



# Environment, Housing and Infrastructure Scrutiny

## Panel

### Quarterly Hearing

### Witness: The Minister for Children and Housing

Tuesday, 7th May 2019

**Panel:**

Connétable M.K. Jackson of St. Brelade (Chairman)

Deputy K.F. Morel of St. Lawrence

Deputy I. Gardiner of St. Helier

**Witnesses:**

Senator S.Y. Mézec, The Minister for Children and Housing

Mr. J. Norris, Policy Principal, Strategic Policy, Performance and Population

Mr. A. Scate, Group Director for Regulation, Growth, Housing and Environment

[11:40]

**Connétable M.K. Jackson of St. Brelade (Chairman):**

Good morning and welcome to this quarterly meeting of the Environment, Housing and Infrastructure Scrutiny Panel with the Minister for Children and Housing. So we will start off by going around the room and introducing ourselves.

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

I am Deputy Kirsten Morel, and I am a member of the panel.

**The Connétable of St. Brelade:**

Constable Mike Jackson, chairman of the panel.

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

Deputy Inna Gardiner, member of the panel.

**Policy Principal:**

Jack Norris, policy principal.

**The Minister for Children and Housing:**

Senator Sam Mézec, Minister for Housing.

**Group Director for Regulation, Growth, Housing and Environment:**

Andy Scate, group director for regulation in Growth, Housing and Environment.

**The Connétable of St. Brelade:**

And I pass on the apologies of Connétables Le Maistre and Le Sueur-Rennard, who are unable to attend this morning. If I can just ask you, Minister, to start with, the panel is aware that a number of recommendations have been made following an independent review of the Affordable Housing Gateway. When will this information be made public?

**The Minister for Children and Housing:**

Imminently, I think. Have we set the date or ...?

**Policy Principal:**

It is imminent.

**The Minister for Children and Housing:**

Yes, it is imminent.

**Policy Principal:**

There is a press release being drafted and it is ready to go. It is completed.

**The Minister for Children and Housing:**

And it is here.

**The Connétable of St. Brelade:**

Good. Will you be accepting the recommendations of the proposals and implementing them? What is your view on that?

**The Minister for Children and Housing:**

I have not formally made a decision one way or the other whether to accept all of the recommendations. From what I have seen of them, most of them, I think, make perfect sense. How we specifically move forward is dependent on a few other factors as well, so things about the criteria for getting on the Housing Gateway, everybody accepts that there has to be some change there. But that has to be balanced against having enough properties within our stock to accommodate extra people. So in terms of perhaps timings of initiating certain changes that may well not happen imminently. But whether to accept or reject those recommendations, I have not made that formal decision yet. But I think pretty much most of it is probably uncontroversial.

**The Connétable of St. Brelade:**

I am going to ask you to define “imminent” in terms of timescale. Have you got any idea from the public’s point of view when they might expect some answers because there are some people obviously who are quite eager to know?

**The Minister for Children and Housing:**

We will publish the report shortly. I want to make sure that everybody who has an interest in it gets sight of it as soon as possible, so obviously that will include the panel. It is again hard to put a timescale on it but I want it to be as soon as possible. I would not want to wait more than a few weeks to formally make that decision but in terms of accepting some of the recommendations, I can tell you that I definitely will. I can make those parts of it clear as soon as the report is published and no doubt I will be asked questions publicly at the time as well.

**The Connétable of St. Brelade:**

Good.

**Deputy K.F. Morel:**

I was going to ask about the 90 per cent market rent policy. Obviously, it has been announced that you will be reviewing the 90 per cent market policy. Have you come to any conclusions about what you plan to do in that area?

**The Minister for Children and Housing:**

No, and that is something I would anticipate taking months to do. Most importantly because there is a bottom line that will have to be met at the end of it. Andium, as a primary social housing provider, has got to have the funding it needs to do a good job and to invest in their housing. Any change in rental policy will require the agreement of other Ministers as well as me. So I do not have the power to make that change in isolation. That will have to be agreed with other Ministers. So we have got a process to go through there. What we have been doing up until now is working with Andium. So from their systems and how they operate, asking them what sort of thing they could work with. If we

wanted to change the system what extra support would they need to be able to do that? How would they need to change their systems? Those discussions have begun but we are going to have a meeting with the Housing Policy Development Board and Andium at some point relatively soon.

**Policy Principal:**

20th May.

**The Minister for Children and Housing:**

20th May. To explore those ideas around a table.

[11:45]

So that will have the other key stakeholders involved in that, like the Minister for Treasury and Resources, et cetera. When we have discussed some of those options that will help us know how we can move forward on that.

**Deputy K.F. Morel:**

From your perspective, what currently are the main issues do you see with the 90 per cent policy?

**The Minister for Children and Housing:**

As in just with the policy?

**Deputy K.F. Morel:**

Yes.

**The Minister for Children and Housing:**

There are a few things. I think it is not sensible to tie your social rents to the private sector when you have no control over what private sector rents are and when, if something changed in the private sector, you would have to react to it in a way that you might not be able to. We could have a situation where private sector rents rise very substantially in a very short period of time and because we have set the rule of this 90 per cent, so we have to meet 90 per cent, a lot of that would have to be paid out of the income support budget. What if we do not have the money? It strikes me as not a sensible way of managing your finances as a government to do that. But also the fact is that the quality of homes that are being produced by Andium are some of the best of the best, substantially better than a lot of private sector accommodation. Can you really compare like for like where in what might be an equivalent property in terms of square footage and numbers of bedrooms, the extra personal support you get from a social housing provider will be totally different to a landlord, who might only have one property and does not have the support to provide and those things? So is it right to

compare like for like when in many instances they are not? By the end of this year Andium is going to be at 100 per cent decent homes standard and private sector is a long way off from that.

**Deputy K.F. Morel:**

The only thing is what you are saying suggests that perhaps Andium should be priced more than the private sector seeing as it is better quality.

**The Minister for Children and Housing:**

If you had no social conscience whatsoever you may well do that because the quality of the properties are better and the support you get is better. But obviously we are a government that is meant to be looking out for people who are needy. So I think a formula which is based on a system which does not have regard to people's needs, and in many instances provides a quality of homes and support that is not as good as Andium, it seems a mismatch, does it not? So I would like to move away from that in some form or another. But the fact is that we have made a huge amount of progress in the last few years in terms of improving the quality of homes and by the end of next year there will be another 1,000 homes added on to that to provide people in the social market. I will describe it as a recovery from where social housing was previously. We do not want to stop that recovery. We do not want to be in a position where we cannot carry on building more, we cannot carry on investing after that. That means the bottom line has to add up somehow. Whatever financial mechanisms we come up with, they have got to work, and it is not as simple as just snapping your fingers and saying, okay, we will go from 90 to 80, or something like that. We have to be smarter.

**Deputy K.F. Morel:**

Are you satisfied with the way they work out, the average cost? We are talking about 90 per cent, so are you satisfied that they are working at 100 per cent correctly and then discounting it because I think there are question marks over that.

**The Minister for Children and Housing:**

I have no reason to not be satisfied that they are doing what they are mandated to do. But as will be obvious from the answers I have just given; I do not think it is a sensible way of doing things. I have no doubts that they are doing it as well as they can, given the circumstances.

**Deputy I. Gardiner:**

I will go to different topics around the Affordable Housing Gateway and something that has been raised at recent States sitting around allocation and affordability criteria, to look at that it should be set as a transparent criteria, looking at possible assets, savings and including the links to the Parish,

to be able to access Affordable Gateway, affordable homes for the first-time buyers. Is it something that you as a Minister will look at?

**The Minister for Children and Housing:**

Sorry, are you asking about the Parish link?

**Deputy I. Gardiner:**

As well. As part of it, yes.

**The Minister for Children and Housing:**

One of the things that is clear from the report we have had is that we do need to make the rules and the processes more transparent. It is one of those things I am surprised we do not do already. But having an easier place to go to where you can see how the system works, with banding and how other criteria works, if you were someone who wanted to apply you would get a better idea of how you would fair on that system. That is something we do need to do. That is something that is raised in the report and something we will want to move forward on. On the Parish link, this obviously came up in the debate we had in the Assembly last week. I think it has probably come up at Scrutiny Panel hearings before. I have put my view on that, that I am not amazingly enthusiastic about that as a criterion to exist for allocating affordable homes to people because you are not necessarily finding the people who are most needy. You are adding an extra criterion, which does not match what is your objective need. It is your preference rather than your need. I am not amazingly enthusiastic about it. But I have tolerated it where it has been a case of we would either get those homes with that criterion or we get no homes at all without it. I have said at least it is addressing some need, which then frees up the other areas. That has been my position up until this point. I think the debate we had in the Assembly last week shows that some minds are starting to change on that, including from some Parish Constables who have been involved in some of those schemes who because we have had the *Objective Assessment of Housing Need* report, because we have had the recent Stats Unit housing need report, and we have got, I think, better statistical evidence to demonstrate what the housing need is, I think people are probably starting to change their mind and say: "Perhaps we should move away from that." But ultimately, I think that would be a decision we would have to debate in the States.

**The Connétable of St. Brelade:**

Going to the private sector rents: what will be the next steps with the e-petition? Are you going to address the affordability of rents in the private sector? At what stage will the Housing Development Board be looking at this?

**The Minister for Children and Housing:**

The e-petitions are a bit strange in that there is nothing we are required to do as a result of them. We had the in-committee debate and in terms of what we are legally required to do, it is nothing. We could choose to do nothing if we wanted to. But we had the debate and it was helpful to hear people's views on this subject. When it comes to private sector rents, you have to look at more than just the issue of rents on its own because if you were looking at that issue on its own and you thought rents were unaffordable you could just impose a cap. You would think that that would fix it when the reality is that the evidence shows that often it does not do that, it can make the problem worse. There are other things we have to look at more broadly there. Rent stabilisation, looking at the Residential Tenancy Law itself, transparency with how letting agents apply fees to tenants. Some of those were things that I would have wanted to probably have pursued a bit quicker upon taking office. But I think with where we are and the subsequent issues that have been brought to us it is probably better to look at some of these issues in the round together and that will be something that the Housing Policy Development Board will look at. Our next meeting, as a board, is coming up and we will be a bit clearer on timetable for that because there are some projects the board will get on with that it can do separately to the other wider bits of work that are going on.

**The Connétable of St. Brelade:**

You mentioned letting agents' fees and perhaps we will discuss that later but the last time the number of tenants under rental stress was assessed was 2015. There does not seem to have been any method in place to collect the relevant data to undertake this analysis. Do you think that Jersey should be capturing this data on an annual basis? We seem to have picked up data from other jurisdictions at the moment but ought we to be doing more?

**The Minister for Children and Housing:**

It could not hurt. From the work that we have had done on objective housing need, that has put us in a good position to have a better idea of how we need to respond to some of those issues. But the rents issue, to understand better how we fair and most importantly how different household types fair in that situation, I think would be helpful. When we had the Income Distribution Survey 2 or 3 years ago, whenever it was now, that was really helpful in looking at how people were affected by the rent they were paying, dependent on what household types they were, how many kids they had or where they faired on the income scale. That provided us with the information that the cost of rents was pushing people into relative poverty in the Island. That survey was done, I think, every 5 years and I was certainly of the view that we should provide support for the Stats Unit to be able to do that survey more often. Because that information is fundamental. That survey, I think, had quite a dramatic effect on the political landscape in the Island. We were not talking about poverty in the Island before that report came out really because having the statistical information then encouraged groups that are dealing with people in poverty, foodbanks, et cetera, started talking about it more openly, and that affected, I think, the political agenda. So to have access to that statistical

information more often, from my perspective, would be very helpful. But there are other things that it could help you with as well. Tax, for example. We occasionally hear anecdotes about instances where we cannot be sure that appropriate tax is being paid on rental income. Landlords who are out of the Island, for example, are they filling in a tax return? So to be able to catch up on that. Maybe it is not a problem. Maybe it is only a couple of people making a mistake or maybe it is more common. We do not know. So all of that would help.

**Deputy I. Gardiner:**

You mentioned residents and tenants a lot. I would like to hear a bit more about this topic. Where, how, when; your views on it. What do we have now and what it will change?

**The Minister for Children and Housing:**

All of that will be up for discussion but I think it is probably a fact that, compared to a lot of other jurisdictions, the amount of protection that tenants have in their tenancy is probably lower than what exists in other places. Security in tenancies, knowing when a rent rise can or cannot be imposed. It has happened to me and I know it has happened to friends where you have been living somewhere for a year, you have got comfortable, and then the condition of extending your tenancy is a big rent increase that cannot really be justified apart from the fact that you are stuck where you are. There are probably things we can do in the Tenancy Law to provide people with more security and protect them from unjustifiable rent increases that are being imposed not because of costs the landlord is undertaking but because someone is stuck in a place they cannot afford to leave. So things like that would provide people better security and help a bit with affordability as well. Given that other jurisdictions have made progress in this, it should be on our agenda to be looking at it and learn from that experience.

**Policy Principal:**

Just on that point the Minister makes. The Residential Tenancy Law came into force in 2011, it provides a framework ... sorry, it might be 2013. It came in about 5 years ago. But it provides a framework of rights, responsibilities for landlords and tenants. It is a very basic framework. Based on what I have seen over the last couple of years there are areas where it could be reviewed. The Minister mentions about security of tenure. We provide statutory notice periods for periodic tenancies, which do not have an end date. But there is no provision, for instance, around break clauses in a fixed-term tenancy, so you have a tenancy for a year, the landlord can turn around within that year and give you notice of whatever period is within the lease. There are things like that which we need to review. If you look at other frameworks and other jurisdictions they mention about where the landlord can reasonably gain access to a property. Normally that is set out within the lease but you can also put that in a statutory basis. There are various things like that. We have also had advice that potentially you could ban letting agent fees through the Residential Tenancy

Law as well. I believe that that work is identified in the Government Plan or it is being considered at the moment for 2020 but there are various options there to review the legal framework.

**Deputy K.F. Morel:**

Could I just ask, thinking about rental stress, what your views as Minister are on our qualification system as far as being able to rent and buy, but particularly in this case on renting? Do you think that adds to rental stress by creating a 2-tier market, for those who are not qualified, who are just here as registered?

[12:00]

**The Minister for Children and Housing:**

Jack can correct me if I am wrong here but I do not know if there has been a specific study that has looked at that ...

**Deputy K.F. Morel:**

My other question is: is this an area we should look into?

**The Minister for Children and Housing:**

At the first meeting of the Housing Policy Development Board it did come up, should how the housing qualification system fits into this be considered as part of the wider work we do and I said it should. The system is one that causes me to be uncomfortable in many ways. I mentioned it in the debate on the St. Peter housing scheme last week that it is a form of discrimination in that when it comes to the Gateway at least it means there are people who are excluded who may potentially be in more need. I come across these people all the time. People who have fallen on hard times for whatever reason but have only been here for 8 years or something like that. That is really difficult, finding solutions for those people who are in need because of that part of the rule. But perhaps I say this as someone who is of an immigrant background myself, but I find the consequences of that very uncomfortable. The fact that it creates a 2-tier market, which has a distorting effect. You are excluded from being able to rent X, Y and Z properties when if you were able to do that perhaps you would find a better solution for your needs and somebody else could find a better solution and vice versa. I understand why the system exists.

**Deputy K.F. Morel:**

I am glad you do.

**The Minister for Children and Housing:**

As in we are not an independent country so we do not have an immigration policy and how sovereign states do. There has to be give and take to try and find some form of control. But I personally would not shy away from a discussion about what our long-term ambitions should be for providing a framework that people get into the homes that are best suited to their needs, irrespective of how long they have been here. So I would not shy away from that discussion but I would admit from the outset that that will be a really difficult discussion and that people may have very strong views one way or the other about.

**Deputy K.F. Morel:**

Did the Policy Development Board come to a view on whether it should measure that and if it did not, do you think as Minister for Children and Housing you should set about a piece of work to measure whether there are any differences between ... simply, are you paying more rent because you are registered than anyone else even though you are probably on a much lower income?

**The Minister for Children and Housing:**

I think when we do the long-term piece of work about Jersey's housing market - the Housing Policy Development Board - I think that will be an essential question to be put in that so I would want that to be considered as part of that. Have we said who are doing the long-term project work?

**Policy Principal:**

Yes, with Altair. That has been fed to them because they have been looking at the complexities of the housing market. That is one of the major complexities so it has been fed to them but it is in their investigation.

**Deputy I. Gardiner:**

Obviously, we will set new immigration policy but now we have people who live here 5 years and now they are allowed to work in any work whether or not they are allowed to live in any place. It is even a couple of steps up to 5 years and after 5 years.

**The Minister for Children and Housing:**

Yes.

**The Connétable of St. Brelade:**

You mentioned Altair, how were those people chosen to do that work?

**Policy Principal:**

They were engaged because they have done work for us previously. They came within the exemption so it did not need to go out to tender. A section of this work needs to be done quickly. They have done work for us previously and so they were chosen on that basis.

**Deputy K.F. Morel:**

What is the value of the contract?

**Policy Principal:**

The funding released by Treasury was £120,000. I think we could provide the contracts information. I think it is commercially sensitive ...

**Deputy K.F. Morel:**

You will be receiving a written question at the next States sitting.

**The Minister for Children and Housing:**

I was going to say I have noticed.

**Deputy K.F. Morel:**

That is interesting. Even though it is work that had to be done quickly, even though it was clearly work that was on the horizon so it could have been ... as I have said in the States, it has taken 9 months to set up this Policy Development Board. That contract did not have to be a contract which was about being done quickly. We have had sight of this work needing to be done so why does that conclusion ... why was that come to?

**Policy Principal:**

I think that that has been at the ... so, yes, it has taken a while to get sign-off of the terms of reference through that process. But it was an understanding that it would be completed quickly. In practice, that has not happened. But we were at the starting point. We were engaging with Altair to do this work. Unfortunately it has just taken longer to set up the board.

**Deputy K.F. Morel:**

It is really worrying that no tender process has taken place so no other companies ... we do not know if we are getting best value for money as a result of there is no tender process. We have just got to go with your view that this is the company that is giving us best value for money. How do you justify that it is best value for money?

**Policy Principal:**

The sign-off process has been agreed by the director general. It was an exception to that normal tender process.

**Deputy K.F. Morel:**

Another exception. Not just this department but there are plenty of exceptions.

**Policy Principal:**

It would probably be best directed at a more senior level than me, I am afraid.

**Deputy K.F. Morel:**

Unfortunately, as I have already said, director generals do not appear in front of us at Scrutiny so it is very difficult to hold them to account.

**The Connétable of St. Brelade:**

Have you got a view on that, Minister?

**The Minister for Children and Housing:**

I am satisfied we have made the right decision. But I understand why others would take a different view. I am personally satisfied with that decision; having seen their work previously I think they will do a great job.

**The Connétable of St. Brelade:**

I am going to take you to Hue Court, if I may. What is your position on the designation of Hue Court as a future housing provision for key workers?

**The Minister for Children and Housing:**

I wholeheartedly support that decision.

**The Connétable of St. Brelade:**

Would you suggest that key workers are becoming a different social strata needing different provision, different treatment? It would seem to be something that has cropped up in the last ... probably since the hospital debate. Suddenly key workers are a band unto themselves.

**The Minister for Children and Housing:**

Not only that but we currently do not have a very clear definition of what a key worker is.

**The Connétable of St. Brelade:**

That was my next question.

**The Minister for Children and Housing:**

How can I be most helpful in answering this? We have had a review of key worker policy. I have seen the report that is I think more or less ready to go. I think we are showing that to the Policy ...

**Policy Principal:**

That will go to the Policy Board next week.

**The Minister for Children and Housing:**

Yes, that is going to the Policy Development Board next week to give the sign-off to then publish it. Again, you will have sight of that. But that is the process we go through for that report as opposed to the Gateway one, which is slightly different. That provides some things that we are going to have to work on in terms of getting a clear definition for it. Let us be clear in that where Jersey is coming from on this issue, and why we are doing this, what has provoked us to do it, is not a very positive story. The reason this is on the agenda is because of what we have been through with the Care Inquiry and knowing that there are children who are not getting the service that they deserve to be getting within Children's Services because of the struggles we have in recruiting and retaining decent high-quality people in those jobs. One of the big reasons they tell us that it is difficult for them to stay in the work or come here in the first place is because of housing. I would not want to see everybody who arrives in Jersey as a key worker to work in these essential services sectioned off from the rest of society for ever, while working here. But what I do see us as having a key role in doing is providing people that first step into Jersey and providing them with a decent quality home that they know will be waiting for them when they get here, that they can have a decent life in when they move here. Then when they are ready would want them to move into private sector or eventually purchase a home or whatever. But I do think it is important in establishing a way that we can bring people into the Island and have a much greater chance of keeping people here, keeping them having a decent life and able to do the best job in these services. So on that basis, I think it is the right thing to be doing.

**The Connétable of St. Brelade:**

Given that you are suggesting it is intended to be interim accommodation, is there anything in the contracts of employment of these individuals that might suggest that, to encourage them to move into the private sector or other accommodation?

**The Minister for Children and Housing:**

I think that would be something we would have to discuss. We have got this report that makes some suggestions in it and the Policy Development Board will look at it in a bit of a wider context than that. That may well be something we consider but I could not confirm it right now.

**Policy Principal:**

The next stage of the report, the review makes ... there are 3 areas: there is landing accommodation, your short-term accommodation for, say, locums or staff coming to work within the hospital on a short-term basis. There is more longer-term rental accommodation for staff who need longer-term accommodation and also potentially whether there is an element of assisted purchase in there to encourage people to stay long term. But those would be things the Minister obviously will need to consider. But there is a second stage to the process of looking at what those may look like in practice, what are the funding requirements to achieve that.

**The Connétable of St. Brelade:**

Is the assisted purchase scheme still in operation?

**Policy Principal:**

The main scheme at the moment is Andium Homebuy but that does not mean other schemes cannot come forward in the future.

**The Connétable of St. Brelade:**

There were cases of individuals having their purchase of private houses assisted by the States. I just wondered if that was still the case?

**Policy Principal:**

There are still cases. I am aware of existing cases but I am not aware of any for a number of years, no.

**The Connétable of St. Brelade:**

No new ones.

**Deputy I. Gardiner:**

If I get it right, we still do not know who are the key workers, we do not have a proper description of ... a criteria, so we do not know what are the needs in housing for the key workers, so we do have figures?

**The Minister for Children and Housing:**

The report is quite helpful. I am sorry I cannot be clearer than that but it will be within your hands in the next few weeks. But I am fairly sure that that has got quite a lot of numbers at the back, does it not?

**Policy Principal:**

Yes, and I believe it works in a definition in terms of an individual must be linked to a statutory service. So that would be you have to ... it would have been health legislation, you have got a link to the types of people who are registered, health employers, for example, so I think that is where the definition is going. But that is again a decision that needs to be made.

**Deputy K.F. Morel:**

What kind of rents do they pay? Those key workers in key accommodation, what kind of rents will they pay in terms of against market?

**Policy Principal:**

I would need to find out that information for you. I can certainly provide the panel. I am not aware of what Health's arrangements are with Andium but I can get you access to that.

**The Minister for Children and Housing:**

Can I just add one point that might be helpful in terms of the definition that we are looking at for key workers? It will not be anyone earning any salary, so if you were coming in to do a job and you are earning £100,000 or whatever and you could probably find accommodation yourself if you are earning that amount of money, this would not be a vehicle for having those people take up those spaces, that would be better off for people who are earning much more modest salaries as key workers. So that angle will be considered in it.

**The Connétable of St. Brelade:**

Would you consider those key workers or part of the definition would be they would have to be States employees? I did not quite interpret what you said earlier? Could somebody working in the private sector but employed in the hospital in some form or another, could they be considered key workers?

**The Minister for Children and Housing:**

If it is a statutory service.

**The Connétable of St. Brelade:**

Yes.

**Policy Principal:**

So for instance, the definition of a nurse also extends out to people within the private sector, for instance, so we found that out with the amendments to the Control of Housing and Work Law recently for the purposes of children accessing employment. I guess a decision needs to be made

about how wide do you focus it. But the particular pressures where, for instance, social workers and those which are defined as a statutory service, I guess it is a decision to be made how far you then go down of where the key pressures are within the health service.

**The Connétable of St. Brelade:**

I was thinking of care workers where the pressures are quite great. Those are areas that might need to be considered. Of course, as a result of this, many longstanding residents were pushed out and clearly unhappy about it. Do you think any of them will be returning there or where will they be going? What are your thoughts on that?

**The Minister for Children and Housing:**

They will not be returning to Hue Court, certainly not in the short term. I found this episode very frustrating, as you might be able to guess. What has been happening with Andium's refurbishment programme that has been going on for a few years now, has not changed. But Hue Court has found itself with a spotlight on it for reasons that I do not quite understand, where this process that is undergoing in Hue Court has already happened in lots of other apartment blocks where this attention has not been given to it. So this happened at La Collette, for example, Convent Court, Caesarea Court, where these properties have desperately needed to be refurbished, irrespective of who is living in them afterwards, they need to be refurbished otherwise the properties risk deteriorating to the point where they are, in the future, potentially unsafe or not fit for human habitation and would cost us substantially more to fix when it got to that point.

[12:15]

The programme to refurbish these properties has been essential and it has been known for several years that at some point in this programme Hue Court would need to be refurbished. It does need to, it does not meet standards. It does have to have this work done on it. Throughout that process people who have been living in those properties have had to leave while the work has been done and Andium's allocations team has met with all of these people to say: "Right, you are top priority to be rehoused. It is not your fault you are having to leave. The property just needs to be refurbished. You deserve to be rehoused by us" and they will sit down and work out what the best way to do that is. For lots of people it is fine. They can move to where they want. Some people move out into the private sector. Some people are happy to move to wherever is available. It is not a big issue for lots of people. But some people do have specific needs that have to be considered. People might need to live near a relative who cares for them from time to time. That sort of thing. Andium are working with all of those people to find them accommodation in the stock that they have. Sometimes that takes a while and that is obviously not pleasant while that shadow is hanging over you; completely understand and respect that. But in this whole process only one person has ended up

being evicted and that was somebody who just was not co-operating with the process. Not for anybody necessarily doing anything wrong. It has only appeared to become an issue at Hue Court even though it has been successfully done in all of the other accommodation blocks. It will be successfully done this time round. Nobody will be evicted and if Andium's timeline for refurbishing the second block at Hue Court gets disrupted because people have not been able to be found accommodation by that point then it will get disrupted. Nobody is going to be kicked out and made homeless as a result of this.

**The Connétable of St. Brelade:**

Would you agree though that the people get used to their surroundings and they get used to neighbours and are quite keen to go back into that situation and that seems to be causing more disruption?

**The Minister for Children and Housing:**

When you say "go back"?

**The Connétable of St. Brelade:**

A lot of people would have liked to have gone back to Hue Court perhaps in a refurbished condition.

**The Minister for Children and Housing:**

It would be a very long time before they could because they move out and probably get settled to where they would be going otherwise. I think there have been some blocks where that has been not offered but where ... I do not know if anyone has asked for it but when other blocks have been refurbished it may well be that some have said: "Can we go back?" when it is ready to be refurbished but that means moving twice. It means the upheaval twice. I do not know if anyone has taken Andium up on that offer but where it has existed it has not been an overwhelming desire for most people.

**The Connétable of St. Brelade:**

My understanding that Hue Court will be refurbished before the key workers move in, is that the idea?

**The Minister for Children and Housing:**

Yes. It cannot be refurbished while they are there.

**The Connétable of St. Brelade:**

No, I just wondered if that refurbishment was going to take place and it definitely is.

**The Minister for Children and Housing:**

Yes, that is right. I think we are looking to end of next year for it to be complete, is that right?

**Policy Principal:**

Yes, the scaffolding on the first block has already gone up, I believe. So they are starting work on that now.

**Deputy I. Gardiner:**

I think to move twice within a year or 2 years it is not desirable and people will settle at the new place and will go along with their lives. But if it is previous refurbishment projects that people have had an option to say: "I want to go back after a year or 2" and they have done it, as an option. Maybe it is one of 100.

**The Minister for Children and Housing:**

I do not know if that has been specifically promoted as an option and I do not know if anyone has done that. But when I have spoken to officers at Andium, in fact when I was Deputy for St. Helier No. 2 and Convent Court and Caesarea Court went through that process and I was meeting people and trying to help them ... and this is partly why I found the Hue Court one a bit frustrating is that I helped constituents move to De Quetteville Court while those refurbishments were going on. Nobody was amazingly enthusiastic about it but in the end they ended up in homes that are much better quality than the ones they left. That is a positive in all of this. I know that when that has happened for some blocks I know that the allocations team have been open to that, people going back, but I do not know if anybody did take them up on it because I am sure there will be lots who will go: "Well, moving twice."

**Policy Principal:**

Andium do so it is all thought out, the decant process. They meet with the individuals, they work through their needs, what would work best for them in terms of accommodation. Some people move out to St. Brelade because they want to be close to family, some people want to be around the area. Andium works with the clients to understand their needs. They have been offered in the past the opportunity to return back to these refurbished blocks if that is available as an option. But I am not sure about the numbers. I do not think it is a large number for the reason that you have said, they have got new carpets, they are all settled into their new property. So it is a bit of an upheaval to move twice.

**Deputy K.F. Morel:**

Moving on to the Future Housing Needs report. Obviously, it was published in March and revealed there was an anticipatory shortfall of 2,750 dwelling units over the next 3 years. We know that there

is a particular shortfall in 3-bedroomed accommodation in the owner-occupier sector. So wondering what work has been done or what plans there are to bring more 3-bedroom units online.

**The Minister for Children and Housing:**

This report follows the *Objective Assessment of Housing Need* report and so I have sort of looked at the 2 of them together. The Future Housing Needs report, I think some of the media may have misunderstood what it was saying and that they seemed to be suggesting that they were all massive numbers of people who would be without homes, when that is not the case. It is just that they are not in the home that they need or that fits what they would desire to have. There are levers that I am able to pull in social housing, to try and get people in the homes that are most suited to their needs there. I will very shortly be making an announcement on how we can help people downsize in social housing. I am not in a position just yet to say what that is but there is a bit of news coming up on the way that will hopefully enable people who are under-occupying property to move to a smaller place when that is right for them and therefore enable people who need to get a larger property to move into that. In terms of addressing that through what initiatives I am able to take, I hope to be able to say we have got some progress on that shortly. The real difficulty is in the private sector where there are large numbers of people who for entirely decent and honest reasons are living in homes that they have got multiple spare bedrooms, for example, and simultaneously there are people living in homes that are too small for them who need to move up and get a bigger place and bedrooms for their children, et cetera. That is much harder to deal with because there are issues of personal liberty in that. If you have got the money and you want to live in a house that is bigger than what you would objectively need, who is the Government to tell you you cannot live in that home. So we are going to have to have discussions through the Housing Policy Development Board on what we can do to help provide incentives to help those who would want to but currently do not downsize because it is not economically viable for them. The example I keep using is my mum. My mum wants to downsize and has looked into doing it several times and it is just not economically viable. For the price you would be paying to move down the quality of life would not improve enough to justify it. That is a situation, there are probably lots of people facing that. But that will be something that the Housing Policy Development Board looks at because there may well be levers that are not within my reach to help provide solutions to that.

**Deputy K.F. Morel:**

But as far as building new units is concerned as well. You are absolutely right, downsizing is one way. Have you had any conversations with the construction sector about where they are going? Do you speak to the construction sector about building in more efficient ways?

**The Minister for Children and Housing:**

I personally have not had a direct conversation on that matter. It will be something that the Housing Policy Development Board will look at. I know that is probably a really frustrating answer to keep saying that, that we will look at it. But it is something that we have discussed because we want to find ways where homes can be built quicker, looking at new methods and how we can use materials and tools to make things cheaper. It is something that is on our agenda but again that would not be something that I can fix by myself because there will be all sorts of planning stuff that will come. I do not if Andy wants to add anything to that. But those elements will have you consider this part of that. I think my record in the Assembly is quite good in that I voted for extra housing, when it has come to it. The St. Peter scheme last week, it was a very small number who voted for it but I did, on the basis that those are homes that people will be living in and having happy lives there. Finding the right sites as well, when we are a small Island with limited space to find it, they will all be difficult discussions but it is not just me that can find the solutions to that.

**The Connétable of St. Brelade:**

Within the parameters of our existing planning and building regulations, is there any mileage for doing anything there, improving speed of construction, reducing costs?

**Group Director for Regulation, Growth, Housing and Environment:**

Yes, I think the big issue we have got at the moment is just supply, full stop, in terms of land and sites available for supply. There is nothing in our regulations currently that prevents a more system-build type housing coming forward. We have seen some of that. We have not really seen it on the scale that some other places have seen, so we are still fairly traditional in terms of how houses are built here. We have seen some modular build, we have seen some system-panel build, that sort of thing but nothing on a large scale. There is nothing currently; the regulations, for instance, of building by-laws are very much about how the building performs. There is often a variety of ways to make a building perform better. What we are seeing, with higher energy efficiency standards, is getting less and less economic to keep insulating. Traditional construction, you just get thicker and thicker double-cavity walls, effectively. We are seeing some different building products coming in, which have got higher thermal values and things like that. There is nothing currently stopping it. I guess, yes, it just has not been taken up as quickly as we had hoped.

**Deputy K.F. Morel:**

Do you think there is much incentive ... is the Government doing something? Do you think there is a lack of incentive for the building industry? Because at the end of the day they are, essentially, built out on time, so the longer it takes to build something, the more money they have.

**Group Director for Regulation, Growth, Housing and Environment:**

Yes, I think if there is more demand and a greater demand for churn, then I think the speed of delivery becomes a bigger factor. I think at the moment I would argue probably a lot of housing supplies is not rushed to market; it does not flood the market. A lot of it is very measured to ensure that prices remain sound and static sort of thing. They do not go down. If anything, I think we see developers and constructors measuring what they release on to the market to keep their business model fairly strong. If we build a lot of homes very quickly, there would be more entering the market and that, potentially, would have an impact on prices, I assume. I think it is a bit of a cocktail of reasons why we ... I do not think we have seen stuff come forward.

**Deputy K.F. Morel:**

Just very quickly, do we have any stats on land banking and whether there is much land banking going on or the size?

**Group Director for Regulation, Growth, Housing and Environment:**

I do not know. I have never seen anything formal. There is a lot of anecdotal evidence of land banking and certain sorts of deals being sewn up years and years ahead. But I do not think we formally capture it and certainly not from my side of the Government. I do not think we seem to capture anything on that.

**Deputy K.F. Morel:**

Is that something that the Policy Development Board might try to get a view on?

**The Minister for Children and Housing:**

In the meeting we have had I do not know if that specific example came up but we have spoken about gathering what stats we can to understand land ownership better. I think we primarily discussed it in the context of foreign ownership of property, so I do not recall we discussed it in that context but it is a sensible question to ask.

**Deputy I. Gardiner:**

Going back to affordability and regulations, now that it has been open to possibility from European countries to bring to Jersey prepared houses that can be built cheaply, the question, does it have a problem with the regulations; that it needs to be done and new regulations to be able to use this technology to build houses?

**Group Director for Regulation, Growth, Housing and Environment:**

No, not at all. Our regulations currently, we have seen the odd example of that but just not very many in number. We have had, whether it be German HUF houses or a variety of sort of system-build panel homes, we have seen some of those delivered in the Island. Some of them can be done

very, very cheaply, very quickly, very effectively. We have quite a traditional construction market here at the moment, there is a lot more block and concrete and cement and those sort of types of ...

**Deputy K.F. Morel:**

This is all across the Island an enormous amount ...

**Group Director for Regulation, Growth, Housing and Environment:**

It is, so I think we will see as energy efficiency targets increase and we will probably be due for the next round of where we are going with our building by-laws, following the States decision last week in terms of the climate change emergency. We will need to look at the energy values that we are trying to deliver in new building through the by-laws. It will increasingly become difficult to build higher efficiency buildings in a traditional manner without them getting super-insulated and just thicker and thicker walls. I think we will start to see that trend.

[12:30]

But we just have not seen a huge amount of take up. We have seen some pre-prepared things coming in; pre-prepared roof panels. If you sit at the Port sometimes you see the pre-prepared roofs that can come on bungalows to make them 2-storey, things like that, but not on a great scale.

**Deputy I. Gardiner:**

But maybe the question if Andium, when they are building social housing, which is not private, will explore this option with supplies for ... obviously they are not in Jersey but have traditional construction industry but there are houses there, Germany, Poland, you name it, to build social housing and reduce the price of social housing.

**Group Director for Regulation, Growth, Housing and Environment:**

Yes, certainly in terms of construction costs, a lot less in terms of ... it takes less time, so you are not paying labour so much on site. But the products themselves, whether it be super-insulated concrete, and we have seen some thoughts around that. We just need more of a push on that within the Island. There is nothing regulatory stopping it. If anything, the regulations, I think, will help. As the regulations get tighter, we will need to see different products coming into the construction market. Most of the products we use here, apart from obviously our minerals and sand that we have locally, it is all imported. We will see more of those products being used over time.

**The Connétable of St. Brelade:**

How do you expect the housing needs to feed into the Island Plan? Clearly that is coming up and it is quite fundamental that it is linked together. Do you see yourself having a conversation, shall we say, with the Minister for the Environment towards achieving some sort of direction towards the goal we have?

**The Minister for Children and Housing:**

Fundamentally, yes. I did not commission the *Objective Assessment of Housing Need* report but I suspect that that was a big reason as to why it was commissioned in the first place; to help us understand some of the finer details on what types of homes are projected to being needed; 2-bedroom versus 3-bedroom, et cetera, yes, 100 per cent.

**The Connétable of St. Brelade:**

My understanding of construction and development permits at the moment is that we see quite a few pocket developments, which never seem to go towards either first time or last time buyer homes, whether that be social or private. Do you think there is any opportunity to take advantage of those pocket developments? They do come under the umbrella of satisfying the housing needs, certainly 2 and 3-bedroom standards. But we seem to be precluding ourselves sometimes to only building on a large field to satisfy our need but not take advantage of the smaller developments.

**Group Director for Regulation, Growth, Housing and Environment:**

Certainly for me I think there is a real issue in the next Island Plan about how we deal with land coming forward or housing coming forward within a built-up area. We have had traditionally an approach to zone homes only on greenfields for affordable housing purposes. But the majority of our houses, Constable, are in a built-up area. I think we could take a stronger line in the next Island Plan as to, do we have what I would call built-up urban zonings as well for affordable housing? Traditionally, we just have not done that, it has been very focused on either States-owned land within the built-up area or greenfields coming forward and we have then only allowed those to be coming forward for affordable housing. Privately-owned land within the built-up area has a big role to play in housing supply.

**The Connétable of St. Brelade:**

I think we would overcome that issue of the downsizing that you were alluding to earlier on and there are some quite small pockets where houses are squeezed in and which would suit that quite well.

**Group Director for Regulation, Growth, Housing and Environment:**

Yes.

**The Connétable of St. Brelade:**

Really there is nothing particular to bring in more 3-bed units or for the stock where it is short, you have got no specific plans at the moment, apart from waiting for the Island Plan to fall into place?

**Group Director for Regulation, Growth, Housing and Environment:**

The Island Plan, there would be an issues paper or strategic issues document produced for this summer for consultation, so just before the summer break and then during summer, then after the summer break; that is the sort of timescale. I think these are the sort of issues that we need to raise throughout our process, so that when the detail for the plan gets produced in early 2020 or sort of quarter 1, quarter 2 2020, we are clearer as to what other policy interventions we may need. The planning system of it - they are not planned currently and the previous versions of it - have, effectively, relied on private sector coming forward with things that meet private or the market demand. I think, if we look back at the trends, it probably has not universally solved the housing problems we have. I think we may need to become more interventionist.

**Deputy K.F. Morel:**

Do you think we are entering an era perhaps where we would have to direct construction firms as to the types of things they buy, as opposed to just letting them choose themselves?

**Group Director for Regulation, Growth, Housing and Environment:**

Yes, at the moment certainly private sector applications come forward and we have very little impact on the mix that has come forward with that type of housing. We are sort of assuming the market is delivering what the market requires but it not universally the case. Yes, I do think we may need to become stronger on our housing-mix policies and types and if we have a demand for 3-bedroom homes and we are seeing too much other things being permitted, maybe we do need to intervene with tighter policies on that.

**Policy Principal:**

I would say that, as officers, we have been working with the planning team on the preparation of the options paper for the Island Plan, certainly that is what we have been about financially. If you are looking at assessments of what value it adds, does it meet housing needs, the identified housing needs of the Island and what extent that is taken into consideration of a planning application. It has been something that we have been key to feed back, recognising what the O.A.H.N.R. (Objective Assessment of Housing Need Report) is saying. But certainly we can work with Andium and the Housing Trust to deliver homes and, equally, they would achieve that number of new homes that might be required and it needs input from the private sector to deliver that.

**The Connétable of St. Brelade:**

There is a word which is often used, which is affordable. In the light of our information we have regarding rental stress and talking about building costs, how would you define affordable?

**The Minister for Children and Housing:**

I was scared you were going to ask me that. There is no satisfactory definition of affordable because what is affordable to one family's circumstance with X, Y and Z needs, it will not be affordable to another family's circumstance, which is equivalent but has A, B and C difference in it. It is an incredibly difficult debate to have. I get asked all the time: what is your definition of high earner? I do not think there is a clear definition that would meet the needs of a definition that people would want in a wider discussion about these things. When it comes to social housing rental, our definition of affordable is 90 per cent of the market rate, which is not a great definition. But it is a definition, whether it is the correct one or not. I do not particularly like the question, no offence obviously, but using the word "affordable" you can use it to mean whatever you want it to mean, depending on what circumstance you are in.

**Policy Principal:**

Within the Island Plan it states it, I believe, Andy, it is median incomes, is it not? That is what we link it to with the assisted purchase with Andium and recognising that there are challenges.

**Group Director for Regulation, Growth, Housing and Environment:**

The last Island Plan had an attempt, I think, to say, is it affordable. Is someone likely to get a mortgage to purchase a property level? Is it 4 or 5 times worth income or joint income? I guess, historically or over the years, if it is unaffordable even to get a mortgage, I think that gives you a definition of what is unaffordable with an average income or an average household income times a mortgage multiplier. That is where the Island Plan tried to go last time round with median incomes, which was getting homes at around £280,000 or £300,000-odd or whatever the figures were doing. But it was 4 or 5 times a household multiplier, assuming that someone could get a mortgage on that basis for purchase products anyway. I think it is pretty clear, if you cannot even achieve a mortgage on a property using average household income, then that becomes unaffordable clearly, so that would be a definition. A lot of places seem to use that threshold, as anything up to that would be achievable. If suddenly you need 6, 7, 8, 9 times household incomes to even get a mortgage, clearly that does not feel very affordable. Yes, the Island Plan had a go last time. As the Minister said, I think it does vary, depending on people's circumstances and other estimates or other things that they have got to pay for in terms of cost of living. Housing obviously is a big chunk of people's outgoings but other things like the utilities and fuel and food and things like that, I think have got to be taken into account as well.

**The Connétable of St. Brelade:**

There is an interesting comparison, is there not, between affordable to purchase or affordable to rent, which can be quite far away from each other? I just wondered if it was perhaps a word that should not be used in housing terms still.

**The Minister for Children and Housing:**

To be perfectly honest, I get told off by friends every now and then when I slip into using the technical definitions because they say: "That is not affordable to me" and it is like: "Yes, fair enough, you are right."

**The Connétable of St. Brelade:**

To take us back to the foreign investment properties, which have been alluded to in the press, what are your views on that scenario?

**The Minister for Children and Housing:**

In what respect?

**The Connétable of St. Brelade:**

Do you agree that foreign investment bodies or organisations or individuals ought to be able to buy properties over here for rental in the private sector?

**Deputy K.F. Morel:**

Could I take one step back? Sorry, Chairman. Do you think there is an issue of foreign investment, non-local people buying for purely investment purposes? Do you think that is an issue?

**The Minister for Children and Housing:**

I think it probably is, that there are difficulties in understanding exactly how much of an issue it is and where it is an issue. There are, I think, examples of developments, I do not need to say them because we know which ones I am talking about, where the view is obviously being bought by people outside the Island to rent them out and take money out of our economy and inflate rents. I think that is completely wrong and we should absolutely be cracking down on that. Our priority has got to be providing a market that allows for everybody to have a decent home to live in, that is affordable for them. This can be an area that detracts from that, where the purpose of particular housing units, the primary purpose is not to house someone and give them a happy life, it is to make someone money and that could be somebody who does not have particular connections to Jersey. I am comfortable with that. But the problem we have is understanding exactly what the extent of the problem is, where it is a problem and, therefore, what the potential solutions to them are. But we are going to be looking at that on the Housing Policy Development Board and we have had a discussion beginning to say, right, can we start doing what we can to collate some of the information,

whether that is from what we know about what tax people are paying or stamp duty or whatever, to try and ...

**Deputy K.F. Morel:**

I was going to say, it is going to be a very difficult exercise and many of these would be just share transfers, I imagine, so knowing the ownership of somebody's shares is going to ...

**The Minister for Children and Housing:**

Yes, indeed.

**Policy Principal:**

We have been trying to do this work with the tax team and it is proving extremely difficult to get the information you can and then there are loads of caveats to it; it might be for an agent. From what we have seen, we do not know the extent of it but we are working on it and trying to bring something back to the Housing Policy Board as soon as possible.

**The Connétable of St. Brelade:**

We could suggest that it is to the Island's benefit for those perhaps with a more philanthropic nature who wish to invest in the Island and provide housing for those, more on the basis of housing need than actual income.

**Policy Principal:**

Potentially, some of that is ... you hear stories of properties sitting empty, just so that the price rises and then they are sold. It is houses that affect the private rented market. For instance, if you have investors who are letting properties out, it reduces supply. Does it make developments unviable if they cannot have a percentage of people buying just for buy-to-let purposes? There are all those sorts of questions that need to be answered. It would be easier, I suppose, just to get rid of share transfer because that is what it comes down to. But what would be impacts of that of making that change?

**Deputy K.F. Morel:**

The thing is, is we have no idea, these are anecdotal things. Normally Jersey tends to pick things up from the U.K. (United Kingdom) media and just transfer them. In London, we hear, there are lots of properties sitting empty. In Jersey, you have admitted, we do not know. People say it but it may be based on no truth whatsoever.

**Deputy I. Gardiner:**

Yes, and I think we might need to be very careful not to mix between fantasies and property when people in maybe Jersey have gone for 5 years to live elsewhere and the foreign investment loss of them definitely decreased in numbers of the unit on the market and we have to look into the stats but it is important to keep it separate.

**Group Director for Regulation, Growth, Housing and Environment:**

Yes, I think as part of that we need to understand how development is funded and is foreign investment into the Island a positive thing for our construction industry? If it was not coming in there would be an impact on supply, I would assume; there is less money to build things. I think, for me, it is around understanding of what role does that foreign investment play and does the fact that it is owned from overseas have an impact on its local price or local supply issues? I am not sure we know enough data around that yet and the role, for instance, that share transfer plays in delivering developments. Certainly we have seen over the last 5 to 10 years different ways of funding development having to be found because banks and lending institutions are tightening up their requirements.

[12:45]

Sometimes it may be easier to fund it through different ... I know some developers, they seek more upfront deposits, for instance, before the development gets on site. I think it is a variety of ways. I think the funding of development is a useful thing obviously because it helps development get off the ground. I guess the question for us is, from a policy perspective, is the ownership affecting local supply accessed locally to housing supply or is it affecting the value and the prices that people are paying here? I do not know enough about that yet to understand the full impacts of it, I think.

**The Connétable of St. Brelade:**

Leading on to getting properties let, which may not be a problem over here, what are your views on the current issues surrounding letting agents' fees?

**The Minister for Children and Housing:**

I hear examples of fees being charged, which I struggle to work out how they are justifiable. I know of examples of people who had to leave a tenancy and needed to be assigned to someone new, who got charged hundreds of pounds to do that and they paid and had to pay because they were desperate; it was as simple as that. If they would have had a choice, if their alternative accommodation was more secure they would have challenged it but they could not because of the situation they were in. The U.K. has recently passed its Tenant Fees Act, which comes into force on 1st June and there was a lot of discussion in the run up to that about particular fees just arbitrarily being banned and said, no, that particular fee is not justifiable. I would like to see that happen in

Jersey as well. I mentioned this earlier on when we were talking about the Residential Tenancy Law and how we may want to think about how we can combine it with other measures that would just make things a bit better for tenants in that market. But I am certainly aware of instances where people have had to pay fees; I am just thinking you are charging that because you can, not because it is a service or because the tenant is getting something out of it. People being charged arbitrary amounts for renewing a tenancy, when the only thing they have done is changed the dates on the tenancy that existed previously; have not had to credit check, have not had to do all this other stuff. I would certainly want to look at this.

**The Connétable of St. Brelade:**

Where would you see the letting agents getting their income from, from the landlords per se?

**The Minister for Children and Housing:**

I think that is justifiable when it is the landlord who has the choice in that instance. If you have a property you are seeking to let out you have got a choice of what letting agent you go to. If you are a tenant and you see that property and I want to rent that property, you cannot go to another letting agent if it is not listed to there. Because of that part of a commercial relationship I would think it would be reasonable that landlords would fit parts of those costs. Where no work is being done, then I think it is right to say that you should not really be charging for what is not a service, where nothing is being done. In that situation, it would just be a case of, no, sorry, it is just not the right thing to charge for.

**The Connétable of St. Brelade:**

Would you plan to enshrine that in law?

**The Minister for Children and Housing:**

That is what the U.K. Government has done, they have got a system of permitted payments of specifying what you can charge for and there are rules about where there are reasonable costs; you can charge for that but, otherwise, there is a limit on what you can charge, et cetera. That is enshrined in legislation in the U.K. Jack mentioned previously that we can look at the Residential Tenancy Law and if that is the appropriate vehicle for it, then so be it.

**Policy Principal:**

There are 2 elements to that, I think that the first step that the U.K. Government for England and Wales was to make fees more transparent, so as requirements under consumer protection legislation, that letting agents and managing agents have to display their fees in their offices or on their websites, so that people going in know what they are going to be charged. That is one good thing, making the fees more transparent, rather than just where you have signed a contract and you

then go: "Why am I being charged £50 for that?" At least you know upfront what you pay. The other element to that is obviously if they are unaffordable in the first place, these fees, then you need to, potentially, introduce a ban on fees or set permitted fees for a tenant that tenants cannot be charged. As the Minister said, it is a tripartite relationship, you have got a landlord, tenant and the agent. The landlord is in the strongest position to challenge those costs and the reason that England and Wales is going down this route - Scotland was in 2012 - was because the landlord is in the strongest position. There is the argument that they should be charged all the fees and the tenants, that might be reflected in their rents but at least it is a transparent fee at the end of the day for them paying that through their rents.

**Deputy I. Gardiner:**

I think there is a place for clarity, I gave an example that there is one property available and 2 agencies and, by chance, the tenant has gone into the first agency and they wanted to charge them more than a couple of hundred quid for letting out and the agency down in King Street was giving it for free for the tenants. When they came back and say: "They were the first ones who showed you, so you have to pay hundreds." It is something that there should be clarity for what you are allowed or what you are not allowed to charge between the agencies.

**The Minister for Children and Housing:**

Yes, because there is no choice really in that situation.

**Deputy I. Gardiner:**

Yes, but the choice if they had just gone to the other side of King Street they would go to the agency that would not charge.

**The Minister for Children and Housing:**

Yes, but they did not know it was a choice.

**Deputy I. Gardiner:**

Exactly.

**The Minister for Children and Housing:**

If you do not know you have got a choice, then you do not have a choice, do you? Yes, so that is what happened.

**Deputy I. Gardiner:**

Yes, right.

**Group Director for Regulation, Growth, Housing and Environment:**

As Jack said, we have got some powerful consumer legislation, Unfair Commercial Practices Law, which the States brought in in 2018. The benefits of setting our trading standards and environmental health functions together is we are overlaying a lot of consumer protection with housing regulation. Certainly, whether it be estate agent behaviour or letting agent behaviour, there are a number of overlapping issues, certainly around housing, that I think we can pick and mix whatever the appropriate bit of legislation is but certainly that we have very powerful consumer protections laws. As the Minister said, it does not feel right that things are being charged for for work that is not being done. If that was another service or trade coming to your home charging you for something, you would ask how that bill is ... how does it arise? How many hours were put in? What materials were used? Those sorts of things. So I think exactly the same principles apply to any service that we are offering or is being offered. It has got to be related to something that is physically happening, otherwise, arguably, it is not a fair commercial practice, I would argue.

**The Connétable of St. Brelade:**

Just linking this into the letability of properties and in the light of our climate discussions we have, which is very current, in other jurisdictions I notice that the values of properties are on the estate agents' windows. Has any thought ever been given to go into this direction, particularly in terms of getting value for money, so that people do have that choice and that there is a transparency in there? Because it might be a cheap property, it might be cheap on the face of it but it might cost an awful lot to run.

**Group Director for Regulation, Growth, Housing and Environment:**

Certainly, we have got the ability to do that. Through the by-laws we have a Jersey-specific calculator in terms of energy efficiency for homes, which is the S.A.P. (Standard Assessment Procedure) rating for homes. We have a Jersey version of that that we have developed with the building and research establishment. We have the ability to calculate the energy efficiency of a home. We have done quite a lot of work under the Energy Plan and the work with the environmental policy team. We have not legislated yet for, if you like, a house efficiency certificate. There is no legislation that would require that to be done prior to a sale or a let. We could go that way. I think that more consumer information on this is really helpful. We would certainly advocate to anyone taking a let or purchasing a property should ask those sorts of questions. What is the energy bill? Can I see the energy bill over the last year, please? What sort of money are you paying?

**The Connétable of St. Brelade:**

It is a question of whether they can afford it or not.

**Group Director for Regulation, Growth, Housing and Environment:**

Exactly, so I think those sorts of things will become more relevant for the purchaser. We have the tools to get the data and I think it is important to say: can we get the data in the first place? Yes, we can. We could legislate if we need, we have not legislated for that at the moment. But I think there is no reason why that would not be the case. We have been trying to incentivise home efficiency measures through the Energy Efficiency Service. There is now the ability to get a home energy audit and things like that. I think it has been fairly softly, softly. Yes, we have not got to the stage yet of legislating but the Assembly could do, if it so chose to, and we would get more consumer information out of that.

**The Connétable of St. Brelade:**

Minister and your officers, thank you very much for attending today. I draw the meeting to a close and we look forward to further discussion in the future.

[12:55]