

## Draft Island Plan Examination in Public

### Day 5: Monday 27 September 2010 Session 1: Housing supply and demand

---

#### Attendance

Mr. Chris Shepley, Chief Inspector  
Mr. Alan Langton, Assistant Inspector  
Dr. Duncan Gibaut, Head of Statistics, Chief Minister's Department, States of Jersey  
Mr. Ralph Buchholz, Island Plan Project Manager and Senior Planner, Planning and Environment Department, States of Jersey  
Deputy Sean Power, Minister for Housing  
Mr. Carl Mavity, Housing Department, States of Jersey  
Mr. Carlo Riva, Association of Jersey Architects  
Mr. Andrew Morris, Jersey Chamber of Commerce  
Mr. David Parker, Pioneer  
Mr. John Mesch, Council for the Protection of Jersey's Heritage  
Mr. Mike Dun

---

#### **Mr. Chris Shepley:**

Well the EiP now resumes, welcome to the session on Housing [*other introductory remarks and details*].

The first part of the day is concerned with questions of supply and demand and so on; the first three questions that we asked in the original list of topics and participants that we sent out. And in their note in response to the statement by Pioneer on housing demand and supply, the States did say that it would have been useful to have an unequivocal up-to date summary document to explain how the housing requirement figures have been arrived at. And I suspect that that's a statement of the States which we would all agree with but that document doesn't exist and, I understand, isn't likely to, although we'll come back to the maybe later. However, in substitution, we have with us Dr Gibaut, who is Head of the Statistical Unit, who spoke to us at the seminar on housing which many of you attended about housing need and Dr Gibaut is going to go through the whole process of how the housing need or demand figures were arrived at now and a transcript of what he says is going to be produced. Everything is being recorded and for this section of the EiP, a transcript will be produced.

When he has finished his presentation, there will be two stages after that.

Firstly, I will ask people if they have any questions of clarification; fact; anything they don't understand; not commenting on them I should say but just clarifications, and that will form part of the transcript so that we have the whole picture, as it were, in that form and it will save us taking very detailed notes, although we will take notes, and we will be able to return to that later.

Then having got the clarifications and questions out of the way, we will have a debate about the questions that we have set.

#### **Dr. Duncan Gibaut:**

Thank you, I think the question that has been asked to the Panel is '*is the estimate of demand accurate, comprehensive and justified?*' That is my understanding. Rather than going into gory details of calculations on spreadsheets that exist on my computer back at the Stats Unit, what I want to do is talk at a much higher level, conceptually about what's going on. I don't mind being interrupted and being asked questions, I don't quite know how the Chair wants to do this but I'm quite happy, if I start talking and perhaps head off onto issues that are quite, they are going to be quite obtuse and quite technical people might want clarification as we go ahead rather than at the end.

#### **Mr. Chris Shepley:**

I am happy for that to happen, as it were, within reason. There is a danger of going off down tangents but I will afford people an opportunity for questions at the end but if people think it would be particularly helpful to do it in midstream, with restraint, then I'm happy for them to do it.

#### **Dr. Duncan Gibaut:**

So '*is the estimate of demand accurate, comprehensive and justified?*' Let's talk about accuracy first. Two parts to the concept of accuracy: the first is the definition of accuracy, and secondly we need to talk about probabilistic versus deterministic results.

The definition of accuracy: two parts to that: statistical uncertainty and a systematic uncertainty. The probabilistic versus deterministic: what I mean by that is that these calculations of demand are based on population modelling which is based on probability density functions resulting from analysis that was conducted on the Jersey population and analysis that was derived from survey. So very important when you talk about accuracy: what do you mean? Statistical uncertainty and systematic uncertainty. And, overriding all of that, remember that this is a probabilistic analysis based on density functions as opposed to a deterministic analysis where here's a number in what's the number out? OK?

Right. The modelling, the numbers for demand, our estimates of demand over the next five years and the five years thereafter, that is the timescale of the Island Plan Review, are based on a Jersey Population Model. This is a population model that we have developed in-house in the Statistics Unit since about 2004-2005 we have been working on that. The point is that this is Jersey-specific. It is not based on some UK or England set of consultants, or as in the past: the government actuaries department who have produced population statistics for Jersey, population projections for Jersey; this is a Jersey-specific model. And it has had a good going over by the Govt Actuaries Dept in the UK who used to run Jersey population projections, for example, for things like the Social Security Actuarial Fund.

The population model developed by the Statistics Unit has had such a good going over, all over the gory spreadsheets, the detail, by the actuaries in the UK such that they are now using it. These are the departments that run the UK projections for all the jurisdictions in the UK – and their so, it's such a health guarantee, a fit-for-purpose guarantee, that they are now using the Jersey model and particularly the Jersey migration dynamics within it for the Jersey projections, so it is not just something Stats Unit has done. This is very robust piece of work that is actually being used by top-level UK government actuaries department. And by Jersey-specific, it is based on Jersey data, Jersey age-specific birth and death rates. We look at data from Health, we look at the age distribution of mothers giving birth in Jersey, age-specific birth rates, age-specific death rates. Again we look at the age-specific death rates relevant for Jersey not those in the UK or England, which is actually closer, but Jersey. So the model is Jersey-based and that is very important to bear in mind.

The model is also projections of individuals. That is also very important to bear in mind.

So we run the model and we get projections for the population each year for 2000, for whenever we start, and can roll it forward for decades for number of individuals. What are the calculations that we use to convert that into numbers of households, which I will come to in a minute.

Another important point is the migration dynamics. Again these are Jersey-specific. By migration dynamics I mean the net migration, whether it be inward or outward, for a given period, is the difference between two large flows: a large flow of individuals coming into the Island, several thousand each year, and a large flow of individuals, not necessarily the same individuals, leaving each year. The difference in that is the net migration. We model those flows.

So we model flow of inward migration and migrants, particularly J-category and non-qualified, and also the outward flow, also J-category and non-qualified. So the migration dynamics: it's a dynamic model and not a static model and one that is just dropping its own number in every year, that was what was done in the past by the Govt Actuaries Department. So it is actually a much more sophisticated model based on what I would call probability density functions from Census information and survey information.

So worth bearing in mind, it is a Jersey-specific model, it's very detailed and has been given robustness and a fit-for-purpose type of looking over by the Government Actuaries Department.

From that, we get numbers of individuals every year up until as far as you want to go. This is quite short-term, this is forward just ten years. It has been used for the development of the Strategic Plan over two to three decades. It has also been used by the Government Actuaries Department for the Social Security Fund to 2070. So these projections are being used for major strategic and actuarial-type initiatives. And of course, they will change as we get more information. At the moment, the projections are based on information from 2007. Of course, we are running a Census on March 27 next year and that will provide us with a new baseline. A new baseline for what the total population is and all the population density functions within it. So that's worth bearing in mind.

So, it's also worth bearing in mind the results are probabilistic not deterministic: if we look at the headline results that is over the first five years of the Island Plan the demand from this population model is of order 1,500 households, 1,500 developments for the first five years, 1,500 in the second five years and then, of order 500 latent demand in each of the five year periods, which I will come to in minute.

So we've got this population model that is robust, giving us numbers of individuals, we then can convert that into numbers of households by again modelling average household size. And we have information on average household size going back decades for Jersey, also going back to the time of the Census and

also going back over our social surveys and particularly, at a very detailed level, from the 2007 Housing Needs Survey. So we can convert numbers of individuals, from population projections, into numbers of households. With a little bit of other modelling on the side, for example: the proportion of residents living in communal establishments. So bear that in mind, going from projections of individuals to households, it's probabilistic not deterministic. That is, you have to look at some statistical uncertainty on the final results on the 1,500 for the first five years, or the 500, that is what I mean by what's the definition of accuracy. There is statistical uncertainty.

There is also the very important point, what is the systematic uncertainty? What is the potential bias? One can be extremely accurate in terms of precision, which is what people tend to think of accuracy, extremely accurate, but measuring in the wrong place i.e. there is an implicit or intrinsic bias. Yeah, an offset. To measure that is very difficult.

In a one-off exercise, like population modelling, what you do is look at other sources of information. Well, we have the Housing Needs Survey 2007, we have previous rounds of the Housing Needs Survey and we can look at the distribution of demand within the phase-space of tenure, size and other variables, to see how that has changed from 2002, 2004 to 2007. Looking at the distribution that we are getting back.

By phase-space I just mean the variables describing tenure, sorry describing demand. Has that changed? Is there something that is very different? Well, the levels might change but the distributions look very similar from one to the next. So that's addressing the fact that there doesn't seem to be an implicit bias. But also when we come up with the results of the latest social survey, where we included a mini-housing needs survey.

A housing need survey is an enormous exercise, we last ran it at the end of 2007, 10,000 households sampled randomly, with chase-up etc, meant 15-16,000 forms were sent out: that's an enormous exercise. You can run a mini version of that through our vehicle the social survey, which we did, in 2009, and the results that we got out from that, again the distributions were very similar i.e. the demand by size and tenure in the two dimensions of space and size of tenure, the distributions looked very similar and the levels changed slightly, but not significantly. Not statistically significantly. But one would expect levels to change as you proceed through economic cycles.

The economic cycle in 2007 was clearly at the peak of the last economic cycle. In 2009, we are going to be measuring, we will be publishing the results this week, it is clearly a different part of the cycle. Nevertheless, the distributions that we are seeing from different sources are very similar, suggesting that the bias there is very small. That we are not measuring something with high precision of statistically uncertainty, but in the wrong place.

So by accurate, I would say yes, the results are accurate in the context of statistical uncertainty and systematic uncertainty i.e. bias, but also must be taken into the context of being probabilistic i.e. that is not going to be the exact number, there is going to be an uncertainty, of order plus or minus 200, on each five year period. Statistical uncertainty. How do I do that? I run the model several different ways with several different input parameters looking at, for example, change in the migration dynamics - the proportion of J-cats and non-qualified, changing the proportion of, or rather the level of net-migration, and changing the birth rates and death rates slightly. All sorts of input parameters into the model can be changed, looking at the effect of those, looking at the change you get, you get uncertainty of order plus or minus 200. So remember that the results are statistical, i.e. probabilistic not deterministic. OK?

**Mr. Mike Dun**

Did you say you were going to allow questions whilst this is going on?

**Mr. Chris Shepley:**

I said with restraint

**Mr. Mike Dun**

With restraint, yes.

**Mr. Chris Shepley:**

I don't want to keep going off down side tracks and you will have an opportunity to ask questions at the end.

**Mr. Mike Dun**

Cos I'm just wondering that this analysis might take us up to lunchtime?

**Dr. Duncan Gibaut:**

No, I'm nearly done now actually.

**Mr. Mike Dun**

Right, OK.

**Dr. Duncan Gibaut:**

Honestly, that was the tricky one. Accuracy, I've given lectures on that. I won't go off on.....

Again, forgive me if it does get rather technical but these are technical questions and I just want to define accuracy, it's important to understand what accuracy means and what and probabilistic is versus deterministic, that's important.

That's population modelling, and we then, like I say, convert that into households by assuming a household size and the statistical uncertainty that you get. That's how we get of order 1,500 for each five year period of the timescale of the Plan. What about the latent demand, what about this plus 500 that is assigned at the front end or assigned within or on top of, I should say, the 1,500.

Well, that's mostly got from the Housing Needs Survey, again a very comprehensive survey, 10,000 households randomly sampled: that's an enormously large sample. Most of our social surveys are run with 3,500 sample households so 10,000 we ran with. We don't gain an awful lot of accuracy by dialling things up, for instance by square root, rather than being directly proportional. But never mind, we went with 10,000 households, randomly selected, and that's important, the word random, it means if you run a random survey the inferences which one draws, are they representative of the full population with appropriate weighting, post-stratification weighting. Run the survey, see what you get back, then you strata the survey, post-stratify the survey by calibrating it against distributions, for example Census distributions or other known island distributions. The point is that the Housing Needs Survey is random, large, representative i.e. inferences are representative of the population.

From that, what we get are numbers of demand over the period of five years, people were asked what are your intentions or, anyone in your household, to move within the next five years, OK? So much shorter term, not ten years, but what are your intentions, or are your intentions to move in the next five years. From that we get demand levels that are actually bigger than the numbers that we get from the population modelling, OK? And the primary component of the difference between the population modelling and the housing needs survey are what we call concealed households. That is households living within other households, for example, young chaps and women perhaps coming back from university, living with their parents, or other Jersey folk living with their parents, who actually, in principle, want to move into other accommodation to establish their own household. So it's a household that is essentially living within another household.

Now we do get a measure of that, we do calculate a measure of that component of it through the population modelling, through the decreasing household size. Two elements of decreasing household size are; single households emerging from a larger household to produce smaller households; but also the levels of net migration, for example, the non-qualifieds coming having smaller households, on average, than the resident population, so the non-qualified are helping to reduce the household size.

Nevertheless, there is clearly a difference between the demand we have seen from the concealed households in the Housing Needs Survey compared to the demand that we see from the population modelling through simply reducing the household size. And we've estimated that to be up to 1,000, but probably when we start putting, when we do more analysis, it's about 500. An upper limit of about 1,000, 500 is a more reasonable measure of looking at concealed household demand on top of population modelling and within the qualified sector i.e. owner-occupied, social rented, private rented. That's where the 500 comes from. It's additional homes not through population modelling.

And the assumption is, if that's there, for one five year period, well I must admit, we've seen it from previous rounds of the housing needs survey, we've seen levels of concealed demand greater than we saw in 2007 certainly, so when the last Island Plan was done in 2001/02 and I remember doing the same sorts of calculations. Concealed demand was much greater, there was clearly some build and clearly some housing... the concealed demand has gone down slightly so that has been addressed but also remember that this was being asked at 2007, peak of the economic cycle, so concealed demand is actually perhaps somewhat higher than it would be now.

500 is a reasonable estimate of the concealed household demand on top of the population model. That's how we in the Statistics Unit have come up with the numbers of order 1,500 over a five year period plus 500, and I should stress as well, of course I should have said this at the start, these are independently produced. Everything that the Statistics Unit does, and whether it be for government or the public or consultants or academics, it's always produced independently. These numbers are independently produced. We do get validation from other independent experts, for example, Government Actuaries Department.

Gosh, that's accuracy. That's the first word. Comprehensive..

**Mr. Carlo Riva**

Duncan can I just clarify just one thing. When you say 200 plus or minus; that is dwellings isn't it?

**Dr. Duncan Gibaut:**

Yes, that's plus or minus 200 dwellings.

**Mr. Carlo Riva**

And then the latent need, that sort of brings in the notion of aspirational progression doesn't it?

**Dr. Duncan Gibaut:**

Yes, absolutely

**Mr. Carlo Riva**

But you've had to apply some realistic criteria to that because we would all aspire to great big manors somewhere but there is an economic realism that needs to be added to that and I suppose that's modified it and brought it down from 1,000 down to 500.

**Dr. Duncan Gibaut:**

Absolutely, and it could be brought down further. I mean, we do statistical aspirational judgements, for example, looking at household size versus aspiration, for example if a one man band, a one person household, wanted to live in a three or four bedroom manor it's probably not realistic so that helps to reduce the number down from of order 1,000 to 500. OK?

However, there's also the very detailed Housing Needs Report and affordability, issues of affordability is addressed by looking at the income of households, the income of households in the demand distribution. And that's not up to statisticians to say where's the gateway, what's the threshold etcetera, so that level could be adjusted in principle, we have the information there. 500 looks like a realistic aspiration i.e. in terms of demand spread across household size and, and not accounted for by the population model.

**Mr. Carlo Riva**

Right, OK.

**Mr. Mike Dun**

Is it possible to make...

**Mr. Chris Shepley:**

Hang on, the rules are these. If you want to take part in the debate, please could you place your nameplate on end. We need to bring some order to this. So anyone who wants to speak now, should place their nameplates on end as Mr Dun has done and I will bring you in in the order in which you do it. We are now in the phase of asking for clarification. People may have things that they want to say but what I want people to do at the moment is to ask for clarification, to make sure that they all understand, what Dr Gibaut said. So Mr Dun.

**Mr. Mike Dun**

Yes, thank you. We sat in this room back in June was it, and we had a similar presentation from Dr Gibaut then, and the same, and I asked some questions then and it's appertaining to this accuracy question about...? We have a population of 92,000 which is presumably accepted as more or less accurate, there is a housing shortage, by definition, that's what we have a presumption of, I ask then, can you accurately say what is the extent of the housing shortage now and I ask then, under the predictions that you have made, and it's complicated I imagine, for the lifetime of this projected Island Plan, will that housing shortage cease to exist? In other words will the entire population of the Island, as the Island philosophy and planners say it must be, everybody must be adequately housed, does it address that entire 92,000 people? If not, how many are not addressed and what figure, with all these comings and goings and all the rest of it, the population is going to be at least 92, I presume you have something more accurate predictions, if that's going to plan is to increase the population, on that basis alone, accurately, will that housing shortage cease to exist within the Island Plan, and the other factor is, on accuracy, what is the effect of CSR on your predictions? What, what is that likely to do, the cuts that are planned, the very dramatic cuts on spending which are planned, how's that affecting your predictions?

**Dr. Duncan Gibaut:**

Several questions there. The first one, will this address the Island's perceived shortfall in housing and will it cease to exist in the timescale of the Island Plan? That, of course, as a statistician, I can't say yes or no, of course, as a statistician, you will get a probabilistic answer.

What you have is these numbers will address the shortfall at the time of the start of the Island Plan .i.e. the population as it stands, and the economic circumstances as they stand, as manifested themselves in aspirational, realistic or otherwise demand. So the population, as it stands, in 2009, first year of the Island Plan, or the start of the Island Plan period. These numbers here will address, in the circumstances of the

resident population, and the economic circumstances pertaining at the time, will address those shortfalls. As to what happens between now and the end of the Island Plan, well, things may change, the population may change, migration dynamics may change, economic circumstances may change, hence households demands, requirements, aspirations may change. As we stand at the start of the Island Plan, these statistics, the analysis that we have done and the outputs of 1,500 plus 500 for a five year period will address, as the situation stands, with, as far as we understand, at the start of the Island Plan.

As affected the CSR, not quite sure where you are coming from with that, that will I guess impact, help me on this, on economic circumstances of resident households. That is, of course, hard to model. If you mean CSR with respect to the Stats Unit, again, that's something that I'd have to take on board, but I am not quite sure what you mean by CSR: it is part of changing economic circumstances

**Mr. Mike Dun**

Well, CSR, without interrupting you, is the comprehensive reduction in spending 2%, 3% and up to 10% over a very short period of time, certainly within the timescale of the Island Plan, it's spending on all things, including presumably public housing expenditure, public expenditure on everything is to be reduced by a huge amount with huge implications as far as population accuracy. The Statistics Unit would have considered I would have thought, I mean, numbers of jobs, numbers of people, how, how, I mean basically if the 2002 Plan was useless as far as predicting the future is concerned, is sounds to me, and I don't want to be rude, but as I said back in June, your statistics are virtually useless anyway because there's nothing, it's so uncertain what's going to happen during the time of the Island Plan that you might as well just not bother.

[Laughter]

*Don't take it personally*

**Dr. Duncan Gibaut:**

As a West Ham fan I never take anything personally. All one can do, the analysis to best standards of international practice, consulting with experts who do this in an unbiased way, the Government Actuaries Department for example...

**Mr. Mike Dun**

Is that the ones who run the banking system by the way?

**Dr. Duncan Gibaut:**

...and the situation, the analysis that we've done, for the first year of the Island Plan represents our understanding of what demand was. In terms of how CSR will impact on planning and housing policy, that's not certainly for me, as a statistician, to comment upon. What I can comment upon is that the economic circumstance may change over the period of the Island Plan, it may be driven by things like CSR, it may be driven by global markets etcetera, however, where we stand now, and our best modelling of the population, and converting that to households, through housing modelling, that's what statisticians do.

**Mr. Chris Shepley:**

Thank you Dr Gibaut. I have Mr Morris, Mr Parker and Mr Mesch, and Mr Riva. Again, we are still on clarification if possible, and Mr Dun strayed away from clarification if I may say so, but I'm trying to get to the factual basis of the demand, so Mr Morris:

**Mr. Andrew Morris**

Thank you. A couple of questions. I've got quite a few questions but I am just going to keep this one specific to housing needs. The questions relate to: one is, you surveyed 10,000 houses, households. I would like to know how many replied?

I'd also like to understand, as far as I am concerned, I believe that there is another housing needs survey coming up soon and would your opinion be that that may affect the figures that we are projecting for the next ten years, because you said there was quite a difference in the one but previous survey, and my final question, with regard to the Housing Needs Survey, is the latent demand, have you looked at the UK for their latent demand and is there any difference between Jersey and the UK with regard to the amount of latent demand i.e. is there something strange here where children tend to stay in households longer than in the UK because of the high house prices or such like?

**Mr. Chris Shepley:**

Dr Gibaut, before you respond to that, there is a document at BT5 and I do appreciate that whilst not everyone has read BT5, which sets out the results of the Housing Needs Survey, I have read it and so there is some, from my point of view as Inspector, some danger of you simply telling me something that I already know, which doesn't help me very much. Obviously from your point of view it's important that you

understand this stuff as you have a number of questions about it but if people could bear that in mind. There are other documents, similarly BT6 and BT 6(b), which deal with the future requirements for homes and so on. There is a lot of documentation behind us which the Inspectors have read and by and large understood, but another lesson Mr Morris. Dr Gibaut.

**Dr. Duncan Gibaut:**

I've jotted your three questions down. The first one was response rate was 56%, so we had more than 5,500 responses which, it was a very onerous survey, that's a fantastic response rate. For example, for our social surveys, we get about 1,500 – 2,000 responses back. With that sort of response one can draw inferences about the full Island population to plus or minus 2%, plus or minus 3%. Are you for or against the smoking ban, for example, 80% plus or minus 2 or 3 % from 1,500.

5,600, the accuracy will much better than that, it doesn't improve by factors of three, this is where we get the square root effect coming in, so improvement is by the square root of three, so 2-3% accuracy, it will probably be around 2% accuracy. 56% response rate though is a superb response rate for a voluntary survey that really was very burdensome. It was tens of pages, but it also does highlight the interest of the local population that this is a major issue. If we run a survey that is not very interesting, we are not going to get a very good response rate and we have done that in the past, whereas this one is possibly one of the higher response rates we've ever had, especially when it was such a burdensome survey, it was very, very good.

The next housing needs survey, and it is a good question actually, and I have to juggle, within CSR constraints obviously, and what the activities of the Statistics Unit are over the next three to five years, when is the next housing needs survey? The first was run, gosh, in about 2001, then we ran another one in 2004, 2007. We are running up against the Census and that is occupying my unit an awful lot of the time but importantly it does provide us with all the benchmarks, all the baseline data, all the calibration, all the distributions, these probability density functions, the shapes of households, by age, gender, residential qualification, so we can't, it wouldn't be sensible to run another housing needs survey before the Census. Earliest estimate would be 2012. Earliest estimate but bear in mind that also has to be factored in with other things that I have prioritised within in the Statistics Unit and particularly within the constraints of CSR. But another housing needs survey would be on the radar let's say from 2012 onwards.

Latent demand with respect to the UK. I must admit that I haven't looked at that. Tend to focus with what is going on in Jersey, but there are lots of issues with what is going on across the UK overall. England versus Scotland for example, the birth rates and death rates are very different. Different numbers of workers and other things that I can look at, certainly economic activity rates are much higher in Jersey than in the UK, numbers of workers per household much higher in Jersey than in the UK. It was about 1.25 per household compared to less than 1 in the UK, suggesting that not only is, are our households working more for various reasons, cost of housing for example, but also because of concealed household rates. I must admit we don't spend, yes we do compare with UK a great deal but I haven't looked at that. Does that answer the three questions?

**Mr. Chris Shepley:**

Yes it does, thank you very much. Mr Parker.

**Mr. David Parker**

Thank you sir. These really are points of clarification. Where I have been confused throughout my reading is between what I call housing need and housing demand, by which I'm referring to effectively market demand, or owner-occupation to give it character, and non-market demand, those households that need assistance. And I continue to be confused this morning by the use of the word demand.

You talk about latent household and concealed households. Two points of clarification there. When measuring those, there are political and statistical judgements behind how we rate them. First of all, if you start talking about the various pent up latent demand that emerging households that are unable to emerge, what political assumptions have been made about them? Are we expecting all households to be able to emerge and are we expecting them to have whatever they want at the age of 16, the age of 18, age 25. Has that been a debated point?

And my final point, the affordability distribution that you referred to for concealed households, am I right in saying that that's in the 2007 document, with the reference to the ratio between household income and house price. It's, as you quite rightly identified you can decide where you are going to set an acceptable threshold, has that been assessed in terms of the relationship between household income and the proportion of their income that actually goes to the house price? Post-2007 you would have expected to see the price of housing going down and then the cost of achieving finance to access housing to go down. So that the same household, on the same income they should be able to consume more because

whilst they've stood still, the prices have gone down. The ratio that's in your study wouldn't necessarily reflect that assumption.

**Dr. Duncan Gibaut:**

Thanks, I've tried to jot down your questions. Your first question relates to the word demand. Again, it is not for statisticians to judge as to what is need, or what is demand and what is aspiration. I think that is a political decision as to what is demand and how you define it in terms of need.

And that also relates to your question about latent and concealed households. How much of pent up demand of concealed households does one address? Zero to what, zero to 100%, I don't know that is not the statistician's job. All I can do is provide you with what's the level and what's the distribution and other interesting information, such as what is the income distribution of such concealed households. And it's very much, as I say, up to planning and housing and policy makers to decide about how you construct gateways, and what level of demand, whether it be pent up, need, or what have you, should be addressed. It is for the statistician to provide the information, not to look at adjectives or political issues.

Affordability, yes, we certainly, we measure quarterly the House Price Index. We've just, today, published an income distribution survey, which again may well inform this discussion. A very detailed income distribution survey looking at the income of households over the 2009-2010 period: a 40-pager I'm afraid. It does have an awful lot of good new information in there.

House Price Index, in Jersey housing prices did actually remain very resilient, very robust for about two years, in 2007 and 2008, one might have expected, as it did in the UK, house prices to go down, but we didn't see that, with house prices being maintained throughout 2008 and 2009 in Jersey, across all sizes, 1, 2 bed flats, 2, 3, 4 bed houses, but in 2010 we have seen house prices come down overall, on average, by about 5%. We have seen incomes going up, going up in 2009 by about 3%, and by that, looking at the increase in income versus decrease or flatness of the housing market then yes, affordability may have improved slightly. We did see income go up by 1.1% June 09 to June 10, when house prices did come down by 5%. Again, not for me as a statistician to make judgements.

Cost of finance. Yes, obviously in terms of getting again, if we talk to the mortgage lenders, we do not have information so much on the cost of finance as such. Clearly, the cost of finance or the availability of finance has become a lot more challenging over the last couple of years or so.

*[Interruption from Mr Dun]*

**Mr. Chris Shepley:**

Mr Parker has got us into quite an important area it seems to me and you've told us a bit about changing house prices, and I have two questions really. First of all, obviously one needs to make some assumptions, well three questions actually, and one needs to make assumptions at a point in time, and those have been done as set out in Table 6.1 would anything that you've said or what Mr Parker has prompted you to say, lead you to think that those figures were now an inadequate basis for planning during the Plan period. That's the first of my questions.

**Dr. Duncan Gibaut:**

No, I don't think that they are inadequate, like I say, they should be cast with a statistical uncertainty, of plus or minus 200 on the 1,500 and of order plus or minus 100 on the 500. As those numbers change through the economic cycle, I'm sorry, I would say that those statistical uncertainties should be sufficient for changes through the economic cycle, yes, we are probably lower than that at the moment. These are the 2007 figures. With some statistical uncertainty, at 2009, we are probably on the low edge of the band of uncertainty. If, when the economy recovers, it might edge back up to the 2007 type figures. But within statistical uncertainty, I would say that these figures are adequate, are sufficient.

**Mr. Chris Shepley:**

I don't want to put words into your mouth, but is your advice to me that short-term fluctuations of the type that you've talked about, and we've interpreted what you have just said I think and I'm trying to make sure that I don't exaggerate what you've just said, but that short-term fluctuations of that kind are likely to be smoothed out over the Plan period and that I shouldn't be too panicked by the effect of the recession.

**Dr. Duncan Gibaut:**

They are likely to be smoothed out but require constant monitoring, right? They are likely to be smoothed out, but let's see what the Census baseline tells us; let's see what the next housing needs survey tells us; let's see what actually gets delivered. So constant monitoring, rather than just laissez-faire, no panic. No, let's say that they are adequate for where we are now, but we will monitor them constantly.



**Mr. Chris Shepley:**

OK. My other question was about monitoring. I don't think that this is a question for you but a question maybe for Mr Buchholz or Mr Thorne to answer and I would like them to answer it later. To me the question of how..., there is clearly uncertainty in any forecast, and in any plan, and however you amend this forecast or whatever I recommend as a result of this EiP, there will still be uncertainty so it seems to me that the question of how you monitor that; what changes you make; and how easy it is to make changes is just as important over the next few years, and I would like Mr Buchholz to talk about that later. So I give you notice that I would like you to talk about that issue.

Now, the next speaker is Mr. Mesch.

**Mr. John Mesch**

It's a technical question. It's to do with confidence levels of the probabilistic predictions. Whenever I've had dealings with this, normally on liability, one gives you a prediction that this is not going to fail for so long and there is a 90% confidence level put on that prediction. I wonder whether you have a confidence level on your probabilistic predictions. Is that a fair question?

**Dr. Duncan Gibaut:**

Well, it's a very fair question actually. Not strictly at the level of 95% confidence intervals. The uncertainty that we've done is actually by running different models and hence the plus or minus 200 and plus or minus 100. That is one way of doing it as opposed to, for example, other analyses that we do that are much simpler than this measuring, for example, a proportion of the population that are for or against a smoking ban is quite straightforward to go off and do the analysis to get a confidence level, by looking at the spread, calculating the standard deviation and multiplying it by your favourite number 1.96 and there's your 95% confidence intervals. Very straightforward for some types of analysis but this type of analysis, which is multi-dimensional, multi-variable, the error, what I call error propagation, how do you go from your central values to your 95% confidence level is very complicated. One can run all sorts of simulations to do it or, one can do what I did, which is to read off the model in several different ways, however, the spread that you get is representative of the uncertainty of the central values. It is a very good question. Thank you.

**Mr. John Mesch**

It might interest people that I took part in a survey, that was a random selection. I found it enormously difficult to do, as everyone can see, I am well over 55. And I was outraged at the idea that someone should be building a house on a green field for me so that I could sell my present house and buy it. Deputy Pryke confirmed my impression that we have a new housing category because of this decision. I think it's misguided, I think it's...and I'm going off the thing, I think its to the point. As you know, the Council were concerned about the relentless giving up of green fields for housing based on these predictions. A number of our members queried them and I will now ask Dr Gibaut a particular question.

I think in the figures there is still a figure of 57 houses required by people, and I'm surprised because I think it said in your housing needs survey, covered a five year period, I don't know where these figures have come from, for people as young as 41, were predicting that they would want one of these houses, in fact, after their normal retirement age, 65, which I would have thought is a much more reasonable time to look for sheltered accommodation and that sort of thing.

Anyway, I've made a number of points, perhaps it's not on the track, I think there is scepticism about this predicted modelling and I remember, my final point, writing on the bottom of my housing needs survey, I think is largely a waste of time because without a coherent immigration policy, you know, whatever you are getting now is of little consequence. That's still my view. I know myself of three white Zimbabweans who are now accommodated in the Island, one working in the finance industry, two in retail, and I am aware of a family who came back and the women has a husband and two children, not Jersey-born, and they are now living in the Island. And I wonder how these are being picked up, where they are being picked up, I just wonder where do you get your information from about immigration.

**Mr. Chris Shepley:**

The first part of that was about certainly straying into debate and we've noted the point. The second part was about where do the figures of migration and immigration come from.

**Dr. Duncan Gibaut:**

Yes, last Census was run in 2001 and the next Census is to be run next year, 2011. Every year we publish an annual update of the resident population and what we are measuring is the changes in the resident population and what we do for that is have three mini censuses for administrative data, data from government, from three principal sources that allow us to look at the net change and particularly the net migration. The three sources being the Manpower Survey, which is actually a misnomer as it is a

manpower census, The regulation of Undertakings and Development law means that all undertakings in Jersey have to respond every six months. For statisticians like me, that's tremendous, for other people it might be a different perspective, for statisticians that means we are getting a census of the working population every six months and importantly by residential qualification: by locally qualified, non-qualified and J-category. That's the first census.

The second census that we have, and again we get this annually or it can be run in real time, is the school age population. So we have the number of children on the school rolls aged between Reception and sixth form, in and out, so we have net-migration to the individual level actually of school-aged children.

The third mini census that we have is the pre-school population, which is from Health, Public Health, babies, pre-schoolers interact with health, Health keep very detailed records on the resident and pre-school population and, in particular the outward migrants and the inward migrants.

So we've got three mini censuses, including the ins and outs, from zero up to working age. What we don't have from these is the non-economically active dependents within households, particularly without children or without other working adults. So that's where I am afraid we do more probabilistic modelling, we look at household structures and household size and levels, yup, from Census distributions, social survey distributions and, one of the benefits from this 10,000 household needs survey was that it did give us some measures for other demographic type areas. So looking at changes at household structure and economic activity rates allows us to assign other adults that aren't captured by those three mini censuses. And that is what I call second order effects.

First order effects are those three censuses, then we do the modelling on these other adults and, again you do a sensitivity analysis, I can't give you a 95% confidence interval, what I can do is treat the parameters and how has it changed in assigning these other individuals. From that we publish, every year, the population, the change in the population and change in the population due to net migration i.e. the difference between the large flows in and the large flows out. We can also monitor that by looking at the change in the place of birth of individuals with social security contributions so we can look at a separate source of information, that is the social security contributions data, and looking at how does that compare with our working population measured by the Manpower Survey.

So we do have, I think, quite good coverage of net migration, however, can I just say, I am really looking forward to, in some ways to the exercise, the next Census, that's going to give us a way to test what we have been doing for the last ten years, to calibrate, to test our methodologies. So the next Census gives us the baseline for the numbers, methodologies and so yes, I am waiting with baited breath as everybody else is I'm sure.

**Mr. Chris Shepley:**

Thank you. The next speaker is the Minister, and welcome to you. Can I say after that question I am going to move away from this question and answer stuff into a debate because an hour has gone by and I think we've dealt with probably most of the technical questions. So Minister, if you would like to ask your question and then I will encourage people to make general contributions to the debate.

**Deputy Sean Power**

Good morning and I apologise for being late, I got snarled up in another meeting earlier on this morning. A number of questions come into my mind, but I will keep them to down to two. That is the validation of the 2007 Housing Needs Survey, the data and the assumptions it was based on. My first question is given that a number of assumptions were made in 2007, there has been a seismic shift in global economic forces, including the knock-on effect in Jersey, three years before it was set up nobody realised that the Northern Rock was going to go down or that Lehman Brothers two years ago was going to go out of business, and so there are a number of tensions that have affected Jersey's supply of housing. So my first question of Dr Gibaut is in this survey of 10,000 households does he have a validation as to how that was spread between owner-occupiers and those that are not owner-occupiers?

My second question then is that would he not agree with me that because of the downshift in the Jersey economy, that affordable housing and social rented housing has now become more of a priority in supply and that any input into the new draft Island Plan would have to reflect, what I would regard as an impending problem to do with providing accommodation for those that cannot afford to buy. Traditionally, Jersey has been an expensive place to buy, that is now becoming more of a problem and I believe that the Housing Department, the housing trusts and those that provide socially rented housing, affordable accommodation, including key worker accommodation, which we haven't dealt with yet, and its going to become more of an issue. So I'll stop at that Mr Shepley.

**Mr. Chris Shepley:**

Yes, thank you. Can I say one thing at that point. I am extremely anxious to avoid a debate about affordable housing this morning in any way, shape or form. The reason for that is that the whole afternoon is set aside for affordable housing and some other people are coming along for that debate who are not here this morning and if we debate it now we will only have to repeat it again this afternoon. So I am very happy for Dr Gibaut to answer that question and if indeed, there are any statistical points about affordability and so on, if Dr Gibaut could answer that, he can deal with it. But other than that I really do want to park a debate on affordable housing. If we go on too long this morning about it we will run out of time this afternoon.

**Deputy Sean Power**

If I put it in terms of changing, of tensions of a changing balance with regard to the supply situation, if he could deal with that.

**Mr. Chris Shepley:**

That's fine. I make that point, not just for your benefit, but for everybody else's. It is hard to separate these things and I understand that all these things are interlinked but we have to try and structure it somehow. So, Dr Gibaut, any responses to the Minister.

**Dr. Duncan Gibaut:**

Sure, the first question related to the survey of 10,000 households and the validation of owner-occupied and non-owner-occupied. We sent out a random sample, we surveyed a random sample of households, and you get different response rates from different tenures, particularly the owner-occupied, as they seem to like our surveys as we always get a higher proportion than they are as a proportion in the Island itself. Other tenures come in with a lower response rate. It's then up to us statisticians to do a post-stratification weighting. So various tenures, maybe various household structures, may be over- or under-represented in the response set, you then do your statistical corn and do the analysis to make the response set look like the full-Island population by weighting. So, yes that's the validation if you like but it's a statistical analysis.

**Deputy Sean Power**

So the response rate is higher for owner-occupier.

**Dr. Duncan Gibaut:**

Yes, and that's typical for virtually all of our surveys. What one also wants to do though is to look at the weighted versus the unweighted because you don't want enormous weighting OK. For example, I've seen surveys run which did have enormous weighting in and you immediately start having questions about the validity of the analysis. The weightings that you want to be seeing are in single digits and that is typically what we get, you get for example, owner-occupiers, may be down-weighted by 20% non-qualified up-weighted by a small factor. That's the statistical analysis. Random sample, everything being equal, you get back what would look like the Island, if you don't and different tenures have different response rates, you put weightings in to reflect that. That's the first question, very technical.

The second question was the downshift due to economic circumstances changing between now, between the Housing Needs Survey and now. Yes of course, economic circumstances have changed, however, in principle, the overall demand may still be very similar but there may be a shift from owner-occupiers demand, or demand for owner-occupied accommodation, compared to social rented accommodation. This is quite a difficult table in the Housing Needs Survey, there are two tables, tables six and seven in terms of looking at size and demand sorry, demand versus supply by size and tenure and you can see that there is a very large potential shortfall in owner-occupier and a small surplus in States rental. Those two numbers taken together, the number might still be the same now but the distribution between owner-occupier and social rental may have changed.

**Deputy Sean Power**

Mr Shepley, can I just make one very short comment on that. I would suggest that the dynamics and the balance between owner-occupied and social rental demand has changed dramatically in the last two years and that the actual demand curve for social rented is completely under-estimated and I will refer to that later in the day.

**Mr. Chris Shepley:**

OK. Thank you. Now, as I have said, I want to move on to the next phase of this and I don't want Dr Gibaut to leave as there may still be questions that you can answer. I now want to have a debate and really what I need is advice on is whether I should make some recommendations to alter the approach set

out in the Plan particularly at table 6.1 and whether the statistical basis for the housing policies, taken as a whole, is inadequate, wrong, whatever. And if I should recommend any changes to the Minister, what should those changes be. How should the Plan be altered or changed?

**Mr. Mike Dun**

I wanted to make a point specifically on that issue if I may.

**Mr. Chris Shepley:**

Yes, Mr Dun, you were next.

**Mr. Mike Dun**

Yes, the point I want to raise in the course of this discussion that you are now going to have, can somebody clarify, the planners, housing department, building construction people, can they indicate to us what notice anybody actually takes of this data which is produced from this department in formulating their own particular policies because I just wonder does anybody value it, is it the basis upon which people can proceed and plan for their businesses, the economy, the government, is it any use to anybody? And if they do, because he is saying he doesn't predict need, these aren't his problems, giving bare statistics, how is anybody supposed to derive conclusions from these bare statistics which, as we hear, are so vulnerable to not only internal Island changes but international changes that might take place. Can I just remind that the previous Minister declared that when this Island Plan was being discussed earlier that the Island Plan, as far as he saw it, would not even produce 100 social housing units during its ten year lifetime. So I do wonder what is the purpose of, and I'm now returning to my previous point, I am sceptical about the value of these statistics because who's actually using them and what value do they give them in their production of an Island Plan, the building industry, how are they used?

**Mr. Chris Shepley:**

I'll ask Dr Gibaut to answer that at the end of this session but can I just ask you a question. You are obviously very sceptical about the figures but they clearly are being used as a basis for the Island Plan, whatever else they might be used for, they are set out here in the document and I'm not sure what else you think I should do.

**Mr. Mike Dun**

Well are people here, are the planners saying, which set of figures have they based their Island Plan on now that we are hearing that these figures are likely to be reviewed with the Census, there are all sorts of things going on. Like with so many other aspects of the Island Plan, there are all sorts of other reviews going on which are going to change things, and I keep wondering what on earth is the value in this document because it is so subject to change during its ten year life. What possible use is it? I just wonder why, which is my initial submission to you, my written submission says exactly this about the previous, the 1983/4 plan, those dreams and aspirations have not been realised, and that's based on somebody else's data and predictions. The 2002 dreams and aspirations have not been realised, that's based upon somebody's data and statistics, how much longer are we going to go on with this farce of having this data and predictions which don't get realised, and again, the question is, the ending of the housing shortage, whatever that might mean. Is nobody going to address it, do we carry on like this, in cloud cuckoo land.

**Mr. Chris Shepley:**

OK, I'll ask somebody from the States to deal with that. Mr Parker.

**Mr. David Parker**

Thank you sir. I'm going to stray a little bit but I'm trying to deal with the statistical side of the session this afternoon. H3 as I see it is a new policy direction and my question relates to the justification for that new policy within the context of the categorisation of the statistics which we have examined this morning to justify the policy this afternoon.

My interpretation of the various response that we have seen is that the 2007 study highlights that there is a surplus of rented accommodation. That's referred to again in the 2009 social surveys, that broad shortfall of owner-occupied and surplus of rented. The Housing Department response, again in the joint response, was that there was no need to look at a statistical explanation of the need for social housing, if I can use that category, to impose this broad range which is underpinning H3, and the Minister now refers to his intuitive understanding that the demand balance has shifted.

Going back to the Macdonald report, that clearly laid out some recommendations which appear to underpin H3, identifying the fact that that's the UK system that he is described etcetera, he set out quite clearly that there were two very important tests there, one of which was to undertake very accurate statistical assessment of any need for additional affordable housing supply, yet everything I've seen and hear is suggesting that hasn't been done and that would again suggest that we are looking at a policy

that, this afternoon, which might be described as premature in that the numbers are simply not there. They are being assumed rather than examined which will lead me to conclude sir, that when you come to consider that, that no you cannot rely on the statistics as being justified and robust etcetera. Thank you sir.

**Mr. Chris Shepley:**

Thank you. What I would like to do with that question is to ask Dr Gibaut whether he has any particular contribution to make to that, but not to pursue it any further, for the same reason that I have given that it is going to be at the heart of what we talk about this afternoon. We will waste a lot of time if we talk about it now and then have to go through it again. So I will take the Minister, because I don't see anybody else showing anyway, and I'll ask Dr Gibaut to answer that, or to give his comment on that, then I'll park it, Mr Parker until this afternoon. Minister.

**Deputy Sean Power**

I'm going to confine my comments to what is perceived demand for social rented housing as we understand it. We have growing waiting lists, and the reason we have growing waiting lists, and this applies to the Housing Department and the housing trusts. The reason all of us have growing waiting lists is that the supply of affordable accommodation is not sufficient. There is another why there is a demand for social rented housing and that is that the demographics, the tensions within supply and demand are changing on the Island, a lot of people have given up on the desire to own their own accommodation and that is why there is pressure on the housing trusts and on our own waiting list.

I had a series of meetings over the summer with chairmen of the housing trusts so that we could have a combined waiting list, and my colleague, the Connétable of St John, who is my Assistant Minister, is now working with the housing trusts and with the parishes establishing what we would regard as a definitive, combined waiting list for all social rented housing across the Island.

As of today our waiting lists... and I'm going to ask our Director of Strategy to comment and to read out the figures for you, we are just short of, I think 900 units of accommodation. Our overall projection for social rented housing in the next five to seven years, in conjunction with our work with the housing trusts is that the Island is short of about 1,340 further units of social rented accommodation and we will be writing to Mr Shepley with evidence of this from our work with the other social housing providers. I will stop at that.

Apologies if I have talked too much. I will ask Carl Mavity, our Director of Strategy to just give a run-down, a snap-shot, of our statistics on waiting lists at the moment, if that's appropriate?

**Mr. Chris Shepley:**

Well, I would like to discourage Mr Mavity from doing that at this moment but I would like Mr Mavity to do it this afternoon, but I am struggling to stop you all from talking about affordable housing which is clearly at the core of the issue. So you will be here this afternoon I hope and Mr Mavity will be here this afternoon so, I do want to hear that, but just at the right time.

You talked about giving us some more information. That's a problem for us. As far as we are concerned, once the debate is over, unless we ask for some information of a particular kind, we will proceed on the basis of the debate and the papers that we have already had. But again, you might want to come back to that this afternoon.

I see no-one else wanting to join in this debate, so can I ask Dr Gibaut if he would like to answer any of the particular points that have been raised then can I come to Mr Buchholz, I presume, to deal with my question about monitoring and any other points he wants to make about the supply side and then I'll move on to the demand side.

**Dr. Duncan Gibaut:**

Just a couple of points actually. Can I direct you towards table 6 and 7 of the Housing Needs Survey, that shows you the shortfalls potential, and surpluses potential, and bear in mind these are potentials, these are shortfalls and surpluses that would arise, if everyone's needs and aspirations, however you define it, were addressed. So, it was not a current surplus of 2,000 private rental units, there is not a current surplus of that. What we are seeing in that table there is households that are currently in private rental accommodation aspiring to, wanting to move to owner-occupier accommodation. That's the main change there. They somewhere in private rental who want to go into owner-occupier. Yes, there is some up-scaling, one and two-bedroom households going into three and four and there is some downscaling in the owner-occupier category. But it is not a surplus in private rental at the moment as we stand, but if the people's aspirations in private rental were addressed which, in 2007, would be to go to owner-occupied accommodation, that would release, that would produce a surplus, OK? So that's just worth bearing in mind. These are hypothetical tables.

Now the Minister's point about there maybe change in the distribution, so the private rentals in 2007 households were aspiring towards owner-occupied, there may be a shift now as economic circumstance has changed from private rental; to States rental. I don't know, the Housing Department and other qualitative-type information that they might have access to, it would be worth perhaps looking at table six and table seven in this report with respect to the other housing needs surveys done in 2004 and 2001 which were at different parts of the economic cycle. In 2001/02 was just after the last peak, 2004/05 was actually at a downturn in the economy and it wasn't until late 2004-2005 that we saw recovery, so looking at the change in those tables and the distribution between the tenures will give you a feel perhaps for the sensitivity to the demand, the potential demand, for owner-occupied versus social rental, that ratio, in different parts of the cycle. I'm setting other people homework to do. Thanks. I think that those are my two points.

**Mr. Chris Shepley:**

Thank you. Mr Mavity showed his name plate at that point. I did say that I wouldn't bring anyone else in as we are leading up to the end of the debate. Can you make whatever point it was later on? Is it something that has to be said now?

**Mr Carl Mavity**

I can make it later.

**Mr. Chris Shepley:**

It would help otherwise anarchy prevails if we draw an end to a debate and then allow people to come back, as we have discovered from long experience. In that case, Mr. Buchholz.

**Mr. Ralph Buchholz**

Do you want me to address the issue of monitoring first? Clearly this Plan is based on information that is provided by the Stats Unit, which we have discussed at length today. It clearly is not an exact science, it's something that we obviously rely on the Stats Unit to do independently, they provide us with very good statistical evidence on that basis. We also independently run other reports internally which looks at house prices and looks at the market indicators as to how the housing market is operating in the Island. And that's something that we do on an annual basis. It isn't a, to get to the Draft Plan, it's not something that we put a marker in now to rely on for the next ten years in terms of the numbers. We are constantly reviewing the numbers. It's something we are going to rely very heavily on over the next ten years of the Plan period to make sure that what is being developed through the planning process is actually what is required by those requiring housing in the Island. And those two have to be as closely matched as we possibly can.

I'm pleased that the Minister has discussed the idea of combined waiting lists, that's something that we have been seeking for a number of years. Equally, that the Housing Gateway, is a very important part of our process as well. So we will be relying not just on our own information from internal sources and also obviously the Stats Unit, but also from the Housing Department, and working very closely with everybody in that regard to make sure that our monitoring identifies, as early as possible, any failures in policy. And that's the key point, because we've identified a number of policies to take us forward over the ten year period, obviously the main one is, for the first five years is the delivery of homes through H1, and that evidence is based on the evidence that we have had from the Housing Needs Survey and I will talk about that affordability later on, so I won't touch on that, because obviously things have changed in that area. And obviously, going further on in the longer-term the H3 policy.

So that's, the evidence for those policies is there are far as we are concerned. But equally, we accept, that things could change and that monitoring is an absolutely vital part of that particular process.

**Mr. Chris Shepley:**

OK, I'll probably come back to monitoring. It's a sort of sensitivity testing point in a sense, in that if we're convinced that monitoring can and will deliver whatever changes might be needed efficiently, and in a way which is proper and fair and all the rest of it, then I guess the importance of getting a precise figure is less, but if we feel that the monitoring is problematic in some way, and is unlikely to deliver that, then we may be more concerned about the robustness issues at this stage. So I'll probably come back to that later on.

You may have other points to make. You may want to say something about what Mr Dun said.

**Mr. Ralph Buchholz**

That's my next...I have that marked down. The value of the data was the question Mr Dun raised and he goes back to the 1987 Plan, the 2002 Plan saying that they haven't delivered in respect of the previous information. Well, its clear to me, I hope, and it's clear to everyone else in this room that the information

Dr Gibaut has discussed today is a very integral part of the current Plan. Without it we would not be having this discussion about numbers and how it affects policy and the like.

Equally, I would also make the point that I think that previous plans have been successful in delivering housing: the 2002 Plan delivered over 4,000 homes, it actually over-provided in the sense than what was identified in the 2002 Plan. So in terms of delivery, we are actually on a conveyor belt, time doesn't stand still. We are constantly looking at new housing demands from various sources and it changes all the time, it's a dynamic environment that we live in. It's a conveyor belt if you like and going forwards, there is always going to be an additional requirement for housing identified, whether that be for owner-occupied or social rented. So I think they have delivered over the period if you go back to 1987 and equally in future plans we are going to have to have the same debates that we are having today, where we're obviously looking at further housing requirements based on other changes in the economy and/or population levels etcetera.

**Mr. Chris Shepley:**

Thank you. I think I've said twice that I didn't want people to come back and I see that two people want to come back which is something of a problem for me and you can see why anarchy prevails if this continues. Mr Parker, you were the first to show, have you got a justification for coming back.

**Mr. David Parker**

Yes sir, I would just like to answer the question.

**Mr. Chris Shepley:**

I will just allow you a brief intervention then.

**Mr. David Parker**

A relatively straightforward matter sir. The question that you set us was is the assessment of demand accurate, comprehensive and justified. I introduced the concept that there was clearly a friction in those answers and introduced the word prematurity and it is something that is quite clear that the answers that have been given that the information we have in front of us is not comprehensive, because there is disagreement within the States in answer to the statistics. The P&E response contradicting and conflicting with the Housing response and certainly overlap between various waiting lists and that those people in private-rented accommodation with the double-counting aspects of that. That question I don't think has been answered.

**Mr. Chris Shepley:**

If Dr Gibaut has anything to say about that I will let him answer it, but we are trespassing on this afternoon as we are going to be talking about social rented.

**Mr. David Parker**

Forgive me sir, I thought this morning we were talking about the statistics and this afternoon we will be talking about the policy.

**Mr. Chris Shepley:**

Exactly, If Dr Gibaut has something from a statistics side to say to that and I'll let him answer. Mr Dun, similarly, was your question a statistical question?

**Mr. Mike Dun**

It is I think, given that statistical information seems to have a rather broad interpretation. It was really about the voluntary aspects of housing statistics. The social housing in so far as it relates to the Housing Department and housing trusts is not the big part of the housing market. The big part of the housing market is private housing, which includes a very large part, as Mr Parker has indicated there, of rented and what would, in other worlds be called social housing, people living in very... lodgings, accommodation provided by their employers, lodging houses, all of this category of accommodation and I'm wondering, in the monitoring and statistical analysis who and how is that need, what statistical demand, the affordability, the suitability of all that accommodation, who's monitoring that? Where's the information coming from, because it is clearly not the Housing Department's problem, where's the official information which is coming in about all that?

**Mr. Chris Shepley:**

OK, Dr Gibaut, your final contribution and then I'm definitely going to stop the debate.

**Dr. Duncan Gibaut:**

Just to go back to Mr Parker's point, well thank you, I only got to 'accurate', the next word is 'comprehensive' on my list of things to address.

I believe, as a statistician, I've gone through this three times now, this analysis of the housing needs survey, that the analysis and the data collected and compiled is comprehensive. We have taken more and more information from each round of the housing needs survey, we are looking at demand by existing households, by concealed households, inward migrant households and in the context of supply, not from a housing or planning department perspective but from our statistical analysis, looking at existing households moving – that is supply - that is by death and care, people going into care, and also outward-migrant households, so whether or not our analysis is comprehensive, I think we're covering most of the phase-space, the space of supply and demand.

There may be other sources, and I'd be very happy to listen to what they might be, but the statistical analysis is comprehensive from that perspective. We've got concealed demand in the analysis and also being addressed through a high statistics survey and we've got population modelling as a dynamic model rather than a static model, so I think that the underlying statistical analysis is comprehensive. As always, as a statistician and a scientist, if people can inform me of other areas that ought to be included in the analysis, I am always willing to listen and particularly, that applies to the word justified, I couldn't define that. But again, I'm very happy to consider other logical approaches. This is to me, a logical, mathematical approach. It's a statistician's approach, without getting into policy judgements at all.

***Mr. Chris Shepley:***

OK, thank you. If you don't want to say any more, that's fine.

A comfort break, for Mr Buchholz, followed.