateway (the point of access for social housing) and social housing providers (Andium Homes and the housing trusts). Social housing providers carry out functions of a public nature and receive public funding to varying degrees and regularity, so it is important for the sector to be subject to appropriate oversight.

A consultation was undertaken in January 2017, which considered the principle of regulation and a potential structure for a regulatory framework. The Minister is currently speaking with stakeholders regarding the draft proposals and will bring the draft proposals to the States Assembly by the autumn. In developing these proposals, the Minister has sought to reflect the recommendations of the former Health, Social Security and Housing Scrutiny Panel that regulation is appropriate to the size and nature of Jersey's social housing sector.

One of the main aspects of the proposals will be the introduction of standards of financial management, governance and service delivery (e.g. the quality of homes, rent levels and tenancy management), in order to provide a consistent and accessible framework of standards of practice.

In respect of the 'Jersey Homes Standard' it has been decided to adopt the UK Decent Homes Standard, which provides a comprehensive framework of standards for rented accommodation and reflects best practice for housing. A copy of the Decent Homes Standard is available at:

<https://www.gov.je/home/rentingbuying/housinglaws/pages/housingstandards.aspx>

Andium Homes has adopted the UK Decent Home Standard as the minimum standard for its rented accommodation and aim to achieve the Standard on all properties by 2020, four years earlier than was originally planned. By the end of 2016, 93% of properties had been upgraded to meet the Decent Homes Standard.

The Decent Home Standard will be given statutory effect through the draft Health and Safety (Rented Dwellings) Law, which the Minister for the Environment will lodge for debate in the autumn.

Recommendation 14

The re-lets policy should be kept under review to make sure that the turnover of properties is not negatively affected and that re-lets are happening at a rate that supports delivery of the Housing Company's commitments. The Minister should report back to the States annually on this policy.

The risk that Andium Homes' rental income is lower than expected as a result of lower rental market growth or re-lets are lower than expected was identified and mitigated in the full business case for the Housing Company. This continues to be a risk identified by the Andium Homes board in its Strategic Business Plan.

Andium Homes funds all of its expenditure – including maintenance and development costs for new homes – from rental income. It is therefore essential that Andium Homes keeps its re-let policy under review. The Minister for Housing is pleased to note from the Andium Homes 2016 Annual Report that rental income has been better than expected due to efficiencies in Andium Homes' letting procedure.

In 2016, a Choice-Based Lettings service was introduced, which is having a positive effect on average turnaround times for properties. In the first quarter of 2016, for instance, the average turnaround time was 42 days, which has reduced to 23 days in the first quarter of 2017. Moreover, the numbers of offers turned down by applicants has reduced significantly:

Q1 2015	57%
Q1 2016	51%
Q2 2017	18%

The housing trusts also demonstrate similar efficiency in re-letting properties. As part of a regulatory framework for social housing, it is proposed that a key performance indicator will include the average time taken to re-let properties.

Recommendation 15

Action should be taken to ensure the most vulnerable households are protected against rent increases upon moving, including the introduction of elderly rate for low-income pensioners.

The Minister for Social Security was charged with taking the necessary action to address the Income Support implications of the 90 per cent rents policy approved by the States Assembly in P.33/2013, and this was enacted through the Income Support (Amendment No. 10) Regulations 2014.

The housing component of Income Support provides financial assistance towards the cost of renting a social housing property. Income Support will recognise the full rent charged for a social housing property, providing that the household is occupying a property appropriate to its need.

Recommendation 16

Policies should also be developed to assist those considered higher earners to move into other tenures that are appropriate to their needs

The Minister for Housing's 2016 Housing Strategy identifies the need to make efficient use of all available housing resources, including social rented accommodation. It is important that social rented housing is occupied by low income households who would be unable to afford to rent in the private sector. High earners should therefore be assisted to move into other tenures as is appropriate for their needs.

From the 1st January 2017, Andium Homes have been using a new collection of Fixed Term Tenancy Agreements.

There are 3 types now used:-

- Introductory Tenancy Agreement (for 1 year)
- Supported Housing Tenancy Agreement (up to 2 years)
- Standard Tenancy Agreement (for up to 5 years)

This gives Andium Homes the opportunity to have a conversation with the tenant in advance of renewing the tenancy agreement, to see if their housing needs or aspirations have changed.

The Andium Homebuy scheme provides existing social housing tenants with opportunities to purchase an affordable home at a reduced price to the open market. Andium Homes plans to sell 300 affordable homes by 2020 on existing and new sites, although this is dependent on the sites being approved for development.

Recommendation 18

The housing company [Andium Homes] and the housing trusts should join an appropriate benchmarking club so that comparative measures of performance can be made available to staff and tenants and support future improvements.

Andium Homes has developed key performance indicators as part of its Strategic Business Plan, which are used to assess and monitor performance. These KPIs are a requirement of the Memorandum of Understanding between the Minister for Treasury and Resources and Andium Homes.

Andium Homes' performance against these KPIs is published in the company's annual report.

The housing trusts also monitor their performance against comparative industry benchmarks, and this information is published in their annual accounts.

One of the main aspects of the proposed regulatory framework for social housing is the introduction of KPIs for all affordable housing providers. The KPIs will provide tenants with information about the performance of their landlords compared to another, and will help to drive service improvement. It should be noted that many of the potential KPIs under consideration are already monitored by the affordable housing providers as best practice.

Recommendation 19

Care must be taken to avoid competition between the Housing Company [Andium Homes] and the housing trusts with regard to pursuing the same sites for development.

The Minister for Housing is in active dialogue with all affordable housing providers with regard to their future development plans, and will offer support wherever possible to help them progress with developments.

Where a States-owned site has been identified for affordable housing development, or where land has been re-zoned specifically for affordable housing, the Minister, in consultation with the Minister for Infrastructure and the Minister for Treasury and Resources, will determine the most appropriate social housing provider to develop the land, having taken into consideration issues such as their finances and capacity to deliver new affordable housing developments.