

# STATES OF JERSEY

## OFFICIAL REPORT

THURSDAY, 5th JUNE 2014

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[9:30]

**The Roll was called and the Dean led the Assembly in Prayer.**

**PUBLIC BUSINESS – resumption**

**1. Housing Transformation Programme: Memorandum and Articles of Andium Homes Limited (P.60/2014) -resumption**

**The Bailiff:**

Then we return to the matter which the Assembly was debating yesterday evening when we adjourned, that is Projet 60 - Housing Transformation Programme: Memorandum and Articles of Andium Homes Limited. Does any other Member wish to speak?

**1.1 Deputy G.C.L. Baudains of St. Clement:**

Members may have noticed that during the last couple of debates, although I voted against them, I said very little, because the reason why lies basically within this proposition and sadly I get the impression that some Members may have sleepwalked into this. I can forgive the representatives of country Parishes who do not normally have a lot of social housing to deal with that they probably do not understand the problem. But taking St. Clement, for example - which obviously I represent - has one of the highest concentrations of social housing in the Island: Le Marais Estate, Princess Place, Clos du Roncier, to name just a few. I often get called on to sort out problems that tenants are having. It might be leaking windows, noisy neighbours, a whole range of things. I have always, until now, been able to rely upon the Housing Department to resolve those issues. Maybe it helped that I was a member of the Housing Committee for a few years. But I have always had a very good working relationship with the department. But the important thing is, although I have never needed it, if the department could not resolve the problem I could always ratchet it up to the Minister and the nuclear option would be a vote of no confidence in the Minister. That in itself meant the problem will always be resolved before we got that far. In other words there was proper accountability, but I am afraid under these proposals that is going to be lost. I see no reference in this proposition to the Minister for Housing being able to direct the new company. If there is, I have missed it. All I can see, as the Deputy of Grouville alluded to yesterday, is the Minister for Treasury and Resources having the ability and even then only when matters are so severe they are in the public interest of directing the board. My concern is in future when parishioners ask me to resolve a problem presumably the only thing I will be able to tell them is go and have a word with the board. If they come back to me and say: "We have tried that, but we got nowhere" then my next comment to them will be: "Well, I am sorry, I cannot help you." I believe that is completely unacceptable and, in my view, sadly yet another example of how this Ministerial government is working. We hive-off utilities. We are allergic to committees and yet we are replacing what is essentially a committee with salaried people instead of politicians. It really does not make a lot of sense. We have seen the problems recently with one incorporated company, Jersey Telecom. It is now about to happen with Housing and in future I am concerned about the Harbours and Airport issue. I would remind Members, especially those who have only joined perhaps in the last few years... it was shortly after Jersey Telecom's incorporation that the Minister tried to sell it off. Maybe that is what they wanted to do with Housing. Who knows? And why the need to borrow £200 million to do up housing stock that is in a reasonable condition anyway? It has not been long since several larger States properties were restored or rebuilt. I am thinking of Les Marais, Grasset Park, Green Street High Rise, Clos Gosset and others. Le Squez is currently being totally rebuilt. Then of course alone it is going to cost, according to my calculations, something over £500 million we pay in the long term so I wonder what is going on here. I have to say, as Members will probably know, I am no way a socialist. But there are, in my view, some things that should remain

under government control and social housing is one of them, so I would urge Members to consider that very carefully before they adopt this proposition.

**The Bailiff:**

Does any other Member wish to speak? The Connétable of St. John.

**1.1.1 Connétable P.J. Rondel of St. John:**

I must say my sentiments are not dissimilar to the previous speaker because although I have an awful lot of time for the Minister for Housing, he will just be there, and to try and get anything done in the future, if this is adopted, could be a nightmare for the tenants and the like of the housing stock. Really, I have to ask, why are we going down the road yet again of putting all these quangos in place when you have a number of States Members? If you need quangos why do you not put a committee in place, States Members are already paid, let them be the directors which are not going to be paid whatever the figure may be. I cannot believe we are going down the road of spending more taxpayers' money on putting a quango of this nature in place in this particular area. There are areas, yes, that maybe a quango might be useful and one of them might in fact be D.V.S. (Driver and Vehicle Standards) but in Housing, no, I do not think so, and I have not voted in favour of this at this moment, and I am very unlikely, unless somebody can pull a rabbit out of the hat and really convince me in the next half an hour or so.

**1.1.2 Senator F. du H. Le Gresley:**

I would just like, when the Minister sums up, if he could clarify in the Memorandum of Understanding, which we have had circulated, the procedure for the ratification, if you like, by the States of the appointment of a director, which comes in 7.4. It is an area that I raised at the Council of Ministers because I am concerned that the States should have some involvement in the appointment of directors. The Article in particular states that the guarantor, i.e. the Minister for Treasury and Resources, shall lay such recommendation before the States Assembly for a period of 10 days. If there are no objections after 10 days the recommendation shall be considered made." I am assuming that that is a procedure in line with Standing Order 37 of the States of Jersey. I would like clarification on that from the Minister when he sums up. I would also like to understand why the guarantor's appointee is not to follow that same procedure. That is all I have to say, thank you.

**1.1.3 Deputy T.A. Vallois of St. Saviour:**

I feel compelled to speak with regards to this particular proposition and I will not apologise for it, nor will I apologise for the length of my speech. This is an extremely important document in terms of the decision made by the States Assembly yesterday in agreeing to transfer of assets and incorporation of Andium Homes on 1st July this year. Under P.33/2013, which gave instructions to the Minister for Housing to come forward with these proposals... and this particular proposition, is fundamental to the workings of not only the company but the ability for the States Assembly to direct and influence the way in which social housing is provided in the Island. These are plain and simply what should be the appropriate governance standards to move forward. I am concerned on many levels and would ask that the Minister explain to the Assembly in plain English how he will be resolving these concerns and, before I do so, I would ask the Minister, instead of making snide remarks, in order to not answer these concerns that he tries to help me to understand and address the serious concerns, I believe, that are relevant to the particular document. Just to make it clear now, I am not supportive of this move and I was not under P.33. Yes, I was a Member who did try to find an alternative solution however was not given the support needed to challenge such a large and extensive change to the future of housing in Jersey, so it was difficult to get even over the first hurdle. The proposition refers to P.33, sections 3.38 to 3.47 in the setting up of this Memorandum and Articles of Andium Homes Limited. The most significant paragraph I feel of these is at 3.44,

which states: “It is also critical that the governance arrangements for the proposed company and meet the needs of the company structure are clearly defined and flexible to change.

[9:45]

It is therefore proposed that these governance arrangements should broadly reflect the good governance standards set up by the U.K. (United Kingdom) National Housing Federation, Independent Commission on Good Governance and Public Services and the Financial Reporting Council.” This reference is a document named *Good Governance Standards for Public Services*, which at the first point determines that good governance means focusing on the organisation’s purpose and on outcomes for citizens and service users. I am not yet convinced that this is the case and therefore would like the Minister to try and answer the areas I have questions on in a full and complete manner. On the Articles of Association, under point 16, which is on page 7, could the Minister provide a particular example of how this might materialise and what particular thing it refers to, so in terms of material public interest and what a particular thing might be determined as. My next concern was at page 21 which talks about the Memorandum of Association. It sets out the object of the company. Could the Minister explain the meaning of affordable housing as collectively agreed by the Minister for Housing and the States Strategic Housing Unit? If the Minister for Planning and Environment is the one who is determining the affordable housing policy then does the company still have to apply this objective because as it states under point 3: “The object of the company shall be to provide affordable housing together with any associated facilities, amenities or services which meet the policy objectives of the Minister for Housing and the States Strategic Housing Unit.” There is no mention of the actual Minister for Planning and Environment in there, so I would just like clarification on that point.

**Senator P.F.C. Ozouf:**

May I just ask for a point of clarification? Is the Deputy talking about the M.O.U. (Memorandum of Understanding) or the Memorandum of Association because I am not following her questions?

**Deputy T.A. Vallois:**

I did state page 21 of the actual report and proposition. It states that under point 3: “The objects of the company ...” I would just like clarification on that point. I would also like to question whether the purpose and its intended outcomes are clear for citizens and service users because I personally do not believe they are and would suggest that there are too many grey areas. I referenced a document with regards to good governance standards before. With regards to reference 1.1, page 7 of that particular good governance standards document, it does state that: “Being clear about the organisation’s purpose and its intended outcomes for citizens and service users, having a clear organisational purpose and set of objectives is a hallmark of good governance. If this purpose is communicated effectively it can guide people’s actions and decisions at all levels in an organisation. For many organisations, others - in particular central Government - play a major role in determining policy and resources and in setting or agreeing objectives. In these circumstances it is critically important that there is a common view of the organisation’s purposes and its intended outcomes.” I do not feel absolutely clear that there is a common view, especially from the Ministerial side, seeming as we have not got a definition of the affordable housing policy as yet, whether it be from the Minister for Planning and Environment or the Minister for Housing, or Strategic Housing Unit. Because in the actual proposition it did state that there would be documents provided to us which the Minister provided us on Tuesday evening with regards to the transfer agreement and a Memorandum of Understanding. Sir, can I just seek your direction as to whether it is okay to discuss these documents and question the areas within them?

**The Bailiff:**

I see no reason why you should not. They were circulated to all Members.

**Senator P.F.C. Ozouf:**

And if it is helpful, I have hard copies just being printed and circulated which may assist other Members that might not have them.

**Deputy T.A. Vallois:**

I was just checking, Sir. I have read through the details and I will particularly focus on the Memorandum of Understanding because underpinning the Memorandum of Association and the actual Articles of Association, I believe that these are an absolutely fundamental part to inform our ability to make a decision on this particular move. I have some areas that I feel need to be further explained, and I hope the Minister can provide some answers for me. 1.5 of the M.O.U: could the Minister explain what is meant by “States interest” in the context of this paragraph and an example of how it might be used? Just for Members benefits it does state that: “The M.O.U. aims to foster a sound working relationship between the guarantor and Andium Home based on a mutual understanding of expectations for the sharing of information, regular dialogue on key issues as they emerge and develop, and most importantly the operation of a ‘no surprises’ policy such that the guarantor is kept fully informed as to key business decisions in accordance with this M.O.U., which have the potential to affect the States interests as owner. I would also ask that under part 3 of the M.O.U. it talks about definitions and interpretations, in particular the interpretation given for material. I would just like the Minister to explain: in what circumstance would the guarantor and Andium Homes wish to change the materiality in a financial year? Also 7.4, which is something that the Minister for Social Security has raised. I would go a little bit further and ask under which particular rules the guarantor shall lay the recommendation for the States Assembly because I understand that we have a particular Standing Order with regards to property transactions. I am not aware of a particular ruling or Standing Order that allows for the 10-day grace period, so I would just like clarification on that area. I would also like to agree with the Minister for Social Security and ask why it is, under 7.5, that the guarantor is not subject to the same requirements as the actual Andium Homes? Then point 20.1, which is on page 15, refers to income support. It states that: “The States shall make payment to Andium Homes of such amounts of income support (and not just the housing component thereof) as equal or the irrelevant amount of the rent and service charge payable by Andium Homes ... [and it goes on] tenants entitled to income support.” My query is that particular part in the bracket, where it says “and not just the housing component thereof” and the reason why I question and concerned about this is because I have had experiences in the last year in particular where tenants have been living in housing property for a number of years and when they moved in it was not in a move-in condition, and they had spent money doing the property up to a standard of living maybe not to the high standards that Housing expected the home standards, but a standard that they were able to live in. Housing have a policy whereby they are requiring tenants to put the property into a move-in condition for the new tenants when it was not in a move-in condition when they originally moved in, they had already spent money trying to do it up. It may be a circumstance and I have had one in particular where somebody is on income support and I just want to understand how that is going to work? Are they going to be discretionary payments? Is there going to be more money from Social Security to pay for that kind of thing? Or is the guarantor going to look to ask Andium Homes to review that particular policy in light of certain circumstances that may appear before Andium Homes in the future. The purpose of us moving from the Social Housing Department into a private company that is owned by the States was that we had, to a certain extent, failed in providing appropriate standards. But at clause 20.4 I feel there is a certain amount of a get out clause for the company and it does concern me because if our sole intention was to ensure that we have appropriate standards and the right kind of accommodation, then the clause at 20.4: “The covenant contained in section 20.3 shall not apply to such properties as Andium Homes reasonably deems unsuitable for such refurbishment either because such work is not cost effective or practical or for any other reason as set out in the Strategic

Business Plan.” We do not have access to the Strategic Business Plan. I understand it has not been completed yet, so I am not able to determine the reasonableness of that statement. So it does concern me that we are standing here saying: “Let us move Housing into a company because we need to make sure we have better standards and make sure we have lots more properties, but yet we have a get-out clause. I feel it is a get-out clause, because I do not have access to the Strategic Business Plan to make my own view on what that may or may not be. So I would like to have some help or clarification around that as to how that would work and what the guarantor would do from a States point of view in terms of ensuring that it was not unreasonable. I think my biggest concern as well is that I have asked many questions about the affordable housing and the way that certain clauses have been written out under this but the Articles of Association... my understanding was that this company would be providing social housing. We were advised yesterday by people that it is not the end of social housing. It is a company that is going to be assisting the States in their objectives to help the public of the Island in providing housing. My largest concern, I think, is that - and I do not mean this harshly - but the way that I read the actual proposition, and for me I feel extremely uncomfortable, is that this Articles of Association and Memorandum of Association are purely specced out to make it look like this housing company is purely going to be what I would class as a cash cow for the States. That may not be the case but that is the way that I see it, and that is the way that I read it. I do not feel comfortable with that because if we are asking for a social purpose and a social meaning and a social requirement, that is not clearly stated for me in the Articles of Association or the Memorandum of Association, and it makes me feel uncomfortable. I know I did state to Members at the beginning that I was not going to support this. I have not been supportive of P.33. I understand why the Minister for Housing has tried to do this and wanting to achieve better housing. I do not agree that it is the appropriate method to go down but I wanted to ask all these questions because I think if we ... the States Assembly have agreed to go down this method and in order for us to try and make the most of it and make it one of the best things that we could do, we have to ensure 100 per cent our governance standards in this is rock solid and ensure that what we are creating is a housing association or a housing company and not something like the States of Jersey Development Company or a utility because that is not what this is. This is housing because the public believe we should provide housing, the States Assembly believe we should provide housing and we want to make sure that we have the appropriate way of direction and influencing, and I want to make sure that as a States Member or any future States Members are able to do that in an appropriate, effective and efficient manner.

#### **1.1.4 Deputy M. Tadier of St. Brelade:**

It is refreshing to hear Deputy Vallois. She has clearly done a lot of research on this all the way through and I share many of the same concerns, which have largely already been aired in previous debates.

[10:00]

One of the issues is, of course, that the in principle debates decision has already been made and now when we come to look at the fine detail we find that; (a) most of it is not there, it has not been given to us; and (b) we do not like a lot of the things that we do see. The first point I want to make is what Deputy Vallois just highlighted. It is a challenge to every States Member in this Assembly. What is the reason that we are all here? Are we not here to make ultimately good decisions? I think hopefully yes. How do we make good decisions? We do that by making informed decisions when the information is there. Are we here to provide scrutiny, whether that is big “S” or small “s” scrutiny, checks and balances so that the policies coming forward from our Ministers, who we have charged to set policy in direction with the States will, are we there to provide those checks and balances based on information? Again, the answer must be yes, irrespective of which part of the Assembly and where your political allegiances may lie. Ultimately our allegiance lies to the public

of Jersey, and if we are making decisions that are based on information that does not exist then I say we are falling short of our duty to those people. Let us look again at 20.4, which was quoted just a moment ago. It talks about the covenant contained in section 23: "Shall not apply to such properties as Andium Homes reasonably deems unsuitable for such refurbishment either because such work is not cost effective or practical?" There is already a broad scope there, but there is another one: "For any other reason set out in the Strategic Business Plan" which does not exist. So how are we supposed to make those decision based on a document which does not exist? Would we as private members in life, or if we are running a business, sign-up to something which we had not seen. Would we be given a contract and say: "There you go, sign this contract." "What does it mean?" "It means that you are bound to do something in this other document." "Can I see the other document?" "No, you cannot because it has not been written yet." Of course we would not because that is completely ludicrous. If you have not seen the document you would not ... I will give way to Senator Ozouf.

**Senator P.F.C. Ozouf:**

I am just trying to be helpful to the Deputy because I know that a number of Members have already raised the issue. If I could just, with respect to the Deputy, draw his attention to R.15/2013, where effectively the business plan for Andium has already been set out. I just think it is quite important to be saying that there is no business plan, effectively there already is a business plan which has been set out. I am sorry the debate has run along on that basis. I know he has an iPad with him. R.15/2103, business plan draft is there.

**Deputy M. Tadier:**

That is not the same business plan that is being referred to in this Article, the Strategic Business Plan as currently suggested there does not exist; that is the bottom line. We are being asked to make decisions and if that is not the case the Minister will have a chance to sum up, I believe. I will get back to the point. We would not behave like this in our private lives. If somebody came to us and said: "Sign this document. Everything will be all right." No, we would ask for detail. We would do that in our own lives, we would do that in businesses. If it has come to the point now where simply we are giving our trust in Ministers when they have not provided the information, that is an issue. Irrespective of that, there are other issues anyway, even if all the information were there, some of the issues have been raised. First of all, we do not have a great track record when it comes to arm's length companies. Is Jersey Telecom a success or is it the case that the level of dissatisfaction with Jersey Telecom is unprecedented? Is that because they, as individuals, are incompetent? I do not think that is the case. I think many of the same people there have been there in the past when Jersey Telecom was more successful, but also primarily when it was about customer satisfaction. What I have noticed in all of these debates to do with the transfer from social housing to essentially what is a quango directed by non-States Members who are autocrats essentially, non-elected autocrats making the decisions: who is looking out for the interest of the people who live and rent in social housing? We hear many things about the States interest, which essentially will be financial. We hear much said about the public interest being the new test. Public interest test of course is very subjective and there will be times when the States interest and the public interest in the broader context do not align with the interest of those who are renting those properties. That is ultimately what it should be about. It should be about customer satisfaction - whether that is in the telecommunications industry, I use that by way of example - and it should be about the interests of those tenants in social housing wherever they are and whichever Parish. I am very concerned that we are going to lose the small power that we have already to intervene, to try and make their lives better, because social housing is not just about a business. It is about the quality of life for often the most vulnerable, most of whom are in work, working hard, but because of the vagaries of the market cannot afford their own place or in many other cases are



quite happy to be living in social housing, that they just want the security of tenure, *et cetera*. I do not think we have got this right as an Assembly, and irrespective of whether you are ideologically in favour or opposed to what was going on, or simply ambivalent, we should not be making decisions on information that is scant, not there, or questionable at best. I do ask Members to look into their souls, if you like, without wanting to be too emotive. I would suggest also there may well be somebody who wants to make a reference back. I was half expecting Deputy Vallois to do that, but I leave that for Members to ponder.

### **1.1.5 Senator A. Breckon:**

I have a number of concerns, having read the documents that were circulated late the other night. I think to start with, one of the illuminating points - and I know the Minister for Housing has mentioned this a couple of times - is bringing housing properties up to decent standards. The reason they are not in a decent standard is because tenants' rents, the money is going into a subsidy system, and instead of maintaining the properties it has just gone round and some of it has disappeared into a subsidy for the private sector and if we look at the last page it shows that the Treasury in round terms are going to get about £30 million and this, of course... the return that the Treasury has taken for many years is the money that should have been used for maintenance and investment in our investments, as it were. A few questions and points from the Memorandum of Understanding. I am not sure at the moment where the Strategic Housing Unit is or what it is or who is doing anything about it. It says: "... shall report to the Minister for Housing." That is in paragraph 1.2 in the Memorandum of Understanding but perhaps if the Minister for Housing or the Minister for Treasury and Resources could tell me where that is and what it is doing and if it is really to rock and roll, as it were. Throughout this document, the responsibility for social housing now is definitely in the remit of the Minister for Treasury and Resources and that is evident looking through this document and Deputy Baudains raised some issues about how that might affect us as States Members seeking to represent tenants or would-be tenants or whatever on issues. Some things in there, as I say, I really do wonder where the Minister for Housing is on this because there is reference right through the document about the guarantor. The guarantor is in front of the Minister for Housing and it talks in paragraph 2.1.3 about: "... prepare detailed development proposals for existing and new sites in conjunction with a guarantor and where appropriate with the Minister for Housing." So we have clearly got a pecking order there, so it is Treasury first, Minister next. Also for me it is showing through here that the responsibility has moved and Deputy Vallois mentioned a cash cow but it looks as if the finances are leading this and, as Deputy Tadier has just mentioned, of course many people ... I was just thinking yesterday when we looked at those estates, they are on bits of paper and there were coloured drawings and sketches and whatever else. But what that did not show is over the last 50 years or so or more even that the many families who have grown up in these places and made valuable contributions to where we are today, it did not show any of that. It talks at paragraph 4 in the Memorandum of Understanding about sensitive information and I wonder, because what exactly could be sensitive about developing housing and repairing housing or whatever else. I am not sure what could be that sensitive. On page 10 it talks at paragraph 13 about "important management decisions." It says: "To seek the consent of the guarantor." Again it is before the Minister for Housing. I really do question it and I know if the Chief Minister is looking round for changes, then here we have it because I know the Minister for Housing thanked the Scrutiny Panel yesterday or the day before for keeping him in his post, as it were - one of their recommendations - but for me this is the beginning of the end, as it were. It worries me that if the accountability for social housing is going to be through the Treasury, that really is a concern. Again at paragraph 13.3 it talks about where decisions are taken under section 13.1: "... without seeking the consent of the guarantor." So again it is the other way. Something important that other Members have mentioned, at paragraph 14.3, it talks about: "Andium Homes will give the guarantor access to information to assist the guarantor properly and effectively to

respond within the necessary timescale to request for information for States questions and other information required for the guarantor to fulfil his or her responsibilities on behalf of the States or according to the law. Where such a response leads to a request for a direct response or the provision of information directly Andium Homes will provide the response for information in an expeditious manner.” So again, what we have there is we have the Minister for Treasury and Resources answering questions and we might go into the Jersey Telecom mode where we have got a board, they are managing it, it is none of our business, let them get on with it. That worries me because other Members will be aware many people - especially where we have got lots of States Housing and even people from other Parishes - contact us on issues and it is a very real issue and sometimes they need some comfort and advice and support with some of these issues. So it would not be ideal if we just got fobbed off and we would say: “It is none of our business” because I do not think that is effective and serving the community, as indeed we should. Again, there are references again: the guarantor leads with this about quarterly meetings, the annual briefing in January, and the other thing it talks about at 16.3: “The guarantor may inform Andium Homes of the States intention to sell any of its assets, property or land, which in the guarantor’s opinion may be relevant for the supply of affordable homes. Andium Homes may be given the opportunity to purchase assets, property or land from the States directly but without prejudice to the States giving priority for alternative uses of such assets, property or land. The price shall be as agreed by Andium Homes and the guarantor.” While some of us with longer memories, but not that long, can remember when the estates were sold to the Trust for £10. They then did the refurbishment, there were probably about 8 to 10 that were sold. So what will be the policy? Will it be to do something like that? To enable them to perhaps be more financially able and managed or will it be market values because if we are going to be in that bidding process then why bother at all? Why include something like that? So generally, there are things in there where I see where we, as individual members, can make representation.

[10:15]

I see it slipping away, as Deputy Baudains mentioned, and that is not because I particularly want to be taking up these issues. It is because we do and then if people come to us with a particular problem we want ... I believe we as States Members should be able to feel and be able to make adequate representation and not just be pushed towards the bottom line about what this is about, because it is vital to people’s daily lives. It is the environment in which they live and it is the future of them and their families, whether they are living there at the moment or whether they are waiting, as 700-odd people are at the moment, to be properly housed. So I think it is a vital issue and it is a significant number of homes. I do not know the actual number of people that live there, but it is probably 12,000, 13,000. It is a significant part of the population and we cannot just walk into this blindly and say it is somebody else’s responsibility because it is all our responsibility about housing people now and in the future. Some of these things that are proposed are long overdue but again it is the money that has been stopping things, not the will of the department and the officers. They just have not had the resources to do it and the reason for that is because the money has gone in subsidy instead of maintenance of properties. So I have some reservations about this, as I am sure Members will gather from what I have said.

#### **1.1.6 Deputy M.R. Higgins:**

This particular proposition does concern me and for very similar reasons to those purported by Deputy Baudains, Deputy Vallois and others. One of the problems we have in the States, which has annoyed me all the way through and probably my irritability shows sometimes, is the fact we make decisions without having the full information. Deputy Tadier has mentioned that, and I think the public expect us to get the full information and to be fully competent in what we are doing. I know you cannot always do that, but this one has been on the cards for a long time and the

information should be in with us. We are going to get lots of promises and we have had lots of promises and lots of words said to us by the Minister for Housing and the Minister for Treasury and Resources. We may believe that they are fine chaps and we believe them, and we are willing to accept their word and promises. But will they be in post when things start to go wrong and the whole process is being tested? We are very close to an election: there is going to be an election in October. The Minister for Housing, who I have respect for, has decided that he is going to stand for Senator and he wants to have the Health portfolio. He wants to take over the job of the Minister for Health and Social Services. I wish him well because we need someone strong in there because we have a problem in that area. If Deputy Green is successful in the Senatorials and he takes over Health he is not going to be here to deal with these housing matters. We have got Senator Ozouf, the Minister for Treasury and Resources, he has been Minister for Treasury and Resources for 2 sessions now, I think it is. Is he going to be here? Is he going to be Minister for Treasury and Resources? He has a long record that he has got to account for with the electorate. Will they support him? I am sure he hopes they will but if he does succeed in getting back into the States will he be the Minister for Treasury and Resources? Will he be able to ... if he is not, for example, who is going to honour these promises? Whoever comes in to the role, in the past, would say: "Oh, these are all failings of my predecessor." Now with Ministerial government, collective responsibility, they are all going to have to come up with an awful lot of spin and waffle because they will not be able to criticise their predecessors. Mind you, I am sure some of them will get around that. But the point is: we are relying very much on promises and words given by the current Minister for Housing and the current Minister for Treasury and Resources and we are expected to take their word and believe they will commit their successors. You cannot rely on that and if we have not got this thing documented properly and everything in position, then we should not be approving it. I do have concerns and it is a fundamental concern, we have already decided to hand over £1 billion worth of assets - States assets - at no cost to this company. Yet we have no effective control over that company and what it does. I know the idea is to give a degree of independence and, yes, the States and the whole States system can be cumbersome and it can be a problem, and I have criticised many departments for that, but equally, you must have some checks and balances. I do not believe the checks and balances are there. Look at all the problems we have had over J.E.C. (Jersey Electricity Company). Many Members are unhappy with what has gone on. I share some of those concerns. Others maybe are ambivalent on it. But the point is, I do not believe that we do have effective control over these bodies that we have been creating. By the way, this is just a stepping stone. I have an excellent relationship with the Ports of Jersey mainly because of the current Chief Executive of the Ports of Jersey. But what happens when he leaves and the next one comes in? So what I am trying to say is we should not be basing our policies based on personalities and the people there at the present time, we need to have effective checks and balances for the future. I do not believe it is here and therefore I would urge Members not to support this proposition. We are going to be told it is going to create uncertainty. We have already got to the stage... in July it is going to be incorporated and all the rest of it. The truth of the matter is let us get it right at the start rather than be complaining for years to come and all the problems we are going to have. A delay: is it going to be that catastrophic? We have been told by the Minister for Treasury and Resources we have already made arrangements to borrow £250 million and therefore we have got all these problems. We are on it like a railroad, we are racing to the bridge that is broken but we have got to keep on going anyway, just pile on the steam. What I am trying to say is: I would ask States Members for a change, and maybe I am being a bit derogatory here, but I do feel in the past we have made far too many decisions with no information. Please, on this one, because of the impact it is going to have and an awful lot of people in our community, and I will also say the future of the States... because what you have got to realise is bit by bit we are losing more and more control of what is happening in this Island. This Assembly becomes less important with each of these decisions that are being done. If you start looking at all the bodies that have

been going and what certainly is coming in the future, then this House will become less and less effective and the people of this Island will have less influence over what is going on because they are being hived-off to these bodies. I ask Members to reject this.

### **1.1.7 Senator I.J. Gorst:**

I accept that some of the points of view that have been raised during the course of this debate and some Members difficulties with where we are today and perhaps Deputy Vallois is one who feels that we should have gone down a different road largely from the start, and she has raised some important questions, and I know that the Minister for Treasury and Resources in his summing up will be able to address those questions. But I am not sure that even addressing those questions will give her confidence because she thinks a different track should have been taken and that is a perfectly legitimate political point of view to hold. But I do want to just remind Members that today with this proposition, and with the next Appointed Day Act, we are on the verge of a momentous but very important change to ensure that social or affordable housing - whichever word you want to now use - is up to standard and is something that we can be proud of. I equally acknowledge that sometimes at that point of change it can be difficult, and I think that we have heard expressed some of those concerns that Members have about should we try and stay with the *status quo*, although I think we cannot do that, because we have made so many decisions and legislative changes already, and we have already agreed to transfer the properties to the new companies but of course we have still got the Appointed Day Act. I just want to take Members back in time a little, if I may, and ask them to consider before they cast their vote. In P.33 of last year it was acknowledged that the way that social housing in our community needs to be transformed, if the sector is to operate on a sustainable basis and if it is to be able to deliver new and improved homes for Jersey residents... so the department itself accepts that change needs to happen and they, together with this Minister and the previous Minister, have acknowledged that the way that we are currently doing it, is not fit for purpose. It has not delivered the standard of homes that we would expect. It has not delivered new homes in the way that we would expect and it needs to change. Today, we are talking about one of those areas that needs to change. Let us remind ourselves of the situation we are in, so we should not necessarily be pointing fingers at others. It is always tempting to point a finger at those who have been before us, but we have to accept our responsibility in this position. A quarter of States homes - and it goes some way to addressing the concerns I think of the Connétable of St. John and of Deputy Baudains, we currently here, we have been responsible for this, other Members have been on previous Housing Committees, so we are responsible - and a lesser proportion of house interest homes require improvement to meet decent homes standards. That is where we are. We have a responsibility. The big question we have to ask ourselves today is: do we want to carry on in that position or do we want to transform the way that we are delivering social housing so that we can have a plan, we can have money set aside, and we can ensure that that situation changes and we have a social housing stock that we can be proud of, that we can know meets relevant standards and we can know there is an appropriate funding mechanism and stream to ensure that that is made available. It went on to say, and these were the Housing Department's words: "This position will worsen significantly over the next 5 years unless we do something about it" and that is what we are doing. That is what this programme is about. It is making sure that those homes are brought up to decent home standards. What is the process that has gone on? It is, over the last 3 years, a fundamental review of the options for restructuring social housing has been completed. So a number of options were looked at. It is not like some Members are trying to suggest we just pluck this option out of thin air and thought: "Okay, we will go with that then." An incredible amount of detailed work has been undertaken, not only in the department but using experts from elsewhere in the world, looking at models elsewhere, and this is the solution that the consensus approach and the experts have said will work. There is an extremely detailed business plan that sits behind all these changes and Members at some point in the past had sight of

that. So it is not a simple flying by - if I may use this perhaps unparliamentary term - the seat of our pants. It is the result of a long process with appropriate expert and legal advice that brings us to where we are today. What are we trying to do? We will be, through this transformation process, setting up a new Strategic Housing Unit to co-ordinate a long-term housing strategy. We have never had that before. We cannot just pick out one particular proposition and say we do not like that because we think we have perhaps not recalled all the detail of the other items of the proposals. These all sit together. So the Minister for Housing and the Strategic Housing Unit are going to be concentrating for the first time ever on long-term housing policy in our community. The body that we are putting social housing into is then just one body that is going to be responsible for delivering on the policy that comes out from the Minister for Housing and from the Strategic Housing Unit. I think someone said: "Well, where is the Minister for Planning and Environment sitting in all of this?" The Minister for Planning and Environment is sitting on the Strategic Housing Unit. The definition of affordable housing, that Members are ... **[Interruption]** The Minister for Environment sits on the Strategic Housing Unit and someone else asked: "Where is the definition of affordable housing?" The definition of affordable housing is in the Island Plan and we argued long and hard over what that definition of affordable housing should be, as the Minister for Planning and Environment will testify to. There was a lot of to-ing and fro-ing to try and get a definition that we could accept and that the Strategic Housing Unit and this new Andium Homes would be working to. Also another part of what we are doing is a new social housing regulator is to be established to ensure that tenants' best interests are protected and the public investment in social housing delivers optimal value for money. I believe that the processes that we are putting in place are far superior to the ones that, when we are honest with ourselves, have let down social tenants in our community year after year. Some Members hark back for a committee system where they could be involved with the everyday administration of departments, the everyday administration of houses and I do not criticise them because I accept my part in the responsibility here. We have let people down, we have let our tenants down and we have let our community down. We have a stock of social housing that is not acceptable. We cannot now - not quite at the last minute - but we cannot now say that we are not sure we want to continue on this road because we have to look at the prize we are aiming for and we have to look at the way we have let people down and why we need to do what it is that we are doing today. Only one part of the change is what we are focusing on today and that is the setting up of a not-for-profit, wholly-owned States housing company and, of course, we dealt with the rental issue as well. I implore Members to remember the journey that we have come on, to look at the stock of housing that we have got now, to keep going on this journey because the prize is that those homes will reach decent home standards, that we will have appropriate investment, that the old department - which becomes the new company - will be able to get on and deliver the policy and the strategy that we set them so that we can, in the future, be proud of the service that we are providing and not be embarrassed by it. I know that the Minister for Treasury and Resources will deal with the detailed questions that Members have but I just wanted to remind us of why it is that we are here today and not forget that today people are living in conditions that are not acceptable because we have not acted sooner. So let us not step back from these few final decisions to make sure that we are never in this position again. Thank you.

**Deputy M.R. Higgins:**

Sir, can I seek a point of clarification from the Chief Minister? He mentioned definitions of affordable housing. To the best of my knowledge, there is no definition that has been approved or stated in this House so that we all know exactly what we are talking about. Would the Chief Minister tell us what that definition is so we are all crystal clear at this point in time what that definition is?

**Senator I.J. Gorst:**

I think as I hopefully clearly explained it is in the Island Plan. It is quite a lengthy definition; I do not think Members would want me to read it out.

### **1.1.8 Deputy J.A. Martin of St. Helier:**

Firstly, I do have a couple of concerns in the actual documents that have been circulated today. I think they are similar because as far as I am concerned, like Senator Breckon, we have been here before when we speak about the guarantor on page 9, point 10.1 and half-yearly reports to the guarantor. Who will see these reports, because many moons ago... it does not seem that long ago, but year 2000 was probably when the first Housing Trust was agreed and we were given assurances in this House that the money would be monitored, the accounts would be transparent and then it was, when asked questions, that was only for the Treasurer's eyes and the Jersey Homes Trust and the other trusts around at the time and we have never seen them as a House but we guaranteed many millions of pounds. So that is one of the concerns I have. It has also been brought up about how good all of the other private companies or States-owned private entities have done and again, on page 14, 17.1, 2 and 3 talk about directors' remuneration and how they will vote it in very nicely and obviously it will go down or go up or whatever, I suppose, on the performance. Again, we need to see the accounts and we need to see the social benefit as the performance is from year to year. Now, it was very interesting to speak after the Chief Minister and I have heard these words from the Minister for Housing and we will hear them again from the Minister for Treasury and Resources. Firstly, I would just like to pick the point where the Chief Minister has just told us we had never had a long term strategy for housing or a housing plan. Well, when I was in the States Tenants Action Group and Deputy Young then was the Planning Chief Minister, we met ... sorry, Chief Executive. Slip of the tongue, Sir. Well, you never know. Anyway, when he was there, myself, Senator Breckon, many concerned people, we used to meet at the Ambassador Hotel then, and that was probably a year before I was in the States. We had plans; we have had plans brought by the ex-President for Housing or the ex-Senator Le Main. Sorry, Sir, could I just interrupt my speech? I should have made a declaration of interest when I started because these will be my new landlords, but it is not financial in that small part. Sorry, I did mean to say that when I stood up. So where we have never had this strategic plan, I absolutely disagree with the Chief Minister. They have never worked and why this one, to me and others that have the concerns, that this model, especially the financial model, is doomed to failure because as it has been pointed out on the last page, £30 million a year on average will return to the Treasury. Now, that has been happening for many, many years, which should have been servicing the housing. Social Security money is going around and around the pot and we can just see the bill going up. It was interesting to hear yesterday, I think people out there are just realising what is happening. It was reported this morning that our debt has gone down from £5 million to £3.5 million. I do not know if that is an individual. I do not know what debt that was but we are supposed to be feeling better off. What we have just done is put the Island in hock, put up all the social housing or part of, which you will not ever sell off if it goes wrong. People are living in it, to the tune of up to ... I thought it was £60 million and I have been corrected, it is £250 million and it is borrowing. Now, where was the consultation out there? Where is the consultation? We were always told we would not borrow. I do not agree with the model. I understood the arm's length somewhere, but not this one. As Deputy Vallois said, she did work on other models but it always seems to come back, and I do not know why, that the Treasury have to have this amount of money put back into their coffers. The Treasury and the Treasury Department, under many of the things we have done in the last 3 years, are getting stronger and stronger and we are having less and less say. So we will agree with the Chief Minister when he says this is a momentous moment, an achievement that we are doing. If you think that putting the States housing stock into hock at £250 million is momentous, whether sort of half-baked financial structure and do not worry because we are only borrowing £250 million when the stock is worth around £1 billion, I do not agree. I think it is momentously bad and I am

very sorry, I will listen to the Minister for Treasury and Resources sum up the points but my main point is: who at the end of the day is the guarantor and we have all asked the Minister for Treasury and Resources under Postal, under Telecoms, under Jersey Development Company, who he holds the arm's length interest ... when you are asking questions, it is a private entity and we never, ever get a straight answer. Is this what we are doing again and that is what I want to hear from the Minister for Treasury and Resources because I just feel this is what it will be and it will not solve the problem, but it will put every taxpayer out there into debt; as I said, a very, very large amount and did anybody ask them? Because they are not very happy how we spend their money now. You would not vote yesterday to a scheme which is a few thousand compensation but you are happy to put them in hock for £250 million because nothing we do could ever possibly go wrong, could it?

### **1.1.9 Deputy R.C. Duhamel of St. Saviour:**

This Council of Ministers has decided to work more collegiately inside a strategic framework document, which seeks to balance the 3 broad areas of all business that is undertaken by government departments and jurisdictions, and that is to try and find a balance point between the financial aspects of the issues, the social aspects and the environmental aspects. However, I think much of what has been said to date about the proposals that we have agreed to or are about to agree to, seem to be all about the money. I think it is an omission from some of the documents, which have been able to be freely written with advice from other departments, that some of the key words have been left out, which otherwise would have provided the security within which those who have perhaps a better-honed social conscience or a better environmental conscience or whatever could feel safer with. We only have to look at the Memorandum of Understanding document that has been passed around for us by the Minister for Treasury and Resources again this morning so that we can all be told that we have had a copy in front of us and we have had the opportunity to read it, but under 1.3 it says - and this was written on 3rd June before it happened: "The States transfer to Andium Homes the responsibility for the direction, strategy and management of the social housing assets [stress on 'social housing assets'], transfer to it under the terms of Article 4 of the Transfer Law and the guarantor [who will be the Minister for Treasury and Resources on our behalf] recognises the independence of the Board of Directors in managing the business." That is absolutely key. We cannot have States Members interfering in the day-to-day running of a business. But that is only half of the issue. The other half, which I referred to in my previous speech, is about how we give direction for the other issues - the policy issues - that this Government is positioned to deliver on. If we read in Appendix 2 under the Objects of the Company, it starts off as: "To provide affordable housing together with any associated facilities, amenities or services which meet the policy objectives of the Minister for Housing and the States Strategic Housing Unit." Now you will notice there that it does not state - as perhaps it may have done in earlier versions or could have done - to provide "social and affordable housing."

[10:45]

So the emphasis is absolutely clear, I think - for those who are perhaps not as good at reading between the lines - that the emphasis is on affordability. Affordability, as you know, is a financial issue. I am a little bit wary, not having been part of the set up, to write the Memorandum of Articles of Association because it is a Treasury function, it is a Treasury issue and it is Treasury officers that do these things. At the same time, I think the emphasis is subtly changing. That might all be well and good and some of us with hindsight might well have preferred, rather than to put all of our social housing assets into a housing company, to perhaps have put our social housing assets into a different social housing provider and perhaps set up a housing trust body along the lines of the very good examples of trust bodies dealing with social housing issues that many Members have spoken to and indeed visited. But we have not done that. We have specifically put our assets into a housing company and we have left out, I think, elements that stress and underline the social

provision and the social issues and the social policies that go part and parcel with this Island, this Government, wanting to help those who are less fortunate in business to put a roof over their heads at a sensible price. That was what I was trying to allude to in my previous speech. I am happy, up to a point, if we do set up a housing company, providing the Memorandum of Understanding between all of those who still retain an interest on behalf of those who elect us and members of the public to be in a position to promote the social issues or indeed the environmental issues of housing for this Island for the less fortunate. I think if we have a fully binding Memorandum of Understanding that is absolutely clear-cut in the way that Deputy Vallois was hinting at to show how individual Ministers, who are not the Minister for Treasury and Resources and who are not the Minister for Housing, if we still have one... and the jury is still out as to whether we will have one, and that is another issue that will have to be settled by the next Government, who will be able to choose under our reform package which Ministries we have and which Ministries we do not have. So it is not clear-cut that even if we do agree this, there will be a Minister for Housing. Those responsibilities may be taken by the Chief Minister himself. Then we start to get into the nitty-gritty of how one Minister directs another Minister to direct a private company acting on our behalf to do the things that are not mentioned that they need to do within the Articles of Association. It has been stated that the Minister for Planning and Environment does not have to worry because he is on the Strategic Housing Group. It is true that my officers have formed the basis of that Strategic Housing Group but there have only been a couple of meetings so far. We are not up and running and I am not at all convinced at this point in time that things that are discussed collectively and collegiately, as they have to be, because this is a cross-cutting strategic issue - housing is - that it contains a whole host of other areas that we have to balance to the best of our abilities and to the best effect to those who benefit from them. I am not at all sure that we have got our act together to properly sort out whether or not some overarching important issue that felt to be of really, really high importance, the extent to which, if there is an argument between the Minister for Housing or the States Strategic Housing Unit, which does not mention the Minister for Planning and Environment... and if we read in the definition of the terms: "The States Strategic Housing Unit means the administration of the States or Unit within an administration of the States responsible for the Housing Policy." So it is officers mainly and not other Ministers. So from a purely selfish point of view, I would have been happier, had the control that has been spoken about in being able to give direction to the housing company, had perhaps 3 Ministers been mentioned in terms of being able to collectively give direction through to the company. But we have not got that as a model. So the only representative of the States on all issues, with advice from the Minister for Housing, will be from the Minister for Treasury and Resources, whoever he or she is. I think that really is the key point that is in Members' minds, certainly in my mind, that is causing us some worry. We are going to have to live with this for a long time, hopefully as the Chief Minister said, it is and does represent a better way forward of doing things but if it is, I would have thought even at this late point in the issue, we could have and should have perhaps had slightly different wording within both the Memorandum of Understanding and the Articles of Association to address some of these social issues that inevitably will have to be addressed and addressed in a way that does enable the public point of view to be expressed through to the private company. One last point, just to repeat, when we write these documents, we know what we are doing when we write them and we stress particular paragraphs in order to provide the emphasis of the approach. I think, for my way of thinking, the emphasis is too one-sided in this respect and is mainly to do with the money. It is the social and the other issues that are equally important, if not more important in some cases.

#### **1.1.10 Connétable D.W. Mezbourian of St. Lawrence:**

I did not intend to speak today but Deputy Baudains made reference earlier to Members from country Parishes who perhaps do not deal very often with States tenants because there are not many States properties in their Parish, and that is certainly true for St. Lawrence. Having said that, we do



have some States property there and earlier this year, I had been dealing with a tenant who lives in St. Lawrence. Interestingly, last night I had reason to visit Le Marais - in St. Clement of course - and was approached by someone who is a tenant of Le Marais, who has been having, what I would call, neighbour issues. The tenant of Le Marais has asked me to try and help him get something sorted out. I think Deputy Baudains might find that interesting and I know ...

**Deputy G.C.L. Baudains:**

Saves me a job.

**The Connétable of St. Lawrence:**

I know that I can speak to the Minister for Housing. I know the officers at Housing, so I think my first route would be to approach them and if the problem is not resolved to my satisfaction, I will go to the Minister for Housing. That is how I think all Members will do things at the moment. I was interested to hear the Chief Minister say we have let people down. I think what he was referring to was talking about the condition of the properties that many States tenants find themselves living in and, of course, there are issues clearly other than the maintenance or the condition of the property that, let us not forget, many residents pay a very high rent for because many of them are paying 90 per cent of market value and I know that many of them struggle, notwithstanding that some of them, of course, are able to dip into the Social Security pot and get an element towards their accommodation. I think I am spending a long time on this. What I want to say is I supported P.33. I have supported this all along; however my concern now is, when this goes through, will I as Connétable representing my tenants in St. Lawrence or indeed St. Clement or any other Parish, still be able to do what I do now to help the States tenants? Listeners will not hear but on my left I have Deputy Baudains saying no and on my right I have the Chief Minister saying yes. The Minister for Housing is nodding at me, however, these points were raised by Deputy Baudains and I think it is important to reiterate them because I am concerned that we in fact do not find ourselves to be in the position where we are letting tenants down, as the Chief Minister said, because we are unable to help them. In fact, what we are doing, I think there are probably 6,000 States tenants - 6,000-plus, that we are outsourcing to this company - albeit that our Minister for Treasury and Resources will be guarantor for the company and I was very uncomfortable some time ago... and I will come back to Deputy Baudains, who raised on a number of occasions within the Assembly concerns voiced by the general public over the new billing system at Jersey Telecom. I use that as an example because the Deputy was having difficulty in being able to represent his constituents in St. Clement and indeed to represent Islanders *per se* because we are not able to deal, seemingly, directly with such mundane matters, and how mundane is it? I am talking now about a telephone bill. People could not understand them; people did not know whether they were being billed correctly but surely it is pretty basic. It is part of what we are there for as elected representatives, to be able to sort mundane issues like that out for the public. I really feel now that I want reassurance from the Minister for Treasury and Resources that if we as elected Members feel we are unable to deal with issues to represent the States tenants, will they still be States tenants? I am not even sure about that. How do we respond to them? How do we respond because at the moment, as I say, you go to an officer, you go to the Minister for Housing, you get a result. Will we be able to do that? How will we be able to do that? Will we be shot down in flames, as Deputy Baudains was, by the Minister for Treasury and Resources, when we bring questions on mundane issues to the Assembly, because we are here? That is our role. We are here to question on behalf of the public, whether they be questions of a very serious nature for some, more minor for others. That is our role. We are here to question, we are here to ensure that we get the correct answers. So how do we respond? I want the Minister for Treasury and Resources to give me reassurance that I will still be able to do my job as an elected Member. Another thing that has also occurred to me is rental protection. I have not given a close thought to this but will the Minister for Treasury and Resources guarantee that there

will not be a sudden hike in rents when Andium Homes is managing this? I have not heard that discussed at all but I would like to have a guarantee that there will not be a sudden, severe rental increase. I think most of my other thoughts have been addressed by other Members but I do sense a real feeling of concern that is coming through now.

[11:00]

P.33 was “let us get this job done” and now we are getting nearer to signing-up finally to this, I think I am certainly having reservations and I know other Members are as well. I think what we need now from the Minister for Treasury and Resources ... Senator Ozouf at the moment, who will that be in the future? We do not know. Whoever it is will be wielding a great deal of power within this Assembly and I have heard a lot of Members’ concerns about this. It is nothing personal against Senator Ozouf but we are gradually handing over a great deal of our collective responsibility to one person. That person is the Minister for Treasury and Resources. Of course it has been endorsed by the Chief Minister because the Minister for Treasury and Resources has recently been appointed as the Chief Minister’s Assistant Minister with responsibility for Financial Matters, I think it is. A great deal of responsibility is being handed by us ... I have heard the term “sleep walking” today. Are we sleepwalking into the hands of one Member? I do not think that that can be the right thing to do. I think we are showing a lack of wisdom over many of the decisions that we have been making recently and I do urge caution. The problem, of course, is that as we reach the end of this Assembly, we are faced with so much business to consider and to discuss. Scrutiny, I know, is being absolutely inundated with the amount of work that is coming through and I do not know that we are providing the best service that we should be for the public within the House at the moment. I seek reassurance from the Minister for Treasury and Resources, at the moment, Senator Ozouf, but who knows in the future. Whoever that person is, they are being given a lot of power by this Assembly. I think that is probably the gist of the few words I wanted to make.

#### **1.1.11 Deputy E.J. Noel of St. Lawrence:**

I would just like to rise to hopefully put some of the fears and concerns that my Constable has about those people occupying our affordable social housing units. From my experience in St. Lawrence, when I have been asked to help those living in such accommodation, the outcome does not necessarily depend on who the owner is because we have social units in the Parish that are currently States-owned and we have some that are owned by one or 2 of the other social housing unit providers. In my experience, it does not matter who owns the property, the access that you get issues resolved quickly happens with any of those organisations, and I do not think that is going to change. What will change is that, for the first time, we will have a proper regulator, which we have not got at the moment. The Minister for Housing at the moment is wearing 3 hats and is therefore, in my opinion, conflicted. Going forward, we will have a proper regulator. We have the Strategic Housing Unit. That is not putting the power all into one Minister. There are 4 Ministers sitting in that; it will be chaired by the Minister for Housing, it will have the Minister for Social Security having an input, it will have the Minister for Planning and Environment having an input and it will have the Minister for Treasury and Resources having an input. You know, again, that is something that we have not got currently. I think that is important. I think those 2 elements will mean that those living in affordable housing in the rental sector will have safeguards and enhanced safeguards compared to what they have already. With the terms of sudden jumps in rent, we know that is not going to be the case. That has already been in the business plan, that has already been in the documents that we have already approved and so rents will only go up to 90 per cent of market when there is a change in tenancy. The existing tenants have been, I believe ... I cannot recall the exact time period, but I think it is up to something like 30 years that their rentals have some

protection from being hiked from the current levels now up to 90 per cent of market value. So I hope those few points help allay the fears of the Constable.

**Deputy G.P. Southern of St. Helier:**

Would the Minister clarify his statement there that: “I think it is up to 30 years that protection is in place.” It is not the case. I believe ...

**The Bailiff:**

This does not sound like clarification, Deputy. This sounds like an assertion of fact.

**Deputy G.P. Southern:**

That 50 per cent will be paying the 90 per cent rate in 5 years’ time.

**1.1.12 Deputy N.B. Le Cornu of St. Helier:**

The Constable of St. Lawrence noted that she had been approached by someone in St. Clement to deal with a social housing issue and was somewhat bemused by that because it was something of a novelty. For Deputies perhaps in the larger urban Parishes, it is quite common to be approached and be required to take up social housing issues for essentially the poor. This is the section of the working class in this Island that is ignored. This is a reflection of the social divisions that exist in this Island. I am going to read from it: it is a support worker writing in desperation on behalf of someone who is not able to act well for themselves because of their disability. This is what they write and this is what happens on a daily basis almost, as working class people in social housing, try to work out their lives. So the support worker is writing: “Mrs. X is a single parent with 2 boys and a daughter aged 17 months. She has been on the Affordable Housing Gateway list for a transfer to a 3-bedroom property since March 2012. She is struggling in her current accommodation, as the flat is cramped and damp. Two of her children have both suffered recurrent chest infections and have asthma. Mrs. X is currently sharing her bedroom with her daughter. As the flat is on the second floor, she struggles to carry the buggy and her daughter up and down to the flat as there is no lift. The flat also holds a lot of bad memories for her and her boys as she suffered domestic abuse there, sometimes witnessed by the boys when she was living with her first husband. I understand that Mrs. X’s G.P. (general practitioner) and health visitor have written on a number of occasions to support a move to a larger property. The last contact Mrs. X and I [that is the support worker] had with the Affordable Housing Gateway Department was in January 2013. Over the past 6 months or more, both Mrs. X and I have made repeated attempts to contact the department via email, letter and telephone for an update on where Mrs. X is on the waiting list and we are frustrated that neither Mrs. X nor myself have had a response from the department. I first emailed on Mrs. X’s behalf on 10th October 2013, with no response. I then emailed again on 5th November 2013 and again received no response. I also sent a letter on 13th January and 3rd March, to which neither Mrs. X nor I have received a response. I have tried contacting them by phone throughout this period but no one has returned my call. I then emailed Andrew Green on 27th March 2014 and have not received a reply to date. While Mrs. X appreciates that demand for housing is high and is reluctant to make a complaint, it is unacceptable that no one has been able to provide an update either to Mrs. X or myself. Given the total lack of response, we simply do not know where to go with this and wondered if it was something you would be willing to help with.” That is the sort of desperation that so many find and they are turning to their politicians with the hope that something can be done. So perhaps the Minister for Housing can address that. We will be taking up that particular individual’s case and hopefully that will get attention. I am sure it will now that it has been highlighted but it is frequent and it needs to be addressed. I do not think under this Andium Homes there will be the same sort of attention. The same issues will be arising and they will be arising ever further because we live in an increasingly polarising society and for this section of society in social housing, times are tough. That is going to recur.

### **1.1.13 Connétable J.M. Refault of St. Peter:**

I am very pleased to follow Deputy Le Cornu. He read out a very good story here and that is the very reason that we need to move forward. This House, in past years, and going back to committee government, has not covered itself in glory when it comes to social housing. The return to the States has prevented us delivering decent home standards and there is insufficient social rental housing out there at the moment for people to be able to ... sorry, I will say affordable social rental housing out there to enable people to get into decent homes. The story from Deputy Le Cornu is not unique. There are many other people out there today in Jersey hoping to get into a home. They are not able to do that. The homes are not there for them. They have to suffer sub-standard conditions, paying exorbitant rents from private landlords. Part of what we are trying to achieve with Andium Homes is to increase the supply to bring our current supply up to standard, provide more homes, get more people into affordable, decent social housing. I am sorry that the Constable of St. Lawrence does not have more experience with social housing tenants. No, I am not sorry; I am delighted she does not have more experience because that is good that she does not have bad experiences in her Parish. In St. Peter, there are a number of social housing groups. There is trust housing and there are a large percentage of the homes down at Beaumont in private social tenanted housing. I deal with all of those on frequent occasions, different problems trying to deal with some very poor landlords, who are not States tenants, and also working through the social housing gateway to try and get people off of grandparents' floors with their children and into a home. That is what we do. I still do that dealing with the housing associations, people like Christians Together with the Clos des Charmes, a new development in St. Peter, and I have good results from them. I do not fear the future with Andium Homes. I do not fear the lack of contact that some people think we will not have about getting some action from them. I believe that with the housing regulator, we will have even better contact and ability to impose our requirements on behalf of the tenants on to them as well. I have to say, earlier this morning, I left the Chamber in a certain amount of despair because once again I heard 2 people - and one sits alongside me - going on about the good old days of the committee government and how good we were then. We are doing this now because it was not good what they did then and we want to make it better. If people want to keep people like Deputy Le Cornu has just described, in that type of housing, then vote against Andium Homes. But if you want to give them decent homes, then vote for Andium Homes. Thank you very much.

#### **The Bailiff:**

Just before I call the next speaker, can I just ... Members have, quite naturally, expressed views for and against the merits of the whole programme and the debate has ranged quite widely but can I just remind Members, they did agree yesterday to transfer these properties into this company and this proposition is to do with the Memorandum and Articles of the company. So I think Members need to recall what the actual matter before the Assembly is.

### **1.1.14 Senator L.J. Farnham:**

I think in light of your very good advice, I have very little to say but align myself closely with the comments of the Constable of St. Peter.

#### **The Bailiff:**

Does any other Member wish to speak? Then I call upon the Minister to reply.

### **1.1.15 Senator P.F.C. Ozouf:**

I am grateful that we did not go ahead with the debate last night because there have been questions and contributions which are absolutely important and vital and when we have already made, as you rightly say, the decision to transfer effectively 4,200 properties - £1 billion of assets - and what we

are now discussing is whether or not the accountability, the structure that is now going to oversee that organisation is fit for purpose.

[11:15]

All Members have asked and I am going to work hard and I am going to answer every single one of them. I will not repeat them because there have been a number of continuing themes of questions but I am determined in my answers to give Members the assurance that they want, that there is the appropriate accountability and that this new structure, which has been worked on so hard by so many people, and my role in the Treasury is to ensure that that work is being done properly, take advice on that and to ensure that it is going to work. It does not matter about the personalities. Are the structures and the modalities in force? If I may ask Members, I hope that they have got the 3 documents before them, the Memorandum and Articles - because I am going to refer to them - the transfer agreement and the M.O.U. Without going through, it is just worth reflecting what these 3 things are and what they are not and how they hang together. The Articles of Association are the very highest levels. They are the things that set out the modalities of the board, they set out the fact that directions can be given, who the board is, how meetings shall work, what the board consists of, what an independent director is, what a Treasury Director is, what the powers of the boards are, how directors are to be remunerated, high standards in terms of declarations of directors' interests, what should happen, how the board should document its proposals and then finally what the schedule of the actual appointment of the directors are, because this proposition is going to appoint the first directors and Members can see that. The transfer agreement is not part of the States authorisation but it hangs below that and it will be signed and I am going to look again at the M.O.U. with the Minister for Housing and our officials. I am going to make sure that any of the points that have been raised by Members that are perhaps not there ... I hope there are not any of them, I hope there is nothing on the checklist that I am going to turn to Deputy Vallois in a moment about. I hope there is not a single matter on that governance code, which she is right to point out, that is not ticked. If it is not ticked, I am going to make sure it is there in the M.O.U. But what does this M.O.U. say? Well, it sets out in more granular detail and it is going to be an agreement signed between the guarantor and the chairman of the company and it is going to set out how things are going to work. Yes, it is appropriate that we use as a model the M.O.U.s that we have for other States-owned entities. There are some things that are common, no surprises. I was talking to the Minister for Housing last night and we do not want as Ministers, and I do not want as a Member of this Assembly, to read an important matter that Andium may well be buying a piece of property that we do not know about. We do not want to be surprised about it. Ministers have questions without notice. I do not want to be in a position that I am surprised by a question a Member may have on something within my bailiwick, within my responsibilities. That is what no surprises is about. That is about good information, accountability, making sure the governance structure is right. That is what we do. That is what ... I am not the new Minister for Housing. I am the individual that is with the orchestration, with the choreographed new arrangements of the S.H.U. (Strategic Housing Unit) and the Minister for Housing. I have to make sure, with my officials, that what they want, what this Assembly wants, happens and there are the powers to do that. There have been comments about the Strategic Business Plan. There has been an agreement to publish it but I would refer Members to already what has been published. There should again be no surprises in that. It is going to be a business plan that is going to set out, and I am going to respond to Deputy Baudains in a moment about some of the estates that are simply not up to standard. A lot done, more to do. A lot more to do and that is why this morning I signed the £250 million bond issue, which means we are going to have the resources to do it. Not just refurbishment but dealing with Deputy Le Cornu's problem of not having enough homes. We do not have enough homes in order to have that transfer. The documents that we have signed this morning are going to mean that that is going to happen and I am going to come on to that. So this Memorandum of Understanding

sets out the detailed operations, no surprises, reporting, key performance reports, key performance indicators ... this is not a for profit company. This is not a cash cow. This is an entity, which is going to be at the heart of what they do, providing tenants with good quality accommodation, fast response for when there are problems; when there is a leak, when there is an issue, when there is a noise issue. This is an organisation that we want to be tenants at the heart of what they do. Difficult to reconcile the questions that Members are saying, that this is somehow going to be some profit-making organisation. This is not Jersey Telecom. The only difference is, it is 100 per cent owned and it has got a M.O.U. and we are going to hold them to account. But the issues we are going to be holding Andium to account are different to Jersey Telecom. We will come to customer service in a second. Setting out exactly what we are delegating for the board, what decisions we are going to reserve for the guarantor in conjunction with decisions of the Minister for Housing and decisions of the Minister for Planning and Environment. How all the modalities are going to work, directors' remuneration ... I am going to come on in dealing with that. So I hope Members just flick through the document and just get a sense of quite the clarity between the guarantor and Andium. But I will come back to some of that in a moment. The transfer agreement is simply the issue of the payment of that. So just to run through, and I will go through Members' questions and then note later when it has already been answered. At the heart of the Deputy of Grouville's absolutely correct questions is whether or not that governance system works. In answering that, if I may, I am going to refer to the matter that Deputy Vallois raised. She was quite - and I welcome the observation - in the fact that she has come up with this U.K. independent commission on good governance. I have seen it before. It has effectively got a checklist and the questions that the Deputy of Grouville wants to know in relation to that accountability are a number of questions, principles of good governance, focusing on the organisation's focus, what is this organisation about? What is it there to do? Is it there for self-serving purposes? No. It is a social housing landlord. It is going to be providing affordable accommodation. In terms of good governance, good governance means focusing the organisation's purposes and outcomes for the citizens and service users. Here, that is the tenants. That is going to be the occupants, I hope, of more shared ownership, fractional ownership. Good governance means performing effectively in clear, defined functions and roles. Good governance means promoting values for the whole organisation, demonstrating the values of good governance through their behaviour. That means being a good employer. That means being responsive. Good governance means taking informed, transparent decisions and managing risk. Good governance means developing the capacity and capability for the governing body to be effective. Is the board of directors going to be able to hold the executive to account? Have they got the right balance? Have we got the right people with the right skills? Good governance means engaging with stakeholders and making accountability real. That is accountability with tenants, that is accountability with the guarantor, that is accountability with the regulator, doing what the regulator wants, doing what the Minister for Housing wants. These are the principles and, having looked through a number of governance codes, I say to Deputy Vallois, and having briefly read through this one, there are many others that are very much the same and they are all absolutely right and she is right to say it, is there anything in reading through the one that she pointed out, that I cannot see answers for in this M.O.U.? Well, no I cannot. I can see every single one of those issues covered. K.P.I.s (Key Performance Indicators), governance, declaration of interests, tenant standards, standards of decent homes, regulator, clarity, communication, it is all there, if I may say. The Deputy of Grouville asked particularly about material public interests. What does that mean? A very good question. I will give a few examples. I think an important material public interest would be Andium coming forward and selling something that the guarantor, after consulting the Minister for Housing, would not want. It could be in selling off that loan book. That is an important material public issue. If I may say, in relation to this entity, pensioners not paying cash for their rent. That may be a material public interest, so just to give some flavour to that, this is not a telecom company operating in a competitive

environment where consumers have got choice of whether they go with one mobile phone operator or another, and yes I believe that J.T. needs to have competition in fixed-line and that is being dealt with, but those are issues. I think there are issues of public interest. Deputy Southern, I hope ... he is not here, that is a shame. I hope that he is going to support this. I hope that all of the Members of this Assembly who are in the, if I may say, areas of the Island which have a high concentration of social tenants, I hope they are going to vote for this. I hope they are going to vote for this because it is going to mean better quality, more plentiful, a better structured funded organisation and I completely distance myself and it would be wrong and indeed, I think it would be misleading to have the remark said that somehow we are abandoning social housing, that we are selling this issue off. I will even deal with Senator Breckon's comment about the Jersey Homes Trust. This is not a replica of the Jersey Homes Trust. There are issues, if I may say, which the Minister and I are as one about accountability of the Jersey Homes Trust. Again, no criticism, they are a very good organisation, serving tenants well and they have delivered more than 800 units of accommodation. There are some in Grouville, there are some in St. Clement, there are some in St. Helier. There are good tenants, happy tenants in there. What the Minister and I want is having allowed that organisation to evolve, having had low interest rates - not quite as low as we are achieving, if I may say - I think there are lessons and we have taken the lessons as, would Andium have got a better loan going to some of these banks as the Jersey Homes Trust did, compared to the bond deal that we have been executing this week? Absolutely not. We are getting a cracking deal and I want to see the Jersey Homes Trust getting better value for money on the funding that is available. But we were too afraid of getting it on our balance sheet at the time. I want to see the Jersey Homes Trust, who have made substantial savings in relation to their interest payments, who now have cash on their balance sheet. The Minister and I, and the Council of Ministers, want that cash not in bank accounts. We want it deployed on providing more social housing and other affordable homes. The accountability that we have for Andium is going to be much better. Deputy Southern is looking at his watch. I am sorry if he is bored about it but I am going to answer the questions that he has raised. I want to persuade Members that the accountability that we have in Andium is effective, is granular, is detailed and is going to work and while Jersey Homes Trust has performed well, we have learnt some lessons and that is why. I say to Deputy Martin, there were 7 options for Andium, including keeping what we have and going to a Jersey Homes Trust model. What we have settled on, after a green paper, a white paper, a debate in this Assembly, we have settled on the best and most accountable and most affordable way of dealing with social housing.

[11:30]

We want to drop that word, that pejorative word "social" housing. We want to drop the stigma that some people associate - I do not - with being a States tenant. We want to say that you are equal, you are a renter, you are equal and that stigma, to the extent that some people believe it, is going to go. That must be a good thing. I do not believe that Jersey Homes Trust tenants are sometimes pigeonholed in the same way that unfortunately we have in the past seen pigeonholing of that. To the Deputy of Grouville's last point, the appointment of directors will go through the standard procedure with an Appointments Commission process. I will consult with the Minister for Housing; I will consult with the Chairman of Andium. There will be a proper recruitment process and I will lay before the Assembly the proposed appointment under the new established 10-day rule that we have. I will deal with some of the issues. I say to Deputy Southern, please read R.15/2013. Read the business plan of what is going to be done by this entity and the business plan will be published. We have given that undertaking. Deputy Maçon, I thank him for his time in going to see the officers within the Housing Department. He asked the questions that exactly the Minister and I asked; we do not want to create a separate body and start building, dare I say it, in the old bad committee days where we had Human Resources Departments, I.T. (Information Technology) Departments, insurance arrangements with all sorts of people. Andium is going to have the best of

both worlds. They are going to use the resources of their shareholder. Where it is affordable to do insurance, for example, they are going to take the insurance rates that we have and all of the arrangements that we have. They are going to avail themselves to all administrative functions where it is in their interests and it is affordable and they are given the right flexibility to do so. Andium is also going to do the things which somehow can be deshackled from sometimes the constraints of the way we do things in the States. I have noticed that the new organisation has a Twitter feed, goodness me. They are going to be communicating and telling their tenants what they are doing, the improvements that they are doing. That is outside States I.T. but I am told that they will, for example, be able to set up rent accounts, make payments online and they are going to have their own I.S. (Information Services) strategy which is going to be produced. They are going to have a website dedicated for their tenants, telling their tenants about what is going on in their estates, tenant participation groups and all the rest of it but I thank the Deputy for asking him. Deputy Le Hérissier raised the issue of pay. He spoke about overpayments in BBC trusts. Overpayments; almost a sort of fat cat culture that exists in the U.K. in quangos. I would remind Deputy Le Hérissier that what we have here is directors' remuneration to be agreed at the A.G.M. (Annual General Meeting) and that is the standard arrangement that we have had for all States-owned entities. No remuneration or near remuneration or bonus package will be agreed outside and it is something that the Assistant Minister and I take great attention to in relation ... and have we said no to directors' remuneration for other entities? Yes, we have. We have said we are not going to approve it, go back, do it again, we are not happy with the bonus issue. We want advice on it and do it again. So we use those powers and I do not think there has been ... if I may say, yes, good people require good reward and good remuneration and a good incentive and we will invite the board to make those changes. The Connétable of St. John, he is looking at an iPad, fantastic. **[Laughter]** I am really pleased. We need to move the Connétable of St. John into the modern world. We need to move him on. **[Approbation]**

**The Bailiff:**

Do we think it is one he has borrowed though from his neighbour... **[Laughter]**

**Senator P.F.C. Ozouf:**

Do you know, I am thinking of wanting to give him one? He harks back to committee days and I know that we like to get into the weeds in terms of decision-making. I understand that but does he really think that a committee system for telecoms or postal would work today? Does he really think that the committee system ... I was never on the Housing Committee with him, I was with Deputy Baudains. Do we really think the Housing Committee... I was on there with, I think, Deputy Huet and a few others, do we really think that worked? Do we really think that when Clos Gosset ... when other awful estate refurbishments got into the state they did, are we proud of that? Do we think that worked? I say to Deputy Baudains of St. Clement; Les Squez. I say go and look at it. Go and look at what has happened since there is the new opportunity of doing what we have done recently and think about what more should be done. There are lots more phases of Les Squez that are going to happen and that is going to happen because we have got the financial resources to do it. Andium is going to be required to hold back repairs and maintenance. This should be warming the Connétable of St. John's heart. Proper repairs and maintenance, not starving budgets and not doing repairs and maintenance and ending up by not repairing estates to such an extent we have to pull them down. Look what happened at Ann Court. Look what happened at the top of Trinity Hill. We starved them, the Housing Department, of repairs and maintenance. Free capital, it got done, and then they were demolished. What a shocking state of affairs. I look forward to La Collette low rise. I look forward to De Quetteville Court, Convent Court, Hue Court and all the rest of them now being able to be done and no longer ... this Assembly is not handing over the responsibility and somehow giving it away and saying: "Go, we are ignoring you." This Assembly



has made decisions to make sure that there are sustainable funding plans for the first time for housing. Housing needs to be taken out of some of the other bidding arrangements that do not provide a return. Housing is not a business. It is an investment that produces a return and now we have separated out income support in the Social Security Department. Housing and Andium are going to have certainty of income and certainty of capital and plentiful capital and capital that is now going to be available for 40 years at some of the lowest rates that anybody could ever have imagined. I say to Deputy Baudains, does he not think that that is a better situation than the old days of the Housing Committee? I certainly do.

**Deputy G.C.L. Baudains:**

Would the Minister give way for a second but I do not want to interrupt him in his final flow at the end? Would the Minister not agree that had the committee been given the sort of funding that Andium had we would not be in the problem we are now? **[Approbation]**

**Senator P.F.C. Ozouf:**

Yes, but when you are dealing with capital as a one-off that is ... when you are competing with Housing Department who do not ... I am not saying departments spend and do not get a return, but when you are dealing on the one side with the hospital that you need to invest and effectively not get a financial return against housing, who want capital to get a return, who is going to win? It is a crazy situation. That is why we moved J.T. (Jersey Telecom) out. Why should J.T. be at the table for a pot of capital for something that they need to invest to get a return? It is complete nonsense and that is why, perhaps ... Deputy Power, I am seriously upset with him saying that we have not delivered more capital. We have delivered more capital for housing because of fiscal stimulus in the last few years but it is not enough. We have delivered tens of millions of pounds of capital on the basis of capital write-off. Now, I am sorry that he lost out once at the Council of Ministers a few years ago but my goodness me he did not half succeed in then getting most of the fiscal stimulus money and then another £27 million later. I hope he will ...

**Deputy S. Power of St. Brelade:**

It did not feel like that then.

**Senator P.F.C. Ozouf:**

But it jolly well feels like that now because we have put tens of millions in Andium in relation to that. So I say to Deputy Baudains, please believe. Please look at the track record of what we are achieving. Look at the track record of properly run housing associations and the model that we are doing and what they have done. Housing 21 and other great organisations in the U.K. delivering and this will deliver. I really would like to try and convince Deputy Vallois. She said that she did not get support for alternative schemes. Well, we are working, and I have sympathy, and not just feigning sympathy, and I have absolute agreement with other Ministers on what she wants to do in terms of getting more people able to be getting on to home ownership in different tenures. Now, Andium is going to deliver that and I am going to deal precisely with her question: what is “affordable homes”? There is a definition in the Island Plan already and that definition is clear. Affordable housing includes homes for social rent and purchase provided to eligible households whose needs are not met by the commercial housing market. Affordable homes should meet the needs of personal medium incomes. It is there. It is in the Island Plan. But we are going to go on to do another definition of affordable housing when we come to the Island Plan debate. We are going to improve that definition even more and that is great. The Minister for Planning and Environment wants to have a form of ownership. I have never quite understood it but it wants to have a form of ownership in which the States owns the land and the person owns the property almost and it goes in a sort of not-for-profit trust. There are lots of different types. I got thrown off the Housing Committee years ago because I dared suggest shared equity. Affordable homes should

not be just simply rental homes. You should own a part of your home and that is how La Providence has been dealt with, but there were other forms. Trinity has now done it. Absolutely first class. The Assistant Minister for Treasury and Resources and I had had debates about whether we needed a law for shared equity. The Constable of Trinity came along with his Procureurs and said: "Shared equity. I have been to get some" ... I will not do a Jersey accent today anyway, but the lovely Procureur said: "Oh, no, we have got legal counsel from the U.K. That is the legal agreement. It works." Bang, bang, bang, we did it and we lent £4.2 million and we have got shared equity or the equivalent in Trinity now. No statute, no hassle, no bother, done. Brilliant, let us have more of it and Andium is going to be part of that. So to Deputy Vallois, come forward with your alternatives but work with the structure that we have because it is going to work. I say to Deputy Vallois, yes. Thank you. Come forward with those alternatives and we will work with her to find those alternatives. She had a number of questions on the individual matters of the Articles and I think I might have already covered them in my other remarks. I think that there were questions in relation to materiality. Materiality is defined as an audit issue. We are currently deciding exactly what the materiality issue is. It is certainly about £802 million in relation to a material decision. I think Deputy Vallois wanted a definition of material public interest, what directions; I think I have answered that. I think she wanted to know what the purposes were. I think I have answered the issue of what is "affordable homes". I hope I have answered all of the questions she had and particularly that code of conduct. It meets all of the requirements of good governance. Income support: that is right, there was a question on income support, what does that mean? Income support; there are some tenants who receive income support and then pay a social housing provider. That happens at the moment. There are other tenants that wish part of their income support to go directly to the social houser. People find that is a better way to manage their own money and there are some issues - I do not know what the issues are - with income support and the payment to the Housing Trust. There is nothing sinister in it. There is nothing new. This is exactly the same arrangements that are there to help people manage their money. What I would like to do in future, which has previously been announced, is we would like to work even more with Social Security and the Housing Association. Members have heard today of the Community Savings Loan. We think we want a credit union. People need to be helped in managing their money and we are working on proposals for a credit union which are functions of housing associations and we are working on that issue. That is all there and that is more good positive work to be done. The comment of "cash cow" has been made.

[11:45]

Now, we are transferring £1 billion worth of assets. We are not transferring any debt with those units of accommodation. The States is getting a return of £24 million on that £1 billion because that entity is getting 90 per cent of market value. Now, that is about 2.5 per cent. If anybody thinks that 2.5 per cent on a billion is a cash cow then please tell me because I do not think it is. It is not a cash cow. It is an organisation being given no debt for its current assets and is going to be able to borrow from a pool of cash with the housing development funds at crackingly low rates and it is going to be ring-fenced, and we are going to put even stronger locks on that in the budget later on this year. This is not a cash cow. This is providing investment for social housing to improve quality, supply and alternatives tenures. It is not a cash cow. Deputy Tadier said we would not behave like this in our private lives. I do not know about Deputy Tadier but certainly in my private life I try and have ... I do not know whether or not I have documents of granular detail and have lawyers, the Treasurer of the States, the Housing Chief Executive at the board of Andium reviewing documents to this extent. I am sorry the document was sent out late because that is because we wanted it perfect before this debate so that we can answer all Members' questions and we were making changes to the M.O.U. right up to the last minute because we wanted to meet the deadline. That is good work. That is good detailed work which should give Members confidence. The

Business Plan will be published. Track record on private companies. We are looking after the interests of the shareholder. It is the interests of tenants that we are looking after; the interests of current tenants and future tenants. That is what the interests should be. Senator Breckon asked what the Strategic Housing Unit was. The Strategic Housing Unit has already been agreed. It is in P.33. I am not going to read it all out. It is chaired by the Minister for Housing with the Minister for Planning and Environment, the Minister for Treasury and Resources is there as a guarantor, and the Minister for Health and Social Services because she is responsible for important issues to do with standards in terms of accommodation. The overall purpose of the group is to concentrate on strategic matters, cross-tenure, all housing strategies, develop robust cross-tenure housing strategies on supply, championing the supply of homes, managing the affordable gateway, proposing new affordable housing projects, proposing and updating the Jersey Housing Social Standard, the development of housing policy States-wide. Goodness me, we are joined-up. Strategic policy framework, carrying out survey work and proposing and delivering the Social Rent Policy. That is the definition of the Strategic Housing Unit and I would say to Senator Breckon... because he has brought many propositions trying to raise the standards of social housing, trying to raise the supply, it is doing it and we are putting the right things in the right place. Important management decisions I have dealt with. Why does the Minister for Treasury and Resources oversee the company? Well, the Minister for Treasury and Resources is only effectively ensuring whether or not the company is doing what the regulator and the Minister for Housing wants and ultimately what this Assembly wants. Now, who is going to answer questions about housing in future? If there is a question about housing standards and is the Minister satisfied with the standards of social rented housing and has he put the appropriate regulation on Jersey Homes Trust to Andium or Bloggs Housing Association, it will be the Minister for Housing. The questions about whether or not Andium has done it will come to me. So I think it is clear, there is going to be a much clearer segregation of responsibilities. Just as I am responsible as shareholder for J.T. but I cannot be the regulator. That is the Minister for Economic Development. Sometimes Members get frustrated because they ask me questions that are effectively regulatory issues. That is the Minister for Economic Development. I am the operational person not making the decisions, just ensuring that it happens. If it does not happen then the company is going to have the Assistant Minister and I ... but it does not matter whether it is myself or Deputy Noel. They are going to have the Minister, who this Assembly charges with those responsibilities, to do the job. That is governance. Trusts; yes, we moved a property for £10 but that is the problem, we are going to improve the accountability of Jersey Homes Trust. I have got nothing more to say. Deputy Higgins, goodness me. I would like to persuade him if I could. I would like to persuade Deputy Higgins that we have got something positive on our desks. That we are doing something good for tenants across the Island. He thinks the Minister for Housing is a fine chap. He wants to worry about what happens next. All the definitions of who is doing what are there. It should not matter who. It should just matter that a good person is there. Are there effective controls? Absolutely. Are there checks and balances? Absolutely. The £250 million borrowing, losing control. No, I say to Deputy Higgins. We are going to hold the £250 million, or slightly less after the deduction of fees, but it is still a great deal. We are going to hold that money and every time Andium wants to access that they are going to come forward and say: "We are going to develop this. We have got this wonderful plan for redeveloping Green Street." I do not know what it is going to be. They are going to be able to access that capital. We are going to look at that business plan. We are going to say, does it repay itself? Does it make value for money? Is the Minister for Housing and Minister for Planning and Environment satisfied in relation to the new increased number of units, affordable, social, *et cetera*? First-time buyer units, perhaps, that could be developed on some of these sites, more plentiful units. Does it fulfil? Are we going to lend them the money? Yes, it is absolutely the control that Treasury is going to hold a fund to lend cheap, plentiful cash to do that.

**Deputy M. Tadier:**

Will the Minister give way?

**Senator P.F.C. Ozouf:**

Of course.

**Deputy M. Tadier:**

It is just to ask, before the debate finishes, when will the Strategic Business Plan be published?

**Senator P.F.C. Ozouf:**

The Strategic Plan: what will happen after this debate - and I hope it is approved - we will then sign the M.O.U. and the M.O.U. will have the business plan there. So the business plan is going to have to be produced very quickly. I do not have a date but I will give the Deputy an answer very quickly from that because I do not have that from any of the communications that I have had but it is going to be very soon.

**Deputy M. Tadier:**

I know it is late in the debate but we are still during the debate and I would like to ask for Standing Order 83 to be invoked so that a reference back be made on the basis that we do not have the information of the Strategic Business Plan and so that we can first of all see that Business Plan. I presume it should already be in draft form now and can be produced so I would like to call for that. I am sorry it is late but I think that it would be remiss of us to be going ahead with this debate without a key piece of information and so I would make that proposition.

**The Bailiff:**

I am afraid, Deputy, it is too late. The debate is open after the proposer makes the proposition, until he stands up to reply, so it is no longer possible to ...

**Deputy M. Tadier:**

I am sure we have had precedents before where even at the end of the summing up the Chair has ruled that it is in order to do that.

**The Bailiff:**

I think it has happened once by inadvertence but there has been a meeting of the presiding officers. We have reviewed the Standing Order and that was a mistake that happened. The correct position is the debate ends when the proposer stands up to reply. So it is too late to move for a retrospect. Sorry.

**Senator P.F.C. Ozouf:**

If Deputy Tadier does not like it then he is going to vote against it. I do not think he is ... I would be delighted if he does but effectively I refer back to the proposition, the report which has set out the business plan. There are going to be no surprises in it. It is going to be there. It is going to be delivering what is effectively already in a published document from R.15/2013. It is there. It is not fair to say it is not there. It is going to be just the plan for the next 5 years of doing it. The only thing that might be in there might be more than what is in R.15/2013, which would give the Deputy and other Members even more confidence that we are going to be delivering what we want quicker and sooner and more plentifully. It is somewhat of a shame that Members sometimes are using procedural issues when they do not like the proposition. If they do not like it I cannot persuade them but at least they can listen to the arguments. I have not got that many more things to say. Interests of tenants; a really important issue that Deputy Martin raised. There is going to be a regulator; that is the Minister for Housing. There is a tenant director on the board. There is going to be the Strategic Housing Unit looking at all those issues. We expect Andium to be engaging.

Housing departments already, rightly, had lots of very positive things said. They are going to be a good employer. They are going to be a good tenant service provider. I would say the interests of the tenants are going to be even more at the heart of what this organisation does. No longer part of the States worrying about capital, worrying about whether they can get the political decisions through that Deputy Power was going to say. Certainty, that means focusing on tenants and doing a better job for tenants and delivering what they want. I hope I have answered some of the things as we have gone along to the Connétable of St. Lawrence who always asks important and thoughtful questions. She said: "Will I still be able to do what I do?" I hope so but I have to say I hope she is going to have to do less of what she has been doing because there are going to be more happy tenants. **[Approbation]** I hope she is ecstatic. I hope that she is going to get tenants, as other Connétales and other States Members to say, thank you to the States Assembly for voting in favour of this, for getting me a better home and a warmer home, a better designed home, a home that can be transferred for my disabled need, my long-term care needs. I hope that is what is going to happen but where there is a problem then there is a board of directors. There is a complaints procedure. There is a Minister for Housing that is setting the standard and there is the Minister for Treasury and Resources that is going to be, no doubt, feet held to the fire if the organisation does not do what it is going to do. So no shooting down in flames. The only shooting down in flames, if I may say, has been when I have to defend issues, like J.T., who have had to make a difficult decision in doing a new billing system. It has not been perfect but I say to the Assembly it would have been a lot worse when the systems would have fallen over in 5 years. Change is difficult. Sometimes it does not always work but I hope the Connétable will be doing ... is what they are going to be doing is demanding even higher standards and not making excuses that we have had to be in the past: "Oh the States has not put the right money in. Oh, we cannot afford those certain standards of accommodation." What those questions should be is ... Members of this Assembly, standards are going to be raised because the bar is raising and we are going to do a better job. The rental protection; that has already been set out. I would refer her to P.33. No surprises, 90 per cent, all ... even George V and Victoria Cottage Homes guaranteed. That is, I think, on the border of St. Lawrence. So all of the tenants guaranteed and no surprises in rents. On that issue of supply, rents of 90 per cent in a market that has not got enough supply are going to be too high for us. Rents of 90 per cent of a market that has got the right supply of all tenures of accommodation are going to be lower. That is at the heart of the Kate Barker Review that I referred to. If you do not put the right supply in place you will not have the right rental and cost level and 90 per cent of a higher market rate will mean that more people will have to be paid for by social security. The tenants are going to ... happy to give way.

**Deputy G.C.L. Baudains:**

I do apologise in interrupting the Minister. I wonder if I could take him back just for a moment in relation to the Constable of St. Lawrence's question. It revolves around my concern. In future when a representative of the public has a problem they will presumably go to the board. Where does that representative go if they cannot get satisfaction from the board because, as I understand it, the Minister for Treasury and Resources will only be working at a higher level and the Minister for Housing has no authority to direct the board?

**Senator P.F.C. Ozouf:**

So let us go through a situation. First of all, this entity is going to provide excellent service. We are going to have K.P.I.s that are set out. Deputy Southern is wincing. K.P.I.s - key performance indicators - will mean things like responding to tenant requirements when the central heating breaks down or there is a broken window or something goes wrong. High standards and held to account. So higher standards set by the regulator. K.P.I.s agreed with the entity. Then when there is a problem, a complaints procedure. When that goes wrong then the Minister for Treasury and

Resources is going to be held to account for them not doing what they are supposed to do. I hope that helps. Deputy Duhamel, I say to him, this entity, with the guarantor structure, is better than a trust. Much more accountable and much more able to be reached into in terms of the issue. So, I hope I have answered all the questions of Members. I am grateful for the Minister for Housing's remarks yesterday and the Chief Minister and the Assistant Ministers for both of the departments. This is an accountability structure. This is a Memorandum of Understanding which sets out the best governance that is available.

[12:00]

Where governance can be improved it will be constantly in future. It meets all of the requirements that Deputy Vallois set out. It has got clear accountability. It has got the resources that it needs to underpin all of that and it is going to provide better quality homes, more of them and going to also provide different tenures of accommodation in future. It is going to solve an inherited problem that this Assembly has done quite a lot of but is now just about to do a lot more. I hope I have answered every Member's question in relation to the issues that they have got and I hope that they are going to vote in large numbers, with confidence, for a new structure that is going to improve matters beyond ... I think this is the most important vote we have made in terms of implementing a decision for getting a better job for renters in this Island, not just a quick fix, not just short-term, but a new long-term plan that is going to work and is going to work well and I commend it to the Assembly and call for the appel.

**Deputy G.P. Southern:**

Point of clarification, if I may? The Minister used the words "social housing" and "affordable housing", could he inform Members what he sees is the difference between those 2?

**Senator P.F.C. Ozouf:**

Yes, indeed. I think that affordable housing is both affordability in rental terms and affordability in purchase terms. Affordability could be, for example, a senior citizen requires a different type of accommodation. Long-term care means that accommodation for a senior citizen may need an extra bedroom, a wet room, being on a ground floor. Affordability for different types of people, families, single parents, multiple children parents. There are all sorts of issues but affordability is that gateway issue. It is affordability of rent and affordability to buy. It is both. Social, I think we do away with the word "social". We are dealing with renters. Renters that need ... that do not operate in the market and that is what the definition of the housing of the new Island Plan is and that means affordability and doing away with that word "social". Where you cannot operate in the market you should be given a different type of tenure. I call for the appel.

**Senator S.C. Ferguson:**

Can I raise a point of order? I am not sure, and I am sure it was not intentional, but yesterday I got the impression that we were not going to be indulging in things like selling off the loan book. During his summing up the Minister talked about possibly selling off the loan book. I wonder if he could be a bit more explicit about what he had in mind. What is the granular detail?

**The Bailiff:**

It is not a point of order.

**Senator P.F.C. Ozouf:**

It is certainly a question. I raised it to assuage the Senator's concerns. I said, for example, that valuable loan book that Andium is going to have of La Providence and that other estate is valuable. They could sell it and I described it as something which might be an issue because we do not agree that it should be sold and if Andium did, I doubt it is in their business plan, I doubt they would do

it, but if they did do it, then I used it as the example of the public interest thing to say: “Sorry, Andium, do not do it. We direct you, do not do it.” So I wanted to go further than say, it is not planned. We have got the power to say, do not do it because that is what the M.O.U. says. I hope that is helpful and I hope the Senator is going to vote in favour.

**Deputy T.A. Vallois:**

Sorry, I did ask quite a few questions that were not answered but what I will do is I will send the questions to the Minister, if he can reply, but there was one in particular and this comes around the accountability, which was 7.4, which was something that Senator Le Gresley raised and has not been answered I feel, was that the guarantor shall lay recommendations on the appointment of a director before the States Assembly for a period of 10 days. My first question on that was about the rules surrounding that because we have got a Standing Order for property transactions of that sort but, as I understand, not for this particular appointment. Also why, 7.5, where the guarantor’s appointee is not subject to the same rules as that of a successful candidate appointed as a director by the board.

**Senator P.F.C. Ozouf:**

I was trying to be helpful and saying that after consulting with the Minister for Housing and the chairman designate of Andium that it would be my intention to proceed with the recruitment and appointment of the guarantor’s appointee, which is different in terms. It could be that we were concerned with this entity and we were going to make an appointment of a director fast because we thought there was a problem. It is one of those checks and balances. It is one of those safeguards but as this first director’s guarantor, I see no reason why it should not voluntarily comply with this additional proper recruitment process and lay it before the Assembly. Happy to do that. I thought that was a step further which was going to be helpful for the Deputy.

**The Bailiff:**

Very well, the matter before the Assembly then is the proposition of the Council of Ministers. The appel has been called for. I invite Members to return to their seats and the Greffier will open the voting.

<b>POUR: 30</b>	<b>CONTRE: 9</b>	<b>ABSTAIN: 4</b>
Senator P.F.C. Ozouf	Connétable of St. John	Senator A. Breckon
Senator B.I. Le Marquand	Deputy J.A. Martin (H)	Senator S.C. Ferguson
Senator F.du H. Le Gresley	Deputy G.P. Southern (H)	Deputy R.C. Duhamel (S)
Senator I.J. Gorst	Deputy M. Tadier (B)	Deputy G.C.L. Baudains (C)
Senator L.J. Farnham	Deputy T.A. Vallois (S)	
Senator P.M. Bailhache	Deputy M.R. Higgins (H)	
Connétable of St. Helier	Deputy J.H. Young (B)	
Connétable of Trinity	Deputy N.B. Le Cornu (H)	
Connétable of St. Clement	Deputy S.Y. Mézec (H)	
Connétable of St. Peter		
Connétable of St. Lawrence		
Connétable of St. Ouen		
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. Saviour		
Connétable of Grouville		
Deputy of St. Ouen		
Deputy of Grouville		
Deputy J.A. Hilton (H)		

Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				
Deputy of St. John				
Deputy of St. Mary				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy R.J. Rondel (H)				

## **2. Draft Social Housing (Transfer) (Jersey) Law 2013 (Appointed Day) Act 201-(P.72/2014)**

### **The Bailiff:**

So that brings us to the final matter of Public Business which is Projet 72 - Draft Social Housing (Transfer) (Jersey) Law 2013 (Appointed Day) Act 201-, lodged by the Minister for Housing. I will ask the Greffier to read the citation to the Act.

### **The Greffier of the States:**

Draft Social Housing (Transfer) (Jersey) Law 2013 (Appointed Day) Act. The States, in pursuance of Article 12 of the Social Housing (Transfer) (Jersey) Law 2013, have made the following Act.

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

This is a fairly simple item. It basically gives a date and effect to all the decisions that we have made. I do not intend to speak long, and I am sure Members will be pleased about that, but it would be remiss of me not to acknowledge the work that has gone into getting Andium Homes set up and getting to this position. I do not think people could even start to imagine the hours and hours of work that have gone in from different teams but particularly I would like to thank the Minister for Treasury and Resources and the Treasurer and their teams for the work that they have done in bringing this forward. My Chief Officer and his team have also been outstanding and what I have enjoyed about bringing this to the Assembly is that we did this with them not to them and that is really important to me so I would like to thank them as well. I think the evidence of the cross-department working ... as I say, Members will never know the hours that have been put in, particularly by the Minister for Treasury and Resources and my Chief Officer and his Finance Director and the team. The evidence in this has been with the highly successful bond. I mean borrowing at a historic low rate that many other housing organisations would be envious of and we have got that for 40 years. What we are doing is dealing with the problem. If I was a doctor I would say I was dealing with the illness in the past, I might suggest that we were putting on a sticking plaster and trying deal with the symptoms. Today, we have made the decision to deal with the disease; to deal with the illness. I use that term because it was really interesting. I spent the evening, as did Senator Breckon, and the Minister for Planning and Environment, with the President of the U.K. Estate Agents Association and she was asking about what we had been doing yesterday and what our plans were in terms of housing. I have to say she said she was very impressed and she said to me exactly what I have just said to you: "You are solving the disease, not using a sticking plaster." At 5.00 a.m. on *Wake Up to Money* they used exactly the same terms and consistent through all of that was, if you really want to have affordable homes, if you really want to have good quality homes, if you really want to keep prices stable, supply, supply, supply and that is what we are going to do. I am pleased to propose this proposition. It will bring the Social Housing



(Transfer) Law 2013 into effect from 1st July, so the Andium Board will take over on 1st July and I urge Members to adopt this Act.

**The Bailiff:**

Is the Act seconded? [**Seconded**] Does any Member wish to speak on the Act?

**2.1.1 Deputy M. Tadier:**

Is it just me or is the Minister allowed to constantly get away with double-think and double-talk. We had this yesterday. He just told us that he wants to keep prices stable yet I thought it was the policy of government to move towards affordable housing. Given the fact that we do not have affordable housing at the moment must mean that houses are too expensive, that is why a lot of people, if they can get a deposit still cannot afford to buy their houses. So having stable house prices seems contrary to government policy so I think is just completely indicative of how we are being sold a pup. We can say anything we want in this Assembly. It does not have to stand up to scrutiny because ultimately we know there is no intention to solve the affordable housing crisis because these Ministers over here... and I had one who called me earlier in the term, very early on in the term, saying we cannot solve the affordable housing problem because those who own houses do not want to see negative equity and those are the ones who vote of course. So there is no intention here to solve the affordable housing issue. We are pegging rents to 90 per cent of the market rate over which we have no control. There is no correlation between rental values and house prices anyway so even if property prices do come down that does not mean that rental property prices will go down as well. The idea that we are solving an illness; it is a little bit like saying I smoke to excess, I drink to excess and I live in a damp island so I am going to go and live in the Costa del Sol and I am going to carry on drinking and smoking and expect to get my health returned because we are not addressing the key variable which has been the underlying problem in this whole thing. The key variable is the fundamental economic policy, is the return to Treasury which has not changed. It is exactly the same problem. That is exactly what we are doing again. We have predicated this model on the same old problem that we had before. So we have thrown the baby out but we have kept the same bath water which is filthy and needs to be replaced. It is not the baby that is the problem it is the bath water yet we are keeping that same dirty bath water there. Nothing will change. If we wanted to have truly affordable housing we could have a ring-fenced scheme whereby all the profits were returned back into the scheme, not to the dirty mitts of whoever the future Minister for Treasury and Resources will be. So do not expect this to be a panacea. It is just a glorified overly complicated scheme which will end up, I believe, in profiteering, in quasi corporate dealings which will not benefit the individuals who it is sought to do and to suggest that this is going to resolve all the failings that we have had in the past, it is simply a continuation of that under a different façade and I want no part of that.

**The Bailiff:**

Can I just remind Members, this is an Appointed Day Act? This Standing Order 104(2)(h) says: "Members may not seek, within a debate, to reopen discussion or a decision the States has made within the preceding 3 months unless the debate is upon a proposition to rescind the decision." Now, this is an Appointed Day Act in relation to decisions the Assembly has taken during this sitting. So Members must confine themselves really as to whether to vote for or against this Act not reopen the debate.

**2.1.2 Senator S.C. Ferguson:**

Surely one is entitled to comment on the comments of the proposer of this?

**The Bailiff:**

Yes, sure. [**Laughter**]

**Senator S.C. Ferguson:**

I think there are 2 points that people must keep in mind. The 90 per cent rental that is going to be so wonderful; we have got 4,700 units of accommodation. We are effectively the market leader in this. So every time we put the rent up everybody else's goes up, so that is one thing. The other thing is, yes, we want to supply houses for everybody who needs them. Yes, but there is a limiting factor; the availability of land. We could meet supply tomorrow but we would end up with something looking like Manhattan.

[12:15]

So I think when we are making these wonderful comments we do have to keep these things in mind.

**2.1.3 Deputy G.P. Southern:**

Strictly addressing the Appointed Day Act. This Appointed Day, as far as I am concerned, is too early.

**2.1.4 Deputy J.H. Young of St. Brelade:**

At risk of being ruled out, I do not think the new regime has a monopoly on wanting to see housing supply improved or the quality sorted out. I think, though, the Appointed Day is too early because we have had the key agreement, on which this whole thing is based, for less than 24 hours and there are still important documents missing. So that is why I voted against it, not because I do not want to see a success, an improvement, but I think the process here ... I could not speak yesterday because I did not expect today's debate to carry on. I had to speak yesterday without having gone through the M.O.U. and now I find that the whole thing is without prejudice to the rights of the parties which means it is valueless as far as I am concerned. So with that I obviously do not think the Appointed Day is the right day.

**The Bailiff:**

Does any other Member wish to speak? Then I invite the Minister to reply.

**2.1.5 Deputy A.K.F. Green:**

I will be very brief. I say to Deputy Tadier, I think what he was trying to get me to do was to say that I want to destroy the current housing market and put people into negative equity. I do not want to do that at all and I am not going to do it. I am going to increase supply which will maintain level prices so that those people who invest in homes, not to have speculative purchases, know they are secure. I am going to bring forward schemes because you have only got to look at the brilliant statistics produced by the Statistics Unit and see where the affordability problem is. I am going to bring forward schemes as part of the S.H.U. with my colleague, the Minister for Planning and Environment. We are going to bring forward schemes for affordable homes.

**The Bailiff:**

Minister, the same rule applies to you.

**Deputy A.K.F. Green:**

I am answering the question. Yes, I know but I am sorry I am trying to answer the questions. I will leave it there on that one then. The return, I think, is all the more legitimate now that we have the company. Those assets have come across for nothing and we are paying 2.5 per cent for the use of them, quite legitimate I think. Senator Ferguson, 90 per cent of rates. We have had really good economic advice of that. We are following the market at the moment not leading it. Deputy Southern is not happy with the Appointed Day Act nor Deputy Young. Can I remind Members that on 16th May last year we discussed P.33 and R.15, the whole raft of information there on which all

this work is based. I say to Deputy Southern and to the others that worry: be brave, be visionary, be part of the solution.

**The Bailiff:**

Is the appel called for? Yes, the appel is called for then in relation to the Act proposed by the Minister for Housing. I invite Members to return to their seats and the Greffier will open the voting.

<b>POUR: 30</b>	<b>CONTRE: 11</b>	<b>ABSTAIN: 1</b>
Senator P.F.C. Ozouf	Senator S.C. Ferguson	Senator A. Breckon
Senator B.I. Le Marquand	Connétable of St. John	
Senator F.du H. Le Gresley	Deputy J.A. Martin (H)	
Senator I.J. Gorst	Deputy G.P. Southern (H)	
Senator L.J. Farnham	Deputy M. Tadier (B)	
Senator P.M. Bailhache	Deputy T.A. Vallois (S)	
Connétable of St. Helier	Deputy M.R. Higgins (H)	
Connétable of Trinity	Deputy G.C.L. Baudains (C)	
Connétable of St. Peter	Deputy J.H. Young (B)	
Connétable of St. Lawrence	Deputy N.B. Le Cornu (H)	
Connétable of St. Ouen	Deputy S.Y. Mézec (H)	
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. Saviour		
Connétable of Grouville		
Deputy R.C. Duhamel (S)		
Deputy of St. Ouen		
Deputy of Grouville		
Deputy J.A. Hilton (H)		
Deputy of Trinity		
Deputy S.S.P.A. Power (B)		
Deputy K.C. Lewis (S)		
Deputy E.J. Noel (L)		
Deputy A.K.F. Green (H)		
Deputy J.M. Maçon (S)		
Deputy of St. John		
Deputy of St. Mary		
Deputy of St. Martin		
Deputy R.G. Bryans (H)		
Deputy R.J. Rondel (H)		

**ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS**

**The Bailiff:**

Very well, so that completes the Public Business. So we come next to M, Arrangement of Public Business for Future Meetings and I invite the Chairman of P.P.C. (Privileges and Procedures Committee) to propose it.

**3. Deputy J.M. Maçon of St. Saviour (Chairman, Privileges and Procedures Committee):**

I would just like to notify Members of the additions to the sitting of 14th July: P.24- that was deferred from this sitting, in the name of the Constable of Grouville; with the additions of propositions P.109, P.110, P.111, P.112 and P.113. With regard to the next sitting, looking at what is down for debate, I would advise Members to block out a minimum of 2 days but reserve the third

as well. I have had no other Members contact me about changing any order of the business and therefore I would like to propose it as is presented.

**The Bailiff:**

Does any Member wish to say anything?

**3.1 Senator I.J. Gorst:**

I just wanted the Chairman to confirm that we are setting aside the extra days in July so that all Members ... I know the Chairman has sent an email around today which I think is extremely helpful but I just wanted to be sure that that is the case.

**Deputy J.M. Maçon:**

Yes, I believe the States agreed that for the sitting commencing 1st July that we would have a continuation sitting the following week and I obviously put Members on notice that that may need to happen for the 14th as well.

**3.2 Deputy C.F. Labey of Grouville:**

With regard to the continuation days from the sitting of 1st July there are a number of States Members who sit on the Jersey Overseas Aid Commission and the continuation days ... we are due to be in London doing our work on the Commission that week. I would ask that many of the contentious items that look to me to be at the bottom of the agenda, namely Plémont, be brought up the agenda so we are able to take part in the debate in the scheduled States sitting.

**3.3 Senator F. du H. Le Gresley:**

I just wanted to inform the Assembly that I have advised the Greffier that I will be withdrawing my fifth amendment to the Island Plan, P.37.

**3.4 Deputy G.C.L. Baudains:**

The Chairman just mentioned an extra 2 days and where we are going. I think we need an extra 2 weeks but what my concern is is P.37, because that is down for 14th July, and my concern is that if we do not finish it, because we never go over the final day, I think it would be an absolute disaster if we started a debate and then did not finish it and then carried it over to September. I wonder of the feeling of the House about bringing it forward by 2 weeks so that that eventuality does not occur.

**The Bailiff:**

Well, that would be a matter for the Minister. It can only be brought forward if he was happy for that to happen.

**3.4.1 Deputy R.C. Duhamel:**

I think we had asked, due to the extra amendments coming in, that the debate be put off to the 14th from the 1st in order to allow due process, for consultation to take place. If Members feel that that is not a good idea and we should not follow established practices to involve the public and we should just be the sole arbiters then I am happy to take that into account, but I do think it would set an unwelcome precedent and I would not wish to be the one who was proposing it.

**Deputy G.P. Southern:**

I thought the proposal was to shift it up the order not to bring it back to 1st July.

**The Bailiff:**

No. I understood Deputy Baudains to say he wanted to move it to the 1st July.

**Deputy G.C.L. Baudains:**

Yes, to bring it forward because I understand what the Minister is saying about consultation but there is a balance to be struck here; is it worse to have a curtailed consultation or to have a debate which is split with a month and a half in-between the debate so I would like to propose it as brought forward.

**The Bailiff:**

I do not think you can, Deputy. As I say it is a matter for the Minister. Somebody cannot be forced to bring their proposition before they are ready.

**Deputy G.C.L. Baudains:**

My understanding was the Minister felt he was in the hands of the Assembly.

**The Bailiff:**

Well, I understand that they did not want to but perhaps I misunderstood him.

**Deputy R.C. Duhamel:**

No, I do not think you have misunderstood me. No, we are a debating Assembly. Things that we say in this House can either be ...

**The Bailiff:**

I think we just need a yes or no, Minister.

**Deputy R.C. Duhamel:**

At this point in time, no.

**The Bailiff:**

Now, that leaves the Deputy of Grouville's point, Deputy, do you wish to make a proposition then to move Projet 107 up the list and if so where to?

**The Deputy of Grouville:**

Yes, so it would ...

**3.5 Senator P.M. Bailhache:**

So would the Deputy give way for one moment? I have just spoken to Senator Breckon, who is proposing the first item of business on 1st July, and he would be perfectly content for Plémont to be put above that and I wonder if that would be satisfactory to Members and to the Deputy of Grouville?

**The Bailiff:**

Well, it is a matter for Members. Is that agreed or do Members wish to have a vote on it? **[Interruption]** Very well, so the proposition of the Deputy of Grouville then, as I take it, is to move Projet 107 up the list on 1st July to be the first item of business. Is that right, Deputy?

**3.6 The Deputy of Grouville:**

Yes, but I am looking at other propositions, important propositions, that may be missed by me and my fellow commissioners so I would propose that 107 be brought to the top of the list but also if P.P.C. could look at the **[Interruption]** ... Well, everyone's interpretation is different, but could look at the list and bring the important issues to the top, I think that would be helpful.

**The Bailiff:**

Well, can we take one matter at a time because Members need to focus on particular matters? So you are proposing, at the moment, that Projet 107 goes to the top of the list, is that seconded? **[Seconded]** Now, does any Member wish to say anything or can we just move simply to a vote on that.

### 3.6.1 Deputy J.A. Martin:

Well, it is sort of an add-on to that. If we are going to move P.107 up could I propose that we then do the ... and it is going to be a very long session, as you say, the following week as well. Can I propose, and I am pre-empting my President, that we meet for questions on the Monday afternoon, which I thought we had already decided?

#### The Bailiff:

Sorry, Deputy ...

### Deputy J.A. Martin:

Sorry, I know it is a ... I will propose that after because it is a mess.

#### The Bailiff:

Yes, certainly that is something you can propose but I think we ought to deal with this matter first.

### 3.6.2 Deputy G.P. Southern:

I think there are any number of cases, as the proposer has said, that there are controversial or important issues to be debated. It seems to me that P.107 is, while it is important, it is not urgent in any way whatsoever and if we have got a problem with a clash, which we always have in July - good grief we are experts at it - then we put it off rather than bring it forward.

#### The Bailiff:

Very well, so are Members content to go to the vote then? Those in favour of the ... the appel is called for then in relation to the proposition of the Deputy of Grouville that Projet 107, which is Plémont, should be moved to the first item of business on 1st July. If you want to do so you vote pour, if you do not you vote contre and the Greffier will open the voting.

<b>POUR: 29</b>		<b>CONTRE: 11</b>		<b>ABSTAIN: 1</b>
Senator P.F.C. Ozouf		Connétable of St. Brelade		Deputy S.Y. Mézec (H)
Senator A. Breckon		Connétable of Grouville		
Senator S.C. Ferguson		Deputy R.C. Duhamel (S)		
Senator B.I. Le Marquand		Deputy G.P. Southern (H)		
Senator F.du H. Le Gresley		Deputy of Trinity		
Senator I.J. Gorst		Deputy S.S.P.A. Power (B)		
Senator L.J. Farnham		Deputy T.A. Vallois (S)		
Senator P.M. Bailhache		Deputy M.R. Higgins (H)		
Connétable of St. Helier		Deputy G.C.L. Baudains (C)		
Connétable of Trinity		Deputy of St. Martin		
Connétable of St. Peter		Deputy R.G. Bryans (H)		
Connétable of St. John				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. Saviour				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				

Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy E.J. Noel (L)				
Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				
Deputy of St. John				
Deputy J.H. Young (B)				
Deputy of St. Mary				
Deputy R.J. Rondel (H)				
Deputy N.B. Le Cornu (H)				

**The Bailiff:**

eputy Martin, I think probably comes next. Do you wish to raise a matter?

**3.7 Deputy J.A. Martin:**

I was just in the middle of emailing the Chairman of P.P.C. because it was my understanding to get questions ... I know we have moved the Island Plan but just looking at what we have got and Plémont is a 3-day debate in itself which has been now added to 1st July and on the first item of business. I just think, as Deputy Baudains said, why can we not meet and do the questions on 30th June and start business, which will be Plémont, on 1st July? I make that proposition. I disagree with Deputy Baudains, we have already put in that we will be here after the 18th and we will be.

**The Bailiff:**

Is that seconded? **[Seconded]** So the proposition now is that the Assembly should meet on 30th June starting, no doubt, at 2.15 p.m. on the Monday afternoon in order basically to deal with questions and then move to Public Business. It seems a simple matter, Members can vote on or not as they wish. The appel is called for then. Very well, so if you wish to sit on the Monday afternoon you vote pour, if you do not you vote contre and the Greffier will open the voting. Have all Members had an opportunity of voting? The Greffier will close the voting.

<b>POUR: 30</b>		<b>CONTRE: 12</b>		<b>ABSTAIN: 0</b>
Senator P.F.C. Ozouf		Senator L.J. Farnham		
Senator A. Breckon		Connétable of St. Lawrence		
Senator S.C. Ferguson		Connétable of St. John		
Senator B.I. Le Marquand		Connétable of St. Brelade		
Senator F.du H. Le Gresley		Connétable of Grouville		
Senator I.J. Gorst		Deputy R.C. Duhamel (S)		
Senator P.M. Bailhache		Deputy S.S.P.A. Power (B)		
Connétable of St. Helier		Deputy M.R. Higgins (H)		
Connétable of Trinity		Deputy J.M. Maçon (S)		
Connétable of St. Peter		Deputy G.C.L. Baudains (C)		
Connétable of St. Ouen		Deputy J.H. Young (B)		
Connétable of St. Martin		Deputy N.B. Le Cornu (H)		
Connétable of St. Saviour				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy of Trinity				

Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy A.K.F. Green (H)				
Deputy of St. John				
Deputy of St. Mary				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy R.J. Rondel (H)				
Deputy S.Y. Mézec (H)				

**The Bailiff:**

So the Assembly will sit on the Monday afternoon. Now, Deputy Tadier, do you wish to raise another matter?

**3.8 Deputy M. Tadier:**

It is perhaps not my place to do it but I get the impression from, perhaps, the Deputy of Grouville that it might also be wise to move P.104 given that that seems something of substance which may be somewhat controversial, an important issue, and it is Deputy Southern's proposal that there is a case, I think, for that to be taken earlier given the importance of maternity leave for members of the public.

[12:30]

**The Bailiff:**

Yes, well, obviously it is entirely a matter for Members where they take it so what would you like to propose, Deputy, that it be moved up?

**Deputy M. Tadier:**

Unless there are any objections, to move it to the second item after P.107?

**The Bailiff:**

That it become the second item of business. Is that seconded? **[Seconded]**

**3.8.1 Senator F. du H. Le Gresley:**

May I have permission to speak on that matter?

**The Bailiff:**

Of course, yes.

**Senator F. du H. Le Gresley:**

I was going to ask Deputy Southern if he would like to withdraw P.104 on the basis that I have lodged the draft Employment Amendment (Jersey) Law which deals exactly with the changes for maternity rights and he simply has to lodge an amendment and therefore we do not need to debate P.104.

**Deputy G.P. Southern:**

I will give that due consideration.

**The Bailiff:**



When is yours due for debate then, Minister?

**Senator F. du H. Le Gresley:**

On the 14th. Could I just respond to that? The Deputy says he would give it due consideration. Can I ask you, Sir, is he entitled to lodge an amendment and still retain his proposition? Why should he have 2 bites of the cherry in other words?

**The Bailiff:**

Well, I think we will think about when it comes. **[Laughter]**

**Deputy G.P. Southern:**

If I have got 2 bites of the cherry I might keep them.

**The Bailiff:**

No, they certainly will not be able to debate it because if, whichever one is taken first, if it is lost then the second one will not be capable of being debated so although technically he can probably lodge an amendment and keep his proposition eventually debate will take place on one or the other but not both.

**Deputy G.P. Southern:**

It was a conscious decision to lodge early because I knew what was coming.

**The Bailiff:**

Now, Deputy Tadier, are you maintaining your proposition to move Projet 104 up the list when apparently there is a Ministerial proposition?

**Deputy M. Tadier:**

I think so because if it is withdrawn it obviously falls away but if it is to be debated I think it should be debated earlier.

**The Bailiff:**

Very well, so the matter before the Assembly now is to move Projet 104 up the list so that it becomes the second item of Public Business on 1st July. If you want to do that you vote pour, if you do not you vote contre and the Greffier will open the voting.

<b>POUR: 14</b>		<b>CONTRE: 26</b>		<b>ABSTAIN: 1</b>
Senator A. Breckon		Senator P.F.C. Ozouf		Deputy M.R. Higgins (H)
Deputy R.C. Duhamel (S)		Senator S.C. Ferguson		
Deputy J.A. Martin (H)		Senator B.I. Le Marquand		
Deputy G.P. Southern (H)		Senator F. du H. Le Gresley		
Deputy of St. Ouen		Senator I.J. Gorst		
Deputy of Grouville		Senator L.J. Farnham		
Deputy K.C. Lewis (S)		Senator P.M. Bailhache		
Deputy M. Tadier (B)		Connétable of St. Helier		
Deputy T.A. Vallois (S)		Connétable of Trinity		
Deputy J.M. Maçon (S)		Connétable of St. Peter		
Deputy J.H. Young (B)		Connétable of St. Lawrence		
Deputy R.J. Rondel (H)		Connétable of St. John		
Deputy N.B. Le Cornu (H)		Connétable of St. Brelade		
Deputy S.Y. Mézec (H)		Connétable of St. Martin		
		Connétable of St. Saviour		
		Connétable of Grouville		

	Deputy J.A. Hilton (H)		
	Deputy of Trinity		
	Deputy S.S.P.A. Power (B)		
	Deputy E.J. Noel (L)		
	Deputy A.K.F. Green (H)		
	Deputy G.C.L. Baudains (C)		
	Deputy of St. John		
	Deputy of St. Mary		
	Deputy of St. Martin		
	Deputy R.G. Bryans (H)		

**The Bailiff:**

Now, is there any other matter any other Member wishes to raise about... **[Interruption]**

**3.9 Connétable M.P.S. Le Troquer of St. Martin:**

Yes. I know this is my first term and I am told this happens every time. I think it is absolutely ... it is hopeless. Anybody listening in ... in the next sitting we have got 14 or 15 items on the agenda on the Order Paper, and then the following one we have got 30 plus. I would ask that P.102 also be brought forward. The Deputy of Grouville has explained, I will be one of those Members off the Island, because it is at the end of the agenda it is likely to go to the week on 7th July. So I propose...

**The Bailiff:**

Sorry, you would like it to go where?

**The Connétable of St. Martin:**

P.102, bringing it forward, second item after the Plémont.

**The Bailiff:**

Right, so you want to propose that P.102 go up the list to become the second item of business? Is that seconded? **[Seconded]** Yes. Very well, again unless any Member wishes to say anything we can probably move straight to a vote on that.

**3.9.1 Deputy S.G. Luce of St. Martin:**

Given the opportunity I would just like to say that I voted against the first and second, I will vote against this one as well. I think we set a bad precedent in moving things around the Order Paper just to suit Member's personal preferences.

**Deputy M. Tadier:**

Can I just ask the Chair how the Constable voted on the last vote?

**The Bailiff:**

No, not at this stage. Very well, so the matter before the Assembly is whether to move up Projet 102 to become second. If you want to do that you vote pour, if you do not you vote contre and the Greffier will open the voting.

<b>POUR: 15</b>		<b>CONTRE: 23</b>		<b>ABSTAIN: 2</b>
Senator A. Breckon		Senator P.F.C. Ozouf		Deputy M.R. Higgins (H)
Senator B.I. Le Marquand		Senator S.C. Ferguson		Deputy S.Y. Mézec (H)
Senator L.J. Farnham		Senator F.du H. Le Gresley		
Connétable of St. Martin		Senator I.J. Gorst		

Deputy R.C. Duhamel (S)		Senator P.M. Bailhache		
Deputy J.A. Martin (H)		Connétable of St. Helier		
Deputy G.P. Southern (H)		Connétable of Trinity		
Deputy of St. Ouen		Connétable of St. Peter		
Deputy J.A. Hilton (H)		Connétable of St. John		
Deputy of Trinity		Connétable of St. Brelade		
Deputy T.A. Vallois (S)		Connétable of St. Saviour		
Deputy A.K.F. Green (H)		Connétable of Grouville		
Deputy of St. John		Deputy of Grouville		
Deputy J.H. Young (B)		Deputy S.S.P.A. Power (B)		
Deputy R.J. Rondel (H)		Deputy K.C. Lewis (S)		
		Deputy M. Tadier (B)		
		Deputy E.J. Noel (L)		
		Deputy J.M. Maçon (S)		
		Deputy G.C.L. Baudains (C)		
		Deputy of St. Mary		
		Deputy of St. Martin		
		Deputy R.G. Bryans (H)		
		Deputy N.B. Le Cornu (H)		

**The Bailiff:**

Now, any other matter rising in relation to the Public Business? No, well, then are Members content to take the Public Business as now agreed? Very well, so that brings matters to an end. So this sitting is closed and we will reconvene on 17th June.

**ADJOURNMENT**

[12:36]