

STATES OF JERSEY



JERSEY HOMEBUY HOUSING: AMENDMENT TO ISLAND PLAN POLICY H1 (P.74/2008) – COMMENTS

**Presented to the States on 9th July 2008
by the Health, Social Security and Housing Scrutiny Panel**

STATES GREFFE

COMMENTS

In March 2008 the Housing Sub-Panel of the Health, Social Security and Housing Scrutiny Panel responded to the Planning Department's consultation on Jersey Homebuy. The Sub-Panel had found it difficult to assess the merits or otherwise of the Homebuy concept owing to the lack of detail in the proposals. This was reflected in its conclusion, which indicated strong reservations about the scheme –

'To summarise, the Sub-Panel considers that there is insufficient detail presented in the consultation document to enable it to be evaluated at a satisfactory level. There appear to be so many areas of uncertainty that it is impossible to draw any positive conclusions, whereas a number of substantial concerns arise which are not addressed.'

The Jersey Homebuy proposition (P.74/2008) was subsequently lodged substantially unchanged. Sub-Panel members therefore met with the Planning and Housing Ministers and their officers on 4th July 2008 to discuss their concerns and to try to obtain clarification regarding the substance of the proposition.

The following points were established during the discussion –

1. The Jersey Homebuy proposition would apply retrospectively to the remaining H2 sites of the existing Island Plan.
2. Homebuy has been proposed on these sites as the Minister for Housing has confirmed that they are no longer needed for social rent.
3. This is seen as an opportunity to extend home ownership.
4. The initial 'tranche' of Jersey Homebuy properties would only apply to some 60-65 homes.
5. It is seen as an experiment by both Ministers, but one which they hope could set a precedent for the majority of future developments.
6. The legal framework for sales under Jersey Homebuy has yet to be established, but is similar to that used under the Housing Department's Social Housing Property Plan which has already seen approximately 80 homes sold to previous tenants.
7. The procedure for assessing applicants (the 'Gateway') is still under development, but it will be for families and will be very carefully monitored.
8. The policy for allocations has yet to be established.
9. The possibilities for extending Homebuy to other types of property on future developments will need to be investigated.
10. The Non-Profit Organisations which are intended to administer the scheme have yet to be identified – although Housing Trusts have expressed an interest.
11. The Housing Department has confirmed that there is currently a minimal waiting list for social rented homes, but if more were needed in future the 45% social housing element on rezoned sites could revert to providing social rented rather than Jersey Homebuy homes.
12. Valuations would be carried out by Housing's appointed valuers to ensure that Jersey Homebuy prices were fair.
13. The plan was felt to be perfect for uptake by Parishes, as they could afford to take the long-term view as a prospective NPO.

14. The aim for the future was to centralise administration of all social and affordable housing requirements, with a unified Gateway mechanism which would enable anyone looking for housing to be assessed on their needs and given appropriate advice tailored to their circumstances.
15. The Ministers for Planning and Environment and Housing offered an unconditional undertaking to the Sub-Panel that if the principle of Jersey Homebuy was accepted by the States, they would commit to submitting the detailed plans for Scrutiny approval before taking any further action.
16. Scrutiny could thus reserve sign-off on the proposals until it was satisfied with all the details that remain to be developed, to include the Gateway mechanism, legal arrangements, allocation procedures, etc.

The Housing Sub-Panel still has concerns about Jersey Homebuy

This proposal is still at an early stage and requires more work to fill in vital details, particularly in the areas highlighted in points 6-10 above. In terms of the bigger picture, no economic review has been undertaken of the significant effect that Jersey Homebuy could be expected to have on the overall market if the scheme were to be extended more widely; and no decisions have yet been reached on migration policy, which will largely determine housing needs and thus drive policy for affordable housing for the future.

While the Sub-Panel is keen to support initiatives to extend home ownership, it is clear that much more work needs to be done before this policy can be presented to the States as fully formed and ready for implementation. It is noted that some properties on the specified sites will be ready for occupation well before the end of the year, and potential buyers are already seeking to establish a place on the Homebuy list in preference to the first-time buyer list; unfortunately some will be disappointed. The haste to bring this proposition before the Assembly without first fully elaborating the various parts of the mechanism is perhaps understandable given the demand for affordable housing, but may not represent the best approach to sound policy-making. However, provided the assurances given by both Ministers (referred to in points 15-16 above) are acceptable to the Assembly, the Housing Sub-Panel is willing to work with the 2 Departments to bring Jersey Homebuy back to the States as a practical working model as soon as possible.

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