

# STATES OF JERSEY



## PROPOSED GOVERNMENT PLAN 2023- 2026 (P.97/2022): ELEVENTH AMENDMENT

### RINGFENCED STAMP DUTY

---

Lodged au Greffe on 25th November 2022  
by Deputy M.B. Andrews of St Helier North  
Earliest date for debate: 13th December 2022

---

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2023-2026 (P.97/2022): ELEVENTH  
AMENDMENT

---

**PAGE 2, PARAGRAPH (i) –**

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

“, except that on page 35 of Appendix 3, after the words “Further changes to Stamp Duty” insert the words “, which will include the provision that Stamp Duty raised on properties exceeding £2.5 million will be ringfenced to provide funding for Assisted Home Ownership Schemes, such provision to be implemented by 1<sup>st</sup> January 2024”

DEPUTY M. B. ANDREWS

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

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

to receive the Government Plan 2023–2026 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2023 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to approve the proposed Changes to Approval for financing/borrowing for 2023, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (c) to approve the transfers from one States fund to another for 2023 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (d) to approve each major project that is to be started or continued in 2023 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (e) to approve the proposed amount to be appropriated from the Consolidated Fund for 2023, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report;

- (f) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2023 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (g) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2023 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (h) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2023 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (i) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2023-2026, as set out at Appendix 3 to the Report, that on page 35 of Appendix 3, after the words “Further changes to Stamp Duty” insert the words “, which will include the provision that Stamp Duty raised on properties exceeding £2.5 million will be ringfenced to provide funding for Assisted Home Ownership Schemes, such provision to be implemented by 1<sup>st</sup> January 2024.

## REPORT

This proposition seeks to ringfence revenue from Stamp Duty raised through property sold with the value of over £2.5 million, for use in Assisted Home Ownership Schemes that are outlined in the Government Plan 2023 to 26. I have been informed that this could equate to £8 million.

As highlighted in the Government Plan, Treasury and Exchequer are conducting a review into Stamp Duty, LTT and the Taxation of Enveloped Property (holding real estate within a company) (the Review). Reviews of Stamp Duty have been ongoing since at least 2020 with previous work having been undertaken, for example the Property Tax Review, a paper for which was published in 2014.<sup>1</sup>

I have indicated a date for implementation of 1<sup>st</sup> of January 2024. This will enable Ministers to consider the findings of the Review, provide more information on the Assisted Home Ownership Schemes and to decide the best way of ringfencing the Stamp Duty revenue, one such option may be to transfer funds to the Housing Dwelling Loan Fund established under the [Building Loans \(Jersey\) Law 1950](#). Should the Council of Ministers identify this during 2023 they should bring forward proposals to match the intention of this amendment prior to the end of the year.

The current affordable housing purchase schemes are open to those who fit within eligibility criteria, although the only government advertised scheme at time of writing is the Andium Homebuy scheme.<sup>2</sup> The Government webpage notes *“The purchase schemes are run by private agencies and housing providers. Schemes become available at various times.”* This amendment will provide for funding to be ringfenced to aid in the creation of further schemes.

Design of the schemes will of course depend on government policy; however the United Kingdom have the considered or implemented the following home ownership initiatives:<sup>3</sup>

- **Help to Buy: Equity Loan** – from April 2021 first-time buyers can obtain an equity loan from the Government of up to 20% (or up to 40% in London) of the market value of an eligible new-build property (subject to regional maximum property price caps). The equity loan is interest free for the first five years. The buyer must have a deposit worth at least 5% of the property’s value and secure a mortgage for the remaining amount. The scheme will run to March 2023.
- **Help to Buy: Shared Ownership** – the scheme enables home buyers to buy a share of a property and pay a subsidised rent on the remaining share. Purchasers can buy additional shares in the property as and when they can afford to do so, until they achieve full ownership.
- **Rent to Buy** – homes are let at an Intermediate Rent (which must not exceed 80% of the local market rent for an equivalent home) for a minimum of five years during which it is expected that tenants will save for the deposit to purchase their home.
- **Mortgage Guarantee** – from April 2021 the Government will provide a guarantee to lenders who offer 95% mortgages to people with a deposit of 5% on properties with a value of up to £600,000. The scheme is intended to be a

---

<sup>1</sup> [R.101/2014 Property Tax Review: Publication of Green Paper and PWC Paper](#)

<sup>2</sup> <https://www.gov.je/Home/RentingBuying/BuyersGuide/pages/housingpurchaseschemes.aspx>

<sup>3</sup> [House of Commons Library, Extending home ownership: Government initiatives, 30 March 2021](#)

temporary measure and will be available for new mortgages up to 31 December 2022.

- **Lifetime ISA** – The Government’s Lifetime ISA can help first-time buyers save up for a deposit for a house.
- **First Homes** – this scheme will enable local first-time buyers to purchase a new home with a discount of at least 30% under market value. The discount is delivered through developer contributions and will be retained in perpetuity.
- **Stamp duty land tax (SDLT)** – over the past few years the Government has announced three reforms to SDLT charged on the sale of residential property, designed, to differing degrees, to encourage home ownership, particularly for first-time buyers.
- **Purchase schemes for social housing tenants** – many social housing tenants have a statutory Right to Buy or Right to Acquire the home in which they live at a discount. The Government has committed to extend the Right to Buy to assured housing association tenants on a non-statutory basis. It is also introducing a new Right to Shared Ownership – eligible tenants in new housing association properties delivered with Government grant will have an automatic right to buy a minimum 10% share of their home, with the ability to buy further shares over time.

In conclusion, this amendment will specify that Stamp Duty revenue on sales of properties of over £2.5 million should be ringfenced for use in Assisted Home Ownership Schemes. The circa £8 million funding will allow Ministers to bring forward a range of schemes, as yet to be fully detailed, to help Islanders own their own home. The Council of Ministers will have a year to identify how this can be best achieved, however, I envisage that this ringfencing would be ongoing until such a time that Assisted Home Ownership Schemes are no longer a necessity.

### **Financial and manpower implications**

I have been informed that the small number of transactions of properties over £2.5 million mean there is a high degree of variance in the Stamp Duty receipts year on year. However, I have been further informed that recent trends would indicate the value of the ring-fenced Stamp Duty to be approximately £8 million per year.

It has been indicated that there would not be any manpower implications arising from this amendment.