

3. Questions to Ministers Without Notice - The Minister for Housing

The Deputy Bailiff:

That brings to an end question on notice. We now come to questions without notice. The first question period concerns the Minister for Housing. Senator Le Gresley.

3.1 Senator F. du H. Le Gresley:

Would the Minister advise the Members what progress has been made with the tender process for a custodial scheme to safeguard rental deposits and when can we expect to see this scheme in place?

Deputy S. Power (The Minister for Housing):

The Assembly passed last year the Residential Tenancy Law and associated legislation, and then a subsequent proposition was passed in terms of a deposit protection programme. That is with law drafting at the moment, and I am not quoted a final timescale, but it is in the system. The Residential Tenancy Law has not come back from Privy Council and the Tenants' Protection Scheme is in the system. I will find out, because I am not sure exactly sure whether it is months or whether it is longer than that, but I will give the Senator an assurance that I will find out where it is in the legal system.

3.2 Deputy T.M Pitman:

Could the Minister advise the House, firstly, whether he was party to discussions within the Council of Ministers on possibly scrapping his Housing Department, whether he did or does support such a move and is he happy at the explanation subsequently issued on behalf of the Chief Minister?

Deputy S. Power:

I was not party to any discussion to scrap the Housing Department. The future of the Housing Department and moving it towards an association owned by the public has had the approval of the Council of Ministers, otherwise I would not be doing it, and that work will be carried out this autumn, and I hope to bring a report and proposition before the Assembly. As to the scrapping of other departments, or whatever the Deputy is referring to, there was a long Council of Ministers meeting last Thursday week, which concluded at about 10.30 p.m. that night and, at the very end of the meeting, there was a very cursory discussion on possible options for the future but it has not been discussed in any great detail.

3.3 Senator F. du H. Le Gresley:

I would just like to come back to the Minister on his reply, if I may. Could he confirm that the scheme to safeguard rental deposits will be introduced at the same time as the Residential Tenancy Law comes on the statute book?

Deputy S. Power:

My understanding is that the Residential Tenancy Law is overdue to come back from Privy Council, so that will come back to the States for a final reading when it comes back and my understanding, therefore, is that the Residential Tenancy Law will come in before the Deposit Protection Scheme, the Deposit Protection Scheme will come in after that.

3.4 Deputy J.A. Hilton of St. Helier:

Can the Minister tell Members whether he is satisfied that the flood-prevention measures that have been put in place by the Housing Department are adequate for flooding which has occurred recently at Grand Vaux?

Deputy S. Power:

I am happy to tell the Deputy and the Assembly that both myself, my Assistant Minister, and a number of officers from the Housing Department, visited Grand Vaux on the occasion and then visited Grand Vaux afterwards. We had, just the previous week, fitted specially-designed aluminium shuttering that runs to the front door. It is only one small part of Grand Vaux that is affected. There was flooding. The volume of water that came down during that extraordinary downpour is not typical; I believe it is a once-in-40-year occasion. We have also been in touch with T.T.S. (Transport and Technical Services), we have examined the dimensions and the diameter of the main drains up there and we are now looking, with T.T.S., as to what else we can do. I believe I am correct in saying it is a 9-inch main which simply cannot cope with conditions that occurred on that afternoon. So the answer to the Deputy is we are doing the very best we can on Sutton Court, Cherry Orchard Court, the car park was flooded at Pine Court access but, other than that, there was not much more flooding.

3.5 Deputy D.J. De Sousa:

It is some time now since the Whitehead Report was presented to the States, the Minister was then the Assistant Minister. Can he inform the House where we are on any implementations that he is bringing forward from the Whitehead Report?

Deputy S. Power:

Yes. I am happy to answer this one from Deputy De Sousa. We are moving ahead. One of the recommendations in the Whitehead Report, and it is the only U.K. consultant report being commissioned by the Housing Department, they are moving now towards working towards association status and I have formed, with my Assistant Minister, a team which is about to be put in place to bring forward the association move. That team will be local, we do not propose to bring in any other people from outside the U.K., the expertise is in the Island. It will be chaired by myself and by Professor Whitehead's assistant, who is still with the University of Cambridge, and we hope to bring a report and proposition of some kind to the Assembly this autumn to discuss the future of the Housing Department as a housing association owned by the public.

3.6 Deputy G.P. Southern:

That is very rapid. The Minister has recently decided to freeze fair rents or, rather, the Minister for Social Security decided to freeze the rental components of income support at the fair rent level and, yet, private sector landlords are putting rents up, including the Housing Trust and housing associations, which are part of the social housing network. What action can the Minister take to ameliorate rent rises for income support recipients at this time of rising rents in the private sector?

Deputy S. Power:

The Minister for Housing has very little power. The Minister for Housing has no power to regulate the housing trusts; this was a flaw in the setting up of the trusts in 1992. Over 70 per cent of housing tenants are on income support and it is about 30 per cent of housing trusts that are on income support, so I cannot intervene and all I can say is that those housing trust tenants who are on income support, as the Deputy has said, the Social Security Department has frozen the rents in that area, so they will not be receiving an increase on income-support tenants. I wish I did have some further power to regulate the trusts, but I do not; nor do I have much influence over the private rental sector. However, if the department moves to an association status, there will be a regulatory authority over and above the association, the trusts and the private rental sector that I fully intend to write this autumn and bring to the Assembly next year, a regulatory authority for housing in Jersey.

3.6.1 Deputy G.P. Southern:

Once someone has moved into a trust property, is it the Minister for Housing's policy that that trust should then be responsible for housing that family, even when it becomes under-housed

because it is having more children, and is it possible for people to move back into Housing property from trust property?

Deputy S. Power:

I think I understand the question. There is a constant ebb and flow of Housing Department tenants to trusts and *vice versa*; in actual fact, we tend to have people who swap and change all the time, it is called our transfer list, it is half of our waiting list of nearly 800. If somebody switches to a trust property and back again and they are under-occupying a trust property, we are trying to deal with this all of the time.

[16:45]

I recently had a meeting with the 3 trust chairs and we are trying to resolve that problem right now. So the part-answer to the Deputy's question is, I am aware of the issue, I am aware of the under-occupation and we are trying to do something about it.

3.7 Deputy J.A. Martin of St. Helier:

I would just like to follow on from Deputy Southern. I get concerned when I hear a Housing Association by any other name and not a Housing Trust and I get seriously concerned when I hear the Minister for Housing confirm there are no rules and regulations and he will be the Minister for Housing to change this. It was reported in PricewaterhouseCoopers before they went to Housing Trust that they must be regulated. Will the Minister tell this House before we have any other changes to all the other social housing that firstly he has taken an account of the amendment that the tenants must be balloted which was brought in about 2002 (and I brought it myself) and, secondly, that nothing moves until we have proper belt and braces regulation? Also will it be retrospective because I doubt that we can catch the people who have already made many, many millions selling off housing estates for £10?

Deputy S. Power:

I think there were 3 questions there. First, Deputy Martin asked me about the order on the move from a Housing Department to a Housing Association and should there be a regulatory authority before that. The final thing she asked me about was tenant validation which I do not fully understand. My proposal is this, that I will be bringing a report and proposition to the Assembly to move the Housing Department from its current status as a States department to an association. In short order - not at the same time but slightly afterwards - I am now working on a regulatory authority for all social rented housing which will regulate all social rented housing but that will be in very short order after that. I do not think there is anything that should worry Deputy Martin or the Assembly about moving the Housing Department to association status. It is a well-practised model in the U.K. that works very well, notwithstanding one particular example, and I give the Assembly an assurance that it is for the Assembly to decide. It is not for the Minister for Housing to decide; it is for the Assembly.

3.8 Deputy R.C. Duhamel of St. Saviour:

It is a declared strategic aim of the States and the Housing Department to increase the level of home ownership in the Island from its very low levels. In that respect, what is the Minister's highest percentage that he thinks could be attainable for percentage home ownership and one that he will be working towards?

Deputy S. Power:

I have already submitted some figures this summer to the Minister for Planning and Environment as to what we estimate the further increase in stock of social rented housing will be. That would include the Housing Department - or the Housing Association, if the Assembly approves - and the trusts. We have also submitted some figures to the Minister for Planning and Environment on what we do think can be the, what I would call Homebuy Mark 2 or Shared Equity Mark 2,

and the Minister for Planning and Environment has those figures as well. In the public hearings that are coming up by the independent inspector in a month or 2, we will be alluding to those figures. But the specific figures, subject to final confirmation with the trusts, we estimate that we need about another 1,300 social rented housing units and the ballpark figure of 400 of affordable housing.

3.9 Deputy A.T. Dupre of St. Clement:

I was just wondering is the Rent Control Tribunal still in operation and if so how many referrals does it have during the course of a year?

Deputy S. Power:

The Rent Control Tribunal is still in existence. It is chaired by the former Chief Officer of Housing and the same person as the Chief Officer of Property Holdings. It has not met since 2006 because there have been no referrals to it.

3.10 Senator A. Breckon:

Does the Minister believe that it is appropriate for some essential housing maintenance to be funded from the recent fiscal stimulus fund and is it not more appropriate for this to be done by money set aside from rental income?

Deputy S. Power:

The Housing Department applied 13 times to Treasury for fiscal stimulus funding for short, medium and long term and won all 13 contracts. They were all approved by Treasury. I believe that it is appropriate to bring forward the refurbishment and maintenance of certain housing estates that have not had any money spent on them in 40 years. So the answer to Senator Breckon is, yes, I think it was justified.

3.11 Deputy M. Tadier:

Does the Minister acknowledge that in fact it is the speculation and profit elements of the houses which get sold which are contributing to the problem of affordable or unaffordable housing? How would the Minister, if he does agree with that, combat this speculative element?

Deputy S. Power:

Is Deputy Tadier referring to the speculative element of States tenants buying their own homes?

Deputy M. Tadier:

No, sorry, perhaps I can phrase it better. Obviously, one of the main reasons people cannot afford houses is because they are not sold at cost. If I phrase it another way: would the Minister be willing to bring forward a method whereby houses could be either built by the States or built by co-operatives and then sold at cost so that people can have houses to live in rather than to supply a market or to have cash cows?

Deputy S. Power:

A builder or a developer builds for a profit. We know, and my Assistant Minister is taking a lead on this, that we can build a 3-bedroom house for between £120,000 and £140,000 excluding the site. What we need to do is work on how we acquire those sites so we will be able to produce affordable housing. My Assistant Minister takes a very strong view on the fact that the Homebuy portion or the States debenture in these units should be built into the system and kept in the system for eternity. We are working on that and I can assure the Deputy we will be producing a position paper on that very shortly.