

3. Questions to Ministers Without Notice - The Housing Minister

The Bailiff:

Very well. We move on next to questions to Ministers without notice. The first period is to the Minister for Housing.

3.1 Deputy T.M. Pitman:

I obviously looked very keen there, Sir. This is a genuine question not an accusation for my very good friend, the Housing Minister. Fully accepting the observation of Professor Whitehead that Housing has been significantly understaffed, does the Minister, nevertheless, feel that any degree of responsibility for what has been described as a failing service that should be broken up lies with the Minister himself?

Senator T.J. Le Main (The Minister for Housing):

May I make it quite clear there is not a failing service within the Housing Department? I make that quite clear. But under the current policies of this Assembly, the Housing Department are adequately staffed at the present time. The original staff 18 months or 2 years ago, we had about 85 staff. We are down to just under 40 under the current policies of this Assembly. We are working very, very well. Professor Whitehead was quite clear that she was very impressed with the current administration and managership of the Housing Department and the issue about not being fit for purpose was the current policies applying to the funding and other issues and regulation otherwise. But otherwise the Housing Department, as I say, is adequately staffed and very lean and working very hard.

3.2 Deputy G.P. Southern:

Can the Minister explain to Members why he chose the terms of reference he did which look at reform of administration and management in the Housing Department when, in fact, the big problem is the basic funding for repairs and refurbishment which he in his decade has failed to keep up to date with?

Senator T.J. Le Main:

Absolute rubbish. Again this is a total ... I am not going to be rude to the Deputy but quite honestly [**Aside**] ... do you want me to [**Laughter**]? The issue is quite clear that the Housing Minister has worked in conjunction with this Assembly and with other Ministers and other presidents before that. I have had a joint working approach in regard to the fiscal challenges being presented to this Assembly over the last few years. To say that it is my fault that we are where we are now is absolutely not true. The issue is I have worked with other Members and this Assembly. It is this Assembly that has given me the policies to work within the parameters of what I am at the moment. We have known for a long time that the funding is a short term basis. This property plan sell off is a 10 year plan. But we know very well that the property plan will only deliver and make our stock acceptable over a period of time.

The Bailiff:

I think a concise answer if you would, Minister.

3.2.1 Deputy G.P. Southern:

Does the Housing Minister deny that he has been in charge of housing policy for the past decade and that this House has confirmed policies that he himself has brought to this House for confirmation? That is all this House is responsible for. Does the Minister accept any responsibility whatsoever for housing policy in this Island?

Senator T.J. Le Main:

I accept any responsibility for the housing policies approved by this Assembly. If I may say that any policies that have been worked out by the Housing Minister and his team have come to this Assembly and it is this Assembly that have either supported or otherwise those policies, including Deputy Southern.

3.3 Deputy D. J. De Sousa:

Can the Minister please inform Members how in the current economic situation and the fact that mortgage lenders are now requiring I believe at present 15 per cent deposit, how his department will endeavour, as has been promoted by Housing, to help tenants to own their own homes, as at present it does not seem very realistic?

Senator T.J. Le Main:

That is not correct. We have one lender currently lending 100 per cent on homes that are being purchased by tenants. On a regular basis we meet up with banks and lenders. In fact there are 4 lenders at the moment that are lending in particular on 100 per cent on the properties for tenants to purchase that they occupy.

3.4 Senator S.C. Ferguson:

Will the Minister be considering the various suggestions for restructuring of the Housing Department, such as changing it into a trading organisation? Which ones is he looking at and why?

Senator T.J. Le Main:

I will be looking at all the recommendations in the Whitehead Report. In fact, I will not be looking at them in any depth until Members of this Assembly have come back with their observations and views on the matter and the public consultation is completed after 3 months. But, yes, I very much intend to work with Members and in fact work with the Housing Scrutiny Panel in realising what hopefully will be some good recommendations to come back for policies that will be sustainable for the future.

3.5 The Deputy of St. Martin:

Some time ago the States supported Housing proposals to sell off a number of States properties within its portfolio. Will the Minister give us some idea, some indication, of the percentage of homes sold to date and the revenue brought in? In light of the recent review, will he now be reconsidering the proposed suggestion to sell off more States properties or States housing properties?

Senator T.J. Le Main:

Yes, I have the figures with me somewhere.

Male Speaker:

Sir, are you adding this on for extra time, these stoppages?

The Bailiff:

Minister, I think you must either say you will come back with the information or ...

Senator T.J. Le Main:

Yes, I will come back in a minute, Sir.

3.6 The Deputy of St. John:

Historically the Island had an excellent States loan scheme. Will the Minister be looking at that scheme with a view to reviewing it in such a way that it can be made workable in this day and

age so that young people in fact can have help from the centre to fund new homes instead of having to rely on a not very helpful private sector?

Senator T.J. Le Main:

Yes, we have asked the Treasury Minister as part of his investigations that he look into this. But I have to say that the issue is quite clear that if you wanted to set up a States loan system again you would really need hundreds of millions of pounds to satisfy the demand that would be out there. Up to now all the investigations that have taken place have shown that the mortgage market - the private lender - is much more competitive and able to deal with this. But we are looking all the time at ways and means of being able to assist first home buyers, particularly States loans.

3.7 Deputy K.C. Lewis:

Regarding housing maintenance, would the Minister be approving of an idea maybe that if there are States tenants who are able and willing to maintain their own homes, that they could be given rent credits in exchange?

Senator T.J. Le Main:

I would certainly be prepared to investigate any Member's suggestion. I am not sure of the viability of that but I would be very happy to pass that message on to my officers for consideration. May I come back to the question that was asked before by the Deputy of St. Martin? We have sold a total of 190 individual units which include 16 units sold on the open market. The value of the deferred payment bonds that we have got at the moment is £5.6 million. That is deferred payments for the 103 homes.

3.8 Senator J.L. Perchard:

Firstly, can I congratulate the Minister on his very small, hardworking team at Housing and just ask him to explain why this very small and hardworking team at Housing took 813 sick days last year?

Senator T.J. Le Main:

I have to say that we have had a couple of tragedies in our department. Only this weekend we lost one of our valued members of staff. The funeral is on Thursday. The reason being is that we have been beset with some serious illnesses which at the moment are quite upsetting.

3.9 Deputy J.A. Martin:

The Housing Minister mentioned earlier that there are lenders in the Island willing to lend 100 per cent mortgage. Is he absolutely sure that they are not putting people into a trap - because there is legislation coming in the U.K. and hopefully all our big banks are attached to that - that they are lending ridiculous amounts over their income. Can he also assure the House that this unusual move ... because I know many people who are trying in the private sector cannot get 100 per cent. Are there any guarantees from the Housing Department to underwrite these 100 per cent mortgages or loans? Is there a comfort letter or anything like that that we do not know about in this House?

Senator T.J. Le Main:

When I was talking about the 100 per cent mortgages it was solely on tenants purchasing their homes from the Housing Department. Mortgage lenders are willing and are lending 100 per cent on the three-quarter 75 per cent purchase and the 25 per cent that remains outstanding. All the buyers and the new owners of these properties have had to prove to the bank or to the lenders that they are well able to maintain and to pay the mortgage. We do not get involved apart from we invite tenants to seek mortgage advice and we ask tenants to seek legal advice on their situation. But at the moment, as I say, certainly there are up to 4 mortgage lenders, the big

banks, who are lending 100 per cent on the Property Plan property that is being sold off from housing stock.

3.9.1 Deputy J.A. Martin:

Can I just have a supplementary on that? The Minister made the example that it is only on States housing with the 100 per cent on the 75 per cent of the purchase. If one of these sales does go wrong, who has the first call on the unpaid 25 per cent? I am told it is the bank and this is where I am concerned that the States will be losing out. I hope this does not include the £5.6 million that is due to come to the States when these houses are sold on and the realisation of the 25 per cent.

Senator T.J. Le Main:

The 75 per cent is the mortgage provider and the Housing Department have the first charge on the 25 per cent.

3.10 Deputy R.G. Le Hérissier:

Can the Housing Minister assure us that all contracts - other than the odd visit, for example, of a plumber or whatever - for housing maintenance, maintenance of the communal areas, *et cetera*, are put to open, transparent tender?

Senator T.J. Le Main:

Yes.

3.10.1 Deputy R.G. Le Hérissier:

Is there a record kept which can be examined by Members should they so wish?

Senator T.J. Le Main:

Yes, and I regularly inspect it to make sure that everything is in order because one of the issues after he commented that there is favouritism which is totally untrue and I make sure that everything goes out to tender, as my Assistant Minister does. We keep a good eye on that.

3.11 Deputy G.P. Southern:

How nice it is to get a second go. Does the Minister accept the report by Professor Whitehead which suggests that there will be an increased or maintained demand for social rental housing and that his policy of sales is not only unsuitable but unsustainable?

Senator T.J. Le Main:

No, I do not agree with that at all. The policy of this Assembly is that with the Property Plan we need to re-jig our housing need. In fact we want to regenerate and create at least 400 units for elderly occupation for retired people. The other issue is that one must remember that some of the housing trusts at the moment, particularly the big one, are well past halfway of paying off their mortgages. With the money created and being built up they have to create further social housing rental stock in the future. Also the Planning Minister, working very hard with my department, has insisted that the new Island Plan will designate a percentage of all homes on sites, and in the future hopefully in the private sector, affordable homes for rental and to purchase. There is a continuing ongoing policy of creating extra homes if they are needed. I am quite happy to believe that we will be able to create and meet the demand over the period of years.

The Bailiff:

That in fact brings time to an end but in view of the delays I am going to allow one extra question. I see the Deputy of Grouville wants to ask one: you have not asked one yet.

3.12 The Deputy of Grouville:

Could the Minister confirm who will be maintaining the sheltered housing once it gets built on the green field sites?

Senator T.J. Le Main:

I am not sure which ones the Deputy is talking about maintaining on green field sites. Certainly the Housing Department have a need for 400 new units which is sheltered housing lifetime homes. Those under the administration of the Housing Department, whatever you call it in the future, it will be administered by them. Talking about the sites that were developed around the Parishes, the Housing Department would not have any input into that at all but it would be up to the Parishes to maintain and look after their own areas in those Parishes.

The Bailiff:

Very well. That brings questioning of the Minister for Housing to an end.