

2016.04.26

3.2 Deputy G.P. Southern of the Minister for Housing regarding measures in place to reduce housing poverty in the Island:

What measures, if any, are in place to reduce housing poverty in the Island?

Senator I.J. Gorst (The Chief Minister - rapporteur):

As Members know, the Minister for Housing is out of the Island, so it falls to me. The Housing Strategy prioritises more affordable and better quality homes. We expect to provide more than 1,000 new affordable homes over the next 5 years. We are supporting economic growth, which is creating new jobs and raising household incomes, and Income Support is providing fair and sustainable levels of assistance for those who need it. We also need to focus on the quality of homes because better quality homes mean better living standards. We are investing in social housing so that all homes meet the decent homes standard and we are introducing new legislation to improve the quality of all rented accommodation.

3.2.1 Deputy G.P. Southern:

Yet again the Chief Minister, this time, does not answer the question. The question was about housing poverty and the proportion of household income that goes on rent. The definition, according to the Minister, is that it is spending more than 30 per cent of their gross income on housing costs. What policy does the Chief Minister have in place to bring down the proportion of gross income spent on rental, if any?

Senator I.J. Gorst:

He knows - I am assuming he has read the Housing Strategy - and I have just listed at least 4 policies to do just that.

3.2.2 Deputy M. Tadier:

Does the Minister accept that simply building housing is not going to address the issue of housing poverty? Firstly, because we cannot build enough houses quick enough when we have got a population policy which is out of control and which the Council of Ministers themselves have done absolutely nothing to bring forward?

Senator I.J. Gorst:

If that was the only policy I was promoting I would agree with the Deputy that simply building more houses is not going to alleviate the issue, which the Income Distribution Survey highlighted. But that was not the only policy. There are a number of policies which are going to help over the medium term.

3.2.3 Deputy M. Tadier:

Does the Minister not accept that what we need to do is bring down the cost, in particular of housing in the rental sector right across the board, whether that is for qualified or unqualified? Because it is unacceptable that people work on an increasingly low wage compared to the cost of living and that money is going straight out of their pockets, in many cases, to the back pockets of multiple landlords.

Senator I.J. Gorst:

Perhaps finally we get to the point that the Deputy and the questioner is trying to raise, whether we will introduce rent controls, because that seems to be the implication of his question. The answer to that is no. I recommend to the questioner R.87/2015, which from an economic perspective, which is

what we need to consider, rent controls have been shown elsewhere to reduce the availability and the quality of rental accommodation. The 2 very policy aims that we are trying to correct. We are trying to increase the availability and improve the quality.

3.2.4 Deputy A.D. Lewis of St. Helier:

Jersey has one of the lowest levels of home ownership in the western world. What is the Council of Ministers doing about alleviating this because later in life is when people get trapped in rent poverty because they cannot simply afford the rent when they have no income or less income? Obviously achieving higher rates of ownership in the earlier years will alleviate that. What is the Council of Ministers doing to mitigate that situation?

Senator I.J. Gorst:

The Deputy will know from the Housing Strategy that that is one of the aims of the Housing Strategy, and that falls not only in the Housing Department but the delivery arm into the Treasury Department under the stewardship of the Connétable of St. Peter, and that is around delivering further units; some of those on States-owned sites, delivered by the States of Jersey Development Company. The policies in this area are aligned and they are aiming to do just that, improving the availability and quality in the rental sector but also encouraging individuals to buy and we can help to do that by the supply of affordable housing and looking at various mechanisms in which to encourage that.

3.2.5 Deputy G.P. Southern:

The figures from the *Housing Affordability Report 2013*, referring to 2012, reveal that a third of people in social rental are in housing stress and that over a half in private rental are in housing stress. Does the Minister consider that his policy of setting social rents at 90 per cent of private rents and his policy of driving up rents by R.P.I. (Retail Price Index) plus 0.75 has increased those figures today?

Senator I.J. Gorst:

We have discussed a number of times the numbers coming out of the Income Distribution Survey, if not the household living figures, and there are a number of areas there connected with interest rates, connected with the economic downturn. But the policy around social housing moving to 90 per cent of market rate, which was agreed only, I think, in 2014 by this Assembly, it will be kept under review to see if there are other unintended consequences. Currently we know that the figure has moved from I think it is around 73 per cent back in 2013 to 76, paying out the 90 per cent in 2015. So it is difficult to suggest, as the Deputy tries to, that there is a great correlation between those 2 figures. But it will be kept under review.

The Deputy Bailiff:

Sorry, there is no supplementary to a final supplementary, Deputy.