

**WRITTEN QUESTION TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 6th MARCH 2012**

Question

Will the Minister inform members how an increase in States rental levels will assist his department to deliver affordable housing in line with the Strategic aim to “House the community”?

What proposals, if any, does the Minister have under consideration to respond to recommendations 11 and 12 of SR3/2011 ‘Review of Benefit levels’ and if none, why?

What consideration, if any, will the Minister given in his forthcoming white paper on Housing reform to the interaction between rent levels, income tax thresholds, minimum wage and Income Support, and if none, why?

Answer

I will be publishing a White Paper at the end of this month which will bring forward a number of proposals which will improve the way that affordable housing is delivered in Jersey in the future.

Social housing rents and States rents in particular have fallen significantly behind the market and are now providing a hidden and unintended subsidy to all social housing tenants irrespective of their financial circumstances. This is despite the intended policy of successive Housing Committee’s to have rents at 90% of the private rental market. Providing this hidden subsidy was not the intention of this Assembly when it established Income Support.

Removing the hidden subsidy and returning to nearer market rents is one of the proposals in my forthcoming White Paper. However, this alone will not deliver affordable housing. What is needed is a long term and sustainable approach to Housing the population and core to that is the need for:-

- A body to champion housing issues
- An appropriate form of regulation for the affordable housing sector
- Affordable housing providers who are financially sustainable and agile enough to respond to the changing housing needs of the population

Members will be aware that as things currently stand I am simultaneously expected to set sector and Island wide housing policy, regulate the activities of other social landlords and provide landlord services to 4,500 homes. There are clear conflicts in this which are unhelpful. I will therefore be bringing forward proposals to separate these functions and establish a Strategic Housing Unit and an independent regulatory body.

The Strategic Housing Unit will have a number of responsibilities the most significant of which will be in respect of setting our long term housing strategy to ensure that we have the right number of affordable homes going forward.

A Regulator is necessary in order to ensure adherence to the policies of the Strategic Housing Unit and to provide an independent view on the performance of the various providers. However, the other role of regulation is to generate confidence in the sector for all stakeholders including States members, Tenants and Lenders.

The White Paper will also set out my proposal to transform the current Housing Department into a more agile and flexible organisation. A number of options have been considered and my proposal is for a wholly States owned Housing Association.

The new Association will be permitted to borrow which will allow it to speed up investment in the stock for the benefit of its Tenants and to use existing assets more intensively; generating new homes which better meet the needs of the population. The new Association will be staffed by the staff of from my existing Department ensuring that the considerable expertise is retained for the benefit of tenants. The new Association will be able to grow and provide more homes if that is what is necessary, setting the rents at nearer market level will ensure that new homes can be developed without the necessity for States subsidy.

I can confirm that the Political Steering Group overseeing the HTP includes the Treasury and Resources Minister and the Minister for Social Security and recommendations 11 and 12 of the scrutiny report are fully covered by the Housing Transformation Programme and an outline of future policy will be included in the forthcoming White Paper.

However, it would not be appropriate for a White Paper on Housing reform to discuss the detailed interaction between rent levels, income tax thresholds, minimum wage and Income Support.

Work is being co-ordinated through the Housing Transformation Programme on changes that will be required to Income Support as a result of the reform of the social rented sector. These proposals will be put to the States in parallel with the proposals for Housing reform.