



Date: 3rd July 2018

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## Budget 2018 – The Hon Samantha Sacramento

Mr Speaker,

The budget address is my favourite time of year. It is an opportunity to focus on the achievements of the past year and of course plan for the coming year. This is now my 7<sup>th</sup> address.

I must say that in the current times with the challenges ahead for our nation in the context of Brexit, and while the whole of the Government is involved in considering the implications of this, I wish to particularly thank the Chief Minister, the Deputy Chief Minister and the Brexit team for steering Gibraltar so avidly through these turbulent times, devoted to always striving to achieve what is best for our nation.

### Housing

Mr Speaker,

Let me start with my housing portfolio and in particular with important announcements in respect of the building of affordable housing.

#### Affordable housing

The Government will, over the next three and a half years deliver on its commitment on affordable housing. A total of 1500 new homes will be built at the three locations that we have already announced on the Eastside, Waterport and Europort Avenue.

Despite those most acerbic aspersions cast by Mr Clinton yesterday, an attack which is completely unjustified.

Mr Clinton seems to have found a new role in attempting to be populist. While Mr Clinton is trying his best to mislead and create doubt, I can assure you that we are progressing very well with the new affordable housing schemes.

Things have of course changed since the context of my budget speech last year which he quoted yesterday, that was in relation to one scheme and we now have another. This is because we did not



want delays with other projects to interfere with the delivery of our affordable housing. Mr Clinton knows this because we very clearly said so in a detailed presentation in September 2017.

Perhaps Mr Clinton needs reminding that Waterport Terraces took over 8 years to be delivered by the GSD since its first announcement, or perhaps Mr Clinton also needs to be reminded of the OEM and Haymills fiasco in the GSD's poor planning in a desperate rush to build housing which this Government had to rectify at great cost to the tax payer.

Design work on Hassan's Centenary Terraces, on the Eastside is very advanced and the project will proceed to competitive procurement by the end of 2018. This will deliver a total of 650 homes over two phases with a target completion of the first phase for mid 2020 and the second phase during the first quarter of 2021.

I can therefore announce that we are aiming to release final designs after this summer and proceed to sale of the flats very early in the new year.

The design and development work for the other two estates is progressing well and will proceed in a sequential manner. The competitive procurement will follow as contract packages for each of the schemes are completed and issued.

The target is to complete all these affordable housing projects by 2021. Timings may need to be adjusted however, as some phases rely on sites being vacated, such as Bob Peliza Mews which needs the Waterport Power Station to be decommissioned.

The pricing for the affordable housing schemes will be set for each project once the construction costs are known upon completion of the respective procurement processes. The Government's aim is of course to keep these costs as low as possible in order to provide the greatest opportunity to those waiting to buy their new homes.

We are not however, just focusing on the construction of the homes. We have changed how these will be allocated and the new priorities will make the process fairer to all, these have been announced numerous times. This will result in, importantly, giving priority to those who currently live in Government rental properties which would be vacated (this is important as this maximises the housing returned to rental stock), followed by these who are on the Housing Department waiting list.

We are also changing the terms on which these properties will be held, ensuring that they be exclusively for owner occupation at all times, and more importantly how these are to be sold. There will simply be no room for abuse or speculation for resale for profit, as the Chief Minister explained yesterday, this is not the intention of the creation of affordable housing that is subsidised by the tax payer, this is just not fair and will not be allowed, we are looking closely at the underleases going forward to ensure that we have the maximum protection.

We will also further control who is eligible to purchase resales of affordable housing as the terms of the original underleases were relaxed in 2008 for Waterport Terraces and thereafter, and we will return to the terms that were used in the original underleases for Montagu Gardens and Harbour View which were stricter.



## Rental stock

As we know, home ownership, by way of co-ownership of affordable housing, is what has alleviated the housing problem in Gibraltar. Our commitment to continue providing for housing in this way means that we will avoid our community having to endure housing shortages as we have had to historically.

But as we know Mr Speaker, it is not all about affordable housing, as not everyone can afford to purchase accommodation that is why we are also committed to our tenants in rental housing stock, more of that in a moment, but we are also committed to providing further rental stock.

I am delighted to announce that we shall be building further purpose built accommodation for the elderly. We are currently looking at different options as to optimal location for this.

This is the best way to provide rental accommodation. When allocation priority is given to those on the pensioner exchange list, it means that for every flat built and allocated to existing tenants, we recover a larger rental property. We are therefore essentially re-providing but in a manner which offers not just better value for money in terms of construction, but a much better quality of life for our elderly residents as well. These purpose built flats that are entirely accessible, promote independent living and this is proved to have very positive results for our elderly community already.

We have just come up to the first anniversary since the allocation of our wonderful flats at Charles Bruzon House and Sea Master Lodge. I have visited a number of times during the course of this year, including various social events that I have been invited to, and it gives me great pleasure and satisfaction to see how happy all tenants are and the feedback is incredibly positive, and for many the move has even been life changing for the better.

Given that we have had the introduction of these two new blocks, and the recent upgrading of Albert Risso House, we decided to invest in a complete external refurbishment and reroofing of Bishop Canilla House, which also includes new lifts, in order to bring it up to the same standard as the other blocks aesthetically as well as to protect it from the elements as we were receiving water ingress and dampness reports. The refurbishment will also vastly increase the environmental performance of the building. The works have already commenced and are progressing well.

In addition to meeting with the tenants' representative committees of each of these blocks, I have also met with them together to discuss issues that they share in common. Together with the committees we are undertaking initiatives to promote active ageing within their living communities. One of the things that resulted from those meetings was a request to waive bingo tax, I am sure that everyone is delighted after the CM's announcement on this yesterday.

There is a great demand for housing for the elderly, and understandably so given the enormous positive impact that this has. The Housing Department is currently reviewing its policies in relation to accommodation for the elderly to make the allocation process even better.



## Preservation of post-war housing stock & reversing the dissipation

In addition to continuing to provide affordable housing and rental stock, it is also important that we preserve our existing post war housing stock for generations to come.

In 2009, the GSD, in a desperate attempt to raise capital, offered the sale of post war housing rental stock.

By offering to sell post war housing stock to sitting tenants *and* their family members, and even with provision to sublet and sell for profit, we lose valuable flats from the rental stock.

Indeed the criteria for sale was so loose that some who have bought do not even live in the flats and incredibly, some do not even live in Gibraltar. That means that unfortunately many of these flats sold are just lying empty in our estates. This is just unconscionable when there is such a demand for housing.

People are starting to realise now that the deal was not a good one, for anyone. It places obligations on tenants to meet costs of maintain the common areas. Even when sold, the Government retains the liability to manage and maintain blocks for 12 years. It requires 75% per block to be sold for the Government to step out of the management and control of the flats and building.

Indeed, it is so bad, that many have regretted having purchased, many have approached me wishing to surrender the properties back, even been approached via a member of the Opposition.

Unfortunately this was an ill-conceived idea from the outset and has served more damage than good, as a result of which we have lost 181 flats from the post war rental stock.

While the number of total flats that we have lost throughout Gibraltar is relatively high, the cost of which re-providing would be much higher than the revenue yielded, the uptake by tenants per block has been incredibly low. There are no blocks that are anywhere near reaching the necessary quota for the Government to step out, even if the number of flats were to be taken globally per estate, for example, the estate with the highest uptake is Alameda Estate with a total of 53 flats sold in the whole estate, making it 29.9 % of the Estate, the estate with the lowest take up were Edinburg Estate and Moorish Castle Estate with 4 and 3 flats sold throughout each estate respectively. Clearly little interest to purchase.

When this became apparent to me last year, the sale of stock was frozen while we could give the matter proper consideration as to the best thing to do. The only conclusion that could be reached was that this badly thought through scheme just does not benefit anyone and therefore has to be stopped. To continue this and perpetuate it was just not economically viable, for either Government, those who purchased, or housing tenants and worst of all prospective tenants, those on the housing waiting list.

Mr Clinton insinuates that this decision is tied up with with the financing of the estates, he is wrong again and it is nothing of the sort. It has been stopped because it is a bad deal and if he cared to understand it he would agree.

My job is to look at the bigger picture of housing needs and demands for our community, it would simply be unfair to allow to proceed with the further dissipation of rental stock.



In addition to the stopping the scheme, and in order to redress the stock that was lost, those who purchased will be given the opportunity to sell them back to Government. Everyone who bought will receive a letter with an offer for them to consider.

Furthermore, by selling them back to us, those who may be interested in purchasing affordable housing, will, by virtue of surrendering ownership and returning to being a housing tenant and give vacant possession, will automatically fall in the first priority criteria for allocation.

### Refurbishment and investment in rental estates

Having heard the Hon Mr Phillips yesterday, you would be forgiven that the GSD are now the champions for housing. This could not be further from the truth, and any concern on housing would be, I would say a new discovery for the GSD as its importance was never on their radar before, I am so happy for them for having discovered our housing estates, after having forgotten and neglected them for 16 years. He is not fooling anyone, no party's track record on housing is more abysmal than that of the GSD – tried and tested and failed.

It is unbelievable that they have criticised the major refurbishment works that we have undertaken to the largest of Gibraltar's housing estates, Glacis, Laguna and Moorish Castle when everyone knows that during their tenure they were known as the forgotten estates.

The estates that were totally dilapidated have been transformed into totally new estates and will improve the living standards of all tenants. Yes it has been a process because this has been a project of great magnitude, and has been inconvenient at times, but it is certainly worth it.

Moorish Castle Estate is virtually complete, and Glacis is also incredibly advanced and nearing completion too. Laguna Estate phases 1 and 2 are close to practical completion with phase 3 ongoing and scheduled for completion by June 2019.

Mr Phillips made much ado about the lifts yesterday, this has been one of the last things to progress, but is now progressing well and according to plan. Out of the 71 lifts in the estate, 40 have already been commissioned. There will be a further 8 commissioned by the end of August making the installation of lifts 68% by then.

My last meeting with the Laguna Estate tenants' association was two weeks ago when I met the and the Glacis Association with the Chief Minister just two weeks ago. The meeting was very positive and means of communication between them and the relevant departments have been strengthened. One of the things that I pointed out at that meeting was in relation to works that require to be carried out on landings at Laguna Estate and are delayed and that this was attributable to tenants not giving contractors access, surprisingly 40% of tenants were denying access and this was considerably delaying progress for everyone. I am grateful for the association for liaising with tenants on our behalf to avoid this in future.

I would like to thank all housing tenants and their representative tenants' associations for their invaluable collaboration and support throughout the refurbishment programme.



Mr Phillips says that he GSD are preparing a policy paper on housing. I wonder how many of the PDP housing policies will make their way into that, you will recall that the PDP wanted to demolish Moorish Castle Estate. An estate that we have invested in completely refurbishing and looks beautiful and which we and the tenants are justly proud of. Let those who live in the 184 households in the newly refurbished estate remember that next time he goes up there.

We will of course continue to invest in the refurbishment of our other housing estates for which we have a very organised medium term plan.

### Allocations improved

I must confess that I do not understand what Mr Phillips means when he says that 18 year olds should not join the housing waiting list. Why ever not? What exactly is wrong with that? Is he saying that because you are 18 you are not entitled to apply?

Everyone who joins, first joins a pre-list for a year, and the rate at which applicants progress will depend on their circumstances.

Of course when managing the waiting lists, the Housing Department will be perfectly aware of those who have expressed an interest to purchase in affordable housing and have no desire to rent. It's a question of management, not only is that criticism not justified, it just shows the little understanding that he has of the system.

The important thing is to have a good management of the lists, proper allocation, and efficient turnaround of empty flats. That is exactly what we are working on and are being very successful on this endeavour.

Whereas there were 127 allocations in 2015, 109 in 2016, there were 312 last year. Even with the 130 flats generated by the flats vacated by allocations to the elderly flats, the balance was still greater. We are doing very well this year already, at the mid-way mark we have already allocated 125 flats. This success is as a direct result of the implementation of various initiatives.

Mr Phillips tries to present himself now as the new saviour of Government tenants.

Unfortunately, Mr Phillips understands very little in relation to housing. He bases his position on replies to his narrow questions in Parliament. In his short time as shadow, he has not asked all the questions he needs to so he has a very limited picture.

I grew up in one of our estates, as did every single member of my family. I know exactly what that means.

### Review and further changes



He calls for an overhaul of housing.

I totally agree, of course it does, but what exactly does he think what we have been doing? I can guarantee that what is happening is a complete review and that is precisely why we are having the results that we are having. I would go further and say that the reason why the overhaul is so needed, it is because none of my predecessor GSD ministers for housing ever bothered to do so. Had they made an effort, the review would not be taking so long.

We have made many changes but at policy and operational level and will continue to do so.

One important change that we are about to bring about is the change of nomenclature and will, finally, do away with the confusing RKB language and will substitute for plain English description of a 1 bedroom flat, 2 bedroom and so on.

We are modernising procedures and encourage alternatives to cash payments of rent, particularly via the egov portal, and we also encourage paperless e-billing so promote environmental initiatives.

In terms of the review of the Housing Act, which is also ongoing, there will be an important amendment to curtail abuse. Whereas the current Act precludes you from being a housing applicant if you own property in Gibraltar, I intend to extend this to include those who own properties in Spain.

We have also made great progress and established working protocols with other departments so as to support vulnerable tenants or applicants and I delighted with the close working relationship established with the GHA particularly the mental health services and the Care Agency.

### Arrears

With housing, I have one of the most unpopular portfolios. As the CM said yesterday making the right decision can mean making unpopular decisions. I am certainly not afraid of being unpopular for doing the right thing.

There is nothing popular, with tenants in arrears at least, at having to chase rent and not allowing people to make use of parking spaces within estates because of rent arrears, but it has to be done and it is being done.

Speaking of arrears of rent, Mr Phillips had the audacity yesterday to say that the recovery of arrears this last year was appalling. For someone from the GSD, more so its leader in Parliament to say simply beggars belief. The only reason we are here is because the GSD got us into this arrears mess and 80% of the arrears were inherited from the GSD, when the GSLP left office in 1996, the balance of arrears was £655,031, this increased by a staggering 600% to £4million when they left office.

I commenced the recovery process and the initial recovery of the arrears was much quicker initially and while it may have slowed down in the financial recovery it is working better in other ways.



The reality is that when we commenced the recovery of arrears, at its highest they reached just over £6million. It is a real achievement that in a short period of time it has already been reduced by 20% as we heard the CM say yesterday. We have reduced the balance of arrears by over £1,200,000. Nothing has been written off. All this has been achieved with any additional HR expense, no additional staff or overtime.

More significantly though, when we commenced the recovery of arrears 2474 households owed rent. As of today that figure has been reduced by 38% to 1543, that is the real achievement as it means that we are reducing the number of people who owe.

What exactly about continuously recovering rent is appalling? What he said was sensationalist but makes no sense.

Mr Phillips does not seem to understand that those who are in arrears are people not just numbers. The officials in the Housing Department dedicate many hours meeting with tenants trying to assist them in the repayment of the arrears.

The primary objective is to stop arrears from accumulating. We have done that by engaging more tenants.

Separately, it is to reduce the existing debt, we are doing that too, continuously and consistently.

In a lot of the circumstances, tenants have genuine problems of hardship and we try to help them as much as we can.

He can rest assured, that we will pursue all those who are in arrears of rent, are in employment, can pay and do not wish to pay. They will be distinguished from those who genuinely cannot pay.

We have been giving people very opportunity to pay. To exercise our right to pursue the recovery of our debt in court would cost not only money but time and resources and we would rather resolve the debts as we are until we can no longer make any progress. I would rather that tenant spent money on paying the arrears and not on legal costs. Court only be as a last resort, for many, we are now reaching the last resort for some. Let there be no doubt about it, when the appropriate time comes when we are left with no option, we will commence court proceedings against those who can pay and do not.

## **Equality**

Insofar as Equality, I am absolutely delighted with our progress and can confidently say that this has been our best year to date. That of course only sets the challenge for us to improve further in the coming year. This new department has come a very long way in a short period of time, the real results are a testament to the dedication of the efficient and effective team

Our greatest success in undoubtedly the Disability Act, it has indeed been quite a watershed. This new legislation will serve to change the lives of people with disabilities. It is right to say that the



rights of people with disabilities have always existed in Gibraltar. The Disability Act endorses these rights by ensuring that public bodies and those discharging public duties, take account the inclusion of people with disabilities on an equal basis to others.

In addition, we have also recently introduced Part R of the Building Regulations that make physical environments accessible, we heard Minister Balban explain that this morning.

The law is of course an important milestone for Gibraltar, but the real work is changing hearts and minds and for people to embrace these principles. This is no easy task and can only be achieved through education and awareness raising. The Department of Equality has been very effective in delivering training to various target audiences on a range of matters throughout the year. We see the results of this and the visible changes to attitudes in Gibraltar.

There is no doubt that the essential component of 2017/18 was the further increased awareness and training campaigns on disability organised and delivered by the Department of Equality. Indeed, many of the attendees have participated in more than one of our training seminars.

We must of course lead by example, the Department of Equality have therefore organised briefings on the Disability Act for all heads of department and senior government officials throughout the public sector to ensure that everyone is aware of their responsibilities under the Act. A total of 128 senior officials have received the training already.

In addition to the various seminars, the Department of Equality have also produced some information booklets which are available in hard copy and electronically.

We have offered numerous, very useful training seminars delivered both by local and UK professional experts.

On autism;

- What is autism
- Parental strategies and managing behaviour
- Adolescence and puberty
- Maximising communication opportunities for children and young adults with autism

Introduction to working with people with disabilities, learning difficulties and autism; good practices and strategies was organised for this who volunteer for NGOs. The training has been so popular that we have run it several times and have now commissioned a more intense tier 2 training.

In the last financial year 567 individuals took part in the seminars on autism or learning disabilities. This included 369 professionals and front line government staff, 108 parents or family members and 90 volunteers. 236 individuals have undertaken other disability awareness training, 42 professionals or senior management and 194 front line staff.

I would particularly like to thank those volunteers who attended the training for their enthusiasm and interest, especially those who have given up their Saturday mornings to attend the training.



We are also delivering training on disability language and etiquette. This is something that we now offer in house, as one of our equality officers undertook a train the trainer course so that he can offer the training himself and it can be offered more frequently.

So far he has provided this training to the Gibraltar Bus Company and Calypso, all lifeguards and beach attendants and beaches cleaning staff.

There is a programme in place to deliver this training to front line staff in the public sector through the human resources departments.

Previously, we had offered this training to public officers in the tourism and culture departments and to the private sector though UK organisation attitude is everything

Our aim through all this extensive training is to provide a holistic approach for the benefit of people with disabilities so that they are free to enjoy everything that Gibraltar has to offer, just like the rest of us.

All this training means that we are now much better equipped to develop better policies and strategies and others are much receptive to understand them and give them effect.

To this end we are working very closely with many government departments to improve practice and policies.

As a result of this learning and engagement, we have embarked on some very successful initiatives with the private and voluntary sectors

- Inclusive fair - SDGG and cultural services – making it more inclusive and sensory friendly. The innovations were particularly beneficial to people with autism, epilepsy, visual and hearing impairments
- Inclusive session of the International magic festival in collaboration with organisers Gibmedia
- Sensory screenings at Leisure Cinemas

I would like to thank all these private entities for engaging so proactively and making their services more inclusive, welcoming and comfortable for people with disabilities and their carers or families.

## Gender

Turning to gender equality, again this year has been our busiest yet and we have an extremely busy programme ahead.

We are looking at initiatives both at in the workplace and at social levels.

The economic empowerment of women is important. We have identified that women in the workplace are at a general disadvantage.



You will be aware that yesterday I announced our mentorship programme for women. This is one of the strategies that we are developing in order to close the gender pay gap and inspire women to achieve their best in their workplace and encourage them to aspire for leadership roles.

I have also worked with the Minister for Employment and the statistics office so as to update this year's employment survey to analyse in more detail the gender pay gap.

Challenging gender stereotypes is an intrinsic part of our gender equality strategy.

It is vital that we do so, particularly with regard to professions and career paths.

There is evidence to show that gender stereotypes affect subject choice with fewer girls taking maths and science consequently women are underrepresented in certain STEM fields. We are already working with the department of education and private sector entities to address that.

Furthermore, we will be offering training on unconscious bias as this very often poses a barrier to progress on account of pre-conceived ideas and bias.

Throughout the year we hold awareness and information events and these culminate in national women's day in march. An awareness-raising event that continues to gather momentum, this year being the one with most events yet

Another key strand of the gender equality strategy is Domestic abuse where we have developed a national strategy to be rolled out over a 5 year period. The strategy encompasses a number of new measures intended to eradicate domestic abuse in Gibraltar and provide support for both victims and perpetrators as well as their families. I am pleased to announce that as part of the strategy a number of professionals from the stakeholder departments including the Department of Equality, RGP, and GHA are currently undertaking a course on violence against women and domestic abuse.

Very significantly last year we worked closely with the department of education, we worked with all schools to raise awareness of domestic abuse in the week leading up to the awareness day in November last year. This was an incredibly effective initiative and I must thank in addition to my staff who led on it, all teachers and heads who were involved in promoting healthy relationships and respect. Prevention is key and therefore work carried out in schools is instrumental in embedding positive values and positive behaviours.

It is important to continue to raise awareness of domestic abuse and it is important to work collectively to end all forms of violence, particularly against women and girls.

Gender equality is not solely a women's issue, gender equality is of course something that affects men too. It is therefore important that we also mark 'international men's day as a starting point for raising awareness of issues. We have been doing so with Bayside School for the last 2 years now and already have planned the initiatives for the coming year.

We also plan to, this year, raise more awareness that affect our transgender community.



Finally, on equality I wish to mention the issue of abortion, as Minister for Equality, as a woman in Government and one of only two in Parliament.

Abortion is an issue for many women, and equally we must not forget that it is also just as much of an issue for many men.

As a Government, we are giving this matter very careful consideration to ensure that what we do is the right thing to do. We are listening to all the voices, as you would expect us to.

While we consider what we will do in relation to the act of abortion itself, what is clear is that our priority must be that abortions and the decision to consider them must be a last resort and that those women considering them need to be fully supported and aware of all their options.

The matter as you know has been put to the Chief Minister and the Deputy Chief Minister, as leaders of their respective parties to their party executive committee and the matter is on the Chief Minister's agenda for discussion as a Cabinet at our next Cabinet meeting next week.

This leaves me to conclude to thank yourself and the Clerk of this House and all your staff and of course all my staff.

My staff are incredibly dedicated to their job related to the portfolios that I hold which of course means that they deal with many vulnerable people and I know that they are very dedicated to helping that sector of our community.