

STATES OF JERSEY



COMMON STRATEGIC POLICY (P.98/2022): SIXTH AMENDMENT (P.98/2022 AMD.(6)) – AMENDMENT

Lodged au Greffe on 15th November 2022
by the Council of Ministers
Earliest date for debate: 22nd November 2022

STATES GREFFE

COMMON STRATEGIC POLICY (P.98/2022): SIXTH AMENDMENT
(P.98/2022 AMD.(6)) – AMENDMENT

1 PAGE 2, PART 1 –

For sub-paragraphs (ii) to (v), substitute the following sub-paragraph –

“(ii) after the final paragraph there should be inserted the following sentence –

“We will do this through coordinated and sustained action that tackles the cost of living and housing crisis, in line with clear commitments made in the Council of Minister’s Ministerial Plans and responding effectively to the changing economic environment.””

2 PAGE 2, PART 2 –

For the proposed sub-paragraph (i) substitute the following sub-paragraph –

“(i) in the ‘Continue to improve’ section of the table for Housing and Cost of Living, there should be inserted the words “increase the number and standard of private rental homes with Rent Safe accreditation”.”

3 PAGE 2, PART 2 –

In the proposed sub-paragraph (ii), for the second, third and fourth bullet points, substitute the following bullet points –

- “- increase the number of long-term vacant homes brought back into use;
- increase the number of first-time buyer homes; and
- increase the number of people housed through the Affordable Housing Gateway.”

COUNCIL OF MINISTERS

Note: After this amendment, the amendment of Deputy Mézec would read as follows –

1 PAGE 2 –

After the words “report of this Proposition” insert the words

“, except that, on page 11 of the report –

(i) in the third paragraph, the words “Housing matters” should be substituted with the words “Jersey has a housing crisis”;

(ii) after the final paragraph there should be inserted the following sentence –

“We will do this through coordinated and sustained action that tackles the cost of living and housing crisis, in line with clear commitments made in the Council of Minister’s Ministerial Plans and responding effectively to the changing economic environment.””

2 PAGE 2 –

After the words “report of this Proposition” insert the words –
“, except that, on page 18 of the report –

- (i) in the ‘Continue to improve’ section of the table for Housing and Cost of Living, there should be inserted the words “increase the number and standard of private rental homes with Rent Safe accreditation”; and
- (ii) in the ‘Turn the curve’ section of the table for Housing and Cost of Living, after the words “housing that is affordable” there should be inserted the following words –
 - Decrease the proportion of renters classed as living in ‘rental stress’;
 - increase the number of long-term vacant homes brought back into use;
 - increase the number of first-time buyer homes; and
 - increase the number of people housed through the Affordable Housing Gateway.”

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

in accordance with Article 18(2)(e) of the States of Jersey Law 2005, to approve the statement of the Common Strategic Policy of the Council of Ministers as set out in the report of this Proposition, except that on page 11 of the report –

- (i) in the third paragraph, the words “Housing matters” should be substituted with the words “Jersey has a housing crisis”;
- (ii) after the final paragraph there should be inserted the following sentence –

“We will do this through coordinated and sustained action that tackles the cost of living and housing crisis, in line with clear commitments made in the Council of Minister’s Ministerial Plans and responding effectively to the changing economic environment.”

and, except that on page 18 of the report –

- (i) in the ‘Continue to improve’ section of the table for Housing and Cost of Living, there should be inserted the words “increase the number and standard of private rental homes with Rent Safe accreditation”; and
- (ii) in the ‘Turn the curve’ section of the table for Housing and Cost of Living, after the words “housing that is affordable” should be inserted the following words – “

- Decrease the proportion of renters classed as living in ‘rental stress’;
- increase the number of long-term vacant homes brought back into use;
- increase the number of first-time buyer homes; and
- increase the number of people housed through the Affordable Housing Gateway.”

REPORT

Jersey has a housing and a cost-of-living crisis; and we are responding to this.

We are clear on the need for action and have recognised this through the actions we have already taken and those which we have proposed for the future.

Deputy Mézec's amendment seeks to reinforce the point that Jersey has a housing crisis. We agree that it does and accept part (i) of the original amendment; echoing the words we had already recognised in our Common Strategic Policy and Ministerial Plans.

We also accept that we can include additional performance measures for housing and cost of living in the Common Strategic Policy. Our ability to see and measure our progress is important and thus we have proposed changes to the performance indicators proposed by Deputy Mézec, to ensure we can do just that.

Deputy Mézec's amendment highlights that our Common Strategic Policy lists some laudable high-level ambitions on how we will address the housing crisis. We are pleased this is the case - we are serious about action.

We have provided more detail on how we will deliver on our strategic commitments, through our comprehensive [Ministerial Plans](#). We published these plans only a week after we presented our Common Strategic Policy to the Assembly.

Our Ministerial Plans are comprehensive. They deal with the Council of Ministers' first year's actions, which will be resourced through the Government Plan and updated annually as we progress through our term in office. Our approach is focused and transparent.

The plans of Ministers also give us the capability to respond to the ever-changing economic landscape we find ourselves in.

Any response to the housing and cost of living crisis must consider the recent dramatic economic changes – which the Reform Jersey Housing Crisis Action Plan, published earlier this year, does not.

Government policies must also be properly researched, assessed, and costed – which is what we are doing in a whole raft of policy areas, as outlined in the table below.

It is for these reasons we cannot accept parts (ii)-(v) of Deputy Mézec's amendment, which seeks to insert Reform Jersey's housing action plan into the Common Strategic Policy.

It is not the role of the Common Strategic Policy to comprehensively list specific policy initiatives. It is also not the role of the Common Strategic Policy to bind the Assembly to initiatives that have not been fully tested, nor costed.

Our proposed amendment to parts (ii)-(v) seeks to appropriately direct the Common Strategic Policy to the Ministerial Plans, whilst recognising that we need to remain agile to respond to our changing economic environment and the needs of islanders.

Policies and actions to address the housing crisis

We agree that there already exist helpful frameworks we can build from – such as the work of the Housing Policy Development Board in 2019-21 – to guide us through some of the housing challenges we are facing today. Equally, we must be clear that we are facing new and even-greater challenges now, with an imperative to execute our response to the housing crisis in this context. The challenges our island is facing require coordinated and sustained action and our responses need to address the issues of today, whilst not creating new issues for the future or leading to unintended consequences.

Our Ministerial Plans establish the policy areas we are pursuing to take Jersey in the right direction. We have not proposed to hold more reviews or re-run exercises before taking action on housing. Our commitment is to take a measured approach. We will not be pursuing careless policy making: the stakes are too high. We will only pursue actions where we have confidence that they will take Jersey in the right direction and will support islanders in the right way.

It is helpful to reflect on the policy commitments being proposed by amendment 6; what they mean; and how they align to what we are already doing:

Action proposed by Deputy Mézec	Response
Increasing the proportion of homes required to be designated as ‘affordable’ in large private sector developments	<p>This action seeks to amend the parameters of Policy H6 of the Bridging Island Plan, which comes into force in January 2023. The current policy is both timed and set at a level to ensure that developers are able to plan for and manage the impact of the policy before it takes effect.</p> <p>As Deputy Mézec highlights, this policy was introduced [as amended by the Minister for the Environment], following his initiative to pursue the policy with the Assembly. The amended version of the policy was unanimously agreed, with the Assembly recognising the importance of ensuring that development remains viable. If development is not viable, it will not be brought forward. There is a fine balance with a policy of this nature: provide more affordable homes or provide no homes at all.</p> <p>There is an unusual level of flexibility in Policy H6, which was included to make sure the Minister is able to review the parameters of the policy, when the time is right.</p> <p>Since the Island Plan was approved earlier this year, much has changed. We are facing a global economic crisis, labour and workforce shortages and ongoing supply chain issues. Interest rates are increasing, making both development financing and buying a home more difficult.</p>

	<p>The Minister for the Environment is already committed to reviewing the policy and will do so when there is sufficient evidence to suggest such an increase to the policy will not prevent housing delivery. As such, the proposed insertion is considered pre-emptive and unnecessary.</p>
<p>Introducing a ‘first right of refusal’ for private sector tenants to purchase their homes when their landlord decides to sell</p>	<p>We cannot commit to introducing a ‘first right of refusal’ for private sector tenants.</p> <p>It is difficult to understand what specific benefits this would bring to a sitting tenant. If a tenant is in a position to buy a property they are currently renting, they will already have the ability to offer market value when the property is put on the market.</p> <p>The issue of security of tenure will not be addressed by this policy and no supporting evidence has been provided by Deputy Mézec to support the case. The insertion should not be supported.</p> <p>Changes to the Residential Tenancy Law are currently under development and these will seek to address security of tenure issues. These will be presented to the Assembly as soon as they are available. This commitment is already set out in the Council of Minister’s Ministerial Plans.</p>
<p>Establishing a shared-equity scheme to support first-time-buyers attempting to purchase their first homes in the private sector, using the £10m fund set aside in previous Government Plans.</p>	<p>The commitment to introduce schemes to support ownership by utilising the £10m fund is already made in the Minister for Housing and Communities Ministerial Plan and the proposed Government Plan.</p> <p>Deputy Mézec’s amendment quite specifically requires the £10million to be used for a ‘shared-equity scheme to support private sector purchases’ but provides little evidence to demonstrate whether this will represent the greatest value for money and achieves the best outcome in terms of improving first-time buyers’ access to homes. As already stated, it is important that these monies are used to address the issues of today, whilst not creating new issues for the future or leading to unintended consequences.</p> <p>Its insertion to the CSP is unnecessary.</p>
<p>Requiring all homes built on publicly-owned land to be for first-time-buyers, social rental housing or downsizers</p>	<p>Deputy Mézec sought to achieve this policy aspiration in the Bridging Island Plan through an amendment, which was accepted by the Assembly, as amended by the Minister for the Environment. This policy already exists within Policy H5 of the Bridging Island Plan, as follows:</p>

	<p><i>Where States of Jersey or States-owned companies' land is brought forward for the development of new homes, these shall be for affordable homes unless it has been otherwise approved that the development needs to specifically provide open market homes, particularly where this is required to ensure the viability of public realm and community infrastructure delivery, in line with an approved Government Plan. In such cases, a minimum of 15% should be made available to eligible persons in accordance with "Policy H6 – Making more homes affordable", for assisted purchase housing.</i></p> <p>The exceptions set out in this policy were agreed as necessary to ensure that other important public benefits can be realised through the development of States'-owned land. In accordance with the agreed policy, the Council of Ministers has published the list of sites where a housing tenure mix will be supporting the delivery of other public benefits. See ' Use of Public Land for Public Benefit' in the proposed Government Plan (p.66-68).</p> <p>It is important also to be clear that the policy definition of affordable housing means a form of subsidised housing. It does not mean that homes not meeting the policy definition are 'unaffordable' to islanders; it simply means they are not subsidised.</p> <p>This insertion should not be accepted as it would severely damage our ability to provide other important public benefits through the development of homes on publicly owned land.</p>
<p>Introducing an Empty Property Tax</p>	<p>This insertion is pre-emptive to the outcome of the Minister for Housing and Communities report in response to P.48/2022, which asks the Minister to present options to the States Assembly to discourage properties being left vacant for long periods of time. The Minister is in the process of finalising his report, which will be presented to the Assembly by the end of November.</p> <p>This report will set out a series of actions that the Minister is undertaking to tackle the issue of vacant homes, including a further package of policy options with the Minister's position in relation to them. Before making a commitment to further piecemeal reform of the property tax system, the Assembly should consider this report.</p>

<p>Re-introducing the landlord licensing scheme originally proposed by previous Environment and Housing Ministers;</p>	<p>It is important to be clear that the insertion incorrectly refers to landlords licencing. This is not correct. Draft regulations have been previously brought to licence rented dwellings, not landlords.</p> <p>It is unclear what was specifically meant by this proposed insertion, given that different versions of regulations to licence rented dwellings were considered by the previous Assembly. However, Deputy Mézec's report highlights the need to implement a scheme that would provide the Housing and Nuisance team of Environmental and Consumer Protection with the tools needed to help keep properties safe and habitable for their tenants and crack down on illegal tenancy practices which are currently causing issues for many Islanders without a proper route for recourse.</p> <p>A proposition is already being developed with urgency to bring these measures forward. This is already committed to through both the CSP and Ministerial Plans.</p>
<p>Proposing a new Residential Tenancy Law to provide for European-style rent stabilisation and open-ended tenancies</p>	<p>Changes to the Residential Tenancy Law are being developed as a matter of priority. These will look to introduce rent stabilisation measures and open-ended tenancies. This commitment has already been made and also raised in the Ministerial Plans. Full details on the proposed measures will be made available to the Assembly as soon as they are ready.</p>
<p>Moving to a means-tested system for calculating social housing rents</p>	<p>This proposed insertion represents a fundamental change to the social housing rents policy and income support system in Jersey. The proposed move has not been properly thought through, impact assessed nor costed.</p> <p>Should the States Assembly wish to consider an alternative model for social housing rents in Jersey, it must do so with great care and consideration. The CSP is not the place to make a sweeping commitment to do something that could lead to catastrophic consequences not only to existing social housing tenants, but also to future social housing delivery.</p> <p>It must be recognised that the current 80% cap within the social rents policy represents the maximum rental fee. Most tenants pay well below 80% - with the average paying approximately 70% and a fifth paying 60% or less. It also must be recognised that a majority of social rented tenants have their rent fully recognised</p>

	<p>in their income –support calculation – a means-tested system for establishing individual needs.</p> <p>The assertion made in the report that social renters ‘subsidise’ Treasury by around £10m a year must also be challenged. This is simply not the case. The 80% cap on social rents acts a direct subsidy to all social-renters, to the value of approximately £24m per year. The majority of these tenants are further subsidised by the income support system by approximately £19 million per year.</p> <p>Andium make an annual return to Government in exchange for the approximately £675 million of housing assets which were transferred at no cost to Andium on 1 July 2014; this collectively represents a very significant subsidy by the public of Jersey to support social renters, underpinning the success of the high-quality social housing that Jersey is now fortunate to now have.</p> <p>This insertion should not be supported.</p>
<p>Implementing the recommendations of the Homelessness Strategy</p>	<p>Implementing the recommendations of the homelessness strategy is an existing commitment. The Minister for Housing and Communities has been very clear in his desire to address homelessness in Jersey, and this is made as a clear commitment in his Ministerial Plan.</p>

We urge members to review our Ministerial Plans, to consider the points we have made in relation to the changes to the CSP being proposed by Deputy Mézec, and to accept our amendment to amendment 6 of P.98/2022.

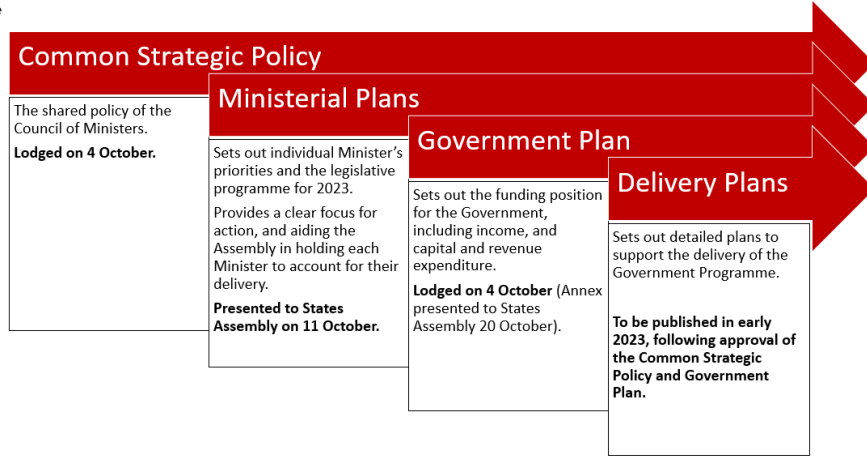
Performance measures

We agree that creating visibility of our progress and accountability is very important. This can however only be created by indicators that can be effectively measured, with meaningful outputs. We have proposed some changes to Deputy Mézec’s proposed measures to allow us to achieve this. We have made every attempt to work with the theme of measures that were originally proposed, and recommend that the Assembly accept our proposed amendments.

Additional information

The Government Programme: key documents

The below graphic explains the purposes of each of the Government Programme publications:



Ministerial Plans

[COPY OF PUBLISHED MINISTERIAL PLANS](#)



Minister for Housing and Communities

Deputy David Warr

Ministerial Priorities

I will progress a sustainable response to the housing crisis, increasing the supply and delivery of homes whilst improving affordability, quality and security of tenure.

My priorities are:

1. **Continuing to model open and accessible political leadership with respect to the housing crisis, listening to learn from Islanders about the challenges they face and their hopes for the future.**
2. **Working collaboratively with the Strategic Housing Partnership and States Members to find solutions and new opportunities, together.**
3. **Improving the housing situation for Islanders by:**
 - increasing the rate of home ownership, introducing a new scheme backed by an initial £10m investment in 2023.
 - working with the Minister for the Environment in delivering appropriate mechanisms to protect and support private rental tenants, and developing proposals to protect tenants from excessive rent increases, as soon as possible.
 - fully implementing commitments made in response to the Homelessness Strategy in 2023, including formalising the definition of homelessness and working with shelter providers to ensure our most vulnerable Islanders are able to access the right help at the right time, as part of a whole-system response, and improving the visibility of homelessness in Jersey using improved data.
4. **Addressing both the causes and effects of our housing crisis, including:**
 - delivering more homes for Islanders, whilst making better use of the homes we already have, including policies to support right sizing that will be delivered in 2023.
 - taking action to bring vacant homes back to the market, including working with Andium Homes to seek the purchase of sites and turn them into quality, affordable homes for Islanders.
 - delivering fair and sustainable changes to the affordable housing gateway eligibility criteria, further reducing the age requirement to 25 as soon as possible and reviewing the level of savings that are allowed.

data sharing in order to better understand the Island's housing market and make better decisions.

- publishing the Island's first long-term, sustainable strategy for the future of Jersey's housing market, based on a vision that extends beyond political terms and which carefully considers the role of fiscal measures towards a healthy housing market. This strategy will serve to test future housing actions proposed by the States Assembly, ensuring that actions:
 - > both individually and cumulatively, will take Jersey in the right direction
 - > will help to alleviate the housing issues experienced by Islanders today
 - > will leave a legacy of housing that is affordable and fit for future generations.

5. Confirming ongoing funding for the Strategic Housing and Regeneration Team in the Government Plan 2024-27, including reviewing the adequacy of the funding to deliver continued action to tackle the housing crisis.

Financial and manpower implications

The financial and manpower implications of Ministerial Plans are set out in the proposed Government Plan 2023.