

# STATES OF JERSEY

## OFFICIAL REPORT

THURSDAY, 25th NOVEMBER 2021

<b>PUBLIC BUSINESS - resumption</b> .....	<b>3</b>
<b>1. Assisted Dying (P.95/2021) - as amended (P.95/2021 Amd.) - resumption</b> .....	<b>3</b>
1.1. Connétable R. Vibert of St. Peter: .....	3
1.1.1 Deputy C.F. Labey of Grouville: .....	4
1.1.2 Deputy C.S. Alves of St. Helier:.....	5
1.1.3 Deputy G.C. Guida of St. Lawrence:.....	7
<b>2. Principles for Jersey's Participation in United Kingdom Free Trade Agreements. (P.94/2021)</b> .....	<b>10</b>
2.1 Senator I.J. Gorst (The Minister for External Relations and Financial Services): .....	10
2.1.1 Deputy D. Johnson of St. Mary: .....	13
2.1.2 Deputy J.H. Young of St. Brelade: .....	13
2.1.3 Deputy J.M. Maçon: .....	13
2.1.4 Connétable M.K. Jackson of St. Brelade:.....	14
2.1.5 Deputy K.F. Morel of St. Lawrence: .....	14
2.1.6 Deputy R.J. Ward of St. Helier:.....	15
2.1.7 Senator S.Y. Mézec: .....	15
2.1.8 Senator S.C. Ferguson: .....	15
2.1.9 Senator I.J. Gorst: .....	15
<b>3. Provision of Affordable Housing Guidance (P.96/2021)</b> .....	<b>19</b>
3.1 Senator S.Y. Mézec: .....	19
<b>3.2 Provision of Affordable Housing Guidance (P.96/2021): amendment (P.96/2021 Amd.) .....</b>	<b>25</b>
3.2.1 Senator S.Y. Mézec: .....	25
3.2.2 Connétable A. Jehan of St. John: .....	26
3.2.3 Deputy J.H. Young: .....	27
3.2.4 Deputy S.J. Pinel of St. Clement: .....	30
3.2.5 Senator S.C. Ferguson: .....	31
3.2.6 Connétable J. Le Bailly of St. Mary: .....	31
3.2.7 Deputy R. Labey of St. Helier: .....	32
<b>LUNCHEON ADJOURNMENT PROPOSED</b> .....	<b>35</b>
<b>ADJOURNMENT</b> .....	<b>35</b>
3.2.8 Senator K.L. Moore: .....	35
3.2.9 Deputy R.J. Ward: .....	36
3.2.10 Deputy M.R. Higgins of St. Helier: .....	38
3.2.11 Senator S.W. Pallett: .....	39
3.2.12 Deputy J.A. Martin of St. Helier: .....	40

3.2.13	Deputy R.E. Huelin of St. Peter: .....	41
3.2.14	The Connétable of St. Brelade: .....	42
3.2.15	Deputy I. Gardiner: .....	42
3.2.16	Senator J.A.N. Le Fondré:.....	43
3.2.17	Deputy G.P. Southern of St. Helier:.....	46
3.2.18	Deputy L.B.E. Ash of St. Clement:.....	46
3.2.19	Deputy K.F. Morel: .....	48
3.2.20	Senator I.J. Gorst:.....	48
3.2.21	Senator S.Y. Mézec:.....	49
<b>3.3</b>	<b>Provision of Affordable Housing Guidance (P.96/2021) - resumption .....</b>	<b>55</b>
3.3.1	Deputy J.H. Young: .....	55
3.3.2	Deputy K.F. Morel:.....	56
3.3.3	The Connétable of St. John:.....	57
3.3.4	Deputy S.J. Pinel:.....	57
3.3.5	Senator S.C. Ferguson: .....	58
3.3.6	Senator L.J. Farnham: .....	58
3.3.7	The Deputy of St. Peter: .....	60
3.3.8	Deputy R. Labey: .....	60
3.3.9	Senator K.L. Moore: .....	63
3.3.10	Deputy M. Tadier of St. Brelade: .....	64
3.3.11	Deputy M.R. Higgins: .....	66
3.3.12	Connétable A.S. Crowcroft of St. Helier: .....	67
3.3.13	Senator J.A.N. Le Fondré:.....	67
<b>ADJOURNMENT</b> .....		<b>69</b>

[9:31]

**The Roll was called and the Dean led the Assembly in Prayer.**

**PUBLIC BUSINESS - resumption**

**1. Assisted Dying (P.95/2021) - as amended (P.95/2021 Amd.) - resumption**

**The Bailiff:**

We now resume the debate on P.95, Assisted Dying, and next listed to speak I have the Connétable of St. Peter.

**1.1. Connétable R. Vibert of St. Peter:**

I would like to thank all those who have contacted me over the past few weeks. I do not recall any debate which has generated the volume of contact from Islanders expressing their views for and against the proposition. I have also undertaken my own research, looking in particular at the legislation introduced in Australia, together with a report a year later into the introduction of the law and issues that had arisen. I also looked at the scheme available in the state of Oregon in the U.S. (United States). I do believe that an individual who has an incurable disease and is faced in their final months with the prospect of unbearable pain should have the right to decide how they die. However, the definition of an incurable disease is not without its problems. Over 40 years ago a relative of mine was given 6 weeks to live with an incurable form of cancer. They were lucky that the doctor involved did not give up on them and found pioneering treatments in the U.S. which had not been performed in the U.K. (United Kingdom) before. I am pleased to say that that person recently celebrated their 91st birthday. My conflict was whether the proposition in front of us would offer sufficient safeguard. Without the detail necessary to give me the assurance I required I felt I could not support the proposition. I am thankful that an amendment was lodged which will allow us, or those of us who are part of the new Assembly, to review those safeguards at a later date. The amendment has allowed me to support the in-principle proposition. Coercion is a serious issue and there is evidence to suggest it has occurred in some jurisdictions. It is something I had come across in my career in banking, in some cases it is so subtle to the extent the victim is not aware it is occurring. Almost exclusively it occurred towards the end of someone's life and involved their estate. Adult children may have inheritance impatience, which has been an issue noted in Australia. In Oregon, in the United States, where assisted dying has been available for over 16 years, 50 per cent of those who requested assisted dying stated as a reason that they had become a burden on others. One would have to question how many of these people had reached that conclusion with the assistance of others. In addition, in that state doctors are not permitted to raise the question of assisted dying with patients unless the patient raises it first, which is a safeguard I would endorse. It is therefore essential that the controls that we put in place are extremely robust. It will not be easy for those who have to undertake that task to set safeguards and provide 100 per cent certainty that issues such as coercion have not taken place but they must protect the vulnerable and elderly to the greatest possible extent. The Oregon model allows doctors to prescribe lethal medication to the patient but it is the patient's decision whether to take the medication. It therefore requires a positive act by them before the decision to end their life. The records show that in some years nearly 50 per cent of patients fail to take the medication, although the reason why this was the case is not given. Some will have decided that they simply could not take that decision, some may not have experienced the level of pain they anticipated, others may have died naturally without the need for medication. Nevertheless they were given the choice to end their lives in the way they wished to do so. The Oregon model is one I would favour. The Constable of St. Ouen has already expressed his views on the euthanasia where another party administers the medication, and I share his concerns. It is important that doctors and our healthcare workers are not put in a position where they are forced to take part in procedures related to assisted dying. In Victoria in Australia one of the issues raised and reported on in the first year was that there was a shortage of doctors willing to undertake the

procedures. Again the legislation, when and if it is brought back to the Assembly, must be robust in this area and offer the highest level of protection. Had it not been for the amendment I would have voted against this proposition but an agreement in principle will allow us to review the matter when the level of detail that this subject deserves is in front of us and to accept or reject the proposition on that basis. I do not wish to repeat matters raised by previous speakers so I will leave matters here.

### **1.1.1 Deputy C.F. Labey of Grouville:**

I would like to thank everyone that has written to me, emailed, phoned. We have had, I think, an unprecedented amount of correspondence on this particular issue. I was very moved by what the Dean spoke of yesterday in his excellent speech. He spoke about compassion and I totally agree with what he was saying but he was speaking about the voices that speak the loudest. In this particular subject I am not sure which voices are currently speaking the loudest. Also during yesterday's speeches Deputy Doublet raised an issue about coercion and as a society I think it is something that we really need to give greater focus to because it is not just in this particular case where the fears could be raised. There are all kinds of coercion that could be taking place and I think that it is something that we need to look at when we are persuading ... you know, people could be persuaded to leave their homes as they get elderly, to give up control of their finances, to go into care. What safeguards have we in place in our society to ensure that those people are not being coerced and making decisions and doing things that they really do not want to do? I would say that we really need to look at the issue about safeguarding across our society. This is such a difficult subject and, like many others, you have a particular position, or you think you do, and then you hear another viewpoint and you totally agree with their viewpoints, but at the end of the day we have to make a decision. Many of us, I believe, are drawing on our own experiences, do unto others as you have done to yourself.

[9:45]

That is when I can draw on some of my own experience, witnessing my husband's brother suffer over about 3 years. He had Alzheimer's. He lived in Scotland and every time my husband and I went up to see him he was worse each time. We witnessed this proud man, a fine proud man, being reduced to a shell of the person and it was not the care, he was cared for in his home, it was not the amount of care ... my husband comes from a family of 12 brothers and sisters so there was plenty of care to be had. But, for me, his quality of life, his existence deteriorated so much, so badly, it was utterly heart-breaking to witness. You withdraw from it and think: "Would I want to be in that position?" Well, obviously nobody wants to die but would you want to have to live or exist in that way? The answer has got to be no. For me, it moved me so much on the last trip up to Scotland I came back to Jersey, saw my solicitor and made a living will and I handed it out to each of my children and my husband and said: "I do not want to ever be in that position." But that is my choice. That is my choice and I perfectly understand those for religious grounds, humanist grounds, conscientious objectors in the medical profession, I perfectly understand they too have a choice. But I do not want to deny the choice to people that do not want to go through any suffering or just be reduced to such a poor existence. It is not worth living. There is another aspect by not granting this choice to people in Jersey, if we deny people that want this choice we are forcing them to leave and go elsewhere to take up a Dignitas-type end to their own lives. I do not think that is right either. We have to consider what they would have to go through and obviously it would only be open to those that can afford it to move over to a clinic elsewhere. At what stage do they travel? They obviously have to be compos mentis to take the aeroplane or however they are getting there. So at what stage? Is it 6 months before they die? Is it a year before they die? What about their family members? What we are actually doing is denying these people the right to be at home, to be surrounded with family, and I do not think that is right either. As a jurisdiction this proposition has come before us and I think we have to consider it and we have to consider every single element of it. By not implementing it what we are subjecting people who want and can afford the choice to go away. I knew Alain du

Chemin very well and I feel that he was an incredibly intelligent, level-headed, fun-loving person. He, in the cold light of day made a choice. He did not need to exercise it in the end but I know he took great comfort just knowing - as the Constable of St. John described yesterday - he had an emergency exit. Just knowing that he would not be subject to existing or great suffering at his end. For me, I am going to support the proposition. Like others, I am incredibly grateful to Deputy Morel for bringing his amendment because I think we will all be able to reflect on this further. When we do I really hope that the coercion element is not only considered in this particular element of this particular subject but others too.

### **1.1.2 Deputy C.S. Alves of St. Helier:**

A lot has been said already in this debate and I would just like to add my thanks to everybody else's for all those people who have emailed me. This is quite a difficult thing for me because I was brought up Catholic and have considered myself a Catholic most of my life so my decision on whether to support this or not has ... well, ultimately comes down to faith versus experience. I believe that the faith is what guides us but experience often changes and shapes us. As a member of the Health and Social Security Panel I am going to just draw into some research we have done to assist us with our work on mental health over the past 3 or so years. I want to start off with some facts and figures around suicide, as this was something that has been mentioned quite a lot in this debate. I want to start by quoting the Samaritan guidelines to all public bodies. What it says there is: "Speculation about the trigger or cause of a suicide can over-simplify the issue and should be avoided. Suicide is extremely complex and most of the time there is no single event or fact that leads someone to take their own life. However, excessive use or coverage of suicide can lead to irrational suicide behaviour among vulnerable people. For example, in the 5 months following Robin Williams suicide in 2014 there were 1,841 more suicide deaths in the U.S.A. compared to the same period of time from the previous year." That is a 9.85 per cent rise. There is absolutely no peer-based medical evidence that assisted dying undermines or runs counter to effect suicide prevention strategies nor is there evidence to suggest that the legislation of assisted dying has led to a shift in attitude towards suicide. It is also important to stress the difference in each country, like Belgium and New Zealand, for example, with their different policy and laws on this area. If you compare the suicide ranking of U.S. states between 2005 and 2017, you will note that nearly every state that passed laws authorising medical aid in dying dropped in the rankings after they passed. Western states have higher suicide rates than the national average because they have higher gun ownership rates and access to mental health care services in many of those rural areas are grievously lacking, including states where medical aid in dying is not currently an authorised option. The rate of euthanasia in the Netherlands has remained fairly stable at 2.8 per cent of all deaths in 2010. The most recent survey of doctors in the U.K. was in 2007/2008 and the rate of euthanasia was reported to be 0.21 per cent of all deaths. A similar rate has been reported in France, even though euthanasia remains illegal in both countries. In contrast, research carried out in Belgium found the rate prior to legislation was unclear, with separate surveys reporting 0.3 per cent of all deaths in the region in 2001/2002 and 1.1 per cent in 1998. The rate has risen steadily since legislation in 2002 to 4.6 per cent of all deaths in the most recent survey in 2013. Very low rates of assisted suicide are reported in countries that both permit and prohibit this practice. My mother is a carer and she has been one for as long as I can remember. At the time of my birth, she was a live-in carer and I have many fond memories of the various people my mum has cared for in the past; many until their final days. We spoke about this subject a few days ago and how I would be voting. We spoke about pretty much everything that has already been brought up during this debate, so I will not repeat anything that has already been said. The main concern for both her and I was around those without capacity, whose decision would be put into somebody else's hands. Although this is a debate on the principle of assisted dying, it is clear from the conditions and criteria set out in this proposition that only the person themselves would be making that decision. Like many who have spoken, I am extremely glad that Deputy Morel put in his amendment and that these specific conditions and criteria are in this proposition that we are debating now. Without these

safeguards I would not have given any consideration to supporting this. Overnight we received an email from Sarah Wootton from the Dignity in Dying organisation and I would like to quote what she said regarding safeguarding: “The proposition already contains an outline of safeguards that are common to other jurisdictions that have legalised assisted dying, whether in the U.S.A., Australia or New Zealand, which all have assisted dying laws in place. In none of these jurisdictions have there been cases of abuse, rather laws have been proven to work safely providing choice and control to dying people while protecting those who do not wish to have assistance to die. It should also be recognised that the law in Jersey at present provides no safeguard except for the threat of prosecution after a person has been assisted to die. In the U.K. we know that the effects of this blanket ban are terrible for dying people and their families. It forces people with terminal illnesses to travel to Dignitas if they have the financial means, are well enough to travel, and can access the necessary documentation. For those unable to travel overseas, hundreds of people in England and Wales take their own lives by suicide while living with a terminal illness. Thousands of people every year die without adequate pain relief at the end of life, die without dignity or while suffering from unmanageable symptoms. If we are serious about safeguarding vulnerable people, the answer is not to maintain an unfair, uncompassionate and unsafe prohibition on assisted dying, but to provide that choice with a robust and stringent eligibility criteria. Banning assisted dying does not prevent it, it merely moves it into the shadows.” There was also something else that was mentioned in this email that is important to put on public record, especially since many people have questioned the validity of the selection process of the citizen’s jury, for example. In this email it was mentioned that we know the people of Jersey to be overwhelmingly in favour of a law change. A poll carried out this year by Island Global Research, the Channel Islands polling specialist, found that 90 per cent of Islanders agree the law should change to allow terminally ill, mentally competent adults the choice of an assisted death, including 73 per cent who strongly support law change. Furthermore, 54 per cent said they are very likely to consider travelling overseas for an assisted death if they were terminally ill and 3 per cent believe that Jersey should wait for the U.K. to act first. In my mid-20s, I was fortunate enough to be able to buy a home and as a result had a will drawn up. It is a strange thing to do when you are in your 20s and otherwise healthy, but I thought it was sensible. I remember having the conversation with my partner at the time about death and what would I want in the event of my death, et cetera, and inevitably we got on to the subject of terminal illness. I told him that if we got to that, if I was suffering, I would not want to prolong my life and if that meant taking my savings and going abroad for it then that is what I would like to happen. Ideally, I would rather not have to go elsewhere to die peacefully. This is my home and I would want to stay at home, but if this was not an option I would rather go elsewhere than suffer and let those around me see that suffering. I do not want somebody’s last memory of me to be a traumatic one. I should have that option available to me. I said at the start of my speech that I was brought up Catholic. Although I have not always practised many parts of this religion there is one thing I have lived my whole life by that I have taken from it and that is “do to others and you would have them do to you”. This proposition is about choice and I would never want anyone to restrict my choices on something that impacts me and my body, regardless of my faith; I have no right to do that. With that, and based on the fact that safeguards outlined are in place and that the detail will be coming back at a later stage, I will be supporting this proposition.

[10:00]

**The Bailiff:**

Thank you very much, Deputy. Does any other Member wish to speak on the proposition? If no other Member wishes to speak ... could Members leave the approbation and comment until after I have been clear that no one else wishes to speak, please? It may be blocking other people who wish to indicate. Does anyone else wish to speak on the proposition? No one else wishes to speak on the proposition then I close the debate and call upon the Minister to respond.

### **1.1.3 Deputy G.C. Guida of St. Lawrence:**

I would like to thank all Members for their contribution. I can see that some of these were difficult or even painful and I am glad that the subject was treated with the dignity it deserved and also that no one shied away from it. I will not argue with them on the principle, so my responses will only be about the draft safeguards within the proposition and how we design them. It will also be about the data I used in some of the representations. To the Constable of St. John, who would have liked to be presented with both sides of the argument at the same time. These meetings were, of course, organised by opposing sides. As the Government wanted to remain neutral in principle, it is not something we wanted to organise. It was, however, one of the principles of the citizen's jury that they would be exposed repeatedly to advocate from both sides. The Deputy of St. Martin said that the report answered its own questions but that there is lots of work left to do. I can only agree, of course. For an in-principle decision, there was a huge amount of work put into it already and I would like to thank all the officers who participated in the creation of these documents and the long process that led to them. Deputy Morel's amendment will allow the Assembly to follow and participate to this work in addition to deciding upon its results. The Constable of St. Ouen and the Constable of St. Peter asked for a separated vote on part (a)(ii)(1) and part (a)(ii)(2). I am really wary that the fear of not having the option of voluntary euthanasia may tempt people to choose physician assisted suicide much earlier than they would need to. I would normally be very open for all the States Members to alter a proposition, but in this case I will not offer this option which I think removes an important safeguard. If we want to allow assisted dying it needs to remain an absolute last resort not a choice you need to make early. Senator Fergusson suggested first that the citizen's jury has been self-selecting in favour of first seated down. The jury were selected through an independent and random sortition system. This ensured that it matched the distribution of the world population, especially in their position on assisted dying. The source of the statistics used is indeed the British Social Attitude Survey. The result of which has been remarkably stable over the last 40 years. Since 1983, every single year, 80 per cent of the randomly selected British people in it have been in favour of assisted dying. It would have made no sense to use any other figure. The Deputy of St. Ouen suggested that the proposition accepts that vulnerable people will be put at risk. The proposition, in fact, accepts that there is a risk for vulnerable people and then described many possible safeguards which are designed almost exclusively to protect them. We have now given ourselves 18 months to develop these safeguards to the best of our ability and under the control of this and the next Assembly. One of these standout safeguards is that health professionals cannot be the ones to raise the issue of assisted dying with a patient. The patient must raise it first. Finally, there is no reason why the introduction of assisted dying should have any influence of the provision of palliative care. Right now, the director of Palliative Care Jersey Hospice is developing a new end-of-life strategy, which will bolster the Island's palliative care offering. We need to support him. Deputy Doublet expanded on the subject by mentioning care at home and the expected role of women in it. It is an important subject that we must also tackle in our future Care Model. Deputy Morel expressed concerns about life-ending medication. He referenced an old, unreviewed study about American capital punishment by lethal injection. It bears no relevance to the practice of assisted dying, where sophisticated combinations of drugs are used to ensure a safe and painless end of life. With regard to the rib fracture incident, the patient already had cancer, renal failure and dementia. Furthermore, the clinicians were unaware of her fall. Clinicians made a serious mistake, but one which would have hastened her death by only hours or possibly days. The professor who reviewed the case said: "It would have been unacceptable, undignified and negligent to have left her pain and distress unmitigated, even if the unintended and unlikely effect may have been a death some hours sooner than without it." The Deputy also said that suicide rates have been shown to increase in jurisdiction where assisted dying has been introduced. There is evidence that rates have increased in the U.S. as a whole nation, not especially in the states where assisted dying had been introduced; also in the Netherlands. However, on the other hand rates have declined in Belgium and Canada. There is still

no proven causal link with assisted dying. To Constable Vibert, there is already in the proposition a conscientious objection clause to ensure no medical professional is ever forced to participate in assisted dying. I would like to finish by presenting my personal views on assisted dying. Like all in this Chamber, I have received many personal representations on the subject, but I have been unable to answer so close to the debate. I would like to apologise to those people for that and I will now explain my own position. I will be voting for assisted dying. I will do it in the knowledge that I will disappoint the people who have written to me to advocate against it, but this vote is not for them. My vote is not for the pressure groups, lobbyists or the advocates of assisted dying. I am voting on behalf of a single person. She is a face for cancer sufferers. I am voting for that one person who was in such pain that the only way to alleviate it was to make her unconscious for a week. The person whose very short future is overwhelmed by the fear of this pain returning, overwhelmed by the fear that her last contact with her family will be through screams of agony until she is rendered unconscious again. Her relatives will sit by her inert body for days or weeks until her heart mercifully stops beating based on its own unfeeling biological process. At this point, she will probably be alone. I am voting to give that one person one merciful decent dignified option, if she chooses to use it. Sir, I ask for the appel. **[Approbation]**

**The Bailiff:**

Thank you very much, Deputy. I took it from your speech that you wish to take the entire proposition together and not to divide the parts. Is that correct?

**Deputy G.C. Guida:**

Yes, please, Sir.

**The Bailiff:**

That is a matter entirely for you. Before I put the matter to the vote, I hope Members will not mind me saying that it is always a privilege to preside over this Assembly, but it has been a particular privilege to preside over this debate. Members have brought their best reflective selves to the debate **[Approbation]** and it has been of absolutely the highest quality so, as I say, it has been a particular privilege. I ask the Greffier to post a voting link into the chat. I open the voting and ask Members to vote in the normal way.

**Deputy J.M. Maçon of St. Saviour:**

Sir, given the importance of this vote, I wonder if we could have bit more time, just to make sure that the system is working.

**The Bailiff:**

Yes, we will and I will go as slowly as I hope Members could hope. If Members have had the opportunity of casting their votes, I will shortly close the voting, so anyone who has had any difficulty might wish to participate in the chat now. If Members have had the opportunity of casting their votes, I will ask the Greffier to close the voting. The proposition has been adopted.

<b>POUR: 36</b>		<b>CONTRE: 10</b>		<b>ABSTAIN: 0</b>
Senator L.J. Farnham		Senator I.J. Gorst		
Senator J.A.N. Le Fondré		Senator S.C. Ferguson		
Senator T.A. Vallois		Connétable of St. Helier		
Senator K.L. Moore		Connétable of St. Lawrence		
Senator S.W. Pallett		Connétable of St. Brelade		
Senator S.Y. Mézec		Connétable of Trinity		

Connétable of St. Saviour		Deputy K.C. Lewis (S)		
Connétable of Grouville		Deputy of St. Ouen		
Connétable of St. Peter		Deputy J.H. Young (B)		
Connétable of St. Ouen		Deputy L.B.E. Ash (C)		
Connétable of St. Martin				
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

### **The Deputy Greffier of the States:**

Those voting in the chat in favour of the proposition: the Connétable of St. Saviour, Deputy Pinel, Senator Moore, the Deputy of St. Mary and the Deputy of Trinity. In the link: Deputies Labey and Ahier, Senators Le Fondré and Vallois, Deputies Ward, Pamplin, Le Hegarat, Truscott, Higgins and Doublet, Senator Mézec, the Connétables of St. Martin and St. John, Deputies Martin, Alves, Gardiner and Wickenden, the Connétable of St. Ouen, the Deputies of Grouville and St. Peter, Senator Farnham, the Deputies of St. John, Morel and Southern, the Connétable of St. Clement, St. Peter and Grouville, Senator Pallett, Deputies Guida, Deputies of St. Martin and Deputy Maçon. Those voting contre in the chat: the Connétable of St. Lawrence. In the link: the Connétables of St. Helier and St. Brelade, Senator Ferguson, the Deputies of St. Ouen, Young and Ash, the Connétable of Trinity and Senator Gorst.

[10:15]

## **2. Principles for Jersey's Participation in United Kingdom Free Trade Agreements. (P.94/2021)**

### **The Bailiff:**

I was at this point going to move on to an urgent oral question, but the Greffier is considering the answers already given by the Minister yesterday and so we will revert to the order of business and I will intersperse it possibly at a later time. We now come to P.94, which are the principles for Jersey's participation in the United Kingdom Free Trade Agreement. It has been lodged by the Minister for External Relations and Financial Services. For the purposes of this debate the main respondent is the chair of the Economic and International Affairs Scrutiny Panel. I would ask the Greffier to read the proposition.

### **The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion to adopt the following principles upon which the Council of Ministers shall determine Jersey's participation in future United Kingdom Free Trade Agreements: (a) Protecting Jersey's existing constitutional autonomy and cultural heritage; (b) Maintaining and strengthening Jersey's reputation as a well-administered jurisdiction that is responsible for its own prosperity; (c) Upholding the long-established rights and privileges of Jersey residents and businesses that enable them to trade and remain agile, innovative, and competitive as Jersey seeks to grow and diversify its economy; (d) Maintaining or increasing the ability of the States Assembly and Government of Jersey to make decisions expeditiously in areas of domestic policy, including where close collaboration with the U.K. Government and other international partners is required; (e) Further to the current baseline of customs and goods participation, seeking the inclusion of extension provisions to enable Jersey's participation in additional provisions, post-ratification, and, where extension includes the basis of new commitments, obtaining the consent of the States Assembly wherever practicable or otherwise reporting to the States at the earliest opportunity; (f) Taking into account commitments already undertaken in existing Free Trade Agreements which Jersey participates in; and (g) Keeping the relevant Scrutiny Panel informed and up to date on all Free Trade Agreement negotiations with which the Government of Jersey is involved.

### **2.1 Senator I.J. Gorst (The Minister for External Relations and Financial Services):**

I thank Members for agreeing yesterday to take this after the preceding decision. As Members will be aware, since the United Kingdom became an independent trading nation at the start of this year, the U.K. Government has been negotiating a series of free trade agreements, which I will refer to as F.T.A.s (free trade agreements), with countries around the globe. The U.K. has an ambitious global trade agenda, which has been largely focused on negotiating new F.T.A.s that were not in place when the U.K. was an E.U. member state. That said, the agenda also includes enhancing F.T.A.s that were rolled over, known as continuity agreements, that were in place when the U.K. was a member of the E.U. They have sought more comprehensive trading provisions within continuity F.T.A. agreements. Some of these have already been secured with partners, including Japan, and countries forming the European Economic Area. As a Crown Dependency and a proud member of the British family, Jersey can benefit from the development of this network of global free trade agreements. Members will, I hope, recognise that securing our own separate F.T.A.s with larger countries such as Australia and Japan would be extremely challenging. In the view of the Council of Ministers it is both logical and sensible for Jersey to take advantage of our position in the wider British family when it comes to global trading arrangements. It is, therefore, the clear view and recommendation of Ministers that in line with our ambition to maximise potential opportunities for Jersey throughout the Brexit process Jersey should be seeking participation within F.T.A.s from the outset. This proposition accordingly results from the need for Jersey to determine the principles on which we wish to negotiate our own participation in these new trading arrangements and from the desire of Ministers to ensure that the Assembly is properly involved in this area of work and to the greatest possible extent. To date, it has

been possible to secure this participation in the goods chapters of continuity F.T.A.s, assisted by the C.D. (Crown Dependency) Jersey Customs Union being in place. These are arrangements from which Jersey largely already benefited in previous years, with a notable addition that we have secured mechanisms to allow for broader participation in the future, primarily in service chapters where it is in our best interest to do so. Members will appreciate that the nature and mechanisms of a negotiation inevitably means that they go down to the wire and are undertaken confidentially, something which Jersey has always meticulously respected. Indeed, it is vitally important for our international credibility that we continue to do. It is also the case that the text of an F.T.A. is not publicly available for scrutiny in the U.K. Parliament until after it has been signed. The States Assembly process accordingly needs to align with this wider process, which means that Members will get sight of text at the same time as the U.K. Parliament. The consequence of this process means that if Jersey wants to benefit from coverage from the outset in any new F.T.A.s we must reach a decision on participation before the text of the F.T.A. is signed. That is the reality of international trade negotiations, a relatively new world for, not only the U.K., but of course for Jersey and one that needs us to make specific internal democratic arrangements. The proposition then, if adopted, looks to address these challenges as far as it is possible in respect of securing the Assembly's role in this important policy area. It secures the key principles on which the Government will be participating in the U.K.'s negotiations. This ensures that the parameters within which Ministers can act are set rightly by the Assembly and set a number of safeguards for Members. This is especially important now we are moving towards brand new trading arrangements being finalised, those that are not continuity F.T.A.s. I believe that these objectives are achieved through this proposition. I recognise, as I have said, that this is new territory, both for the Government of Jersey and for this Assembly. The proposition, therefore, seeks to proceed with a pragmatic approach while allowing for ongoing flexibility. The proposition's guiding negotiation principles are built upon the Brexit negotiating principles which Members will be familiar with. These have been deliberately chosen as a starting point in order to provide continuity in our approach to all F.T.A.s. The guiding principles also take into account commitments which Jersey has undertaken in continuity trade agreements already so as to ensure consistency with our existing trading relationships. The principles essentially provide the parameters for the Government to determine Jersey's day one customs and goods involvement. They also include a proposal for extending services and investment chapters post-ratification. As Members are aware, Jersey already participates in the customs and certain goods chapters of certain F.T.A.s including Japan and, as I have said, the E.E.A. (European Economic Area). These agreements maintain to the principle of goods participation which Jersey was previously privy to under Protocol 3 before the U.K. exited the E.U. Jersey's participation in the customs and goods provisions of an F.T.A. brings with it the advantages that the U.K. has negotiated. These generally include the application of preferential tariffs, quotas and border measures to facilitate cross-border flows of goods. Whether Jersey participates in an F.T.A. or not, Jersey still applies the U.K. global tariff on imported goods. This is because of the U.K.-Jersey customs arrangement which ensures free movement of goods between us. As I say, that is mirrored across the other 2 Crown Dependencies. It must be emphasised that should Jersey decide not to participate in a particular F.T.A., Jersey exporters would not benefit from the liberalised tariff lines that treaty partners benefit from putting our exporters at a disadvantage with any competitors they might have in the United Kingdom. With respect to services and investment provisions of F.T.A.s, these include many international obligations which are new to Jersey and which operate in areas of greater economic significance for our Island. The guiding principles propose that the U.K. always seeks to secure an extension mechanism for other chapters beyond customs and goods to utilise post-ratification, allowing time for further assessment once the agreement is finalised. This mechanism, as I have mentioned, has been negotiated in other F.T.A.s. Members will appreciate that each F.T.A. is a separate negotiation and as such the outcome cannot be entirely guaranteed. It unfortunately may not always be possible to negotiate an extension mechanism. The key advantage of course of an extension mechanism is to allow Jersey to consider further obligations in slower time and on the basis of the final text. Where

appropriate, this will allow the Government and States Members to assess and scrutinise participation in other F.T.A. chapters. The proposition as a whole preserves and enhances the ability to refer F.T.A.s to the States Assembly for consideration and debate where of course it is practical. It is especially appropriate that the Assembly is given a particular opportunity to review any new commitments proposed by the Government. Accordingly, unless it is entirely practically unfeasible, it is my policy intention for any new commitments around service inclusion to come back to the Assembly for specific approval. The proposition nevertheless deliberately builds its efficient flexibility for scenarios where, even with the best of intentions, parliamentary debate, even on a new commitment around services, is not absolutely possible prior to ratification, such circumstances the Government would be required to report to the States at the earliest opportunity to update on the agreement which is signed. Members, I hope, will be further reassured that additional checks are built in through the requirement to keep the relevant Scrutiny Panel updated on live negotiations with which Jersey is involved. The Economic and International Affairs Panel has accordingly been consulted on these principles and is kept updated on the current F.T.A. plans that are underway. This engagement will continue and I am extremely grateful to the chair and to the panel for the co-operative work that they have undertaken while we have been participating in these negotiations. I cannot thank them enough for that co-operation. Members should also note that this proposition sets out an approach which is appropriate for Jersey at the present time. Given that the U.K. F.T.A. agenda and process is relatively new, I have no doubt that the Government and the Assembly will want to review our opening position over the longer term, particularly when Jersey has successfully utilised this extension mechanism which may take some time. This needs to be clear that this proposition should, and I think will, be updated in due course by Ministers and brought again for approval. Having it on record of course allows any Member or panel to bring their own amendments if they think a future Government is being slow to act. One future option by way of example might be broader day-one coverage. Should Jersey have successfully extended similar services and investment provisions in other F.T.A.s, we would have a better understanding of the practical impact of services participation in our new F.T.A. This then could become Jersey's new baseline if we so wished. Before closing, one key point to stress is that by accepting these principles the Assembly will not erode the existing constitutional requirement for Jersey's formal consent to be given prior to participation in each and any new F.T.A. While we wish to start from an assumption of seeking inclusion, Ministers will continue to assess each F.T.A. on a case-by-case basis. Ministers will not agree for Jersey to sign up to F.T.A.s which are not in the Island's best interest. This proposition ensures that the views of Ministers in this respect can continue to be subject to the required democratic scrutiny. This proposition, while being novel and new, ensures that the Assembly is cited in advance on the Government's ongoing approach to inclusion in the U.K.'s future F.T.A. programme. The guiding principle, if adopted, will provide a democratically-endorsed position for future F.T.A. participation and contribute towards strengthening the U.K.'s negotiating hand when convincing a trading partner of the importance of Jersey's position. They appropriately balance Jersey's internal constitutional arrangements, the need to involve the Assembly in this key policy area and maintain democratic oversight and the reality of international trade negotiations.

[10:30]

We have always sought to ensure the involvement of the States in the Brexit process and beyond and I believe that this commitment to do so is maintained by this proposition if it is to be adopted today. It will of course, as I have tried to indicate, potentially be a living document but one whereby the States and Assembly will rightly be involved where changes are proposed in the future. I and all of my colleagues in External Relations endeavour always to act in the best interest of the Island, in the best interest of our Government and in the best interest of this Assembly. I ask for the Assembly's continued support in our efforts to develop Jersey's international personality in the interest of all Islanders, be they individuals, families or businesses. I move the proposition.

**The Bailiff:**

Is the proposition seconded? [**Seconded**] I then open the debate and call upon the Deputy of St. Mary.

### **2.1.1 Deputy D. Johnson of St. Mary:**

I thank the Minister for his presentation. I simply wish to advise Members that the Economic and International Affairs Scrutiny Panel did have a presentation for the Minister and his team to explain what was being put forward. In fact, there is very little we can add to what is contained in the report or the address just given. One item I would like to highlight is, as the Minister has just said, the Minister is scrupulously fastidious about keeping the panel informed as to any agreements. We are informed, often at short notice, but that is not a problem to us, of any forthcoming matters. We are fully informed and we do obviously accept that the rules as to engagement with Westminster on occasion prevent matters being public. The panel takes that responsibility on board and, as I say, appreciates the fact that the Minister does all he can to inform the panel of the current state. On that basis, I think I have nothing further to add other than to say that the panel does of itself approve the approach and will support the proposition.

### **2.1.2 Deputy J.H. Young of St. Brelade:**

I thank the Minister for his detailed statement, much of which I think is of a very, very technical nature. I wanted to just address what I think is a lay question that may be in people's minds. Obviously we know about the abandonment of our Protocol 3 as a result of Brexit and now the substitution of an arrangement whereby we have the opportunity to participate in free trade agreements that the U.K. may do going on their mission to bring the world into their territory, as it were. I think the issue for me as the current Minister for the Environment is whether or not there is any potential conflict between these principles and our adopting these and the autonomy of Jersey to make individual decisions on certain matters. For example, I am particularly thinking about food law where we are bringing forward new rules under the O.C.R. (Official Controls Regulations) which are required as part of our status as a third country, which will require a new food law and also animal welfare. I am particularly here thinking of issues which are very much in the public domain about what is widely reported is the suggestion that the United Kingdom arrangements would open up the importation of hormone-produced beef, of chlorinated chicken, automatically of any G.M. (genetically modified) crops or anything of that nature. Indeed, one reads recently about animal welfare issues in relation to animal husbandry and export in other countries. We do not know what the U.K. agreements will be but they may result in those items being in general supply over the United Kingdom and I would like to know whether or not if there is any conflict in Jersey's ability to make those choices in terms of our own domestic rules, for example, on things like food labelling and so on. I would like to hear the Minister's confirmation that these principles do not get in the way of our ability in Jersey to be able to make individual decisions.

### **2.1.3 Deputy J.M. Maçon:**

I am grateful to the previous speaker because I had similar concerns when looking at this particular proposition, not that there is anything wrong with this proposition as it stands. I thank the Minister for introducing this to the Assembly in the way that he did; it was very comprehensive. I am grateful to the Minister for saying that this is a living document because when reading through parts (a) to (g) it struck me as more what was missing than not what was there. It was more when we are entering these types of trade agreements we should not forget about ethics and community values that are particularly important with regard to the environment now we are looking at the climate change issues. I was going to go into issues around animal welfare that the previous speaker went into but also thinking about things such as patents. I have said in this Assembly before where we have situations, thinking about intellectual property, where communities might have used the DNA of a plant for years and years and years, for centuries. But because that community does not have the patent on it, a company comes along, owns the patent and forces that community not to use that plant

anymore. Again, those types of ethical considerations are really important when we engage in these types of trade agreements in order to ensure that with dubious practices our community would not approve of, we have some sort of clause to protect ourselves under ethical grounds. So I wonder if the Minister, when summing up, might add eventually some sort of ethical consideration because we are looking at the principles for Jersey and, for me, that is missing in this. I will be supporting this proposition but I think in order to add value to this proposition, that should be perhaps explicit than where it is now.

#### **2.1.4 Connétable M.K. Jackson of St. Brelade:**

I have great difficulty in reconciling these proposals with the fact that Jersey fishermen have suffered significantly as a result of Brexit and the attitude of another Government concerning the movement of our goods. Would the Minister confirm in his summing up that other parties in F.T.A.s, whether they be our closest neighbours or furthest, will abide by similar terms with regard to trading with us?

#### **The Bailiff:**

Sorry, Connétable, my concentration was slightly elsewhere; I am not sure if you finished your speech.

#### **The Connétable of St. Brelade:**

Yes, I have, thank you.

#### **The Bailiff:**

A model of brevity.

#### **2.1.5 Deputy K.F. Morel of St. Lawrence:**

I will attempt to follow the model set. I do share the concerns of Deputy Maçon, the Connétable of St. Brelade and Deputy Young. Jersey in the main will be an importer as a result of these F.T.A.s as opposed to being an exporter. Our services industry obviously does export, and we do have export industries such as agriculture and fisheries which are very important, but in the main we will be an importer of goods. I would be very pleased to hear the Minister explain, should we feel that certain products are not appropriate for this Island, as was discussed in terms of ethics, animal welfare, et cetera, how we will be able to maintain control over the goods that we import, given the Common Travel Area and the Customs Union with the U.K. that we have entered into and the expectation from the U.K. that they will be able to export something, let us say, for example, from Australia, something that comes in which is grown in a way which we do not wish to import to Jersey but it has come to the U.K. and the U.K. can then export freely to Jersey. If he could explain how we will be able to maintain control in that perspective, I would be very grateful. I would also be grateful if the Minister could explain how he will ensure that economically entering into an F.T.A. is the right thing for Jersey, how has that been measured? How are the impacts of these F.T.A.s being modelled on the Island's economy? In the proposition itself I note at the very beginning it says, part (a): "Protecting Jersey's existing constitutional autonomy." I would be grateful if the Minister could explain why he decided not to include protecting and enhancing Jersey's existing constitution and autonomy. These F.T.A.s could be used as a method for enhancing our autonomy but it appears that the Minister has settled for just protecting. I would be very interested to understand why he decided not to try and enhance our autonomy through these F.T.A.s. Finally, in my opinion, and the opinion of many other commentators, the U.K. is negotiating F.T.A.s from a position of weakness because it has lost its largest market and, while it has the Trade and Economic Co-operation Agreement with the E.U. it is clear, and the figures speak for themselves, that the U.K. has a lower amount of trade with the E.U. than it had before. That lower amount of trade is not likely to be made up by F.T.A.s with Australia, the Faroe Islands, even the U.S.A., it will still be less. The U.K. is coming from a position of weakness because it is desperate to make up the amount of trade that it has lost. How will the Minister

ensure that Jersey's interests are properly represented by the U.K., given that the U.K. is negotiating from a position of weakness and, indeed, I would say, desperation?

#### **2.1.6 Deputy R.J. Ward of St. Helier:**

A couple of things I would just mention. In part (d) of the proposition, it says: "... increasing the ability of the States Assembly and Government of Jersey to make decisions expeditiously [there is a word] in areas of domestic policy, including where close collaboration with the U.K. Government and other international partners is required." Just picking up on something that Deputy Morel just said, because I was wondering how to put it but he put it well, in terms of the position of weakness of the U.K. in some trade deals. It could leave us open to more trade with what might be called more questionable jurisdictions. Therefore, can I ask the Minister to assure the Assembly that what this does is gives us an opportunity to deal more with human rights records of those we trade with, to look more carefully at checks on the origin of goods and workers' rights in those countries where we source our trade and the rights of people in those countries. I would hope that the Minister can reassure that it gives us greater, if you like, autonomy to take account of those human rights records rather than simply relying on the U.K. who, some may say, quite rightly, in my opinion, does not have a particularly great record when it comes to these sorts of things in some areas.

#### **2.1.7 Senator S.Y. Mézec:**

Just very briefly, and it is to touch upon a similar issue that Deputy Morel raised but probably from the opposite angle to him. It is just to ask the Minister in his summing up to elaborate on the principles that we are being asked to decide on today and how that would prevent Jersey from seeking independence in the future.

[10:45]

#### **2.1.8 Senator S.C. Ferguson:**

Yes, it was just a query, and perhaps the Minister could clarify this. Deputy Morel talked about the U.K. being in a weak position when negotiating. The last time I checked, the U.K. was a net exporter to the E.U. and therefore the E.U. was more dependent on the U.K. than the U.K. on the E.U. Perhaps the Minister could comment on that.

#### **The Bailiff:**

Does any other Member wish to speak on the proposition? If no other Member wishes to speak, then I close the debate, and call upon the Minister to respond.

#### **2.1.9 Senator I.J. Gorst:**

It is difficult to know quite where to start with such a lovely lot of questions. If I come to my colleague Ministers first. As the Minister for the Environment knows, when decisions were made to be included in the post-Brexit deal, the questions that he has just reminded the Assembly of were the questions that he and myself considered and came to the conclusion that the T.C.A. (Trade and Co-operation Agreement) remained in our interest, particularly in light of the customs arrangements. Therefore, I think the same can be said ... I think the Minister was there when the Council of Ministers agreed that this framework would be an appropriate framework and these principles were appropriate and officials answered his questions accordingly. It is worth reminding ourselves that 95 per cent of our trade is with the United Kingdom and, therefore, the primary and most important arrangement is the customs arrangement which secured that friction-free trade up into the United Kingdom. What that of course does by default means that whether we were in an F.T.A. with the U.K. or not, the U.K. would be seeking to sign F.T.A.s with global partners, as I indicated. Therefore, once those arrangements have been signed and agreed, those products and services flow in and out of the U.K. and, by extension, goods flow in and out of, not only Jersey, but our fellow Crown Dependencies. I think there is a very strong argument, and really it applies to a number of the questions that Members

raised, that says that the greatest influence that we can have on some of the concerns that Members raise is to be included and to make the case for what we believe to be right in those trade deals. It is certainly what I have been doing, it is certainly what my officials have been doing. Sometimes they have been pulling their hair out trying to do it but that is what they have been doing, seeking to protect and enhance Jersey's interest in these negotiations. Deputy Maçon mentioned environmental matters, and of course he is right to do so. What this framework and these principles do is deal largely, as I indicated in my opening comments, with goods replicating the arrangement that we have with the European Union and the arrangement that we have with the rollover continuity agreements. But, as I said in my opening comments, if we are to seek to have other chapters of which environment is normally a chapter in itself, he makes excellent points that we would want to make, but I believe that it would be right for the Government of the day to come back to the Assembly to seek inclusion in such chapters. That of course is why there is that proposal that I have made in my opening comments. The same goes for his concerns about I.P. (intellectual property) chapters which would be covered normally in service chapters and how they would rightfully come back to the Assembly for inclusion before they were ultimately signed off for extension. So there are already protections in place, as the Minister for the Environment knows, that his officials deliver on together with the officials in customs and immigration, that of course being Home Affairs and Treasury, that they deal with on a day-to-day basis those protections. Those protections remain in place and the Minister is seeking to bring in a new law to ensure they remain in place. The Constable of St. Brelade said that the Brexit deal was not in the interests of the Jersey fishing community and I find that very difficult to understand. I know that people have said it - I know that people have said it - but just because it is said does not mean to say it is the reality. I see the reality very much that we are experiencing - and I am open about this - great difficulty in the transition from the Bay of Granville Agreement to the T.C.A. arrangements. But I am absolutely clear and I think any fair reading of the T.C.A. arrangements would recognise and accept the improvement that the T.C.A. is for delivering a sustainable fisheries in Jersey's waters. There are difficulties, and I am the first to admit it, because I have officers in my office on a daily basis, and communications on a daily basis, explaining what they are doing and I instruct them of things to do in order to seek to alleviate those difficulties. There is some comment in the chat that fishermen are being sold down the river. That is absolutely not the case. Absolutely not the case. Fishermen, and our fishing communities, will for the first time have the ability to have a Jersey Minister making decisions about licences to be issued and making decisions about the sustainability of Jersey's waters. That was not the case under the Bay of Granville Agreement and so we should not confuse transitional difficulties with what the actual trade deal says. Ministers are doing everything that they can to seek to alleviate those transitional difficulties. But we have to recognise that the reason that fisheries for us is so challenging is not about the overall trade deal and overall trade partners, it is simply about geography. Norman and Breton fishers have fished in our waters, as have Jersey fishers, for generations. Just as there were difficulties in reaching the Bay of Granville Agreement, which took 10 years to negotiate and alleviate those difficulties, we are experiencing difficulties now as we move to a new arrangement. But we really must - we really must - keep the faith, work appropriately, pragmatically and in the best interests of a sustainable fisheries into the future. That is what the Minister for the Environment's priority is. I support him in that priority and if we hold our nerve, then I believe that we can get there but it is going to take a continuing length of time. We should not read across the fishing issue to all of the other potential F.T.A.s or all of the other elements of the T.C.A. because our relationship with the European Union of course is not only governed by the T.C.A. but is far wider on areas like data protection, security and financial services. I come to the other Minister's comments about the economic interests of us signing up to F.T.A.s. He, as an Assistant Minister in Economic Department working with the Deputy Chief Minister in that department, knows the overarching framework work which his officers have been doing and which they continue to do. But I make the point again, I think as I did when we had this conversation in the Council of Ministers when the Deputy raised it there, the point that it is surely in our interest to seek to be involved in these negotiations within the principles that I will be

asking Members to support because we can seek to influence the outcome of those negotiations and those F.T.A.s but without then we are still affected by the imports that those F.T.A.s agree to. I think there has been a lot said in the United Kingdom about food standards and about the effect on the farming industry in the United Kingdom but this is where we, of all people, in the legislature of a place like Jersey which enjoys the autonomy that we enjoy, that enjoys the difference that we enjoy from the United Kingdom, should not confuse a commentary in the United Kingdom. I know that it is difficult because our media do ... we often get phoned up and asked about what is going on in the U.K. and what does that mean for Jersey. We know that the real answer is it means nothing at all because we are wholly different but we are all terribly polite and we give some diplomatic answer. But surely Members of this Assembly know that the structure of our economy, the safeguards that we have around the rural economy and the structure of that rural economy is very different from that within the United Kingdom. I have nothing but praise for the work that Jersey Dairy does in its innovation and entrepreneurial spirit and the markets that it has sought out around the globe with these F.T.A.s and so there can only be greater and more opportunity for them, while at the same time we know that we have protections in place for them that we will continue to fight for. The biggest economic impact would of course be inclusion in service chapters and that is not what these principles are seeking to ask the Assembly for, rather that we will return with them in the past. I did take slight umbrage - although I like Deputy Morel very, very much - for him suggesting that in paragraph (a) protecting Jersey's existing constitutional autonomy and cultural heritage has been downgraded because we have not added in the word "enhancing" it. I am absolutely clear that by being included in these F.T.A.s by very nature enhances our autonomy.

[11:00]

It enhances a global understanding of Jersey, it aligns with the work of the identity work that the Minister for International Development is doing, it shows to the world that we are a serious place and that we are a place which is good to do business with and that we have something of importance to offer the world, so by being included it enhances our autonomy. But just in case the Deputy is in any doubt, of course I believe that what we say, I did use the word "maintaining" or "increasing", so I hope that he can take comfort from that word there "increasing". I come then to Senator Ferguson. She is right, a part of the debate during Brexit - we have yet to see whether it is going to materialise of course - was that the U.K. is a net exporter. I know that we all have a personal view on Brexit and there are many in the Assembly who were, to use the U.K. parlance, remainers. I have been quite clear in defending Jersey's interests. I did not believe it was in our interest for the United Kingdom to leave the European Union but that was a decision for the United Kingdom and United Kingdom electors. But I remind the Deputy that rather than being weak and desperate - yes, they are politically eager, I accept that - they remain the fifth-largest economy in the world. If the alternative is that we would seek to negotiate F.T.A.s with global partners ourselves, then I think that would be a true separation, which would prove to be much more difficult, rather than joining with the U.K., defending our position, standing up for what we believe in, and standing up for Jersey's interests. So I do not quite see it in the terms that the Deputy has described in his question. Do signing F.T.A.s stop us from seeking independence? I think that is what Senator Mézec asked. Well, I think this parliamentary States sitting must be a first in many respects. It was a first in the vote that we have just taken but surely it must be a first with a suggestion from the leader of the Reform Party that we should be seeking independence. I am being frivolous; of course he did not suggest that we should seek independence, before he jumps on the chat, but he wanted to know, in effect, that we were not doing something that would mean that we had less manoeuvrability to make decisions about our constitutional position in the future. I do not believe that it does because one of the issues that we are seeking in the negotiation of these F.T.A.s, and perhaps this is an area where officials have been pulling their hair out, is for withdrawal mechanisms in the F.T.A.s that Jersey could trigger itself and that could be triggered for any number of reasons. But, let me be clear, while I believe in maintaining and enhancing our constitutional autonomy, it is in each Islander's best interest, I do not believe that

independence is in our interest. The relationship that we have with the Crown has served Islanders well for centuries. If we continue to enhance our constitutional autonomy, then I believe it will continue to serve us well for centuries to come. I know that one or 2 Members alluded to countries that they did not particularly like for various reasons and what the implications would be for F.T.A.s. All of the issues that they alluded to are part of the considerations when signing any international treaty with those countries. Our inclusion, again, in these treaties I think presents a platform during those negotiations to consider those matters. There has been a narrative of late that Jersey Ministers do not consider those matters when they are in conversations with interlocutors in other countries. For my part, I can say that I do. I do not make a song and a dance about it, I do not talk about it because those conversations come out of relationships. I think that out of strong relationships we can build stronger alliances and we can build a more secure world. These F.T.A.s, as we sit here, I believe are in Jersey's national - if I may use that term - interest. I have no hesitation in recommending to Members these principles for inclusion in future F.T.A.s and a return to the Assembly should we be seeking to have other chapters extended in the future. I ask Members for their support.

**The Bailiff:**

I ask the Greffier to place a voting link into the chat in the usual way. I open the voting and I ask Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The proposition has been adopted.

<b>POUR: 44</b>	<b>CONTRE: 0</b>	<b>ABSTAIN: 0</b>
Senator I.J. Gorst		
Senator L.J. Farnham		
Senator S.C. Ferguson		
Senator J.A.N. Le Fondré		
Senator T.A. Vallois		
Senator K.L. Moore		
Senator S.W. Pallett		
Senator S.Y. Mézec		
Connétable of St. Lawrence		
Connétable of St. Saviour		
Connétable of St. Brelade		
Connétable of Grouville		
Connétable of Trinity		
Connétable of St. Peter		
Connétable of St. Mary		
Connétable of St. Ouen		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Clement		
Deputy J.A. Martin (H)		
Deputy G.P. Southern (H)		
Deputy of Grouville		
Deputy K.C. Lewis (S)		
Deputy M.R. Higgins (H)		

Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy K.F. Morel (L)				
Deputy G.C.U. Guida (L)				
Deputy of St. Peter				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy S.M. Ahier (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				
Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

### **3. Provision of Affordable Housing Guidance (P.96/2021)**

#### **The Bailiff:**

We now come to Provision of Affordable Housing Guidance, P.96, lodged by Senator Mézec. Senator, do you wish for this to be read as amended by your own amendment?

#### **Senator S.Y. Mézec:**

No, I would not like that to be the case because I would prefer for the Assembly to have the choice of what the ultimate debate is on.

#### **The Bailiff:**

In which case, I ask the Greffier to read the proposition in its original form.

#### **The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion to request the Council of Ministers to withdraw the guidance on affordable housing which has been provided to the States of Jersey Development Company, as found in the reports *Housing Policy Guidance: Housing affordability and the South Hill development* (R.139/2021) and *Action on Housing - recent progress and waterfront guidance* (R.157/2021), and to issue new guidance which stipulates a minimum provision of affordable housing at no less than 30 per cent of the homes built in the proposed developments on the waterfront and South Hill.

#### **3.1 Senator S.Y. Mézec:**

If I can just start by saying that this will be a relatively long introduction to this proposition because I think there is quite a bit that needs to be said on this. With this proposition I am asking the States of Jersey to require the Government to do better. I am asking Members to scrap the paltry proposal

to deliver a measly 15 per cent of homes as affordable in the upcoming developments on South Hill and the waterfront and instead focus greater efforts to deliver the homes that people in Jersey need and can afford. I ask for this because the housing situation is dire and it appears that there is no end in sight. In question time on Tuesday, the Chief Minister stated that Jersey does not have a housing crisis, merely a housing problem, and he was echoing the words of his Minister for Treasury and Resources there. Out in the real world where the people we represent live, these comments have been met with a derisory response. Whether in the column pages of the *J.E.P. (Jersey Evening Post)*, on social media or just ordinary people chatting down the pub, you will struggle to find anyone in Jersey that does not think the Chief Minister and Minister for Treasury and Resources called it spectacularly wrong with those ill-judged comments. They were ill-judged because they are completely at odds with the lived experience of so many people, whether it is those in social housing who face rental stress, those in the open market who face insecurity and unaffordability or those who save, save and save but cannot find a home to purchase. Not even those but indirectly the comfortably-housed who have compassion for others think that that perspective is out of touch because there are many parents and even grandparents in the Island who got their homes back when they were affordable but who now face the prospect of losing their family members to this crisis as their kids and grandkids choose to move elsewhere for a better life. All of this is compounding itself into a crisis which is now branching out into other areas of Island life. Barely a week goes by now without a business leader speaking out about struggles they face in recruiting workers which they cite as being directly connected to the housing crisis. They either cannot afford to pay wages to staff that would meet their rent bills or more skilled workers are realising that they could have a better quality of life elsewhere and so they are not sticking around, so we are all paying the price for this crisis in one way or another. In this crisis, our Government is using publicly-owned land and a publicly-owned developer to build homes which do not match the profile of the homes we most desperately need and which, in any event, could be provided by the private sector if there is such demand for them. I think that that is an inappropriate use of our resources, both on principle, but also based on the numbers. So as things stand, we are to get only 173 homes out of the 1,153 proposed which will be affordable, just 15 per cent, or, to put it another way, 85 per cent will be unaffordable. Our Government, using publicly-owned land and a publicly-owned developer, will be using its resources to make homes of which 85 per cent of them are unaffordable. The Government have called this wrong and they should be sent back to come up with something better. Their response though is that better is not possible, this is as good as it gets. But they are wrong. The Government has provided a response in their comments which, while on the face of it appears credible and will no doubt have served its purpose and swayed some Members, but every argument advanced in it is flawed, and so I am going to go through each of them. One of the arguments they make is that there is housing need across lots of different tenures in Jersey and not providing the right supply of open-market homes would also cause problems. Well, the first problem with that is that they over-stated the need for open-market homes because of their flawed reading of the *Objective Assessment of Housing Need* report. If Members have access to a laptop or iPad to look at the O.A.H.N. (Objective Assessment of Housing Need) I recommend they do but I can send figures around if Members would like to see them.

[11:15]

They say that because the O.A.H.N. report says that there is a need for around 900 new social rental homes over the next 10 years and the Island Plan is projecting 1,500 affordable homes, then that means that they are exceeding the demand. But that is wrong and it is wrong for 2 reasons. Firstly, the O.A.H.N. report in their numbers projected owner-occupier need, do not distinguish between what is the need for assisted purchase and unassisted purchase, so affordable versus open market in the owner-occupier sector the O.A.H.N. does not distinguish between. But we know that there are around 1,400 applications for assisted purchase on the Housing Gateway right now. So, when you include these 2 types of affordable tenure together, the social rental and the assisted purchase, the

Island Plan projections do not meet that need and, in fact, they fall short very considerably. The second problem with the O.A.H.N. figures is that their projections for social rental need and private rental need were based on the current eligibility criteria for the Housing Gateway. Those current criteria have already been judged to be inadequate by the Government who have stated that it is their intention to widen that criteria. They are absolutely right to do that and I completely support them in that. But the O.A.H.N. report itself says that if the criteria for social housing was to be expanded then their numbers would need to be updated. So, the effect of this is that in the O.A.H.N. numbers which the Government says it is working from, the need for affordable housing is under-stated and the need for open-market housing is over-stated. In fact, many of the households that would have been put in the open-market rental housing need are people who are only in that category because they are legally not allowed to apply for social housing, but if they were legally allowed to, that would be where the need would be. So those numbers are not being used appropriately by the Government and by the S.o.J.D.C. (States of Jersey Development Company) to work out the housing need over the next few years. The Government says, in arguing against this proposition, that they are seeking to add a supply of a mix of housing tenures and that reducing that supply would also create problems with the housing market. So not producing these open-market homes would still cause problems in the housing market, it would just be in another part of it. In response to that, I think you could reasonably argue that, on principle, it is the private sector that is the place to be delivering open-market housing, not the Government. But forgetting the principle for a moment and just looking at the numbers provided in the draft Island Plan, it is hard to think that supporting this proposition for the homes to be provided in these 2 specific sites for affordable housing rather than open-market housing, it is hard to conclude that that is genuinely going to cause problems in other parts of the market when you look at the numbers. Looking at those numbers, on page 186 of the draft bridging Island Plan is table H1. That table, which admittedly is a few months out of date now but it is the most up-to-date reference we have to use now, those numbers show that the homes being delivered right now, as we speak, so the homes which are currently being developed or which have planning permission to start whenever, right now over twice as many open-market homes are being developed than affordable homes. This raises the question: why would the Government be using its resources to add to the housing supply which is over-stated by the O.A.H.N. and which the private sector is already getting on with delivering twice as much of than the housing supply which the O.A.H.N. under-states the need for and which the private sector is contributing precisely zero for? I urge Members to look at that table H1 in the draft bridging Island Plan on the private sites in town and the windfall out of town, the number of affordable homes to be provided by the private sector is precisely zero. None. So, in taking these publicly-owned sites on South Hill and the waterfront, the Government is planning on bolstering the wrong numbers. They are planning on bolstering the supply in the areas that right now the plan is most successfully catering for and they are not providing enough for the part where the plan is least successfully catering for. So that is the first argument I think they have advanced which is flawed. The next argument they are advancing against this proposition is the money and they have produced a financial assessment from Dow Schofield Watts which shows that this proposition is simply impossible. Well, that is me done, hook, line and sinker, surely. But, no, this financial assessment is itself completely flawed and, if I may say so, it was destined to be flawed and destined to demonstrate a failure because it was set up precisely to do exactly that by setting benchmarks for that analysis to be done by so that it would inevitably reach this conclusion. So rather than ask for a financial assessment to be done to find out how this proposal could be made possible, they set out at the outset to find a way of showing it would not be possible. Surprise, surprise, that is eventually what it concluded. It did that by setting specific benchmarks and those are benchmarks which did not have to be set in the first place where there were alternatives but that they just could not be bothered to examine instead. So let us look at those benchmarks. The first is that their calculations presented in that, centred in that final assessment, are done on the basis of the current plans remaining exactly as they are but just assuming that the S.o.J.D.C. does not get to realise the entire value of a greater number of properties in there. The plans are the same but just

taking in less money from those plans, which completely ignores the fact that it is in our gift to change those plans if we want if viability could be improved with an alteration to those plans; that was not considered in this financial assessment. The second is that they have done these figures by determining that the shared equity percentage held back by the S.o.J.D.C. would be 30 per cent and I ask, why; why 30 per cent? Why is that number the one that is picked for that? You could set it at a lower amount if you wanted to help make things more viable. I would point out that even Andium does not offer 30 per cent in their Homebuy product; they only offer 25 per cent. They have deliberately set this to be more generous than other affordable housing options, which, inevitably, has the effect of making the numbers look worse and they did not have to do that, and that is partly why financial assessment is flawed. The third one and possibly the one I am prepared to give the most ground on but the figures do take into account the S.o.J.D.C. paying back the price of the land. You could argue that selling the land or requiring the S.o.J.D.C. to pay back the land at a sub-market value could be justified on the basis that they are serving a social purpose as well, rather than making them pay full value for it. I am not suggesting that that is definitely the right thing to do but it is an option and, no, it was not considered in this. I think that those 3 failures show that the Government did not consider a wider range of options to make this viable, so the numbers that they have presented are just not credible. This headline figure that they may seek to use of this proposition leading to a £66 million loss is just fantasy; it is not real. It is based on hypothecations and if I could quote the Constable of St. Saviour, who, I think, put it really well in a debate yesterday on the taxation of cannabis manufacturers and what the effect would be of not receiving projected income from them, she said: "You cannot miss something you never had" and she is so right. I put it in these terms where to say that adopting this proposition would lead to a £66 million loss is as credible as me claiming that last week I lost £100 million. I lost £100 million because I did not win the EuroMillions. Of course that is ridiculous, you cannot miss something that you never had. The benchmarks they set were deliberately to reach this conclusion of failure. The last argument I want to address that the Government has advanced against this proposition is that it says that having to relook at all of this would risk causing delays in these projects and, therefore, delay providing any supply here. The delay of providing any supply would be a bad thing, irrespective of whether it is open market or affordable. The first thing I want to do in addressing that argument is refer Members back to what I pointed out in the draft bridging Island Plan projections for the delivery of open-market housing. There is already plenty coming on board at the moment, so it is not a dramatic loss that we can say will have a harmful effect on the wider part of the market. A loss in the affordable sector has a much greater impact. But would adopting this proposition really cause a delay? When it comes to the waterfront part that is not credible at all. The waterfront project is years away, thereby years before that project starts going ahead. There is plenty of time for them to alter the plans to make them feasible. They are not standing by ready with spades to put in the ground, like Andium was with the Ann Court development when this Government tried to delay that, and with South Hill it is not particularly credible either because they already have a planning application in and they have the ability to alter it, if necessary. The Government clearly does have room for manoeuvre to change the financial arrangement on it, which could get the financing to deliver the scheme and still leave enough profit for the as yet undefined affordable housing scheme which is proposed in the upcoming Government Plan. Anyway, either development could be delayed anyway, all it takes is for Planning to decide that they oppose parts of the detail in their application and then they have to go back and alter it. Delays should be built into these processes but they have not at any point and for any reason. That is what I believe is the main case for providing affordable housing in these publicly-owned sites by our publicly-owned developer. I think the numbers demonstrate that there is greater need in that sector than there is the open market where there is already work being done to provide a much greater supply at that level. The numbers at which they are basing their assessment of need there are flawed and they are flawed by admission in the terms of the O.A.H.N. report itself. But given the context of the recent debates that there have been about the housing crisis in Jersey and in particular with this proposition on the horizon, which I have made an issue now for roundabout the last year with my

previous propositions on this as well and the comments that have been made in the media recently by Members of Government saying that there is no housing crisis and the backlash that those comments have provoked, I made a commitment to my constituents that I would use this debate to give them a voice. In the run-up to this debate I asked for Islanders to get in touch with me and tell me about their experiences with housing, so together we can really highlight how important this issue is and show what human impact it is having. I was absolutely inundated with responses from people pouring their hearts out to me and it would take hours to read out every word that was sent to me. But I am going to read what I think are the most powerful accounts that I have been sent and I make no apologies for taking some time to do this because I think it is important that the voices of the people we represent are heard by the decision-makers in Jersey.

[11:30]

What I am about to read is what real people are saying and what they really think, and it is heart-breaking hearing from those who have totally lost hope, but also so we can understand the impact this is having on our wider community. A lot of the people who got in touch with me were key workers. I had somebody get in touch who is just about to qualify as a social worker, a role which this Island is desperately in need of and she said: "I have grown up here and my dream was to support the people I have grown up alongside and who need someone who knows this Island and its services inside out. My other dream is to own my own home so I can give my daughter the life she deserves. No matter how hard I work, once qualified I will never be able to save money, as well as pay rent and buy the essentials, never mind buy a house here and give my daughter all the things my parents were able to give to me. I am considering now leaving my home, my Island and the people that I love so I can afford to live comfortably without the extortionate rents and the constant struggle to make ends meet. I will also have a real opportunity to buy my own home. How incredibly sad it is that so many of us will have to leave our own home, our Island because we cannot afford to buy one or even rent one without starving, freezing or both." That is a home-grown social worker that we will be losing out on. I heard from a young healthcare assistant, who has already left the Island, he said: "I was a healthcare assistant earning about £1,700 a month. My rent was increased from £895 to £995 and the Tax Department decided to increase my rate to 20 per cent, which would have left me about £300 to survive a month. So I left Jersey and joined the Army, one of the best decisions and I wish I had done it sooner. I would love to live in Jersey again one day but it feels impossible, considering the prices of flats to buy." That is a healthcare assistant we have lost. I heard from a couple who are both teachers who are planning to leave, they said: "We feel forced out of our home as we cannot work out a way to be able to afford a family home or even rent a family home, even though we are both full-time secondary school teachers who feel as though we earn a good wage. Once we factor in either taking time out for childcare or the cost of nursery, we will struggle financially with high rents, the inability to save for a deposit due to these rents and the extortionate housing prices that will leave us with high repayments. We are deeply saddened to have to leave a place we love and where we have built a life but feel as though we have no choice if we wish to have a family. These considerations are only for one child; we could not even begin to think of having more than one child here." Those are teachers, again, key workers who were leaving. But some people got in touch because of the experience they have had with bad landlords. In fact those are exactly the types that we were meant to be catching by the Landlord Licensing Scheme, which was proposed earlier this year but which the States threw out. I heard from one single mother who was messed about by a previous landlord, who was inappropriately issuing the notice to leave the home and she said: "Given my experience, it is an insult to hear certain Ministers downplaying the situation by calling it a challenge rather than a crisis. When a Jersey-born individual working full-time and earning a decent salary faces homelessness and is unable to find affordable housing for herself and her child after 9 months of actively looking, only to eventually secure a home at a 54 per cent increase, there is no other word aside from crisis that does the situation justice. Many Islanders regularly argue that the affordable housing offered by the States is never truly affordable to most couples when

average salaries and the high cost of living are taken into account; single parents have even less chance. Please, do consider offering further support to single-income families with children when determining whether housing is affordable in your proposed solutions.” I heard from a young Islander who was threatened multiple times with an illegal eviction and had to fight much harder than she should have to get him to back off and just obey the law. She did eventually find a place to move to and said: “I now have found accommodation, albeit £1,400 per calendar month for only one bedroom but I know for certain I will not be buying a property here. With my high rent I cannot save for a deposit for a mortgage, especially a deposit for property prices here in Jersey. I am planning to save up enough to move off Island on a permanent basis. There is not a lot to offer young adults here and the property market is the final nail in the coffin.” That is another young Jersey person that we will be losing. Most of these people who got in touch with me were young. One said: “I am about to be 25, working in finance and I currently live with my mother in social housing because I cannot afford to pay £900-plus rent for a flat. It is beyond irritating when I game online with friends around the world who are barely 21 who can afford to go live by themselves and still have a good quality of life. Over here the decision is, well, I will never be able to buy because the housing market goes up by my annual salary every quarter, so I will never be able to catch up and so have no choice than to rent. However, if I do rent, then I cannot afford to actually live. It has gotten to the point where I am going to finish my exams at work and I will have no choice other than to move abroad. I would love nothing more than to stay here where I was born, as it is a great place to raise kids, it is safe and I do love living here but I see no actual quality of life here.” Another young Jersey couple who left Jersey just 2 months ago, they said: “It was driven by the fact that we would have been saving for many more years until we could afford to buy anywhere, even though we both earned good wages. I do think we would love to come back to Jersey and have many family members who feel the same but with the current housing prices it is incredibly unlikely that we will ever to do so. It makes me so sad because I really do love Jersey and would love to come back one day. However, if developers keep building luxury apartments, not only will I not be able to afford to come back, I will not want to.” The hardest ones to read that I had from people, some of whom were my age and I heard from one person who went to the same school as me, who her and her partner are on a combined income of around £70,000 and they even managed to get about £100,000 saved. But whenever they try and buy somewhere they just keep getting outbid. They say: “Every day that we do not become homeowners the prices spiral further and further out of reach. I am angry. I have done everything I was told to do, work hard at school, get a university degree, get a good job and yet this next stage in life is being denied to us. I feel failed by the Government of Jersey and currently feel ashamed to call myself a Jersey resident. This is not just affecting the lowest earners, I cannot even begin to imagine how those trying to survive on a single income or minimum wages are coping with this insane crisis. But also middle earners, who cannot seem to get at the top because the goalposts keep moving at such a considerable rate. When will we receive honest security that all citizens deserve from our Government?” A young professional who lives in St. Saviour said: “I am in a complete state of overwhelm. I decided to go into full-time employment 5 years ago at the age of 18 and work my way up. I am now a qualified project manager. I never had a stable home as a child. I have experienced homelessness before. I now am very proud of how far I have progressed and now have a salary where a mortgage provider could consider me but, unfortunately, I am outpriced by the market. I have always lived in fear of being kicked out and have wished for a for ever home to call mine. I just do not know if that will ever be possible here in Jersey.” Lastly, the one that I found the most heart-breaking to read, again, from somebody my age, who said: “I have lived here my whole life. I love Jersey. In fact I hate how much I love Jersey because for a long time now I have worried about how I would ever have a future here. It hurts knowing that my options are pay an insane amount of money for a one-bedroom flat and stay on the Island I love with the people I love or move to the U.K., take the same money and buy a 4-bedroom house but be miserable and alone. This is not a fair choice but I am one of the lucky ones who has the help from a parent who worked hard their whole life. Still though I have been looking for my first home for about 6 months now and even

with the same amount in a deposit as what the bank will lend me in a mortgage, it has been nothing short of a nightmare. During the time I have been looking I have been watching the prices rise and rise and so too the feeling of terror, knowing that I do not really have time to find the right place I will be happy in. Because by the time I have done that and fought to secure the property over from everyone currently buying investment properties, I will be unable to afford even a one-bedroom flat and then there is no hope left. It makes me sad that this is how our Government choose to run this Island, driven by greed and ignoring the people that make this Island what this is. I truly worry what Jersey will look like in 10 years if nothing is done.” That is a relatively small amount of the correspondence I received in the run-up to this debate. Those people know that there is a housing crisis and they have no confidence out there that this is being resolved. The language used by the leaders of our Government matters. This proposition matters because it seeks to take a more appropriate approach, based on the numbers, based on a better understanding of what those numbers mean and recognise that a publicly-owned site built on by a publicly-owner developer could and should be used to provide some of the housing need which is most desperate. The Government attempts to demonstrate why this is not possible are flawed to their core because of the benchmarks they set up to make sure they were flawed. If we had leadership that recognised that there was a crisis and listened to the voice of the people who have spoken out about this, then they would take a different approach. That is why I am asking the States Assembly to say to the Government you can do better than this, so please go away and do better than this. The arguments about delaying housing supply are not credible. The arguments that this would cause greater problems in other parts of the housing market are not credible. But the very last point I wish to make on this before making the proposition is that early next year we will be looking at a bridging Island Plan debate where many people are extremely worried about the changes to the character of our Island that we may be facing with the loss of greenfields. With the amendments that have been lodged to the Island Plan, which take out some of those proposed sites for rezoning for affordable housing, to make up for that loss the Minister for the Environment is then proposing a plan B of sites, which many Members are also equally worried about. If we do not lose those greenfields and do not provide adequate supply of affordable housing elsewhere, we will be failing our Island. If we cannot meet that demand for affordable housing in town sites, then it is an inevitability that greenfield sites will be looked at instead. I say to those Members who are concerned about our countryside and concerned about green sites, you cannot have it both ways. If we want to make sure that we adequately house Jersey people, then we have got to build the homes for them and that means taking every opportunity we have and not taking great opportunities with land we own and can use for free with a developer that we own to provide a profile of homes for which there is no demonstrable great need for and which, if there is a need, the private sector can deliver it instead. Our job is to do better than that. On that basis I make the proposition and ask Members to increase the proportion of affordable homes destined to be on those 2 sites in St. Helier.

**The Bailiff:**

Is the proposition seconded? **[Seconded]**

**3.2 Provision of Affordable Housing Guidance (P.96/2021): amendment (P.96/2021 Amd.)**

**The Bailiff:**

There is an amendment and I will ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

Page 2, paragraph - after the words “at no less than”, for the word “30 per cent” substitute “50 percent”.

**3.2.1 Senator S.Y. Mézec:**

Members will be pleased that my speech for this amendment will be extremely short because the purpose of this amendment is to offer the States Assembly a choice as to what our target should be for these 2 sites. I make no apologies for saying that I think every home that the Government is responsible for delivering directly should be an affordable home that matches the profile of the need that there is for affordable housing out there in the Island. I do not think it is our job to be getting involved with providing the profile of homes that ought to be delivered by the private sector. I accept that work has been done on these projects already, that I accept that they are sites of very special interest for the Island, especially the waterfront, which is a gateway into our town and has the prospects of being transformative for town in a positive way and which I want to see.

[11:45]

I think that there is room for a debate on what the proportion is, what we are prepared to settle for. I want that proportion to be as great as possible and when I first brought a proposition on this I pushed for 50 per cent. I stick with that; I think that is what we should go for. But in accepting that some States Members may have different views on that I present a choice for them, if they vote for this amendment then we can go for 50 per cent but if they think that that is too ambitious and we should scale that back a bit, then 30 per cent serves as a compromise and Members can vote against this amendment and then proceed on that basis in the main amendment. I ask for 50 per cent but say to Members we have a choice here and 30 per cent would be a good compromise if Members wanted to seek that instead. I propose the amendment.

**The Bailiff:**

Is the amendment seconded? **[Seconded]** I, therefore, open the debate on the amendment.

**3.2.2 Connétable A. Jehan of St. John:**

We all received correspondence from a former States Member in recent days asking us why we are not looking at 100 per cent. We are seeing local people leave the Island, local people with long-established roots in Jersey leaving on a weekly basis. We are seeing professionals who come to the Island to work in health and education, cashing in on their properties and returning to the U.K., using the windfall from the increase in value as a bonus pot pension. Businesses are finding it harder to recruit people because there is such a shortage of affordable properties. We all need to do more to find solutions. As Senator Mézec stated in his opening, government-owned land developed by a government-owned company, surely we do not have a better opportunity to provide what the Island needs. The last time we debated South Hill I spoke about the opportunity to use this site for essential employees. If we housed the essential employees and shared equity properties they would remain affordable and could be used in perpetuity for people that we need in our key services. What price or value do we put on having sufficient health and educational professionals? Key workers, who are vital for us to provide the services that are so urgently needed, they need homes that they can call their own. Of course we do not only need key workers, who remembers those essential employees who helped us through the pandemic, not just those who worked tirelessly in the health and care sector, those involved in retail, security, the supply chain, logistics staff, postmen and postwomen? How do we expect them to buy their first home on the open market? Senator Mézec referred to the report that we have all been given, it states: "The expected return that a developer could expect was between 15 per cent and 25 per cent and the S.o.J.D.C. expect to get 15 per cent." Of course, financial considerations are important but let us not forget that only a few weeks ago this Assembly turned down the opportunity to save £254 million. Yes, £254 million. Those speaking about the importance of raising funds today should reflect on that, reflect on the fact that if you do not spend more than you need to, then you do not need to raise more than you need. This week we have heard the worst-kept secrets about Les Quennevais and St. Saviour being released for housing. I can tell you that these 2 sites are not the answer on their own, they are very welcome but we need to utilise government-owned land wherever we can to provide the solutions. Value is not just about pound

signs, value is about people, families, Jersey families, families of key workers who could become Jersey families. I believe we have a duty to those people and future generations to provide the solution.

### **3.2.3 Deputy J.H. Young:**

Senator Mézec and I agree on a very great deal in this situation and I am going to start by absolutely saying I believe we have got a crisis in housing. It is critical. I read reports recently that two-thirds of our young people in the Island were either thinking about leaving the Island or had already made arrangements to do so. That situation is desperate, it is probably a matter that is being discussed around every family Sunday dinner table I expect: what are we going to do about our children and our grandchildren and their future? What about youngsters who are living outside the Island who have Jersey residential, who have had aspirations to come back to Jersey? What they see is the door being closed to them to come back because of the housing market and what we have done collectively. I believe we have failed our young people. I am grateful for Senator Mézec reading those accounts. I think we could all have cited many, many more and my own family, that situation also exists as well for young members of it. We will do our best to help them but the bank of mum and dad is not the solution. I want to deal with the proposition of Senator Mézec because I think it is a vital and important one from the point of view of planning law and planning powers and the Island Plan. I was grateful for the Senator's last point that he made in his proposition, that we have the draft Island Plan going through its consultation stages, with the planning inquiry current. I listened to the debate, it was not a debate, it was a hearing at the planning inquiry about all the views and of course it is absolutely right that the zoning proposals that I have put forward for zoning of privately-owned land - privately-owned land in the Island Plan - for affordable homes, it is right that those are challenged, those are challenged by both States Members and challenged by many members of the public. When I took on this role of the Minister for the Environment I do not think housing prices were anything like they are now. But I certainly did not want to see any zoning of greenfields at all. Protecting the countryside and our coast is vital but people have to live. Nothing could be more fundamental than housing needs. With the greatest reluctance the Island Plan proposes some zoning of privately-owned sites in the countryside and I tried to make those as the least damaging that I could; what to achieve, that they were as sustainable as possible. In other words, they did not have an adverse effect across the whole Island in the wider context of infrastructure, roads, schools, everything. But, nonetheless, there are other Members that have put forward other proposals, proposals that will have to come together after the planning inquiry and there will be that debate in March after the inspector's report and I will have the inevitable job of recommending to the States which of those I present to you, the final analysis, which of those fields. Of course it will be your decision, it will be Members' decisions and not mine. I am going to say one other thing here, I absolutely distance myself, and I have done to my colleague Ministers, with the financial arguments. This is not about money, it is about people and homes. Personally, I am not a member of the Regeneration Steering Group who sets policies for the States-owned land and I have made it plain that I certainly do not subscribe to the argument that says a gain that you anticipate you might make in the future that you do not make is a loss. It is not. As Senator Mézec spoke about: "I could have won the lottery last week." If I still had the house that I sold a number of years ago it would be probably worth several million pounds more now, well I have not; that is the reality of life. When one looks at those numbers that were in those comments the astonishing thing to me is they do not deal with the period 2021 to 2025, which is the Island Plan period, that are all of the numbers that Senator Mézec spoke about - he quoted the table on page 168 of the draft Island Plan - I think, those are based on the 5-year supply of 2021 to 2025. The loss or the anticipated loss is in respect of a scheme that is not a scheme at the moment, it is a vision, a framework vision that the S.o.J.D.C. have for the future development. It is a very bold vision and I admire it very much. But the point is that it is for the second period, it is for 2026 to 2031. I really struggle with a financial set of figures that says we cannot do this now, we cannot make an adjustment now because of what might happen in 5,

6 years' time or anything up to 10 years' time. There are 101 financial variables which may change. One of those things is what we call affordable, where we know that what has happened in the past in Jersey, previous Ministers for Planning, Environment Committees over donkey's years have zoned greenfield land for affordable homes and they have done that using legal powers. Because the law gives back the States the power to say we zone that piece of land for affordable homes and it can only be used for affordable, and that is the proposal in the Government Island Plan, to maintain that. Those greenfield sites can only be used for 100 per cent affordable homes. But where the problem comes is: what is affordable? Of course the reality is that over the decades all of the houses zoned as being affordable, guess what, will become non-affordable. We have not had those mechanisms. Past Members have struggled over many, many years to try and define that. I think that is one of the central issues in planning policy that we have to bottom out. I am hoping that the Minister for Housing and Communities speaks in this debate because it is really important. Because Senator Mézec's proposition addresses the current requirement or that what is being proposed by the Regeneration Steering Group, my colleague Ministers, of 15 per cent equity share, not a full equity share. As I understand it, that equity share means that people buy and they pay only a reduced price and that the balance of the value is not paid by the person, that that is held somewhere, probably as a balance sheet value within the S.o.J.D.C., I would guess. But it also says, or I also understand, that there is 35 per cent of houses being sold for first-time buyers. What does it mean, "first-time buyers"? First-time buyers used to mean, and in fact they still do under the current Island Plan, those houses that are provided for those that cannot access through reason of the normal housing market; that is what the law says. I am going to hope we get some clarity on that because I certainly think we may have got ourselves in a bit of a pickle here about the definition of affordable homes. We need affordable homes and, as far as I am concerned, we need more. I do not mind how we make those homes affordable, the various devices we use. Shared equity is great, if we could get more of them that would be good, if not deferred purchase. For example, years ago we used to have a thing in Jersey called the supplementary loan scheme; that meant that people got loans from the States to buy houses that they could not afford to pay back. Many, many families in Jersey benefited from such an arrangement; it was visionary. What happens is that people had those loans, they only paid back a proportion of the loan that they could afford, their income allowance, and as over the years their income rose then they would pay more and eventually the whole amount would be dealt with over many years, sometimes over 30, 35 years.

[12:00]

That was an excellent arrangement; that is all gone. That is, to me, a perfectly good example of how you can have an affordable housing arrangement but it has to be underwritten by the States in funding in some way. We are borrowing millions of pounds on other things and I really do not see why we cannot underpin it into housing for young people. I think there are lots of ways of addressing affordable homes. Of course, I struggle and think, can I vote for the proposition? It really gives me a problem because, first of all, the South Hill part. It affects South Hill and, unfortunately, I think we have probably messed up in South Hill. It has gone too far, we have got a planning application. The supplementary planning guidance that I wrote or I issued probably at least 2 years ago is there. To backtrack on it now at this stage, I think, would be a potential problem. Of course South Hill is, I believe, one of the sites in the short term and of course it would generate money that should go into other housing sites, straight into Andium's funds I expect, so we can get more housing sites. I think that does give me a procedural problem. But on the other part, the waterfront, I am very much in favour of Senator Mézec's proposition. Senator Mézec has got an amendment to the Island Plan, amendment 41, which I have made comments on to the planning inspector and asked him to look at it. The amendment 41 says basically that there should be a universal requirement that all States-owned sites should be, as I think the Connétable of St. John said, 100 per cent. What my answer is, that I think we need to be more site specific and I worry in the past about having blanket directions because the circumstances on individual cases will vary and affect their viability. The amendment,

and obviously we are on the amendment to the amendment, but I am taking advantage of the opportunity, effectively, I think that twice in this debate I thought I would do it early, setting out some planning principles.

**The Bailiff:**

There is only the one amendment, so it is not an amendment to the amendment.

**Deputy J.H. Young:**

Sorry.

**The Bailiff:**

There is just the one amendment and that is Senator Mézec's amendment taking it from 30 per cent to 50 per cent and that is what we are discussing at the moment.

**Deputy J.H. Young:**

Right, okay, thank you, Sir. Thank you for clarifying that, Sir. But, anyway, Senator Mézec also says that if we go with the proposition this will not eliminate the need for zonings of greenfields and I think there is an issue that Members need to think about in this debate. There is a need also for family homes, 3-bedroom houses. With the greatest will in the world it is inevitable that the developments in town are going to be apartments and flats. They are going to be decent ones because planning standards are going to increase and that is part of the Island Plan policies that we do better in those developments. We get more living space, we get more amenity areas and all those sort of things; all of those are in the Island Plan policy but we will need some family homes. Secondly, we have the need that we cannot discount, in fact it is really important, we need to ensure that going forward those rural communities throughout the Island have some breathing space to have some additional ... to allow their demographics to change, to bring in more younger people into those communities to enable them more sustained as viable settlements. Then there is the opportunity to right-size, either that means people who are occupying family homes that are under-occupied, severely under-occupied, having the opportunity to release those family homes and go into right-size units. My personal view is that I do not expect that people will want to go from living in the countryside in rural communities where they have spent their lives, suddenly to go live in an apartment in town; I do not think they are likely to do that. I think those things there, I think those will still exist, notwithstanding the definite need to do more for affordable homes on States-owned sites. What is that proportion? I do remember in a previous life I was responsible for advancing the original waterfront plan in the early 1990s when the States were reclaiming the west of Albert area and La Collette and the States agonised over whether or not the waterfront area was whether there was any homes in it at all and the debate was, what, shall we have open greenfields, can we use it for all sorts of other things or shall we have it as a subject for homes? Eventually it was resolved by decisions of the first housing development that ran, was divided up 50/50 between affordable homes; in that case they were social rented and for open-market homes with first-time buyer conditions. That development has been very, very successful. I know that those first-time buyer units in that unit are probably one of the most sought-after developments in the waterfront area; that indicates what was in States Members' minds, 50/50. Yes, we wanted all the other things, we wanted all the other good things, public realm, amenities but my personal view at some point the States would have to put their hands in their pockets and provide some funding stream for the infrastructure that we need. Of course I do remember our previous former chief executive proposing to us that we have an investment fund, some kind of investment fund, possibly even by public subscription, as a public bond to invest in those monies. That is the sort of creativity that I wanted to see. People get 0.1 per cent of interest at the bank, why should people not have a share in the infrastructure, the waterfront and the community facilities that go with it, rather than say, no, we cannot have any affordable housing because we have got to then make sure we get enough money to pay for these other things because we are not prepared

to look at those alternative means of funding? Bearing in mind we are 5 to 10 years away from that. Where I have got a real problem is how I vote on this because I am really stuck and I think I have missed the boat on intervening here. I think I have missed the boat on South Hill because it is too late, although I could still call in that planning application now for a planning inquiry and have this issue threshed out in the planning inquiry. I have chosen not to do that at the moment. It is also possible that the Planning Committee, if I do not call it in, they can decide to use planning obligation agreement powers to require as much affordable housing on that site as they can. It is not done and dusted. But for me, personally, it is late. All is not lost on the waterfront generally, when that scheme comes forward it is my intention - and I have announced it and I will repeat it again - to call it into a planning inquiry. That planning inquiry will look at all the aspects, including the use of that land for affordable homes and look at all the other ingredients and so on of it. Therefore, I really cannot give any credence to these viability assessments against a scheme that does not exist and is now being subjected to that planning process. All is not lost there and also there is the opportunity, Senator Mézec, for your amendments. Amendment 41, which is before the planning inspector on this very subject across all States-owned sites where of course when the States sell the land we can put what conditions on it we like. But when it is private land you cannot, you have to use the zoning powers but government land we can do what we like. Of course, years ago what used to happen Government acquired all the private sites and then of course it could put what conditions on it they liked because it bought them. That at the moment is not the current policy but there are ways of doing it, so all is not lost. There are things that can be done on amendment 41 from after the report comes from the planning inspector into the debate here next March. I think at the moment I find it really difficult to vote against these propositions. The current Island Plan policy is very clear, States-owned land which is developed for residential development, affordable homes should be given precedence; that is what the current Island Plan says. That is the 2011 Island Plan, revised in 2014, it is a clear principle. To me, I have a real problem as a Minister for the Environment with the Island Plan policy that I have responsibility in law for saying I do not support a proposition to increase the proportion of affordable homes. But I do want flexibility on what percentage goes, I would prefer it to be on a site-by-site basis, as I told the inspector, allowing for individual variations. I hope that helps other Members in what they might do and say in here but I wanted to put those matters on record and then after the debate I will then decide what I then do on the proposition. But South Hill is a problem for me, on the waterfront side it does not have that problem but, unfortunately, we are presented with a package. I wish I had brought an amendment, I did not; I missed the boat on that. I am going to have to take it as it is.

#### **3.2.4 Deputy S.J. Pinel of St. Clement:**

I would like to begin by reminding Members that the wording within Senator Mézec's original proposition is relating to the waterfront and South Hill developments. The Assembly agreed the Council of Ministers' amendment, P.165, on the waterfront, which required the Council to issue guidance to S.o.J.D.C. with a view to maximising affordable units and a range of other residential accommodation, while, and I quote: "Maintaining the overall viability of the scheme, including all public realm improvements and other community and leisure uses." P.69 on South Hill contains similar language guidance to be issued to maximise affordable purchase, while maintaining the overall viability of the scheme. Members will be aware that a third party was commissioned to review the financial impacts of including shared equity housing on both developments. The conclusions of that review are unequivocal: "Anything more than 15 per cent on each site will jeopardise the viability of the schemes and create unacceptable risk levels within the developments." These are the conclusions of the independent reviewer and no amount of revisiting the work and dedicating more time will change these fundamentals. In fact, the independent reviewer has helpfully costed the impact of moving, firstly, to 50 per cent, £66.1 million; that is the cost of introducing 50 per cent of affordable purchase, the cost being the difference between 15 per cent shared equity and the 50 per cent shared equity. Overall, taking both developments together, incorporating 50 per cent shared

equity will result in a cash loss of £32.5 million. Further, Members will be aware S.o.J.D.C. is required by the provisions of P.73/2010 approved by the Assembly to self-finance developments. Lenders require a reasonable return before they will support a development. Members should draw, therefore, the natural conclusion that no lender is going to finance developments that are loss-making from the outset. If the Assembly votes in favour of this amendment, the board of S.o.J.D.C. will have no option other than to go back to the drawing board on both developments. There will be an indefinite delay and it is no exaggeration that these developments may never happen. I do not say this lightly but, again, I go back to the conclusions of the independent review, it will create unacceptable risk levels within the developments.

[12:15]

Why? Because it comes back to the inconvenient truth. These developments have to be viable; viability in terms of making returns and being able to be supported by lenders. I think I can safely say that no Member wants to delay the delivery of much needed further housing on both sites. A vote for 50 per cent will do just that. For that reason I urge Members to reject this amendment.

### **3.2.5 Senator S.C. Ferguson:**

Personally, I think S.o.J.D.C. has outlived its usefulness and I would give it an honourable burial. I am not sure that their drive to provide lots of luxury flats and lots of office space on the waterfront is now in this current climate a valid business model. However, as I recall the original plan for the waterfront site provided more homes and civic spaces, rather than the current plans. It is time Members recall that land being developed by S.o.J.D.C. was already in possession of the States. I am not totally convinced that the valuation which is used in the transfer from Jersey Property Holdings to S.o.J.D.C. complies with the original procedures set out in the original proposition, P.73. The housing on the waterfront which resulted in Senator Le Main's Housing Committee's competition is attractive, well-designed and comprises social housing and free market, as mentioned by Deputy Young. This is the sort of project we need, not the soulless office blocks being put up on the waterfront project. Millais, Quennevais and Belle Vue developments demonstrate the ability of the States to provide housing for low-income families, as well as social housing. We just need to cater for lower income families, rather than allowing wealthy individuals to buy as many houses as they like, a change which was slipped through during the election period prior to the last election. States, in its broader sense, welcomes wealthy immigrants; they do provide and lend to the community. However, too many and we have developers building luxury housing and ignoring the affordable housing market. Mind you, the wealthy immigrants have offered assistance to the Island during crises but these offers were scorned, so we are losing both ways. We do not want to build mousetraps which our largest independent developer specialises in. The flats that they are building, some of them called luxury flats, they have a kitchen in a corner of the living room. If you turn on the kettle you cannot hear the television. I mean is this really a luxury set up? I do not think so. My apartment in New York when I was a student was a great deal more efficient, even if it was built in 1920. However, I would suggest that a competition a la Senator Le Main might provide more imaginative designs. We do need now to concentrate on decent accommodation for low-income families and social provision. In fact, I support the proposition as amended.

### **3.2.6 Connétable J. Le Bailly of St. Mary:**

I did not expect to be so quick. Affordable housing, the term "affordable housing" is a farce. Most first-time buyers cannot afford a presently-termed affordable home. Perhaps the term should be renamed budget housing because affordable housing does not exist. We need to build 2 homes for the price of one currently affordable home for the term "affordable housing" to ring true. It can be done and we need to change our method of build in order to do so. By that I mean either flat pack or module, built off-Island, as we do not have enough skilled tradespeople to build them here. If we do not do this we will lose vital workers from within the Island and it will discourage much needed

skilled people from coming here, people who we desperately need; health workers, teachers and tradespeople. There is a crisis, we need to address that now. We had a crisis 50 years ago, it has got worse over the years because we have not kept up with demand.

### **3.2.7 Deputy R. Labey of St. Helier:**

Can I just start with the greatest of respect, one point from my colleague, the Minister for the Environment, about the Victorian Albert Pier development? That is not a mixed-use, that is what we call a dormitory. There is no public infrastructure, there are no amenities, there is no vibrancy and we have to set our ambition higher for the rest of the waterfront development. But I am very happy to respond to him and to his call to me to explain the situation as regards what is proposed on the waterfront. On S.o.J.D.C.'s residential projects to date, that is College Gardens and the Horizon Development. We have 382 open market units that have been sold. Of these open market sales 35 per cent have been to first-time buyers with no discount or shared equity but the vast majority of that 35 per cent have taken advantage of S.o.J.D.C.'s deposit savings scheme. I will explain a little bit more about that later on. On S.o.J.D.C.'s future developments they fully anticipate a similar percentage of the open market units being sold to first-time buyers. They are being approached daily already by first-time buyers and a waiting list has already started to be compiled. They are all directed to the waiting list and then contacted with the sales team. The addition of 15 per cent shared equity units to support those that need more help getting their first step on the property ladder will mean that S.o.J.D.C. are targeting 50 per cent of the units on South Hill and the waterfront being sold to first-time buyers; 50 per cent. This is so important so that we can capture those who are just over the cusp or on the cusp in terms of earnings and qualification for the Homebuy Gateway products that Andium produce. The deposit scheme has proved very popular. It is a way for first-time buyers to effectively buy off plan, putting down, say, £2,000 and throughout the course of the build period, it may be 2, 2½, 3 years, to pay in instalments the rest of their deposit. This is a way to assist first-time buyers get on to the property ladder. It has other advantages too. It means that they get lots of help from the sales team in terms of 3 newsletters a year, on those newsletters are all the products available from the Mortgage Shop or banks or lenders, and very often the sales team will pick up a product they think is suitable for a certain young couple, or what have you, or anyone that is on the waiting list, and alert them to it and direct them to it. It is also good because when they come to 2 years hence to get their mortgage before they move in, they are not then seeking a 100 per cent mortgage, they are perhaps seeking a 90 per cent mortgage, which means that their interest repayments will be lower and they will get a better deal. The multipliers now are incredible as compared with 10 years ago, after the last financial crash. It is something that we are scoping. It is something that S.o.J.D.C. keep a very close eye on. But effectively in my day, when I was buying, and for a very long period, the multiplier was times 4. So if you earned £50,000 you could get a mortgage for £200,000. Now there are products available with 6, 7 times multipliers and also very much longer terms, if that suits, for younger people; if you are the right age it is the 2 generational mortgages of 40 years. Not saying that people should leverage themselves with debt but there are more commercial choices now available. As soon as permission is granted, S.o.J.D.C. will put the adverts out to target those first-time buyers. Do you want to move to the waterfront? Are you looking to buy? Are you a first-time buyer? Are your earnings in this bracket? Come and talk to us. So we have 50 per cent of the sales on the South Hill and the waterfront. The next tranche will be 20 per cent available to those who want to right-size. They will have to qualify in a certain bracket in terms of the value of the property they want to leave. Probably around from £750,000 to over £1 million, I am not quite sure where that has been set yet. Interestingly enough, I do know of a couple who lived in leafy Grouville for most of their married lives and did move to the waterfront; I think one of the Castle Quay flats. It does happen that people may decide to move into town but of course I understand that for a lot of people they want to stay in their community. So the right-sizing here for the empty nesters is not just available, it is help that is available too. For a lot of people they will be senior wanting to move out of larger homes, often were resistant to change, we will probably put up with a home that is not

suitable for us because we do not want the hassle of selling and buying and all the complications so we will put up with the draft and the fact that we have too big a garden and maintenance, et cetera, even though they might want somewhere which is smaller, cosier, maintenance free in terms of they just pay their annual costs for that and it is taken care of, so it is attractive and better suited to them. Of course they free up their home so we get 2 bites of that cherry. In the Andium scheme they will be given assistance through every step of the way. I think that will be attractive. They will also be given financial assistance up to a certain limit. Depending on the price, Andium will pay their stamp duty or at least a percentage of it. That incentivises the right-sizing and that takes us up to 70 per cent. The last 30 per cent is for open market. Among those will be second-time buyers. Those that have got on the property ladder maybe 4 or 5 years ago and the house will have appreciated, they may have bought a one-bed and now they want a 2-bed. Of course it will be the premium ones to get further up the units, of course to the penthouses and sea views; yes, those will be premium ones. Of course, all of that will still be out of the reach of some people and those people are on the Gateway for the Homebuy product. I can absolutely assure the Senator and the Assembly that we will exceed the objective assessment recommendations on this product, on the Homebuy, on the Gateway.

[12:30]

We will tailor what is coming down the line that is specifically the point of the new housing and regeneration strategy function to make sure that we are tailoring what is built to who is on the list and what they require. We have the time to do it. Andium's latest projection being cautious and careful not to include sites that have not yet been confirmed is just over 2,500 homes, up to 2030, to the end of the decade. Currently on the Gateway we have got 1,400 plus wanting to buy, 600-plus wanting to rent and 400-plus wanting to move from their ... they are already in rental in Andium and they want to move. On paper that will satisfy that need. If, as you will have seen, we have got some certainty now on 2 important sites: the hospital and the old Les Quennevais School. Coming online 2023 start with St. Saviour's Hospital, not until 2026/7 with Les Quennevais. If the waterfront development goes ahead as planned S.o.J.D.C. have indicated they will have enough on their plate with South Hill and the waterfront and it is inconceivable that Andium will not have the lion's share of Les Quennevais and St. Saviour's Hospital developments. A process has to be followed. But that is going to be good. I said I would get certainty on government sites for Andium by the end of this year in my action plan. There are 2 sites there we now have certainty on. Of course the process on relocating the Rouge Bouillon School and the whole education requirement provision in St. Helier is that process is coming to an end. So we have other sites: The old ambulance station, La Motte Street, Philip Le Feuvre House, Westaway Court, Le Bas Centre and there are others. If, as we hope, those are earmarked for housing, if we get certainty on that, Andium's next projection would take us over the 3,000 mark. I think it is 3,124; something like that. Over the course of the next 8 years we are going to meet the requirement of the Gateway. I have been through periods, Senator Ferguson. I think I said when I first stood in 2014 for election I think one of my bullet points was scrap the S.o.J.D.C., so I have been there. I have been through that process too. I had to go through a process with these 2 sites. Myself, I have to be honest with the Assembly, I was not keen when I opened the *Evening Post* to learn in - I think it was February or March - of the South Hill development. I wanted a hotel on there like a Mandarin Oriental or a Hyatt or a Hilton plus all the accommodation and more that workers would need to facilitate that. But no one is building those hotels after the pandemic. So we have hotel beds, they are very important for this Island for our connectivity. We have brilliant connectivity. But as Matt Thomas from Ports keeps saying, we will not hold on to that alone with just the finance industry who desperately need that connectivity. We need the tourism trade to keep up. So I have been on a journey and I have taken very seriously the Senator's proposition and I did support his last proposition. I am pleased to see the 15 per cent assisted purchase on those sites. Why am I not supporting him today? I think it puts the plans in jeopardy and I have looked very closely at the plans now. I have looked at the £150 million worth of public realm and infrastructure on the waterfront development. It is interesting that the domestic buildings only occupy about 25 per cent

or 30 per cent, whether you count the existing Jardins de la Mer and the existing Marina Gardens above the waterfront car park. If you count those it is something like 65 per cent public realm. If it is a bit cheating to count that, because they already exist, it is about 30 per cent or 35 per cent. So well over half of the whole waterfront site is public realm. The more I looked into it the better it appeared to me. There are 3 pools. One is an outdoor lido, one is a lane pool, one is the flume pool. There are all the roads, all the stuff that has to go under the roads, all the stuff that goes over the roads, all the landscaping around the roads, treelined avenue, the new cycle paths. There will be active ground floors at the bottom of the domestic units where they border the main arterial routes. Where its interior courtyards or gardens or cycle paths, where they are bordering that, there will be domestic use on the ground floor and there is a lot of call for that. But the active ground floors, in terms of shops, will be convenience shops, food and beverage and not high street shops. There is no threat to King Street and Queen Street ...

**The Bailiff:**

Deputy, I am afraid I have to interrupt you. Your 15 minutes is up.

**Deputy R. Labey:**

I did ask if I could be considered as a main respondent.

**The Bailiff:**

That request did not reach my office. We have identified the Minister for Treasury and Resources and the Minister for the Environment as main responders and I said that I would accept 2 main responders but I received no request on your behalf, I am sorry.

**Deputy R. Labey:**

That is absolutely fine. I will leave it there and I can get a second chance to speak on the main proposition, I think.

**The Bailiff:**

You will of course, yes. A point of clarification, Deputy Gardiner. Deputy Labey, will you give way for a point of clarification?

**Deputy R. Labey:**

Yes.

**Deputy I. Gardiner of St. Helier:**

I am recognising, as everyone else, that we have a huge need for affordable housing. The Minister stated that he looked at the areas and looked into the infrastructure. I would like to ask the Minister if he looked into the Education estate and specifically to ask if the St. Saviour Hospital development that he mentioned in his speech that was recently allocated for the housing - and I welcome this development generally - is it not coming as against the States decision, which was made on 20th July by adopting the proposition and directing the Government to allocate a site for the primary schools in St. Helier and St. Saviour before any other site will be allocated for any other purposes?

**Deputy R. Labey:**

That caveat still exists, I say to the Deputy. In fact, we know that there will be a housing component on the St. Saviour site, that is what we are saying. Interestingly enough, when I got the green light from the Council of Ministers on this my first calls were to the Constable of St. Saviour and the Constable of St. Brelade and the Constable of St. Saviour said: "I want a school on it." I said: "You are going to be part of this consultation big time as are the local community. The review into where the school or schools are going in St. Saviour and St. Helier is coming to completion. I need that certainty, I say to the Deputy, because those other sites that I mentioned - the ambulance station, La

Motte Street, et cetera - I cannot give certainty on those until the school priority is sorted. But it does still remain the priority because that is the States decision.

**The Bailiff:**

I have just had a request from Deputy Ward for a further point of clarification from the Minister presumably.

**Deputy R.J. Ward:**

It is very quick, Sir. I wonder if I can ask the Minister because he did mention the school sites review, whether the Minister knows of the date when that will come to him and when it will come the Assembly and we will know about that. Do you have a final date for that? Forgive me, I know I have been a bit obsessed with dates recently and everything going forward but it is so important when we talk about these wider debates.

**The Bailiff:**

The point of clarification is: are there dates for that, Minister?

**Deputy R. Labey:**

I do not want to mislead the Assembly. I do know that it is due to hit the Regeneration Steering Group imminently. I think because we had to have an extra Council of Ministers meeting on Monday it did not happen so my guess is at the next Regeneration Steering Group we will get a presentation on the school thing. That is my guess at the moment.

**LUNCHEON ADJOURNMENT PROPOSED**

**The Bailiff:**

Chief Minister, you have proposed, I think, the adjournment. It is a little early but I have one person listed still to speak. There may well be others and then the Senator will of course have a right of reply. I will take the adjournment now unless Members indicate that they wish to carry on. Could that be indicated in the chat? Very well, the adjournment is proposed. The Assembly stands adjourned until 2.15 p.m.

[12:41]

**ADJOURNMENT**

[14:16]

**The Bailiff:**

We continue with the debate on the amendment to P.96, Senator Mézec's amendment to his own proposition. Next listed to speak is Senator Moore.

**3.2.8 Senator K.L. Moore:**

I was moved to speak when I heard the Minister speak in the previous session. He referred to the fact that within the next 8 years the housing requirements that are identified in the *Objective Assessment of Housing Needs* will be fulfilled. The crisis in housing is now and I am deeply concerned that if we wait for those houses or homes to be delivered within the next 8 years they may not be required because there will not simply be enough people left. I do not say that lightly. But what really concerns me, and I think Senator Mézec very eloquently described the current situation. We all hear from a high number of constituents who are experiencing housing stress in one way or another. What troubles me, and I think it is clear it troubles Senator Mézec and many other Members of the Assembly also, is that if we continue to see young families, in particular, but people with the skills that we need to deliver our core services, particularly health and education, if they continue to experience the problems that they are experiencing in our housing market then they will simply leave.

That is a major problem because if we cannot maintain a good and strong community, which is one of our immense strengths in the Island, and if we cannot deliver the key services that we are to deliver to maintain our community and to provide benefits for all who live here, then what do we have left to offer. I find Senator Mézec's proposition and amendment particularly interesting and a very valid argument to put forward because he is trying to resolve a problem. But unfortunately the plan that would fall into this are also a number of years down the line. So it does not ultimately deal with the crisis that we are facing today. He has in fact prompted me to have some interesting thoughts over the lunchtime period, and I hope to be able to bring forward an amendment to the Government Plan that might assist in this area. But unfortunately, I do not find, after deep reflection and also some correspondence with some of the bodies involved in this proposition, that I can support it at the 50 per cent. It is with some regret that I say that but, firstly, it is because it does not alleviate the initial problem and, secondly, as the Minister for Housing and Communities has identified, over a period of time needs will be met. What we do not need to do is impact on public finances to a greater extent. I say that because obviously the Minister for Treasury and Resources has identified the potential losses that could be incurred. Initially I thought, fine, so perhaps it is the role and the duty of Government to meet those losses, to resolve this crisis in our housing sector. But what we need is an emergency plan. We need to identify sites where family homes can be delivered in very quick order. There are opportunities and solutions that are available. There are eco homes that can be delivered within a 13-week period. What we need to do as an Assembly is to come together to focus, identify where those sites might be and actually deliver for the families who are, with deepest of regret as the Senator identified, considering looking elsewhere to find a home and a place to bring up their children away from their family and away from their beloved Island. I do agree that there needs to be a clearer priority from Government and hopefully next year that will be achieved. But I hope in the interim this Assembly can pull together and help to resolve the immediate crisis that we have. With that, I thank you.

### **3.2.9 Deputy R.J. Ward:**

I speak after all of the previous speakers to raise a few points. I want to remind people that were slightly critical of Senator Mézec, he is only asking for 50 per cent affordable homes, that still means that 50 per cent of these home are not affordable on the scale. We have an emergency crisis of affordable homes on this Island. I am not going to get into the semantic argument that seems to have been diverted to, if I was I would use Susie Dent's word of the day today, which was so ironic it appeared on Twitter; I think you pronounce it struthious. It is an 18th century word that means resembling an ostrich and it means avoiding reality or pretending it does not exist. It seems to be a very suitable word for the way in which we are addressing the housing crisis on this Island. When the Minister for Housing and Communities talks about his schemes, there was a rather convoluted list of schemes which appear to me to not be dealing with the basic issue that we have that the homes that we are making on States of Jersey land, through the States of Jersey Development Company, where we are the shareholder, are not affordable for the vast majority of people on this Island. That is not just the poorest on this Island who may struggle, as you move those people there are young professions. I know so many. I was just walking back to the Assembly and I saw somebody who was a friend of my son's, he went to university with him, and he is back on the Island and he mentioned about the previous debate and what a move forward it was. He said: "How are you doing?" I said: "Yes, it is the housing debate now." His words to me, and he does not mind me saying this, I will not give you his name, were: "Well, I am stuck with my parents for the rest of my life it seems." That is the reality of somebody who has gone off-Island, educated themselves, taken the time to do that, is highly qualified, will have earning potential in everybody's definition of it but still has absolutely no chance of gaining an affordable home. What we will do in this Assembly is we will sit here and intellectualise our way around not building homes that are affordable for our population. Let us simplify this debate. If we accepted the 15 per cent affordable, that means 85 per cent of the homes being built on that site are not affordable. 85 per cent not affordable. You can come up with

as many schemes as you want but to be quite frank I am looking at those schemes and I have a serious concern about some of them. We are asking young families, young couples, young people to mortgage themselves up to the hilt - the actual hilt - in order to just have a home that they can have some sort of security in. Somewhat reminiscent of the subprime market in the U.S. that blew itself up. What are we doing? This is a very unique Island with unique challenges and those challenges that we face will not be solved with U.K.-type systems because we have a limited housing supply and we have a very specific need for skills, for services and a moral responsibility - let us remind the Assembly of the moral responsibility we have - that people can have homes on this Island. I would quite like my children to live in Jersey so that if we ever get grandchildren I am close to them, but that is totally unrealistic for them. I am extremely proud of them because they are incredibly well-qualified. But it is not the reality for their lives. I digress a little bit from the things I was going to say. This leads me nicely on to the part that talks about the market that we have here has failed so many people. It is a skewed market and if we just take our housing stock from Jersey owned land and throw it into that market it will not make the situation any better. What we seem to be getting here is an argument of delay. It will be delayed, the money will go. It is the same principle that I have and I do not know what has happened but obviously something has gone wrong because I have not won the premium bonds for the last 12 months in a row. I should have, in the same way that this money should be coming from this housing that does not exist. Obviously I am going to use the same principle and I would like to know from the premium bonds people where my money is, because I have had those premium bonds, I should have won by now. It seems to be exactly the same principle that the Government is using on its housing. If you think it is ludicrous, then yes, it is a ludicrous approach. We need to actively address these issues. It is clear that the Government intends, from its suggestions of a proposition and amendment, that all housing stock will only be 15 per cent affordable housing. I think we need to bear that in mind because the underlying principle there is 85 per cent of what we build will not be affordable for people on this Island. I would like to ask the question: who is going to buy this housing stock? Okay, we have done something about our overseas buyers because it is a flying freehold, but that is the only reason because the rule itself about overseas buyers has not been worked on yet. We got that from the Chief Minister the other day in questioning. So it is not there. Who will be buying these homes? Will it be speculators, property developers who live on Island? Again, amassing the homes that we have built from the States of Jersey Development Company into the hands of the few who are wealthy enough to buy home after home after home and then rent out at the inflated prices that people are paying for rents. There comes a stage when we have to take an action. What is being offered here by Senator Mézec is an action. I am going to say it is only 50 per cent, but I understand that compromise position and I understand the compromise position of not accepting the amendment and giving this Assembly the choice. Two bites of the cherry to do something right now. I sort of understand Senator Moore's notion that this does not address what happens now but that is not what we are talking about at this moment in time. We are talking about, if you like, salvaging something from this huge development that will happen so that there are affordable homes and there is some hope into the near future for some many people. I hope she can find a way of supporting this. I think the conflation of this proposition with the Island Plan needs to be looked at really carefully because we understand there is complex stuff there, but this is about those homes being built at the waterfront and the other site itself. We say we cannot do anything about this because there are criteria that have already been set. This is what I would call classically tautological argument. It is circular. The financial assessment is about fixed benchmarks and therefore if you only look within those fixed benchmarks of course you cannot do anything. I warn the Assembly there is a real risk there for all of our housing stock if we do that because we are within those benchmarks and that is when we will end up with only 15 per cent being affordable for everything that we build. We are allowing this to be created and we cannot get out of it. There is a solution, you change the benchmarks. That way you can allow the affordable housing that you want to allow.

[14:30]

That is the whole point surely of having control of the States of Jersey Development Corporation. Or are we just producing a private property developer at arm's length to make a bit of cash to regenerate St. Helier. I would like to ask: where has that regeneration money gone for St. Helier, from the I.F.C. (International Finance Centre) and so on? I have not seen it, we do not have cycleways, we do not have walkways, some of the pavements are unwalkable, let alone anything else. I would like to see that regeneration of St. Helier but these are promises of jam tomorrow which never happen. What we have is a very convoluted set of arguments against this proposition that when you look at them individually they do not stack up. This Assembly has a very clear choice, it either takes an action today that says: "We are going to put our foot down and say 50 per cent of those homes need to be affordable for the residents of Jersey who are struggling, who are in a crisis for their housing situation" or we say: "We will let it go this time and we will let it go into the future and we will just hope for the best. We will come back in a few years' time. We might not be elected next year anyway so we can just leave it." That is morally wrong and we need to make a change now. I urge people to support the 50 per cent and then support the 50 per cent in the final vote so we can actually make a change and do something about accessible housing on this Island to give young people ... and not even young people, there are people who are divorced who are in their 40s going back to live with their parents that I have heard about. We cannot continue this way. We create an opportunity by voting for this. Let us not be fooled by the arguments that we hear so often and let us make a change. Let us make the sort of great decision that we have already made in this Assembly in this sitting and let us make this sitting one that is really notable for the future of the people of Jersey. I urge you to support this proposition.

### **3.2.10 Deputy M.R. Higgins of St. Helier:**

I expect to only speak once during this debate on the amendment and the proposition. First of all I would like to say publicly what I said in the Teams chat to Members following Senator Mézec's opening speech. I congratulated him for his speech, which I thought encapsulated the problem, and the personal accounts he read out echoed the comments that I too have received in the Island. I felt it was the best speech he has given in the Assembly. When I stood for the States in 2008 I wrote in my manifesto that I was disillusioned with the Government of the day for their failures, one of which was housing. I said that it was not acceptable that our children had to live with their parents even into adulthood or were being forced to leave the Island in order to be able to afford to rent or buy a flat or house and to be able to raise a family. What has happened since then? Next to nothing. If anything it has gotten worse and I am sorry, Chief Minister and Minister for Treasury and Resources, we do have a housing crisis, not just a problem. I am sorry you do not recognise it and have not made it a higher priority. You are not the only Government to have failed, all the previous administrations have done so but I had hoped for better from you and that you would have at least lanced the boil. I am also disappointed with the States Assembly as a whole, which has a large majority of Members who are property owners and landlords and who have a vested interest in the rising rents and house prices which may benefit them but not the majority of Islanders. Nor have we addressed the problem we have with houses and flats that are seen as investments rather than homes. People think it is great that housing prices are going up. It is not. If you come to sell your property, unless you leave the Island, what are you going to get? Probably very little because the prices are still going up and you will end up paying just as much to get another property. We have wealthy people inside and outside this Island who are buying up the existing housing stock and driving up prices, and making them unaffordable for the majority of people who have to work in ordinary jobs to earn an income to support their families. Our situation is a crisis and it needs to be addressed. One thing that has not been mentioned is population and population is the elephant in the room. The policy is still being kicked down the road and we will still not have a policy before the next election. Unless we come to grips with population we will never solve the housing problem as demand will always outstrip supply. So in addition to dealing with housing seen as an investment where quick gains can be made

and if we do not deal with population, those 2 aspects of the problem, we will never solve the problem. I would also like to say a few things about the States of Jersey Development Company. I have been a critic of this body for quite some time. We pay the directors of this company bonuses for what they do. For the benefit of Members who were not here in the States when they were created, the States handed over the assets to them for nothing. In a recent briefing we were advised by S.o.J.D.C. that they valued the land, I think it is South Hill and the waterfront, at £100 million. Remember that is £100 million of our money. I do wonder whether we should instead ... in fact, I felt it was wrong at the beginning. Why have our own development company? Why do we not zone the land for particular purposes and sell it to developers and get that £100 million, put it into the infrastructure that they say they are providing? I just find it absolutely amazing that we have this body ... to my mind I just look at it and think who is benefiting? I have not seen a return, as Deputy Ward said. I do see the bonuses the directors get. Is that in the best interests of the Island? I am not convinced. Anyway I will just say in conclusion, Senator Mézec's proposition is flawed, however I will take it as the best opportunity we have for our children to be able to get some homes in the near term. I have always supported policies to try and get housing, affordable housing, whatever that is, as we have discussed many a time. I will support any other propositions coming forward if they achieve that end. I will leave it at that.

### **3.2.11 Senator S.W. Pallett:**

I want to start by applauding Senator Mézec for bringing this amendment. It is one that the Progress Party had thought about itself but is one that we both support. Our view is that for the foreseeable future we really believe that all States owned sites need to be used for affordable homes. We had a respondent in the *J.E.P.* only a few days ago say that and we have got to get our heads around the fact that we are not providing affordable homes in the numbers and quantities that we need to. From what I have seen of what has been stated around sites that are going to be freed up, I absolutely agree with Senator Moore, it could be too late. Do we need to do better? I am not talking about just Government, I am talking about the States generally. Absolutely, because we have been letting down families for some considerable time. We need more affordable homes. It is not just in the rental sector, it is also in the to-buy sector. Young families need homes. They need them at a price that they can afford and we really need to understand how big the problem is. Whichever way you look at it, we are in a housing crisis. If this Government does not understand this then it is out of touch with the majority of Islanders. I speak to dozens of people every day in all sorts of walks of life and all I get is concerns about their children or how they are going to pay the rent and we really need to get a grip with this issue, not in 3 years' time or 4 years' time but we need to get a grip of it now. Many may say taking that stance aligns us with Reform. Well, frankly, if it does then so be it because like Reform we know that it is going to impact on other social issues if we do not get our heads around how we are going to deal with this problem. Inequality and the issues of inequality are only going to get greater. They will have an effect on children and there are dozens, if not hundreds, of families where parents are working 2 jobs. Now that cannot be good for family life. That cannot be good for children, it must be putting a stress on those families. A lot of that is around the stress on paying rent and paying mortgages. I am going to come on to mortgages in a second. Population has been mentioned and there is a lack of data on what is going on in the housing market. The census may help that to some degree but we do need to have better data in Government in regards to what is happening, how many people are leaving, how many people are coming in. On the people leaving front, it has been mentioned that people are leaving. I know of people that have decided that this Island is too expensive for them and there is no hope for their children in terms of either renting ... I mean, buying is almost out of people's reach now, never mind in the future. They are making their choice to leave the Island. Some of them are professionals and they are leaving. I met one only a week or so ago on the railway walk, somebody I have known for 30 years that has decided that the best future for him and his family is in the north of England where property prices are half what they are here. He feels it has a better future for his family. Now that is not what I want to hear from

people and from people that have got skills that we desperately need. I have just said that we really need to face facts and realise there is a crisis. Viability has been mentioned several times. I have no beef with the States of Jersey Development Company some may have, but they are a housing provider. They are providing housing for the public of Jersey. If they are not providing what we need, and I think it is pretty clear we need more affordable housing, then either change their reference or provide the sites to Andium or another housing provider to provide homes. It is our responsibility to ensure that arm's length bodies such as the S.o.J.D.C. are providing what we need. The increase in open market prices are just completely unsustainable. I see prices on a housing estate where my daughter lives have gone up in a matter of 18 months from £500,000 to £700,000. That is just not sustainable. I am hearing of young families who are taking out mortgages borrowing £300,000, £400,000, £500,000; that is jaw-dropping. It is going to put young people under all sorts of financial stress. Again, it will put pressure on families. They may feel they are doing the right thing for their families when they are taking out mortgages of that size and I do hope that things do not worsen economically here in the Island where they could end up with negative equity or not being able to afford their mortgages. But that is a risk we take here at the current time. I am just going to finish on one issue. The Minister for Treasury and Resources mentioned that if we accept this amendment or even taking it to 30 per cent affordable that there will be a cash loss for Government and S.o.J.D.C. Well, what about the social loss. We have to stop thinking about if we do not provide enough affordable homes what loss there will be socially to this Island in terms of not just those that leave but those that will refuse to come and work here because housing is too expensive. To use the phrase South Hill may never happen. If that is the case then maybe we should take the site away from S.o.J.D.C. and maybe we should give it to another provider who will provide affordable homes. It will be a cost to Government but I am afraid we are at a point where we are going to have to subsidise affordable homes for people, be it through shared equity schemes or whatever mechanisms we need to do. We have to give people hope that they can afford homes here and not drive them away. I am going to vote for this and I am also going to vote, if this does not get through, for the 30 per cent. But 15 per cent, frankly, is laughable and if we cannot do better than that then I do wonder what we are doing in this Assembly.

### **3.2.12 Deputy J.A. Martin of St. Helier:**

When I first read the amendment to the amendment I thought it was laughable. I mean it is one paragraph that says: "We must make affordable homes in some shape or form and 50 per cent is better than 30" but the laughable bit is financial and manpower implications because there are no financial or manpower implications.

[14:45]

The Senator knows that these plans have been worked on and worked on. He knows they are nearly ready to go and I know the Senator is not that naïve to turn them back around and say: "Go back to the drawing board, it will cost you nothing and will not be a delay." That does not help your case when you are trying to sell this, does it? Again, what is affordable? What is affordable? We heard the Senator tell us some really sad stories. I know these people, I live with these people, I lived with these people in social housing. Senator Pallett has just said let us be innovative, let us find some shared equity. Did nobody read the comments? Did nobody listen to the Minister for Housing and Communities? Literally 35 per cent is going to be ... sorry, 15 per cent is going to be shared equity. You can buy half of the building and you have 25 years to buy the rest. That young man who the Senator was talking about who has managed to save up, I think he said, £100,000 or one who has been saving up for 6 months, these schemes are ready and waiting to go for them. Then there is 35 per cent off-plan. This is affordable and I can assure you 4 or 5 of my children, mid-20s, bought at Westmount on these schemes. Single, young men and women. They are in them now. That was affordable. They all come from social housing. They lived at home with mum, paid a few hundred pounds over their deposit. Put a bit down and now they are in them and their mortgage is no more

than what they were paying on their deposit. That is affordable. These are homes, these are people I know. These are ready to go. Then there is 20 per cent for the right-sizing. If you turn it on its head there is only 30 per cent that is going to be on the open market; 30 per cent. But let us not worry about that. Let us rip that out today when there are people who have their £2,000 hot in their hand waiting for the advertising and they can go down and put that down. There it is, I can afford that, and if they cannot the whole family will club together because they will find £2,000, then they can pay over the next years. It is not tomorrow. I know we have come out with some different schemes now but tomorrow is when they are waiting to put their money down. Senator Pallett just said let us come up with some innovative like shared equity. It is here, Senator. But, no, support Reform. I think what Deputy Ward said was it is ludicrous to spend money you never had. "It is like me, I shall go back to the lottery and say you did not give me my prize this week." But, no, this is money that we may not get a loan from the banks to build these houses. Then if you do not get the extra money what do you want to build? Lots and lots and lots of lovely tower blocks? No nice open spaces for the people who are living down there, no park, no green, no trees, just affordable blocks. If anyone has ever been to Tottenham you want to go to Broadwater Farm. I kid you not, it houses a lot of people but it is the most ugliest place you have ever been to. I really cannot understand; this scheme is ready to go. If you really believe none of the finance ... you know, who did we go out and get some financial advice from? Yes, somebody who might know what they are talking about. No, let us forget that because they wrote the report - as I think Senator Mézec said - with a result in mind. That was so he could not get this through and he could not say that he is addressing the housing crisis. I can assure you I read it, I know the people he talks about, I live with the people he talks about and they are wanting to get their foot on the ladder and this scheme as it is does it. Affordable down the road or not being built will not help them. I really, really ask people to reread what is in the scheme. It can be delivered, the plans are there, they are ready to go. If you stop this, be 100 per cent sure that there is someone out there to step up and lend this money so some will be built. If you are not, there will be another white elephant down the waterfront for another 10 years and you have helped nobody because you think affordable is something that Senator Mézec says it is and that must make it right. Sorry, please do not support the 50, do not support the 30, let us get on, let the people who have got the money ready to go give it across and get that foot on the ladder and they will do it. I have never seen such proud youngsters who moved into Westmount. Their families had never owned in their life before. Schemes like that work. They are working on the Horizon as well. Please, please, do not do this. It really, really is worth the paper that Senator Mézec wrote it on; half a side of A4 with no financial manpower implications. I do not live in that world. The real world is it could completely finish the scheme off for the people that he says he wants to help.

**The Bailiff:**

Thank you very much, Deputy. Deputy Morel asked for a point of clarification. Do you give way for a point of clarification, Deputy Martin?

**Deputy K.F. Morel:**

Thank you. It was regarding the financial manpower implications. As I understand it, the financial manpower implications are meant to be those that are on the Government or States Assembly. So would the Minister clarify that the implications she was talking about are on the S.o.J.D.C. and not the Government or the States Assembly?

**Deputy J.A. Martin:**

The financial manpower implications I was talking about are as written on Senator Mézec's amendment. I see what you are saying. If Senator Mézec had wanted the true financial manpower implications he would have gone to the Minister for Treasury and Resources, who is obliged to give him the real figures. I do not think he asked.

**3.2.13 Deputy R.E. Huelin of St. Peter:**

The States of Jersey Development Company evolved from P.73/2010. To paraphrase its remit under that proposition it is that it invites the J.D.C. (Jersey Development Company) to act as a developer of property assets in conjunction with the private sector currently belonging to the public. It is for self-finance developments using its existing assets and it is to regenerate also the waterfront; basically to be independently financially viable. What we are asking for today is departure from that remit. If for no other reason the waterfront development would not be financially viable, as is documented in the Council of Ministers report, as presented in this proposition, even worse with the 50 per cent amendment. My issue is not so much from sentiment of the proposition. My work for the last 9 months on the population policy has meant I have met very many people who have submitted to me. I am acutely aware of the concerns and issues that we are facing. I have also publicly said many times, and I have used the acronym F.O.M.O. (fear of missing out) as the modern equivalent of what I believe was what happened in 1987, 1988 and 1989 in the property market in London and the U.K. where many, many families were left with negative equity because of the fear of missing out on buying. I am acutely aware of that as well. That is not my issue. My issue is the fact that we asked the J.D.C. to perform a task in 2010. If we want the J.D.C. to perform a fundamentally different task, in this case build affordable homes, then we should, as an Assembly, change the remit of the J.D.C. and not interfere with the business model we have asked them to deliver upon. It is like buying a dog and barking yourself.

### **3.2.14 The Connétable of St. Brelade:**

There is absolutely no doubt that there is a distinct paucity of affordable homes in Jersey. There is, however, a degree of opacity with regard, in my mind, the definition of affordable homes. I want to outline that in detail in my understanding. Senator Mézec in his summing up may differ. To my understanding the definition of affordable homes has been determined by the Island Plan, which distinguishes between affordable or category A and markets or category B housing. However, the Island Plan, which we are working to now, was published 10 years ago in 2011 and structures such as the Affordable Housing Gateway, which determines who is eligible for affordable housing as well as Andium, which allocates, develops and delivers housing, were neither in place at that time. By law, the Island Plan must reference the legal definition of affordable housing, as set out in the Planning and Building Law 2002. Article 4 of the law describes how land is to be designated for particular developmental use by the Minister for the Environment, who may of course include designations for residential accommodation, whether it be accommodation for renting or accommodation for purchase for persons who would otherwise have financial difficulties renting or acquiring residential accommodation in the general market for residential accommodation prevailing in Jersey. That last paragraph is the defining analysis of what we see now. The general market has run away and we need to address it by way of supply. We cannot ignore the value of sites, however. South Hill is a valuable site and we have to ask ourselves whether better value for the affordable could not be better provided to the advantage of those desperately in need in other places. I do agree that there needs to be an element of affordable accommodation in every development. Let private developers play their part in our societal need as the Minister for the Environment and condition it as part of planning permissions. That is my contribution to the amendment.

### **3.2.15 Deputy I. Gardiner:**

I would like to bring to Members' attention in finding 23 from the recent P.A.C. (Public Accounts Committee) follow-up report on review on estate management. Finding 23: "The recommendation by the Comptroller and Auditor General to undertake a strategic review of the States of Jersey Development Company to confirm that it remains the most appropriate vehicle and operating model to deliver Government regeneration objectives in the longer term." This has not been implemented. This has not been implemented for more than a year when it was different review going on between S.o.J.D.C. and Jersey Property Holdings about what other responsibilities can they hand out. P.A.C. recommended recommendation 15 and we still have not received a response, but we are due to receive

a response by tomorrow, that the Executive should undertake the review of the purpose and aim of S.o.J.D.C. in line with C. and A.G. (Comptroller and Auditor General) recommendation as a matter of urgency. Senator Ferguson's speech raised the huge concern about who is working for whom. The States of Jersey Development Company, as mentioned by previous speakers, received the land which is valued in millions. It is a case to use the profit to regenerate St. Helier. As Deputy Ward said, we have not seen the funds to regenerate St. Helier. In general, all presentations today from the Government make me wonder about the general governance like we heard about St. Saviour that was announced as the housing site, it might be also going for a school. So we are not 100 per cent sure that it will be developed for housing. I agree with Deputy Higgins on this; the proposition might be flawed. As Deputy Martin said, it is very difficult to prove financially. However, because I have not seen any evidence about the purpose and objective of S.o.J.D.C. currently after we established it in 2010, 11 years ago, and we need to know where we are standing. As a matter of principle, I am planning to support the amendment and the proposition.

[15:00]

### **3.2.16 Senator J.A.N. Le Fondré:**

I recognise absolutely that all Ministers, the Government, and I hope all Members, share the concern voiced today around the cost and provision of housing in Jersey. There is no question of that. As I said in this week's questions without notice, we do have a serious problem in both the supply and cost of housing on our Island, but equally we do have a plan. We are not alone. Many jurisdictions have rapidly increased in demand and limited supply and they have found that has led to a substantial increase in the price of housing. We need to be really clear: it is not a problem which is going to be solved overnight. There is not a single quick fix. It is going to require an enormous amount of effort from across a number of different government departments in successive Governments to tackle this issue in an organised, effective, and deliberate way, taking into account the resources and needs of this Island. In other words, it needs cool heads to make sure we get this right. We also need to recognise that we have taken steps, taken tangible and meaningful steps, to address the cost of housing in Jersey. That includes proposals to manage demand, such as the new population policy; steps for buy-to-lets, which is an area we agree is an area that needs to be addressed; and a moratorium on new share transfer developments to restrict overseas ownership. Equally, in terms of tangible steps, do not forget we have taken measures to increase overall supply. For example, and I have said this on a number of occasions, we did and we have made progress on the office strategy. There was 10 years delay, but that is now freeing up sites across the Island. By agreeing the hospital site that has freed up, as we have heard, St. Saviour's Hospital with the ability to provide affordable housing and potentially other community uses. It is a huge site up there. We have heard reference to Les Quennevais. Those bring in the office side and the estate side. Over the next few days, which is in the timetable laid out in the Housing Action Plan by the present Minister for Housing and Communities, we will be able to identify the sites, the initial sites that those 2 measures, i.e. the hospital and the office strategy will release. That is about 1,000 units. There will be new sites and new units becoming available from Ports of Jersey. That is about another 1,000 units in the pipeline. Also, of course, as we know, S.o.J.D.C. and Andium and the proposed bridging Island Plan, which is aiming to see the delivery of around 4,000 within the next 4 years, which is a ratio of 3:1 affordable versus open market. That is the table that Senator Mézec referred to in the Island Plan. It is also duplicated on page 5 of our comments. What Senator Mézec did not mention is the following 5 years, which brings that total up, and that is in the table, to just under 7,500 units. That is under present circumstances. We all want to see measures that can increase those number of units. He also said that insufficient units are planned in response to the extension of the Housing Gateway and eligibility. However, Andium supply on its own provides for around 700 units to account for those policy changes. This was noted in the recent briefing to States Members. He also said that the Government was not planning to build enough houses. I believe he has confused a 10-year housing need projection for a 5-year supply plan. Over the next 10 years, Andium alone are planning to build

more than 3,000 affordable homes, by 2030, which is more than the housing need, which Senator Mézec quoted as 900 homes for rent and 1,400 for affordable purchase, plus entry rental units when the Gateway criteria are expanded. He also referred to what I would call fantasy figures. Frankly, he then entirely confused matters and, in essence, came up with his own fantasy financial forecast. Let us be clear, he did reference: could a 25 per cent retained equity product be offered? Yes, of course, it could be. What that does is put the price up. So S.o.J.D.C. have been working on a 30 per cent figure. That slender difference between 25 per cent and 30 per cent element of the shared equity is not going to make that much difference to the financials of the scheme. I am relaxed about the exact design of a shared equity product. It is a matter which, in my view, should be left to the housing market professionals, probably not debated on the floor of this Assembly without having the right data and the right papers that back it up. What matters is that the scheme is viable, can attract funding and that we can get on with building the homes that Islanders need. Therefore, I am going to turn to viability. I am going to address this amendment. My remarks will also be applied to the main proposition as well. I also want to say that my remarks largely focus on the waterfront, because that is where the vast majority of the new homes are to be built. Also, to remind Members this is not about giving the S.o.J.D.C. a kicking for the sake of it. It is not about the future of S.o.J.D.C. It is about the proposition in hand, which is about whether it is at least 15 per cent, which is what we had previously agreed; whether it is going to be no less than 30 per cent affordable housing; or whether it is going to be 50 per cent. Now, it worth remembering, as I said, that we in the States Assembly have agreed, under P.165, that any scheme must be viable and also deliver public infrastructure and amenities. That is what is on the table. It is one which fits the Southwest St. Helier Masterplan; it is aiming to meet the high standards of development, and including a range of viable uses, good architecture, open spaces, and improved connectivity in the wider area. What I do feel that Senator Mézec has conveniently overlooked is the fact that money is required to build the scheme. That money has to come from somewhere. To build the present scheme will cost over £700 million. Under the present plans the taxpayer does not have to foot that bill at all. That allows for over 1,000 homes to be built and enables the taxpayers' money to be spent on other projects and support other existing priorities, such as education and mental health, for example. It has taken about 2 years to produce the current scheme, which is fully costed and fully viable. The waterfront development is not meant to be just a housing estate. It is meant to be a quality destination which rights the wrongs of previous developments in the area. If the Assembly decides to make the decision today to change that, which is perfectly within the gift of the Assembly, it needs to recognise that it is likely to stop the scheme from even applying for planning permission for another 2 years. I will return to this shortly. Particularly Islanders have said they wanted a mixed-use waterfront that was landscape-led and would deliver a destination that would be attractive to Islanders; not quite a mini Cape Town development, but something that Islanders would go to as a waterfront development. In my view, the proposal by Senator Mézec will not resolve the very serious housing problems that we face. Instead it will jeopardise, and I mean jeopardise, the developments in South Hill and Southwest St. Helier, and that could reduce the supply of much needed homes over the next years. In total, S.o.J.D.C. are planning to deliver 1,000 housing units on Southwest St. Helier and 153 on South Hill, of which 15 per cent will be sold as shared equity. Do not forget on top of that a further 35 per cent is targeted at the first-time buyer, which reflects the recent direct experience of their developments. That has been achieved by enabling buyers to pay, for example, their deposits during the construction period. If you like, there is a package around supporting first-time buyers getting their deposits in place over a period of time. Also 20 per cent is promoted for households at right-sizing and only 30 per cent of the whole scheme will be open market housing for those trading up, which generates a supply further down within the overall market. That is a good mix of tenures, recognising that we need varied mixes in types of housing to satisfy the needs of Islanders. In particular, provision for first-time buyer units will offer an excellent opportunity for local residents to get on to that property ladder. It is about allowing them to secure their property with a minimal deposit and to pay over time. Those developments also, in addition to those much needed homes, form part of wider plans

for the regeneration of St. Helier. That is where any funds that come out of this - although at the moment they are looking thin - would go back into St. Helier. That has been after significant public consultation. That, in theory, would be set out in more detail in a planning application if this amendment to the Minister's proposition is rejected, which is due to be submitted in the next few weeks. It is worth definitely considering the public realm of which this is £156 million worth, which we are not paying for, which the scheme is funding. That is about, yes, moving the leisure centre, it is about community spaces and gardens. and it is about flood defences for St. Helier. That is all without public money, as in direct money coming out of the capital programme, being spent despite the obvious public benefits to everybody else, all of us. I reiterate, in particular, the S.o.J.D.C.'s current plans include improvements to our sea wall and flood protection for St. Helier, safeguarding St. Helier residents from rising sea levels. That has all been fully costed as a package, with the provisions for shared equity and the first-time buyer housing I mentioned earlier. To alter that viability of the scheme so substantially would seriously challenge the delivery of that scheme. Focusing particularly on the waterfront, and as we have set out in the comments, an increase to 50 per cent housing on the waterfront will change a fairly thin profit into a net loss of over £400 million. That is the prospect of a razor-thin margin. Even if it was at 30 per cent will mean a massively significant loss and will render that development unviable. That has been verified by the independence cost appraisal. Again, they have noted the scheme would no longer be financially viable and therefore would constitute an unacceptable risk. That would effectively scrap the plan in their current form, including the important improvements in St. Helier that I have just outlined. What that would mean, if the Assembly so decides that is fine, the plan would therefore need to be redrawn, the funding revised, and the planning application delayed. That means the delivery of any homes to that site will at best be delayed and at worse could prove entirely unviable. We would then have to ask: what would removing 1,000 would-be homes from the housing pipeline in the foreseeable future do to our current problems with housing? I would say as well, in my 16 years in this Assembly one thing I have learned is that acting as a 49-member planning committee that is delving into the intricacies of development decisions and altering for political reasons proposed projects sometimes creates more issues than we had hoped to solve. Right now we have before us today plans for 1,000 homes at the waterfront and a further 153 at South Hill, only 30 per cent of which offer open market housing for those trading up. Taking those off the table and rendering those proposals unworkable will have serious consequences, and that is the impact of both this amendment and the proposition. In short, this proposition and the amendment to it will not deliver any improvement of housing in Jersey, it will not address the challenges we currently face, nor will it assist in the delivery of housing supply. It will instead effectively scupper 2 key developments in St. Helier, which are on track to provide much needed homes to local residents and first-time buyers. I therefore cannot emphasise enough why I urge Members to reject this proposition and this amendment.

**The Bailiff:**

Chief Minister, do you give way for a point of clarification from the Deputy of St. Mary?

**Senator J.A.N. Le Fondré:**

Briefly, Sir.

**The Deputy of St. Martin:**

I will be brief. If I heard him correctly, the Chief Minister referred to the release of 2 sites by the Ports of Jersey for building houses. Could he please elaborate on which those sites are?

**Senator J.A.N. Le Fondré:**

As published in the *Jersey Evening Post* - I am going to say last year, but it may have been earlier this year - the Ports are working on an overall scheme which, from memory, is aiming to deliver around 1,000 units, particularly on the New North Quay, Albert and Victoria, that area, which is part

of the overall Ports masterplan. It does deliver a significant number of units into the scheme. It has obviously not yet been drawn up for planning permission. It is at that master-planning stage.

[15:15]

**The Deputy of St. Martin:**

I thank the Minister for his clarification.

**3.2.17 Deputy G.P. Southern of St. Helier:**

I will be brief. I have just returned from the I.o.D. (Institute of Directors) lunch, where they are encouraging members of their business society to stand in the States. They had a very interesting panel up there. On it was ex-Senator Frank Walker, Mr. Walker now, and a young man, in Year 11 doing economics, geography and history, called Ben. Ben was asked directly about his future and asked whether he foresaw himself returning to the Island. He said: “No, it is unlikely. Even though my A-levels might fit me for our major industry, for the finance sector, I cannot see myself coming back because of the price of houses, because I would not be able to buy.” That was a Year 11; completely aware, very good at presentations and very talented, but not returning to the Island. Mr. Walker said we must find a way of retaining our young people. He also said that the time has come that we must take actions rather than just words in order to do so. He had in mind there giving people tax breaks to get back to the Island or some such. What I have heard today, especially from our Chief Minister, is reasons not to act; words, just words, that went on for about ... I do not know, the timer was not on, although it is now, but it went on for at least 9½ minutes. They were just words; words about doing nothing, about not intervening in the Government’s duty to provide affordable homes and sustainable homes for its population. We are failing to do that. If we do not accept this amendment today we are failing again.

**3.2.18 Deputy L.B.E. Ash of St. Clement:**

As usual, this morning Senator Mézec made an excellent speech and he pressed a lot of buttons. A lot of what he said in pressing those buttons is true. It is a depressing situation for many people, as far as the housing situation goes, at the moment on the Island. However, there were bits of his speech that I have difficulties with. First of all, let us have a look at this word “affordable”, and this was brought up by the Constable of St. Brelade a few minutes ago. The word “affordable” needs to be ditched as soon as possible. It is in the context of housing here in Jersey, or in New York for that matter, totally erroneously to be used in the context of housing. In reality, there is no property in Jersey that is unaffordable. Otherwise there would be £10.5 million properties sitting empty. They have been afforded by someone. It is a case of who things can be afforded to, how affordable they are to the vast population. Affordable generally means nothing. What we are being asked here, and this is why I want to clarify this ... and I know I got into trouble the other day trying to clarify “crisis”, but I am going to try and clarify “affordable”. I am nothing if not brave. What we are looking at here and we are being asked to provide is subsidised housing. Whether it is subsidising renting, which we do already to quite a substantial degree within our housing estate, or it is subsidising the purchase of properties. What Senator Mézec says, and he might want to correct me when he sums up, is that he is looking for a substantial amount of subsidised housing. If he is not and he is really looking at things that can be afforded, even by the vast majority of the population, his proposition and his amendment is erroneous, because we are already guaranteeing over 50 per cent, because we have the shared equity scheme. We have then put the first-time buyer scheme into it. That takes you to over 50 per cent anyway of what would be properties that people are going to be able to afford. As I say, what he is asking for is 50 per cent of subsidised housing. Which is fair enough and we need to clarify exactly what he is looking for. He is looking for the taxpayer to subsidise 50 per cent of the houses. Again, as I say, that is fair if that is what people wish to do. Another point is that he makes out, and he should know better because he was the Minister for Housing and Communities for a couple of years, people might have missed that point in this whole debate, but he misses out and

tries to make out that nothing has been done over the last few years. I am going to go back 5 years to point out there has been a considerable amount done. You only have to go around my own Parish of St. Clement and look at Le Squez and Le Marais, which were an absolute disgrace a few years back. I make no apologies for saying it, they were a disgrace. They would have not been out of place in many inner city areas of the U.K. They are now completely unrecognisable thanks to Andium's efforts. They would now not disgrace a very fine private housing estate. The towers there are in the process of being completely refurbished. I am not going to touch on everything that we are doing or have done, but I am going to go through some of them, because it has been made out that we have done nothing. The new Samarès development has been completed. People are moving in there. We have the La Collette low-rise, which was in a terrible state as well. That has been removed and the project to rebuild it is well underway. The Limes will be commencing shortly. Summerland is almost complete and the early part of next year people will be moving into these properties. The 3 hotels project, which I like to call the Mayfair of the Riviere, the land has been purchased and Planning has agreed. These are all Andium affordable homes. Andium has great projects. They will be, I am reliably informed by them, going to be able to produce 3,000 affordable properties or, let us use the new thing, subsidised properties by 2030. Away from Andium, we have the Le Masurier development around by the old Odeon cinema. We have Horizon, which is going to be enormous. It tops out, I believe, in the next couple of weeks. That will be coming online in the next 18 months, which again frees up other properties as people move in there. It is hardly nothing. That is just a summary. There is other stuff going on. You only need to look around the Island and see there are cranes everywhere. It is hardly nothing. Let me throw in another one, Hue Court, completely renovated for key workers. The key workers who people are saying we need to keep in the Island. What have we done? We took Hue Court, completely renovated it for key workers, particularly in the hospital sector. Also, Senator Pallett said the property market is ridiculously expensive. He is right. He is 100 per cent right. How is that going to be helped, however, by not building more open market properties? It will not. It will be made worse. I wanted to clarify a few points there. Let me move on to the viability, in my role as shareholder representative. The Minister for Treasury and Resources reminded us earlier - it seems a long while ago now - of the wording of the original propositions and the use of the phrase "maintaining the overall viability of the scheme". Conspicuous by their absence in this proposition and the amendment are the words "viable" or "viability". I am only guessing, but the concept of viability presents the proposer with a difficult truth. The amendment before us, to require S.o.J.D.C. to incorporate 50 per cent of subsidised housing within these developments renders them economically unviable and in fact loss-making. That is not my conclusion and it is not S.o.J.D.C.'s conclusion. It is the conclusion of an independent expert firm with vast experience in assessing real estate and infrastructure projects. The proposer may say that the £66.1 million cost figure is ridiculous and that arguing with the finances is really tenuous, but I deal in economic reality. I am disappointed that he has not won the EuroMillions last week. Perhaps if he invested £60 million odd in the purchase of tickets, he may have slightly more success in doing so. We have to remember the States are purchasing the property here. It comes with a cost. That cost needs to be recuperated, unless we just give away properties for nothing, which I do not think any States Member would do, and I make any States Member the offer that I will buy their property for a 75 per cent discount and that offer holds until 9.00 p.m. tonight. The independent report says that if there is 15 per cent shared equity, the returns will be X and at 50 per cent there is a loss position of Y. The difference is £66.1 million. That is reality. It is not nonsense and it is not tenuous. The proposer has sought to argue publicly that the cost figures are nonsense. Again, he references EuroMillions Lottery, but that reference is cost taken together. Providing 50 per cent shared equity will result in an overall loss position of £32.5 million for both developments. That is not cost. That is an actual loss. I would also go so far as to say that the potential lenders to S.o.J.D.C. also deal in economic reality. So no lender is going to support either development containing 50 per cent shared equity, because the numbers just do not work. It is not viable. The proposer may say that arguing with the finances is tenuous. I would suggest that the proposer meets with lenders to hear their views

on lending against unviable projects. Some Members may question this viability work and point to the level of infrastructure and public realm improvements on the development. However, what I would say is that these improvements are crucial to the success of these developments. I will say more on this subject in the main debate. Suffice to say for now, Islanders want destinations and communities, not bland impersonal housing estates, particularly on the waterfront. Voting in favour of 50 per cent will effectively force S.o.J.D.C. to halt their plans for both sites. The S.o.J.D.C. board will have to give serious consideration to the future of both sites, given the very stark financial implications involved. Further, under P.73/2010, approved by the Assembly, ultimately any development that S.o.J.D.C. propose requires the approval of its shareholder as represented by myself, as Assistant Minister for Treasury and Resources under delegated authority. While I clearly and always will respect the will of the Assembly in this matter, I am bound by the provisions of P.73/2010 and would be unable to approve developments that are demonstrably unviable. The net effect of all this is that it will delay yet further the delivery of housing stock, something I am 100 per cent certain that no one in the Assembly would want. I want to come back before I close to a comment made by the independent reviewer: "Increasing the percentage for shared equity creates unacceptable risk. It creates this risk because S.o.J.D.C. are at such early stages of both developments with high levels of uncertainty in construction costs and sales value." The reviewer concludes that given all these factors a 15 per cent shared equity scenario achieves the balance of including a proportion of affordable homes or subsidised homes while providing sufficient returns to pay for the infrastructure and public realm improvements. The proposer can suggest that Ministers and officers need to somehow work to continue a more suitable outcome, but I make no apologies for repeating the fundamental point, the economic reality is that 50 per cent shared equity renders the developments unviable.

[15:30]

They will not be supported by lenders and therefore there is the very real risk that the sites will remain undeveloped, possibly for the indefinite future, but certainly for some time, until we can resolve some other way forward. As will be emphasised during this debate and has been indeed, the Government is taking housing accessibility on Island seriously; very seriously. There are tangible signs that sites are being released, as I hope I explained earlier, and that construction is progressing with earnest. As I said, you only have to drive around and look at the cranes to see that. I would urge Members not to ignore the bare economic facts: 50 per cent share equity equals zero homes delivered on South Hill and the waterfront for some time to come. Please reject this amendment, allow S.o.J.D.C. to continue delivery of a waterfront, of which we can be proud and give people shared equity housing and first-time buyer housing there.

### **3.2.19 Deputy K.F. Morel:**

It is to ask the proposer a question. I may have missed it in his original proposition speech, but just to understand his view on shared equity and whether he sees that as affordable housing or not. Maybe I have missed it in his proposition. I am not sure, but I would be grateful if he could explain his view on whether shared equity is affordable housing or not.

### **3.2.20 Senator I.J. Gorst:**

We all use different vocabulary and there has been a conversation about the vocabulary. Perhaps some of that was driven by the mover of this proposition and amendment's request for the Assembly to declare a housing crisis earlier this year. Some have said that it is a housing challenge. Some have said that it is a housing crisis. Some have said it is a housing emergency. It has not just occurred overnight. I went into the last election, however many years ago that feels now, proposing a Housing Commission to make progress on what I thought then, and it was clear to many, was a housing crisis. If we are honest with ourselves, what has happened during the recent years is that that crisis has got worse. We have now the former Minister for Housing bringing forward a proposal on these

developments. We also have a new Minister for Housing and Communities outlining the actions that he is taking to deal with this housing crisis. Deal with it, we must. The experiences of Islanders that Senator Mézec read out to us at the moving of this proposition are very real. They are experiences that for my part individuals have been speaking to me about, as I know they have to every States Member. I said this when previously Senator Mézec brought forward proposals that we should, and I said then, allow the new Minister for Housing and Communities to pick up the baton, take seriously this crisis and come forward with - and I hate to use this word in these terms - concrete proposals. Hopefully we will use less concrete in the future because we know of the environment impact of producing concrete, but with real deliverable proposals. It is tempting, in the face of a crisis, to come forward with ideas and for those ideas to look as though we are taking action and makes everyone feel a little bit better that we have done something. The problem I have with what Senator Mézec is asking us to do is what the implications of this is doing, by pressing our buttons today to say yes to 50 per cent, is that in the short-term and probably the medium-term it will reduce the supply of affordable or shared equity homes. I do not say that because I am a boring accountant. Of course I am. It goes without saying. I say it because quite simply looking at the evidence, if Members support the 50 per cent today, the development will go back to the drawing board. That may be the action that some Members wish to see arising out of this amendment. We will be sending an indication to the public that we are taking this crisis seriously, when by the way that we vote has the very opposite effect of taking it seriously. I, for one, want to take it seriously. I expect my Ministerial colleagues to come forward, as they are doing. You have seen, even during this week, that housing can be built at St. Saviour's Hospital and that housing can be built at the old Les Quennevais School site. Even that has been challenged and was challenged around the Council of Ministers table. We have to come together. Commit ourselves to dealing with this crisis and take real tangible actions that will make a difference, because right now it is affecting Islanders' lives. It is affecting the hope that our young people have for a future in this community that they love. We, every one of us, all 49 of us, owe it to each Islander to stop pointing the finger, stop being petty, stop criticising each other, and work together to address this crisis. That is what a crisis means. It means we stop playing politics with it and we come forward with real tangible proposals that make a difference. This one does not. Perhaps the original proposition of Senator Mézec where he talks about 30 per cent, we are going to have a debate on that in some short while perhaps. For my part, however, that potentially will deliver in helping to take a step towards taking this crisis seriously. I ask Members to think very, very carefully before they accept what on the surface seems like a terribly good amendment. However, as soon as you scratch the surface, it has the opposite effect of starting to deal with this crisis.

**The Bailiff:**

Thank you very much, Senator. Does any other Member wish to speak on the amendment? If no other Member wishes to speak on the amendment then I close the debate and call upon Senator Mézec to respond.

**3.2.21 Senator S.Y. Mézec:**

Can I thank those Members who have taken part in this debate? I am going to start with a slightly jovial point here and I promise that I will make this relevant. It is to say that there is a film coming out in a few weeks' time, which I am terribly excited to go and see. It is the new Spiderman film, "Spiderman: No Way Home", which is generating a lot of hype at the moment, because the previous instalments were particularly good. We are all very excited about this next film because the premise of it involves Spiderman inadvertently opening up portals into alternative universes and through those portals emerge the protagonists of the film and the adventure is of Spiderman having to defeat these baddies who emerge through these portals from alternative universes. Listening to Deputy Martin's speech, I am wondering if she will be having a cameo appearance in this film because it is abundantly clear that she inhabits one of these alternative universes. It is certainly not this universe in which she is based. I do not want to dedicate much time in addressing the points she made in her speech; not

least because all of them were pre-emptively addressed in my opening speech. The only thing I will say to her is: "Please, carry on. Keep going with speeches like that." I would thoroughly encourage her to do that because most people out there will regard that as being completely out of touch with reality and to essentially suggest that there is no real problem out there and people can buy homes if they want does not match the lived experience of so many young people, not just those whose testimonies I read out earlier in this debate, but anyone else who might be paying some attention to this debate and others on the housing crisis as we have had in recent months and will continue to have in the upcoming months as well. What I want to dedicate the bulk of my closing speech to are the arguments which were, again, promoted by the Minister for Treasury and Resources in her speech, which I have to say sounded like a speech which she had not amended to take into account the statements which I made in my opening speech, where I went through the arguments that are presented in her comments paper and demonstrated why I think they are flawed arguments. I was interested to know if there would be a further rebuttal to that by the Minister for Treasury and Resources and there was none. The independent financial assessment that the Government provided was based on benchmarks. That is clear in the text of that financial assessment, which is attached as an appendix to the Minister for Treasury and Resources' comments. On the very last page of it, page 8 - 23 of the comments were page 8 of the financial assessment - appendix B assumptions and it lists what those assumptions are. As you go through them, some of them are quite clearly non-negotiable, but some of them are negotiable. There are other benchmarks which are set out in the rest of the document. I repeat what those are. Those benchmarks are: keeping the plans exactly as they are, they are setting the shared equity percentage at 30 per cent, for some reason, and it is expecting the full market value of the land returned from the S.o.J.D.C. All of those are voluntary. The Government, if it wanted to, could amend those benchmarks or to set different assumptions for an independent financial assessor to look at and work out it is viable. Instead what they have presented us with is a done deal for which they say they cannot move from and, therefore, the conclusions of that review are unequivocal and no amount of revisiting the work will change those fundamentals. That last sentence is a direct quote from the Minister for Treasury and Resources' speech: "The conclusions of that review are unequivocal. No amount of revisiting the work will change these fundamentals." That is wrong. A revisit of that work could change those fundamentals, because it is in the gift of the Government to change those benchmarks.

[15:45]

I say to those Members who have been persuaded by that financial assessment and who remain unpersuaded by me that the Government has done exactly what it intended to with that. It will have managed to won over some votes against this by putting what looks like a credible document in front of them. Members are often extremely busy and focused on other very important items and will not necessarily have all the background knowledge or time to consider, to dig deeper and scratch beneath the surface, on these assessments, but I have done that and have discovered that it is faulty. Those assumptions underpinning it did not need to be assumptions and there could have been other ways around this. I beg Members, do not take this financial assessment as unequivocal as the Minister for Treasury and Resources asked you to, because it just is not. We can and could have done better on that if different assumptions have been set. I am going to say that the speech I was most disappointed with in this was the speech from Senator Moore. Senator Moore and I do not always agree. We have stood diametrically opposed on some issues in this term of office and have been firm allies on other causes as well. I listened to a lot of what she said but I simply found her conclusion to be perplexing. She accepts that there is a crisis. She accepts that drastic action is needed to address it. Unlike some Members who say there is a crisis, Senator Moore, when she says a crisis at least she can say that she has voted in support of propositions addressing that crisis in the past. There are some Members who say there is a crisis and have never voted for anything to try to address that crisis. So she is in an intellectually stronger position in saying that. However, she says that she cannot support it because it does not alleviate the housing problem now and that there are other things that can be done. I have

to say that sounds to what Deputy Ward referred to as jam tomorrow. If there are other sites to look at, which there undoubtedly are, and lots of those have been mentioned in this debate, whether it is Philip Le Feuvre House, whether it is St. Saviour's Hospital, Les Quennevais School, et cetera, those are all to be dealt with in the future as well. How can you argue against supporting this proposition because it does not alleviate the housing problem now and instead say we need to look at other sites, when all of those other sites are to be determined in the future too? I would say that we have an opportunity to have a strong impact in the supply of affordable housing on 2 very specific sites. One that is to begin not that far in the future and one that is to begin several years into the future. We can set the groundwork now for providing greater supply of affordable housing if we choose to. That should be done, not instead of these other sites, but in addition to these other sites. I have been saying for years now, and I made the case around the Council of Ministers table, that St. Saviour's Hospital should have been freed up for housing a long time ago and that it was ridiculous that it was ever off the table because of the hospital project. I thought that was ridiculous. I told Ministers that I thought that was ridiculous and I had Ministers say to me: "We agree with you but we just need to go through this process." Well, great, that process has lost us about a year and a half's worth of time where we could have been taking quicker action to deliver housing there. Let us not see this as either or. Let us see those as in addition to. I make the point that if it does come to a point where we exceed the need for social rental housing and affordable purchase housing, good. Would it not be a good thing to provide an oversupply of housing for those sectors? If you provide an oversupply there you can then widen the criteria of who is eligible even further and that then puts extra pressure on the open market sector to be more reasonable in their expectations on prices as well. To provide more luxury housing puts pressure in a much less effective place in terms of effecting prices. I thought Senator Moore's reason for not supporting this was strange, although we are in the debate on the amendment rather than the main proposition itself. If she cannot bring herself to vote for 50 per cent and find some of the arguments from the Minister for Treasury and Resources persuasive, I say fine; that is why I have also proposed a compromise of 30 per cent. I hope she can at least be persuaded to go for the 30 per cent. The Deputy of St. Peter as well made a point and then in fairness other Members alluded to this point as well. He said that we should not give the S.o.J.D.C. a task and then interfere with it afterwards. He referred to the proposition setting up the S.o.J.D.C. from 2010 or 2011. He said we should not give the S.o.J.D.C. a task and then interfere with it. I did not give the S.o.J.D.C. a task because I was not around back in 2010. As times change, as situations evolve, it is down to elected politicians not to be bound by the decisions of previous Parliaments that made decisions on the basis of the facts as they were at the time but to exercise our judgment based on what we know the challenges are now. If it is the case that the parameters that have been set for the S.o.J.D.C. and how they work are not fit for purpose anymore then change it. The Government has the right to do that. This Parliament has the right to introduce new laws and repeal old ones if we want to. Do not feel bound by a decision made 10 years ago that is no longer relevant. That is a really poor argument for saying that we just have to live with whatever the S.o.J.D.C. comes up with because of a decision made by our predecessors. No, that is not how democracy works. The Constable of St. Brelade made a point that I have had put to me by others as well and I treat this point as one that is made with honest and good intentions. It is the point made about could we not use the revenue from sites like the waterfront or the South Hill to provide better value elsewhere, to provide more affordable housing elsewhere. I totally understand where he and others are coming from and I understand why that point is made. But it misunderstands what the real challenge is in providing affordable housing now. The challenge is not in finding the funding to build affordable housing. Just look at Andium; they do not struggle to get the funding. They borrow it. They have done so through the Government up until now but are now also looking at private loans as well to do that. The housing trusts as well, some of them have gotten private loans to be able to undertake some fantastic projects like the redevelopment of Troy Court being one very good example of that. You can acquire the funding. You can borrow it. The problem is not acquiring the funding to build affordable housing. The problem is finding the space to build it. So why would you give up good space to provide affordable housing to get money

from it that you do not need to provide housing elsewhere and with which a big chunk of would simply go to be purchasing the land, probably at market value, which then ends up being a big chunk of the cost of delivering those homes. Where you could have done it for free on land you already owned. So I think that misunderstands the best way of providing affordable housing. To those who disagree with me and say: “No, that is what we should be doing” I would say to them: “Okay, but you have to be better in outlining how much affordable housing elsewhere you think you can fund through these projects.” If it is the case that having 100 open-market sales on South Hill would end up raising the money to build 100 affordable homes elsewhere, tell us what those numbers are. Because if you take into account the cost of land elsewhere it will not be that many. If you cannot demonstrate that it is better value to do it that way then you should not argue that is the right way forward. Deputy Ash, the Assistant Minister for Treasury and Resources, spoke later on in the debate to mop up some of the arguments that had been made beforehand. When talking about looking at the taxpayer subsidising homes, he said: “Senator Mézec may want to correct me.” He is absolutely right, Senator Mézec does want to correct him, because he is talking nonsense here. We are not talking about subsidised homes here. He is wrong for 2 reasons: firstly, Andium Homes provides a net subsidy to Government, not the other way around. He should know that as the shareholder representative that Andium Homes provides a financial return to the Treasury of about £30 million every year. The combined subsidy that is provided to their tenants through the income support system is only about £17 million or £18 million, which means them providing £30 million return and their tenants only getting subsidised by about £18 million means that they are in effect providing a £12 million subsidy back to Government, which is not ringfenced for housing. So it is not right to say that we are subsidising social housing; it is the other way around. There are arguments to be had about whether that is right or not. But in what I am proposing here I am not arguing for subsidised housing as well. I am not suggesting that anybody should be paying the mortgages for these homes apart from the people who are set to own them. They should pay their own mortgages. It should not be the taxpayer paying the mortgage for them. But they just will not be paying a mortgage for the entire property because a proportion of it will be held back as shared equity, owned by the S.o.J.D.C., and that enables those purchasers to acquire the rights to own most of the property and live in the property for a lower-than-market value that way. That is how we make it affordable for them. But, when they eventually move on and sell the property, they do not get the full value back. The full value stays with the S.o.J.D.C. It is not subsidising them because they do not ever get the full value for it and it is not really a cost to the S.o.J.D.C. Okay, they never get to realise the value of that proportion of the home that they continue to own, but they do still own it. It is still theirs. So it is not right to say it is taxpayers subsidising homes for other people. One group of people in need subsidising another group of people in need, even though they do not themselves personally benefit from it. That is just not how it works. Deputy Morel asked do, I see, shared equity as affordable. He can correct me if I do not properly address his question, but I will try to do so as best I can. The definition of affordable housing is something that is very difficult to agree on and be satisfied with. For the purposes of propositions like this, the definition of affordable housing that I am going by is homes that are allocated to people who are on the Affordable Housing Gateway. So we have an Affordable Housing Gateway, there is criteria you have to meet before you can be on it, either for social rent or for affordable purchase, and it is for those homes to be allocated through that process. So if the criteria are widened in the future then that obviously makes more people eligible for it. Andium’s Homebuy goes through part of the Gateway as well and they do that by retaining a share of ownership in those properties as well. So, yes, I do see shared equity as a way of making homes affordable, but it still has to go through the Gateway because we then retain control over the policy there. Senator Gorst did a very good speech and I noted that he made his comments in such a way that did not rule out him supporting 30 per cent rather than 50 per cent, so I will not be too cruel to him in responding to his arguments. I hope that he left that hint there for a reason. He did say though that we need to stop playing politics with this issue and come together to find a solution for it.

[16:00]

But when politicians or commentators make that point about any particular political issue, it normally gets a good round of applause and foot stomping: “Yes, stop playing politics and just come together to solve it.” But it is difficult to do that when people fundamentally disagree on what the approach is for solving these issues. There are some people who think that the way we will solve the housing crisis is to take our hands completely off the wheel and let the free market deal with it. There are others who say that approach does not work, you need strong Government intervention to be able to resolve issues like this. If people fundamentally disagree on that point there is not a lot of common ground for them to work on when it comes to solving it. I am of the view that the approach that has been taken so far has not worked, therefore a different approach is needed. That approach should be the Government providing a large amount of affordable housing to meet that demand. That approach, as a philosophical approach, was agreed during Senator Gorst’s time as Chief Minister in previous iterations of the Island Plan where originally there has been a suggestion that the private sector would be providing affordable housing through the H3 policy. When that was scrapped it was turned into using government sites to deliver affordable housing using Andium, et cetera. That was a policy that came into formation when he was Chief Minister. Here we are with government-owned land, government-owned developer, not sticking to that principle and saying we should be delivering the open-market homes that otherwise the open market is already delivering. So that seems inconsistent. What we have been doing up until this point, while there have been some great successes like the improvements in the quality of our social rental homes in particular, there are still real pressures that are having a seriously detrimental impact on people’s lives and convincing people like the young man that Deputy Southern referred to from the I.o.D. events today who very frankly is able to say: “I do not envisage I will continue to live in Jersey to my adulthood because of the cost of housing.” So we do still technically have the main debate on this to go. We should set our ambitions high. We should be aiming to get as much affordable housing on these publicly-owned sites as possible to meet the need that there so desperately is and that needs to be met as soon as possible. This is not instead of any other project; this is in addition to any other project as well because the more we can do, the more people we can help, the more we can alleviate that crisis. I think 50 per cent is feasible. The financial assessment that has determined that it is not feasible was flawed. It was flawed because it was destined to be flawed by the assumptions and the benchmarks that were set in the first instance. The Minister for Treasury and Resources’ comments say that the Government will respect the decision of the States Assembly one way or another here. Of course it is constitutionally obliged to. The comments that the site will simply lie in ruins for years and nothing will end up being done and it jeopardises its viability entirely is just blackmail, to be honest. The Government can choose to treat these issues seriously, can choose to follow some alternative. In the case of South Hill that is easy to do because you already have the basis of a planning application. That planning application has been through plenty of changes in the last few months itself before being submitted. It is not too late for it to be changed again. Planning themselves may delay that if they choose to have a say in it and oppose parts of that. The idea of delaying the waterfront one is absolutely ridiculous. It is years into the future now on that one. There is loads of time to deal with some of these issues and it is entirely possible that it can be interfered with by the next Government if they feel that there is a response at the election next year by the public saying: “We want a second look at this.” But all of these things are perfectly feasible. So I simply do not accept that. So we should aim for 50 per cent on this and I urge Members to support this amendment. If, however, they cannot bring themselves to do that because they are just a little bit too nervous about such a high proportion, meeting that target, then I say to them, you do still have the option to go for 30 per cent, which is doubling the ambition that the Government have set. Let us not forget that the ambition that the Government have set of 15 per cent is derisory and the public reaction I have seen in response to it has been laughed at. They have laughed at this ambition because it is so miniscule. I do note that in the Government press release we got about using the old Les Quennevais school site and St. Saviour Hospital for housing,

I looked very carefully at the words there, there were not any words in there saying that those will be affordable housing. So we cannot take these things for granted. I urge Members to support 50 per cent and support this amendment. I accept that there will be some who will be a bit too nervous to do that and, if that is the case, fine, 30 per cent would at least be progress, so we can debate that next as well. But we should be as ambitious as we possibly can, which is why I proposed this amendment separately rather than taking it as amended. So, having addressed what I think are the main arguments there, I close my speech and I call for the appel.

**The Bailiff:**

The appel is called for. I ask the Greffier to place a voting link into the chat. I ask the Greffier to open the voting and for Members to vote. Members have had the opportunity of casting their votes. Then I ask the Greffier to close the voting. The amendment has been defeated: 15 votes pour, 24 votes contre, no abstentions in the link, and a further 3 votes pour and 4 votes contre in the chat.

<b>POUR: 18</b>		<b>CONTRE: 28</b>		<b>ABSTAIN: 0</b>
Senator S.C. Ferguson		Senator I.J. Gorst		
Senator T.A. Vallois		Senator L.J. Farnham		
Senator S.W. Pallett		Senator J.A.N. Le Fondré		
Senator S.Y. Mézec		Senator K.L. Moore		
Connétable of St. Lawrence		Connétable of St. Brelade		
Connétable of St. Mary		Connétable of Grouville		
Connétable of St. John		Connétable of Trinity		
Deputy G.P. Southern (H)		Connétable of St. Peter		
Deputy M. Tadier (B)		Connétable of St. Ouen		
Deputy M.R. Higgins (H)		Connétable of St. Martin		
Deputy of St. Martin		Connétable of St. Clement		
Deputy L.M.C. Doublet (S)		Deputy J.A. Martin (H)		
Deputy J.H. Young (B)		Deputy of Grouville		
Deputy of St. John		Deputy K.C. Lewis (S)		
Deputy R.J. Ward (H)		Deputy J.M. Maçon (S)		
Deputy C.S. Alves (H)		Deputy S.J. Pinel (C)		
Deputy K.G. Pamplin (S)		Deputy of St. Ouen		
Deputy I. Gardiner (H)		Deputy R. Labey (H)		
		Deputy S.M. Wickenden (H)		
		Deputy of St. Mary		
		Deputy G.J. Truscott (B)		
		Deputy L.B.E. Ash (C)		
		Deputy K.F. Morel (L)		
		Deputy G.C.U. Guida (L)		
		Deputy of St. Peter		
		Deputy of Trinity		
		Deputy M.R. Le Hegarat (H)		
		Deputy S.M. Ahier (H)		

### **The Assistant Greffier of the States:**

Those Members voting contre in the chat: Deputy Maçon; Deputy Pinel; Senator Moore; the Deputy of Trinity. Those voting contre in the link: the Connétable of Grouville, Deputy Labey, Deputy Ahier, Connétable of St. Ouen, Senator Le Fondré, Deputy Truscott, Deputy Martin, Connétable of St. Brelade, the Deputy of St. Peter, Senator Gorst, Deputy Wickenden, Deputy Le Hegarat, the Connétable of St. Clement, Deputy Ash, Deputy of Grouville, Connétable of Trinity, Deputy Morel, Senator Farnham, Deputy of St. Mary, Connétable of St. Martin, Deputy Guida, Connétable of St. Peter, the Deputy of St. Ouen, and Deputy Lewis. Those Members voting in the link pour: Deputy Pamplin, Senator Vallois, Senator Pallett, Connétable of St. John, Deputy Young, Deputy Alves, Deputy Doublet, Deputy Gardiner, Senator Mézec, the Deputy of St. Martin, Deputy Ward, Deputy Southern, Deputy Higgins, Deputy Tadier, and the Deputy of St. John. In the chat: the Connétable of St. Lawrence, Senator Ferguson, and the Connétable of St. Mary.

### **3.3 Provision of Affordable Housing Guidance (P.96/2021) - resumption**

#### **The Bailiff:**

We now resume the debate on the main proposition P.96 and the proposition has been proposed and seconded. Does any Member wish to speak on the proposition?

#### **3.3.1 Deputy J.H. Young:**

I want to put on the record I voted for the amendment because of the principle of the current Island Plan policy, as Senator Mézec reminded us in his closing remarks. That it remains the Island Plan principle, it may well have been set during the previous Council of Ministers, but as we speak now the planning record is that it requires the primacy of the use of States-owned land, which is developed for housing, for affordable housing processes. As the Minister responsible for that planning system, I am not prepared to resile from that while that remains the policy. Also that is particularly important given the uncertainty, which again Senator Mézec and other Members spoke of in what will be the outcome if the draft bridging Island Plan, which we are in the middle of the process is. I would just like to say one or 2 other things. I will not speak at length because I did last time. The debate on behalf of the S.o.J.D.C. I believe has treated the waterfront scheme, which is by all records planned for a period of 2026 to 2031, i.e. 5 years' to 10 years' time, it is not now, treated it as a done deal. The model of viability cannot be cast in stone, it cannot be changed, and yet of course, as Senator Mézec reminded us, there is a general election and it is absolutely right and proper that such as the brief for that scheme will need to change and flex according to the future. There are many, many circumstances that will do that. My concern about the arguments for S.o.J.D.C., all of them that we have heard today, is that they all fail to recognise that none of these schemes yet have been through the planning processes. In fact the large one has not even started it. So in the waterfront there is no application. The inquiry, which I have said will be held, has not yet happened. There has been no attempt to put planning obligation agreements in there, nor has there been a supplementary planning guidance issued by the Minister on the opportunity side for that site. So all of those are things that the planning process will provide for. None of them, the arguments put forward, none of those recognise the planning system even has a role. Of course also we have heard a famous kind of a rabbit out of the hat really, it came out to me because I was not aware of it. St. Saviour's Hospital and the Les Quennevais site being earmarked for homes. We do not know if they are affordable homes or what. But of course those are statements and of course neither of those have been through the planning process. In fact it discounts the fact that there are current amendments in the Island Plan to the contrary on the issue of St. Saviour, which are still going through the planning process. So I would just want to say, in all these decisions about the use of States-owned land, it is really important in future that the planning process is given due weight. It is the way in which the public has a voice in all these developments. The system is designed to respond to what the public comments on matters, through consultation processes, as well as what the Government wants.

[16:15]

Of course it is true that whatever changes take place in the waterfront system, alternative funding mechanisms are available in order to be able to achieve the public domain good, which everybody has an aspiration for. But the issue of what is the relative role of those deals compared with those alternative infrastructure of public assets really is a matter for the future. I do not believe that we should cast that in stone today. I have to say I am afraid that process did disappoint me. It reminded me when we set up S.o.J.D.C. - well it was not me - there was argument that the S.o.J.D.C. should be allowed to operate just like development agencies do in the U.K. whereby they are exempted from planning processes. Perhaps in the future, if that is the view of the way people see things, then that is a matter that people should consider. I would not support it. It is really important that due process applies. I favour stronger intervention myself because relying on the private sector alone has failed a whole history of page 5 in the way that policy failed, but we will be talking about the Island Plan demonstrates that. So the issue of South Hill, I have explained the fact, I feel difficulty about that. That is very late in the day for a change. But nonetheless I feel it is possible for that scheme to be adapted or changed. I do not necessarily buy in to this issue of this massive delay. Perhaps we have had this debate too late. That is probably the honest truth. I do share with what the Minister for Housing and Communities said, Deputy Russell Labey, that personally I did think this was too valuable a site and I had always favoured it be developed for public asset purposes, an arts or culture centre or a hotel. But of course none of that is possible given the post-pandemic situation we have arrived at. Of course the planning guidance for South Hill did make those as a possible use. But obviously the S.o.J.D.C. responded to the market and what R.S.G. (Regeneration Steering Group) asked them to do, which of course as Minister for the Environment one is not a member of, and has no input whatsoever. So, with that being so, I am going to certainly support the substantive proposition. I hope it gets through. I was encouraged at what Senator Gorst had to say. It did not surprise me that 50 per cent probably is a step too far for other Members. But frankly 30 per cent is really absolutely relatively modest. Frankly, we should just get on and pass this. It sends the right signal to the public that there is hope.

### **3.3.2 Deputy K.F. Morel:**

I am minded to support 30 per cent, the original proposition, and really I am asking a Member of the Government, whichever is the most suitable - I am challenging might be a bit too strong a word - I am asking them to explain precisely why this is a bad idea. I know they will think they have already said this. I rejected the 50 per cent because it does not work financially, it does not stack up. But using the independent report that the Government commissioned to look at the 30/50 per cent scenarios, on the South Hill ... this is my reasoning now, the South Hill development shows that there would be an 11 per cent return for S.o.J.D.C. at completion if the 30 per cent shared equity went ahead. While the report then says ordinarily developers would expect a 15 to 25 per cent return, and they then go on to say that the 11 per cent return is a level that threatens the viability of the development and is not a commercially-acceptable proposition, it just strikes me that 11 per cent is only 4 per cent away from 15 per cent. I know this is millions of pounds we are talking about here but it is fairly close, is what I am saying. But because the S.o.J.D.C. is not a wholly commercial company in the sense that it is owned by Government and therefore it is underwritten by Government, it has a safety net, which private developers just do not have. It strikes me that the difference between 11 per cent and 15 per cent is the sort of difference that is suitably effectively underwritten by Government. It is something that S.o.J.D.C. could put up with in the way that a private developer would not. So when I think about that 11 per cent return it is still a positive 11 per cent return for S.o.J.D.C. Government is available if necessary, and preferably not necessary, but it is available to help if needed, if the return should in fact turn negative. I suppose what I am trying to say is 11 per cent still seems a sufficient return to me. There are plenty of businesses that operate on far lower returns. So that is the South Hill, so that is how I look at the South Hill development and think, yes, I appreciate it is tight, but it is supported by Government and it would deliver 30 per cent of shared

equity. Then you turn to the waterfront. Now the big difference between the waterfront and South Hill is that South Hill is, as has been said, a project that is much closer to completion. I know it has not started yet but it is much further down the line than the waterfront. That is why where the independent report shows that there would be a loss on the current view of the waterfront development, they are saying there would be a 9 per cent return to the S.o.J.D.C. and they are saying that is not enough. The point here is that the waterfront is very much, I think Senator Mézec referred to this, it has not gone very far so far, the waterfront development. It is still very much up in the air. So there can be a large amount of changing the waterfront development to accommodate the 30 per cent shared equity. It could be less public realm. That may be the way forward. It could be that you increase the amount of commercial space. Also, something which is not often discussed, and I am afraid I look at Deputy Young, one of the things is missing in the Island Plan, there is a lack of employment land in this Island. So one way of helping achieve that 30 per cent shared equity target is to increase the amount of commercial space there, which would help provide greater returns and allow 30 per cent to go to shared equity. So that is the way I am reading this at the moment. But, yes, it becomes perhaps more uncomfortable for S.o.J.D.C. at 30 per cent, but it does not become impossible in the way that I feel that 50 per cent had pushed it too far. I know that the Minister for Housing and Communities really is focused on trying to deal with the housing crisis. I appreciate his efforts so far. I was listening to him closely. But I do wonder if this is something we can achieve that we could move to that 30 per cent level for these 2 developments. My reasoning, which is probably flawed, but is still my reasoning, is there. I do put that challenge to the relevant Minister, explain to me why the waterfront cannot be rejigged, for want of a better word, because it is still a long way from even planning applications, and why an 11 per cent return is not enough for S.o.J.D.C. on the South Hill development. So, unless I hear strong reasons as to why that is not viable, I am minded to support the main proposition on this.

### **3.3.3 The Connétable of St. John:**

Like Deputy Southern and many other Members, I too was at the I.o.D. debate at lunchtime. I would just like to correct Deputy Southern on one thing, the young man's name was Henry rather than Ben. He stole the show. The key thing there being that a lot of discussion was about encouraging youngsters to return to the Island once they had got their education and gained experience off-Island. Also to try to encourage youngsters to stay here. Senator Gorst almost persuaded me to vote against the amendment. I say almost, but when he confirmed my view that there is a housing crisis, I was persuaded by him to support the amendment because I believe there is a crisis and we have to take action. I applaud his comments about working together. Let us get on and do it. How are we going to do it? How are we going to think out of the box? This is one way of doing something positive, practical, to make things change. The Ports of Jersey land was mentioned earlier. Yesterday we heard about the success of the cannabis industry and I can tell Members that success is having a real impact on warehousing space on the Island. The demand for warehousing space has gone up. There is already not enough warehousing around the harbour, so it is going to take some time to free up the warehousing to provide the houses in and around the harbour. We also heard at the debate at lunchtime about the A.L.O.s (arm's length organisations) as being part of the solution to implement change. But here we have Ports of Jersey going to be providing houses, Andium providing houses, and S.o.J.D.C. providing houses. The Comptroller and Auditor General in her recent report identified that there were some 51 annual reports from A.L.O.s that we have currently on the Island. It really is time for us to streamline and look at the Articles of Association and see whether we can get some of these groups amalgamated going forward. So, like Deputy Young, I hope that Members will support this proposition.

### **3.3.4 Deputy S.J. Pinel:**

At the risk of sounding like a broken record, any scheme, whether it be 30 per cent or 50 per cent of shared equity, creates an unacceptable financial risk for these developments. Through this debate,

the Council of Ministers comments and the Members briefing held on 11th November, Ministers will and have demonstrated that there is a steady pipeline of developments being completed, in construction and in the planning phase. All of this demonstrates the action this Government is taking to address the housing needs of all Islanders. The pipeline demonstrates that supply is and will meet future project demand. To that end, I have to ask why stipulate that S.o.J.D.C. must increase this affordable housing on, for example, the waterfront when the first phase is only scheduled for delivery in 2027, with other phases years after that. If the housing need is so critical now, and I am not saying it is not or it is, increasing shared equity on the waterfront will only have a real effect a decade from now. Rather, I would choose to focus on the good work that the Minister for Housing and Communities has done after just a few months in office and the tangible progress being made right now on increasing supply. A vote for this proposition will simply mean the developments will, at best, be significantly delayed. At worst, just not progressed. We will therefore delay the delivery of all the housing, open-market and affordable, as well as the public realm improvements and the progress and work undertaken over the last few years. Senator Mézec, in his summing up, was criticising the financial information. I can only reiterate DSW, the firm who reviewed the business cases for both developments, are completely independent. They were asked to independently assess the impact of an increase from 15 per cent shared equity on both sites and significantly on the viability. No steer was given whatsoever, no one in Treasury or any other area of Government influenced their conclusions. Their conclusions were that 50 per cent is loss-making overall; 30 per cent is far too tight to be viable and would create unacceptable financial risk. S.o.J.D.C. would not be able to negotiate borrowing on such a business case as it is not viable. The Minister for the Environment's development brief for South Hill does not include affordable housing. His guidance referenced this being a high-value site for open-market housing. I would urge Members not to forget the viability test of the proposer's own proposition P.165 and P.69. The viability test has not been met to justify an increase to 30 per cent. We have to reject this proposition.

[16:30]

### **3.3.5 Senator S.C. Ferguson:**

I really have to consider whether Government is the best agent for undertaking commercial business. The record of Governments across the world getting into commercial developments is absolutely execrable. I am dubious about the ability of S.o.J.D.C. to adopt a revised business model. Members should remember that for years S.o.J.D.C. has received bonuses based on a theoretical increase in value of the properties held on paper only, not on a profit on sales. As I recall, we could have sold the first waterfront site to Dandara for £12 million. Instead, we made a profit of £7 million after the original profit as calculated was found to be erroneously reported at £11 million. That is quite a mistake to make in reporting. I really do not feel the Government should be trying to involve itself in a commercial development rather than delegating it and making a proper profit. It really is quite ridiculous. I will support this 30 per cent because the arguments being made by Treasury are somewhat fallacious.

### **3.3.6 Senator L.J. Farnham:**

Just following on from Senator Ferguson about the suitability of Government to be involved in commercial activity, and I am remembering back some time to the Waterfront Enterprise Board and then the plan to bring private developers in to develop some of the land and provide the facilities, housing infrastructure that we needed, and the heavy criticism the Assembly got at that time for not seizing the commercial opportunities themselves and putting the profit from that to good use. So the good Senator suggests we are not good at being commercial, yet this proposition is saying we are being too good at being commercial and perhaps we should put another need first. But I do agree it is always about a balance. This Government, this Council of Ministers, as I am sure every Member in this Assembly is absolutely determined to resolve the housing problem, the short-term problems, medium term and long term, they all need dealing with. There is no one quick fix. We do have

effective and considered plans in place finally to deliver the housing we urgently need; future generations urgently need. The plans are in place, the bridging Island Plan will deliver over 4,000 homes by 2025, including 1,500 homes through the Gateway, which is an 80 per cent increase in housing starts, and it exceeds the need projected in the Objective Housing Assessment needs. We are delivering measures to manage demand, including developing new migration controls and a population policy, which will limit migration and a moratorium on share transfer. We are working now - right now - to better understand the immediate population impacts of Brexit and COVID, which I believe are significant. We have a good plan, the Creating Better Homes: Action Plan, from the new Minister for Housing and Communities, delivering effective co-ordination. At last we have some effective co-ordination. The new Minister for Housing and Communities is making a difference in support of all of these actions, which is crucial to improving housing affordability. Our pressing challenges with housing affordability cannot be solved overnight. We know that. We need effective long-term solutions based on plans that are data-led. Properly developed plans, costed, funded, and realistic, that will deliver the solutions we need. As well as a minimum of 15 per cent on their sites States of Jersey Development Company will deliver, we have heard, but I want to impress some points - I am sorry for a little bit of repetition - a further 35 per cent targeted at first-time buyer, 20 per cent for household right-sizing, and of course 30 per cent will be open market for those trading up or down. This is a good mix of tenures and meets the Island's diverse housing needs, which is essential to supply pricing stability. Of course, as we create new homes, as people right-size or move up or down or change, it frees up other homes for immediate occupation or for development and improvement. Of course the waterfront and South Hill properties will not be available for buy-to-let investors. Local homeowners will receive priority at all times. The Chief Minister brought this up in the debate on the amendment. The waterfront site proposal includes £156 million of public realm and infrastructure, including leisure centre, expansive public realm open and community spaces, landscaped gardens, children's play parks, as well as significant sea defences and very necessary improvements to the sea defences and other important infrastructure at no cost to the taxpayer. Deputy Morel rightly mentioned there could be some savings to be had there. There might be. We could reduce the infrastructure and the public realm about these areas, but of course meanwhile there are parallel debates going on about how important it is to surround our housing with proper facilities, proper amenities, the right public realm, gardens. Of course we must not forget that if we reduce the cost or the profit of the scheme or the financial ability of the scheme to invest in the essential infrastructure that we need, we are still going to need it. It is still going to come from somewhere, so the cost will be transferred from the potential profit on the housing developments to the taxpayer. If this proposition is passed, the financial viability of the scheme is undermined, it is compromised. An increase in the proportion of housing to 30 per cent, as we have heard, is estimated to cost over £28 million. At 30 per cent the return on the scheme, which requires a huge investment, is just £5.4 million, which is insufficient. I wish it was not. I really wish we could deliver the 30, 40, 50 per cent and deliver the returns we need to make it happen. But the banks will not lend given the levels of risk and the returns on the size of the project we are talking about. It will compromise it regrettably. The proposition is agreed, the planning application for South Hill will have to be withdrawn and the planning application for the waterfront will not be submitted this year as originally planned. There has to be new consultation, new plans drawn up, and of course the planning requirements mean there has to be significant consultation to do that. So it will cause delays and we cannot afford to delay the delivery of over 1,000 units of housing. If we do, it will only intensify the housing situation for Islanders needing homes. The Minister for Housing and Communities is bringing forward more suitable sites for homes and affordable housing, which will deliver exactly that. Having made 2 big decisions recently on both the hospital site and Les Quennevais, we are now able to free up St. Saviour and Les Quennevais School to deliver over 300 homes potentially with amenities. Of course Deputy Gardiner raised the issues of schools and so forth and that all has to be considered and paid for. There are more announcements to come. The Minister for Housing and Communities is on this, as I have seen no other Minister for Housing for some time. There is a

determination there that is going to deliver if we all get behind it. He is going to publish more sites as soon as possible to ensure the commitment to the housing delivery. After 20 years - more than 20 years with a short break in the middle - being the father of 2 adult children and after all of my professional career in business and politics, there is not a lot now at my age that keeps me awake at night, not the fear anymore of Deputy Southern's questions on productivity or economic recovery or even the new hospital. But this issue does. This is of huge concern. Our priority is to deliver and to build more new homes and keep building until the problem is dealt with. We need to increase the supply across all sectors of the housing market, social, accessible, affordable, shared equity, open market, if we are to stabilise things and stabilise prices and average pricing to give Islanders hope, especially our young Islanders and those who go away and want to come back but cannot afford to. We have used a number of words to describe what is going on, from an issue to a problem to a challenge, crisis, emergency, it is all of the above. It is a problem to some, those of us who are fortunate enough to own their own homes and have done for some time, it is not really a problem for us, but it is a problem for our children and our grandchildren. It certainly is an emergency for some Islanders who need housing. We have to tackle this. People need homes. They need homes that they can afford to buy or rent and sustain. Despite the very admirable and good intention of the proposition, this is just not the way to achieve it. We could delay or reduce the number of homes that are going to be available to Islanders in the short to medium term. So I urge Members to reject the proposition and join together to get behind the Minister for Housing and Communities, his plan to pass on strong and deliverable foundations to the next Government, to the next States Assembly, which will enable them to finish the job and deliver the thousands of new homes in a financially sustainable way that we so urgently need.

**The Bailiff:**

Will you give way for a point of clarification from Deputy Morel?

**Senator L.J. Farnham:**

I will.

**Deputy K.F. Morel:**

I apologise because I was going to ask this of a previous speaker who made the same statement. The Senator mentioned that the bridging Island Plan would deliver a number of homes by 2025. As I understood the bridging Island Plan, it clears the way for building sites, it clears the way for planning for those homes, but it does not deliver homes in itself. I was wondering if the Minister could clarify what he meant by the bridging Island Plan will deliver.

**Senator L.J. Farnham:**

Perhaps I could revise that to say the bridging Island Plan will clear the way for over 4,000 new homes by 2025.

[16:45]

**3.3.7 The Deputy of St. Peter:**

I am going to talk about 2 things: one, the report suggests that if this amendment is successful then the S.o.J.D.C. will have to return probably by the end of 2022 with revised plans. My spies and my best guess is that is going to be 18 months. The other thing is we have already spent £2 million getting to where we are. I would guess that would be another £2 million to re-present. So that is delay and cost, which is what this Government is accused of doing, but this is what this proposition is making us do; delay and cost, 18 months, £4 million, beggars belief.

**3.3.8 Deputy R. Labey:**

When I last spoke I was talking about the infrastructure and the public realm on the planned waterfront site, the parks, the squares, the gardens, the trees, the landscaping. It is landscape-led. The cycle paths, the shops, the focus on arts and culture with an arthouse cinema and artist studios and art galleries. With a focus on health and well-being with 3 swimming pools and a gym. With solving the pinch-point just on the western gateway opposite the Grand Hotel where it is difficult for pedestrians and cyclists. By moving the slip. With all the sea defences as well. The financial advice that we get is that at 30 per cent assisted purchase it is unviable. Money has to be found from somewhere. Is there an appetite in the Assembly to borrow money, to borrow more money to fill that shortfall? I do not think so. So we all know what is going to happen, do we not? We are going to have to start picking away at the public realm, at the nice things, the good things, the healthy things, the open green spaces, all that sort of thing that we know we want for St. Helier. We are going to have to start picking away at that. This scheme is not still up in the air. It is ready to go to planning now. They have just held off because of this debate. My last conversation with Lee Henry, the C.E.O. (chief executive officer), they are ready to go now to planning. It has been 2 years in the making. There was no affordable housing in the Minister for Housing's guidance, in his planning guidance, in fact he specifically says in reference to South Hill that it is a high-value asset that should be exploited, or whatever the terminology was. So, if I could have accepted the 30 per cent, I would have done. I have not lost my social conscience. I agree with virtually everything that the Senator said in his summing up on the last debate. I will talk about that a bit more. But this will represent a delay. So Senator Moore is right, we do need 3-bedroom houses on the Gateway. The Constable of St. Mary is absolutely right. Affordable housing is a ridiculous term. We should be talking in terms of Homebuy Gateway, which is an artificial construct, to allow people to purchase property who otherwise would not be able to do so on the open market. That is the Homebuy Gateway. Then we have assisted purchase products or initiatives like the ones I was talking about in my first speech, with shared equity and the deposit scheme help and now the empty nester's right-to-buy assistance. So there will be a delay. It is such a shame because, if we could have greenlit this today in terms of not accepting these amendments and allowing S.o.J.D.C. to go through the planning process, which can start imminently, there is an opportunity ... it will go to a public planning inquiry but there is an opportunity. Let us say the application goes in January and that process takes 6, 7, 8 months, we could be getting planning permission for it by quarter 3 2022 and as soon as it gets planning permission the adverts go out, it is open for people to come in and put their £2,000 or whatever they can do, and start on that deposit scheme. That will be significant and it will give over 500 first-time buyers the opportunity to get their foot on the ladder and start the process and begin saving and doing the repayments so that they can put as much deposit down as they possibly can and then get their product. We have an election as well in the middle of all this. A new Assembly, it could get completely lost, and it is in jeopardy. This is an even more dangerous amendment than the 50 per cent because it is: "Oh, I could not give 50, I will compromise with the 30 and they will work out the finances." The scheme is going to suffer, it could be unviable. It has to go back to consultation if we are going to start fiddling around with what is on it. By law we have to go back to consultation. That consultation is a credit to the S.o.J.D.C. and Lee Henry, the C.E.O., guards the results of that process. Every time I bring up something: "Why do we not go a bit higher there?" "We would have to go back to consultation. That is not in the consultation. That was not agreed." This was a consultation with the people, the community down there, with all the lobby groups, all the pressure groups, about heritage and about everything else, they were all consulted. Members of the public, States Members had the opportunity to be part of the consultation. I do not know how many of them took that option up. So we could be in a position, and I am sorry about this, Senator Mézec, and I agree with so much of what you say, but this is destructive. That is all the information I am getting. It is potentially destructive, it will result in delay. So instead of, by the end of 2022, getting those people who are on the waiting list and people who want to give this a shot, getting their deposits down and putting their name on the list, and then saving that, it is going to be at the end of 2023 at the earliest for that process to go through. So the Assembly cannot have it both ways. They want

me to build faster and quicker and yet they put the brakes on me by putting the schools as a priority over housing earlier this term with Deputy Gardiner's proposition, and I asked them not to do it. Then the best way, the best thing to do, the compromise we could make for everybody with the best results is to let this go through unamended, let the planning process happen, keep on track with this development. Then, I agree with Senator Moore and Senator Mézec, the next key to unlocking category A housing in a big way lies with St. Saviour, the south side. I am on record in the Council of Ministers, and I hope I am not saying things that I should not be saying because a process probably has to happen, but S.o.J.D.C. tells me if we get the green light for this today, they are going to go ahead with that and they would like to concentrate on South Hill and the waterfront. They do not mind if they are not a part of the St. Saviour's Hospital development. I have said, on Council of Ministers, I believe the lead developer on this should be Andium Homes, especially under their new chairman, Richard McCarthy, who is fantastic and they are working so well together, and they have plans. He went to see it the other day with Ian Gallichan and immediately they have ideas for the whole scheme. Deputy Renouf tells me, I said: "When can we get on to St. Saviour's Hospital?" he said: "The south side in a year." So that is the quickest and best way. Let this progress and let us plan, let us use this year to design and build and plan, and the planning process for St. Saviour's Hospital, to get on to it in 2023, the south side. The single biggest threat to the ambitions of Andium, the States of Jersey Development Company and Ports of Jersey, who want to develop accommodation, the single biggest threat to them achieving their goals and their ambitions is us; is the Assembly. It is political decisions, political indecisions, political directions, political changes of directions. We have seen it, have we not, for nearly 20 years with the waterfront. When was W.E.B. (Waterfront Enterprise Board) formed; 1995, 1996? Still great swathes of the waterfront lie undeveloped and how many waterfront blueprints or masterplans have we seen in that time as well? They have come and they have gone, like Fort Regent. This is tangible. We can make this happen with over 500 homes for first-time buyers, over 200 homes for right-sizers. By the way, in that right-sizing scheme they have to release a home for a family, not investors; for a family. So those empty-nesters wanting to leave and come to the waterfront, they have to sell to a family. That is another part of that scheme. So that releases more. The first-time buyers moving into this will release the properties they are perhaps renting now. That is churn in the housing market. That is what we need. We need to have churn and transitions in the housing market. I am afraid Progress are wrong on this. We absolutely must supply the open market too, otherwise it will continue to self-inflate. That is what other jurisdictions are doing. We have a terrible problem. We are not alone. It is through the western world. Guernsey's biggest increase in the house price index was in double figures from the last quarter. So we cannot be complacent. We have to work hard. I am doing my best on Government sites too. I know that, because I have been there so many times, to give the Government a good kicking is a healthy thing and something that we can relish sometimes. But, giving the Government a kicking on this issue is not going to hurt the Government, it is going to hurt the people who want to start getting on the waiting lists and paying their deposits, those first-time buyers, because that will give them hope that they are finally getting tangibly on a list and there is light at the end of the tunnel. I urge Members, I hate to have to do it, because I know this is well-meaning, I urge Members to reject this and let me stick to my plan. Because it is the quickest possible way of getting new homes built. It does mean they are not all category A homes, but that is important too.

**The Bailiff:**

Will you give way for a point of clarification from Deputy Ward?

**Deputy R. Labey:**

Yes.

**Deputy R.J. Ward:**

It was when the Minister is finished, so if you want to finish please do. I do not want to interrupt. I know how annoying that is.

**The Bailiff:**

The Minister has finished.

**Deputy R.J. Ward:**

Have you finished?

**The Bailiff:**

Yes, the Minister has just finished.

**Deputy R.J. Ward:**

I wonder if I can ask the Minister, you talk about these homes that are for first-time buyers and get them on to the ladder. Could you give us an indication of the price of a 2-bedroom or 3-bedroom flat or accommodation, home, in the new development so we can get some idea of what first-time buyers will be paying?

**Deputy R. Labey:**

I do not know. I do not have that information. It has not been supplied to me.

**Deputy R.J. Ward:**

Do you have a ballpark figure?

**Deputy R. Labey:**

I honestly do not know. I have not spoken in those terms. I do not know if somebody from Treasury knows and can help you later on. I cannot tell you. But we really need to be helping S.o.J.D.C. get on with it and there are other measures we need to do with them too in terms of lowering the threshold at which they can start building. That is coming down the line in a few months.

**Deputy R.J. Ward:**

The question was really about the cost of those. That is all. Thank you very much.

[17:00]

**3.3.9 Senator K.L. Moore:**

I agree with a lot of what the Minister for Housing and Communities just said. The Minister for Housing and Communities talked about opportunity, he talked about avoiding delay and he talked about hope. He is absolutely right. But this proposition is an attempt to find an opportunity in which we, as the Assembly, can give political direction and offer hope to members of our community to resolve a problem that we have in our community that we can see is causing great societal issues. I understand his argument that supporting this proposition could cause delay to the project. But there is a way around that and that is, if the Assembly will agree to this - it will probably take an amendment to the Government Plan, but that is still something that has potential in the next 2 days - we could ensure that we would provide the S.o.J.D.C. with the shortfall that they could experience by offering the 30 per cent of affordable homes. That is perfectly within the gift of this Assembly. So rather than standing here and talking about excuses and saying we can offer hope but we just cannot offer a home for another 2 or 3 years, well why not find a way to offer both homes and a quicker path to providing those homes in the shortest timeframe possible? There are also other methods that we could use to achieve homes for people in a shorter period of time, but that I will leave for another day. I would however like to commend the work of the S.o.J.D.C. to date. In my communication with them today they have reminded me that 35 per cent of their open-market units that have been sold to date on both College Gardens and the Horizon projects have been purchased by first-time

buyers. Then, if they add the 15 per cent of units they argue they would target 50 per cent of these units to be purchased by first-time buyers. So we can see that there is a will and they have tried to offer, as the Minister himself acknowledged, the deposit scheme and many other things. What this debate is about is finding a resolution, coming together as an Assembly to say we acknowledge there is a problem and here we are, as representatives of the people, we can find a solution. Of course the Treasury will say: "But where will we find that shortfall?" We do now know that, since the debate about the hospital funding scheme, there was a scheme to reduce the cost of the hospital to £620 million, yet the Government, the Council of Ministers, decided for whatever reason that they did not want to amend the amendment to that hospital scheme. But that is within their gift. There is time during the planning process for them to perhaps do that, to create a plan B in the event that the planning scheme is turned down, which is a likelihood. We know that they do not have a plan B. So they could deliver a different scheme with a more affordable price tag to deliver healthcare and also at the same time deliver housing for people. So it would be, in my view, a win/win for everybody. Because, if I could share with the Assembly at this point, when Scrutiny spent some time on King Street recently asking members of the public what they thought about the Government Plan, there were really 2 topics of conversation and the number one topic that everybody wanted to talk to us about was the cost of the hospital and their concerns. So there would be a threefold benefit in supporting this amendment today, not only would it provide hope, not only would it provide a solution for housing, but it could also assist in providing a solution and relieving some of the deeply-held concerns there are in our community today about the hospital budget as it stands.

### **3.3.10 Deputy M. Tadier of St. Brelade:**

Before I start, I want to apologise if for whatever reason I am not responding to other people who have spoken in the debate. I rejoined the Assembly relatively late today and I thank Members for the courtesy and understanding they have shown me. But I thought it was really important. I wanted to support my colleague Senator Mézec who has been a long-standing champion of affordable housing in Jersey. He knows first-hand and he is also friends with many people in a generation that feel forgotten in the Island because they have given up hope of ever perhaps being able to afford to buy their own homes. They might still be clinging on to that. What kind of Island do we live in - it is not a problem that is unique to Jersey; it is the same in the U.K. - when people have to compete in order to just be able to rent a property? You hear about people going to viewings and having to hope that they get there early enough so that their offer is accepted. At first when you hear them talking you are thinking maybe they have put an offer in to buy a house, but no, they have just put an offer in to be able to live in somebody else's house for a year, if they are lucky, and if they can get their contract renewed for more than a year, to pay an extortionate amount for somebody else's home that will never be theirs. This is the context that we are living in. This is the context, which I think Senator Mézec understands, and many of us in this Assembly certainly sympathise with even if we are lucky enough to be partial homeowners. So there is a vision there, which Senator Mézec has tapped into, which I know that the public has tapped into. Listening to Senator Moore as well who has been out there doing scrutiny in the street, she will probably be very aware that this is probably the number one issue in the Island. If not, it is very high up there with the public. A public we do want to engage with and it is something that the public want to engage with us over. If we had to try to explain to somebody who did not know about Jersey or the States of Jersey Development Company and what it was, and you had to explain to somebody, perhaps a pupil at one of our primary schools or secondary schools, or an adult member of the public, and they said: "What is this S.o.J.D.C.?" How would we explain to them what S.o.J.D.C. does? I would probably start by saying it is a States-owned company, it is entirely States owned. They take public land and in some cases they take public land, which has been reclaimed from the sea at very great expense, not easy to do, it is quite a difficult technical job to do, but it is also expensive. Sometimes you have to clear out the soil because it has been contaminated, it might have been a dump site previously. We take that very expensive land and they sell it to private investors. They sell it to people who are very rich and they might have sold it

to people off-Island if they could have. Senator Mézec again put some amendments in there. But it is essentially we transfer public assets into private hands and we build unaffordable housing for people. Of course, if you explain that to the pupils at school they would say: “That sounds a bit strange because we have heard that should you not be building affordable housing for people?” You say: “Yes, but there are some technical reasons we cannot do that, it is to do with economics and finance, you would not really understand that. But do not worry because there are these other sites, which have not been approved yet, which we think we can build more affordable housing on.” Now one of those sites we are told, and I tend to find out from the media about this even though it is in my constituency, the constituency that I have served for the last 13 years and I have grown up in, is that we see a headline that the Minister yesterday said: “The old Les Quennevais School is going to be housing.” Is it? Where has the consultation been on that? I have certainly not heard that there is a desire from any of the local residents that should be housing. Certainly, it would need to go through that consultation process for that to be passed. I have heard that it could be used for community use. That is what I have always heard from the residents. I have even heard that there is one well-known community charity in Jersey, which wants that as their hub in the west so that they can serve the very densely built-up community in Les Quennevais, who I do not think would accept any more dense housing when they have had a school, which has been a good neighbour on their doorstep for many decades, since the 1960s. I do not think they would take too kindly to some high-density flats or residences being built there, whether they are affordable or not. So I would say do not believe that, even if the will were there for these sites to be converted to housing tomorrow, that it would be straightforward. Remember what happened with People’s Park. It might be the grand scheme of somebody to put a massive building there, but it does not mean that it is politically acceptable to the local community or to the wider community even. So we carry on the explanation about what the States of Jersey Development Company does. They build unaffordable homes for people. What we are debating about today is how much unaffordable homes we should be building. Senator Mézec earlier thought we should limit the unaffordable homes to 50 per cent. Now we are debating whether we should have only 70 per cent unaffordable homes or the maximum possible that the Government, the Alliance Party can manage is 85 per cent unaffordable homes. Because of course, if a home is not affordable, then it must be unaffordable. So we have a Government whose zenith of ambition for when it comes to tackling the housing bump or the housing hurdle or the housing crisis or the housing emergency, whatever you want to call it, and they still cannot seem to agree what level of emergency they want to give it, at least they have acknowledged that it is a something. I am sure they will flesh that out before it comes to writing their manifestos. Their ambition is to have 85 per cent unaffordable homes for people in Jersey because somehow that is going to help. So it shows how low the bar has been set when this amendment can come in to ask to double the Government ambition and to still have it set at 30 per cent of affordability. It shows just how low this Government are prioritising what I believe is a housing crisis that we have in Jersey today. If it means of course, like we have had speakers saying, I was going to call him the shadow Minister for Housing and Communities, but he is the Deputy of St. Peter who takes a keen interest in housing saying: “This would delay it for a couple of years.” We have had others saying that. Well first of all that is your fault for putting the wrong plans in, which do not address sufficiently the crisis that we have. But, secondly, in the grand scheme of things, these are homes that are going to be built and, while they exist in perpetuity, certainly for decades, potentially over 100 years, the debate that we have today sets the type of parameters for what kind of homes they will be. If it means that new plans need to be submitted and new sums need to be worked out, then I am quite comfortable if it means that there is going to be a short delay so that we can get decades of better value to serve the community that we live in and that hopefully we all love. So I am quite comfortable. I think even last week or the week before, the sitting before, I heard Deputy Luce, the Deputy of St. Martin, saying: “I do not know why this is not 100 per cent. We should be setting our ambitions much higher.” Because this is States-owned land effectively, this is public land. If we are not building and maximising affordable homes on the land that we already have in front of us with planning applications going in, then why would

we put our hopes on some future applications, which we have no idea will be successful, viable or politically acceptable to the population and the communities that they seek to be in. I will finish by saying, because it does come back to Les Quennevais, the Minister will have a fight on his hands if he thinks that Les Quennevais is going to be housing without the consent of the local community. As a current local representative for that area, I will make sure that they are fully engaged and that the views of the residents in the immediate area and the wider area are heard before any kind of plans or presupposition about what goes there should be made. But I know that today we are talking about the 2 sites of South Hill and the waterfront and that, where possible, we should be maximising that to resolve and to help towards solving the housing emergency and the affordability thereof, which we have at the moment. So I do urge Members to vote for this. It is still modest, but it is something practical and tangible that we can do. Because actions in this Assembly speak much louder than words.

[17:15]

### **3.3.11 Deputy M.R. Higgins:**

I am going to make a number of short observations on some of what has been said this afternoon. Senator Farnham says that we have plans to deal with population. Where are they? They keep on being kicked down the road. The Deputy of St. Peter, who is leading this policy, tells us that it is an evolving policy and it will not be in a definitive form before the election. If the population continues to rise, we will never have enough homes to meet housing needs as the demand will be never ending. More and more people require more and more houses. Then there is a need for more schools and infrastructure. Senator Farnham also said we are dealing with foreign direct investment, i.e. outside investors buying existing housing stock. We may have brought in a few restrictions on the waterfront, but what about a general policy restricting foreign investment unless they are adding to the housing stock by building new houses or apartment blocks? What about the investment in existing housing stock by wealthy residents, which also denies ordinary workers the ability to buy or rent properties? If they finance new properties I welcome their investment, but not the current nature of their investments, which prevents those who have to work for a living getting a home. Also, if the Government were really serious about dealing with the housing problem, why have they delayed the register of who owns commercial and residential property, which incidentally the Assembly passed a year ago last September? Such a register will give them the evidence with which to deal with the problem. I really do not think they are serious. I do not think some Government Ministers want to see such a register as it will expose the real nature of the problem and who are benefiting from the existing housing crisis at the expense of the many. The register will not be in before the election. I forecast it will be abandoned after it so that the status quo can continue. I also do not think that they are serious about dealing with landlords who are charging extortionate rents in many cases for woefully inadequate accommodation. But again part of that is the number of landlords in the States Assembly who have a direct interest in high property values, which enables them to charge higher rents for their properties. I believe that we should cease seeing property as an investment, certainly Government should be, and concentrate on what it should be, providing homes for the people of this Island. We have heard much from the Minister for Treasury and Resources saying: "Oh, it will not be economically viable." We are talking about our Islanders, our people, and roofs over their heads and their ability to have a family and grow. It should not just be about money. Unfortunately, the Government has no credibility, and they are following their predecessors down the same road, which is going nowhere. I found it rich to hear Senator Gorst saying we should also all be working together on this issue and it should not be political. Especially when he was the Chief Minister for 2 Government terms and did next to nothing to alleviate the housing problem. I personally am fed up with the repeated excuses from successive Governments and so I will support this proposition. Again, to quote Deputy Lindsay Ash, who in the past quotes Churchill, we want action this day. I ask States Members to take some action this day and support the proposition.

### **3.3.12 Connétable A.S. Crowcroft of St. Helier:**

I have not managed to follow all of the contributions to this debate but I have been listening to some of them. As Constable of the Parish in which S.o.J.D.C. want to concentrate their housing provision, I have to say that I am quite alarmed by some of the speeches I have heard this afternoon. I heard Senator Moore providing a number of reasons why this proposition should be supported and if I followed her correctly she seemed to be arguing that there is a hope or a possibility that the hospital project might be turned down at the planning stage and we could build more houses in that case up at Overdale. I heard Deputy Tadier talking about a number of things, including what can happen at Les Quennevais, the housing that can be provided there. Then we heard Deputy Higgins admitting quite openly that the reason he is going to support this proposition is because he is fed up with the Government, with successive Governments. Members need to be under no illusions, if they want to solve the housing crisis, we have 2 schemes; one is ready to go at South Hill and the waterfront development ready to go into planning. The quickest way to solve the housing crisis is to enable the Jersey Development Company to get on and provide homes. They will be providing homes at all levels, not just affordable, but homes for other people so that the system that we have in Jersey can work. I believe they know what they are doing and we should let them get on with it. Any support for the proposition today will not speed up the process; it will delay the process. People who are waiting for homes, waiting for homes in St. Helier, will not thank the Island Assembly today if they support this proposition. I urge Members to reject it.

### **3.3.13 Senator J.A.N. Le Fondré:**

I wanted to come in, and I appreciate it is getting to that hour, but I just want to try to address some of the remarks before we conclude for the evening. Just to start initially, let us be very clear, the information I have is that if this vote goes through today, in essence, the waterfront scheme will stop. Essentially, broadly speaking, 1,000 units will be delayed in their progress. The Minister for Housing and Communities said earlier, which I endorse, if we could do 30 per cent on that site, we would do it. I was quite firm with officers, if we could go higher on that site and that difference in units makes it affordable, we would have brought an amendment. I am very clearly told that the whole planning guidance is against that. Essentially you get discussions around overshadowing and you name it and it cannot be done. That is an issue that we will have to address in the bridging Island Plan. That fight with problems that we have will have to be grappled because otherwise we will just be going round and round in a circle. However, let us be really clear about the time here. The planning application obviously for South Hill is in planning. The information I have been given, and it has been confirmed by a number of Ministers, is that the planning application for the waterfront is due to go in before Christmas, i.e. next month. Planning policy is very, very clear. If one changes the scheme, one has to go to public consultation. We have taken 2 years and I understand it has cost around £2 million on each of the sites to produce the plans to date. Therefore, by essentially changing the scheme, changing the viability, which will then require a redesign of the scheme, which is what this would arrive in, as I understand matters, you are delaying matters around 18 months. That is why references to the plans being up in the air, or whatever it is, are wrong. It has been held back to allow this debate to take place. It is ready to go in the next couple of weeks. Equally, in essence, the more one takes out, the whole point of the waterfront, it is a balance of uses. It is a balance of purposes that one is trying to achieve. One of them, in fact the Connétable of St. Brelade has referenced it on the South Hill site, South Hill was always about getting value. It was about getting value because that money then can go into the Housing Development Fund or basically can go into affordable housing elsewhere. Really simplistically, if you can build a unit up there, which you can sell for £1 million, that £1 million can go towards funding 3 units at £300,000, shall we say, of affordable housing or social housing or whatever it is elsewhere. That is the differential. That is why the waterfront will always balance the uses because some of that value goes elsewhere. The principle that previous Assemblies laid down, and which no one has challenged to date, even former Ministers who are in the position to do so, was that the returns from the waterfront would go into

being invested in St. Helier. Absolutely understand the reason, but let us be really clear on the money front, the more you take out in terms of making it more shared equity than what we have, the more social rental, or whatever it is, means far less investment from the waterfront into St. Helier. I submit that St. Helier needs that investment. I am just looking down my notes to make sure I have covered those pieces. Just to be clear, the question was asked about what gets delivered in terms of clearing the way by the bridging Island Plan. It all depends. The short answer is that, if the sites are rezoned, or the policies are agreed in March next year, then they are agreed and available from that point. It is then in the hands of the developers to get them turned around. If they can do them within the 4 years, and some developers are perfectly capable of doing that, then you will get delivery by or before 2025. That is the principle. So it is enabling that development to take place. Deputy Tadier, I was disappointed on 2 accounts with his speech: (1) is the comment about Les Quennevais, it sounded like: “Do not build on my patch and do not build on my patch that is already built on” which, for those of us who do not want to see greenfields rezoned, sounds a bit of a poor argument; (2) I also correct the Deputy, the Regeneration Steering Group gave a direction to S.o.J.D.C. in 2019 about not doing any more external buy-to-let as a policy. Senator Mézec brought a proposition in later, quite a lot later, and that is why we were able to support it because we and I had already made that decision and we had implemented it sometime ago. We talk about hope. We have to have hope. That is about coming together and saying, as I said earlier, this is about having a very clear and calm discussion around how we resolve this. How we resolve this is by sorting out some of the very large other usages that we have within the States. That, for example, office strategy is ticked now. It has taken 10 years. Hospital, subject to the planning permissions, that is advanced. That is why we have been able to give them the go-ahead on St. Saviour, for example. Then later on Les Quennevais. Putting all of those together, you have various sites that can go into a pipeline, which is about addressing the supply. We will only sort this out by getting more supply into that process, into that pipeline, which then, by addressing that, by then looking at some of the demand side, some of that has been done. There will be some measures being proposed, I hope in short order, which will also look at demand. In the longer term what we do on population will also impact on the demand side. We have to address both of those sides and one of the key things is supply. What this does will delay supply of 1,000 units probably by around 18 months, if not longer, and will affect the viability. That is a matter for this Assembly but for me the message that it would send out is this Assembly, led by the Reform Party, does not want to build 1,000 units of all measures, including shared equity, including for downsizing, including for first-time buyers. It does not want to see a quality waterfront in St. Helier, which has been criticised so many times for being poor, on what should be an absolute world-class vista, i.e. the views over St. Aubin’s Bay, et cetera.

[17:30]

Hopefully we will be adjourning soon. Hopefully we can give some indications for the type of prices that we are talking about. Therefore it is not as bleak in terms of only being available to highly-wealthy non-Islanders buying on the site. To suggest that is perhaps misrepresenting the position. This is a scheme for St. Helier, it has been worked on with the public for 2 years. I have seen all sides of the argument in relation to the waterfront and S.o.J.D.C. during my 16 years. I am comfortable with the scheme that we have in front of us. It will contribute 1,000 units to the pipeline that we need. We have other schemes in the pipeline as well. There are thousands of units that will be brought forward over the next 10 years that will help Islanders and should give them hope. But how we communicate that is also important. Allowing it to get into the planning process, into the development process, and being built, will help that, rather than delaying things. I should stop there. I reiterate, from my perspective, on all the information I am given, if this proposition is accepted it is very, very likely to cause significant delays, probably on both schemes, and certainly, on the information I have, very, very much on the waterfront scheme. I therefore do not recommend that, but it is a decision for the Assembly.

**The Bailiff:**

Thank you very much, Chief Minister. Is the adjournment proposed? Very well, the Assembly stands adjourned until 9.30 a.m. tomorrow morning.

**ADJOURNMENT**

[17:31]