

Written Submission to the Health, Social Security & Housing Scrutiny Panel – Social Housing Property Plan (P. 6 – 2007) from Deputy Shona Pitman

Constituent Issues

- The lodging of the Social Housing Property Plan on the 16th January 2007, by the Housing Minister, was well publicized in the media but States Tenants were only informed through a Departmental newsletter (see enclosed), that very day and States Members – a day before.
- Following the Plan's launch, both I and Deputy Southern received a number of phone calls from concerned States Tenants living within our constituency of St Helier No 2 District, who's homes were designated to be 'sold-off' or demolished and rebuilt within the Plan.
- We subsequently decided to organise a meeting to address these concerns, on the 29th January (about 60 States Tenants attended):

General:

- Were Tenants going to be asked to leave their home, if they could not afford to buy for whatever reason
- Those Tenants over 50 were too old to get a mortgage – would they be asked to leave, if their home was designated for sale?
- What if a Tenant is over 50, their home is designated for sale but can't get a mortgage because of their age?
- Would Tenants be asked to leave their home because the Department has informed them that they need to downsize but it is then put up for sale under the Plan? This Tenant has lived there for many years and put a lot of money into refurbishing it.
- What would happen to Tenants in these properties who simply didn't wish to buy, who lived in a property designated for sale?
- Not all Tenants paying a high rent could afford to buy (as the Minister has suggested) the Plan doesn't account for the number of children the rent-payer may have or health costs.
- Tenants had received conflicting messages from the Housing Minister and his Department, about issues related to the Plan.

Caesarea and Convent Court (high-rises):

- When will the high-rises be demolished and when will Tenants be informed of this?
- What has happened to Housing's plans (last year) to assign Caesarea Court, as accommodation for the over 50's?
- Where are tenants going to be re-located whilst these high rises are demolished and re-built, and how long will this take?
- Will current residents have the choice of returning to the newly built units and live in the same type of accommodation (e.g.1 bed, 2 bed flat), once the high-rises are rebuilt?
- If there are no current tenants who wish to buy what would happen to those tenants - would they be permanently re-located?
- Have the Department asked if any of these Tenants want to buy?
- Could any of these Tenants afford to buy anyway, although the Department have designated 9 flats (when rebuilt) within each Court, to be sold?

- Once re-located, will those Tenants who have recently re-furbished their flats be reimbursed; or put a lot of money in to home, be reimbursed for these costs of moving home?
- Where will the elderly Tenants go? There are a significant amount of elderly people in these high rises who want to stay because they have lived here for many years and made their flats their home. Subsequently, a significant number are currently very worried at the prospect of moving, and even more so, with the little information that they have received from the Department.
- The only maintenance Convent Court needs is double-glazing windows.
- There are approximately 235 properties within St Helier No 2 District designated within the Plan to be rebuilt and/or rebuilt. Of those properties I have either met (at the meeting) or received phone calls from about 70 of these individuals. Further, because of the concern specifically with people living in the High Rises, I sent out a questionnaire last week (29th May) and am expecting a good response (I do not have a total number of respondents, as I have not collected them all yet). I therefore feel that I have significant evidence to demonstrate that there was, when the Plan was publicly announced and still is a considerable worry amongst States Tenants about issues relating to the Plan.
- Consequently, it is my conclusion, that having read the Department's newsletters that went out to Tenants and the contact I have had with my constituents, I strongly feel that the concern felt is mainly due to a significant lack of consultation from the Housing Department with it's Tenants and States Members (see Hansard).

Issues within the Social Housing Property Plan

- 1. 1000 States Tenants paying full-fair-rent - justification for selling 800 properties?**
 - The Plan identifies that there are approximately 970 States Tenants (22%) who pay full-fair rent with no abatement.
 - 105 or (2.3%) are paying at least 90% of the full-fair rent.
 - With these figures in mind, the Plan then goes on to deduce:

'If social rented housing is to serve its true purpose, then it is legitimate to at least seek to discover whether the near-25% of Tenants presently claiming little or no abatement are still in genuine need of States rental social housing or whether it might be a more appropriate use of resources to help some of them get a foot on the property ladder....In Jersey, these better-off Tenants far outnumber the people on the States Rental Waiting List....There are therefore strong grounds for reasoning that the States social housing stock is larger than it needs to be....'
 - Although the Plan asserts that, 'this is not to say that the mere fact that full-fair rent is being paid in the States sector, is in itself proof that the tenant has realistic alternatives', it seems that the Minister, his Department and Bill Ogle (at the Social Policy Framework Brief) have used these figures to 'sell' this Property Plan and ultimately, 800 social housing units. By doing so, they have strongly implied that all these 1000 people can afford to buy a States property, without considering their profiles:

Age:

- The reality of Tenants who are 50+ years of age, of accessing a mortgage is very unlikely.
- The only figures on the age of States Tenants, that the 'reader' has to go by (within the Plan) are that the average age of a States Tenant is 55 and that 60% of them are over 50.
- Further, that, 'most people start to reach their peak disposable income in their middle to late 50s'.
- If we are to go by these figures and this statement, it would suggest a significant portion of the 1000 Tenants designated in the 'high-rent paying' group and able to buy a house (under the Shared Equity Scheme) are those Tenants aged 50 +.

Disposable income:

- No consideration has been given to the disposable income of this group of '1000 high-rent payers' e.g. number within a household and health costs. Although there will be Tenants with a high income and therefore, paying full-fair rent, if they have a large household and/or have high health costs, are they in a position to buy a States property.
- The Plan also gives an example of a States Tenant who has an income of £750 per week and pays an abated rent for a 3 bedroom house, at a rent of £858.99 per month. This Tenant buys (outright) a property with a monthly mortgage of £1,225 per month, for 25 years. How realistic is this rise of nearly four hundred pounds a month, which is a huge rise for any family on a middle or low income, in the 'high-rent paying' group? How many of these 1000 States Tenants would be able to afford this extra payment per month?

2. A Plan for States Tenants and cutting costs?

- To add, the Plan points out that 53% (564 out of 1062) of all Housing Trust Tenants do not claim rent rebate. Further still, that:
'in the event that there is insufficient demand from States Tenants, consideration will be given to extending the scheme to those Tenants of Housing Trusts who were originally nominated by the Housing Department...'
- This raises the question as to why the Housing Department is attracting only Tenants, within this sector, who receive no rebate and thus, occupy properties at no expense to the Department. Shouldn't the Department be attracting *also*, the Tenants who are in receipt of the smallest amount of rebate (as they are with States Tenants) who may also be able to afford to buy. At the same time the Department would be cutting expenditure on rental subsidies - isn't this part of its aim?
- Moreover, this raises another question as to whether or not this Plan is aiming at increasing home ownership amongst States Tenants alone or Jersey residents in general? This is not clear as there are confusing messages within the Plan, that it is attracting both groups of people.
- Surely the Department should be primarily concerned with cutting its own costs in the long term, therefore setting up a home ownership scheme which would be accessible

to as many States Tenants as possible to get out of States Housing, to reduce it's maintenance and rental subsidy costs, as much as possible, whilst ensuring an adequate amount of social housing for the future for those in most need. Does the Shared Equity Scheme allow for this? And has the Department given considered thought to other 'home-ownership' schemes?

- Bearing all these points in mind, I ask the question - will the Plan ensure more equality in the entitlement of the right to buy amongst its Tenants (as it proclaims is one of its main aims). Or is this a quick fix to achieve the £75 million pounds backlog of maintenance that the Department has accrued, whilst losing millions to Housing Trusts since the early nineties, through subsidies, sales of properties and interest payments.