

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2024- 2027 (P.72/2023): FIFTH AMENDMENT A SCHEME FOR RIGHT-SIZING

Lodged au Greffe on 14th November 2023
by Deputy T.A. Coles of St. Helier South

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2024-2027 (P.72/2023): FIFTH
AMENDMENT

1 PAGE 2, PARAGRAPH (I) –

After the words “Appendix 3 to the Report” insert the words –

“, except that in the section “Improving access to housing” on page 9 there should be inserted a fifth bullet point with the words “We will develop a scheme to encourage and incentivise right-sizing, to be presented to the States Assembly before 31st May 2024, with the financial implications forming part of the Government Plan 2025-2027”

DEPUTY T.A. COLES OF ST. HELIER SOUTH

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

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

to receive the Government Plan 2024 – 2027 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2024 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to refer to their Act dated 30th September 2016 and to approve the application of existing resources for work on the development of ‘user pays’ charges in relation to all aspects of waste, including commercial and domestic liquid and solid waste;
- (c) to approve the proposed Changes to Approval for financing/borrowing for 2024, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (d) to approve the extension of the use of the existing Revolving Credit Facility to include the provision of funds that would otherwise be implemented through bank overdraft or bank overdraft facilities under Article 26 (1)(a) of the Law, should they be needed, subject to the limits outlined in that article;
- (e) to approve the transfers from one States fund to another for 2024 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (f) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2024 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31

December 2023 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31 December 2024;

- (g) to approve each major project that is to be started or continued in 2024 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (h) to approve the proposed amount to be appropriated from the Consolidated Fund for 2024, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report;
- (i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2024 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (j) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2024 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2024 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2024-2027, as set out at Appendix 3 to the Report, except that in the section “Improving access to housing” on page 9 there should be inserted a fifth bullet point with the words “We will develop a scheme to encourage and incentivise right-sizing, to be presented to the States Assembly before 31st May 2024, with the financial implications forming part of the Government Plan 2025-2027.

REPORT

The purpose of this amendment is to bring back to the foreground the need for right-sizing in our bid to tackle the housing crisis.

Background

Reported in the [2021 census](#), out of 44,583 occupied private dwellings on the island, 11,782 were under-occupied homes and, of these, 10,534 were owner occupied homes. Taking into account the total of owner-occupied dwellings was 23,870, this demonstrates that 44.1% of all owner-occupied homes are under-occupied.

In 2021, [R.98/2021](#) was published as an action plan to address Jersey's housing. Included within that plan was Priority 4C – Increase access to family homes with greater support for right-sizing - and this priority was timetabled for implementation by Q3-4 2022. Unfortunately, this has not come to fruition and needs to be brought back to the agenda, with schemes considered and funded for the next government plan.

Within the [2022 Bridging Island Plan](#), in the preamble for Policy H5, there is a section headed “Promoting the efficient use of the existing stock: right-sizing”. Within this section it states;

“To assist in this process, this Island Plan supports and enables the provision of a proportion of right-sizing homes on sites zoned for the provision of affordable homes. Occupancy of any right-sizing homes would be regulated by planning condition, and eligibility to access any such provision would be restricted to those who are genuinely downsizing and managed through the Gateway.

Working with arms-lengths affordable housing providers, the Government of Jersey is developing incentive and support packages to encourage under-occupiers to right-size to smaller homes; whilst developing appropriate mechanisms to ensure that the existing homes which are released are appropriate for, and remain available as, affordable homes for purchase in perpetuity.”

In [May 2022, the Right-sizing Report survey](#) findings were published. There was a very high number of returns, when compared with survey norms, with 1,170 responses, of which 86% were homeowners. It was interesting to read that the main reason to right-size was an acknowledgement that the current property was too big (57%), while the two main reasons not to right-size were price (52%) and fee and stamp duty (50%).

Another interesting point, from the survey, showed that the age range for those wishing to right-size, showed most interest from those aged 55 to 59 (21%) with 60 to 64 (19%) a close second.

Conclusion

It is not the intention of this amendment to handcuff government to any single mechanism to encourage right-sizing. It would be my personal opinion that we should be looking at a reduced stamp-duty rate for those right-sizing, as there would be an additional transaction going in the other direction that would make up for this reduction.

Financial and staffing implications

As this amendment is essentially an in principle one, there is limited additional financial implications at this time. Financial implications will likely be identified during the review process and included within the next Government Plan.

As noted within my report, this is not a new idea and has been discussed by both the previous Government and the current Government. My intention with this amendment is to bring the project to the fore and ensure it remains there – as it is already an ongoing theme for the Housing teams, it should have limited staffing implications.