
Housing Policy Development Board (the 'Board' or the 'HPDB') Meeting 2
Tuesday 14th May 2019, 10.00 – 12.00

Board:

Michael de la Haye, Independent Chair (MDLH) (Chair)
John Scally, Independent Lay Member (JS)
Minister for Children and Housing, Senator Sam Mézec (SM)
Minister for the Environment, Deputy John Young (JY)
Minister for Infrastructure, Deputy Kevin Lewis (KL)
Assistant Minister for the Environment, Deputy Gregory Guida (GG)
Deputy Carina Alves (CA)

Executive Support:

Strategic Policy, Performance and Population:

Sue Duhamel – Policy Director (SD)
Richard Jouault – Deputy Director, Social Policy (RJ)
Matthew Viney – Policy Principal (MV)

Treasury and Exchequer:

Simon Hayward – Head of Shareholder Relations (SH)

Specialist Advisors:

Altair Limited (Housing Consultants):

Sarah-Joy Lewis (SJL)
Cassidy Curls (CC)

Apologies:

Minister for Treasury and Resources, Deputy Susie Pinel (SP)
Assistant Minister for Treasury and Resources, Deputy Lindsay Ash (LA)
Connétable of St. Mary, John Le Bailly (JLB)
Kevin Pilley, Strategic Policy, Performance and Population (KP)
Megan Mathias, Strategic Policy, Performance and Population (MM)
Jack Norris, Strategic Policy, Performance and Population (JN)

1. Welcome and apologies

1.1 The Chair welcomed all the attendees and conducted introductions. Apologies were noted from SP, LA, JLB, KP, MM and JN.

1.2 The Chair noted that the wide-ranging nature of upcoming discussions of Board held an inherent risk of “policy creep”. The Chair advised the Board to be cognisant of this, noting that it was something to be avoided.

2. Approval of Minutes

2.1 Matters Arising

Prior to adoption of the minutes, the Chair requested updates on the following items:

- Off-Island buy to let: Officers have commenced work to review this matter and a report will be presented to the Board once this has been completed.
- Social housing rent policy: An officer sub-group has been formed and the first meeting is being held on Friday 17th May 2019.
- Meeting with Migration Board. This is to be arranged. SD already attends both boards, and will ensure information flows between them.
- Homelessness review: funding for the review has been achieved (via a charitable trust) and representatives from government, the voluntary and community sector and housing providers had been appointed to develop the strategy. The results will be presented to the Board. Whilst the final report is expected around January 2020, interim findings will be made available to the Board as they become available. SM noted that a key area of the work would be properly defining homelessness.
- Access to Social Housing: a draft report is being prepared and a paper will be available for next board meeting. SD noted that the Board will have sight of various ongoing housing work streams, but will not have to sign off on everything; this responsibility rests with the Minister (for Housing). The work of the Board is detailed in its terms of reference.
- JY highlighted the (current) lack of transparency in relation to share transfer i.e. that there was no open disclosure of prices and/or the parties involved. Officers advised that they understood that this information was available from the Tax Department. It would be obtained and presented to the Board as part of the Off-Island buy to let work.

2.2 Following these updates, the Board approved the minutes of the previous meeting (Tuesday 9th April) and they were duly signed by the Chair.

3. Treatment of Housing Trusts’ Tax Status (item to note)

3.1 RJ briefly summarised this paper and hard copies were made available to the Board.

The key points noted were:

- Housing Trusts have applied for Charitable status however, most/all may fail the charity test. The report outlined the detailed reasons for this.
- Housing Trusts are currently exempt from paying tax. This exemption will fall away if they are not registered as charities under the new legislation. Beyond 2019, action will be needed, as otherwise tax status will change following expiry of transitional provisions. The Tax Department is aware of this and is anticipating that Housing Trusts will continue to be exempt. The paper therefore recommended that appropriate amendments should be brought forward to the Income Tax (Jersey) Law 1961 to make a class of entities called “social housing providers” which would be exempt from income tax and GST.
- SM highlighted that it was key to make sure that any tax exemption only applied to Housing Trusts to ensure that other (commercial) businesses could not exploit any loophole..
- RJ advised that ultimately the plan would be to introduce a Social Housing Regulator to provide the appropriate legal status for social housing trusts.

10:22 - JS Joined meeting

4 Introduction to the work of Altair

4.1 The Chair introduced SJL and CC of Altair.

4.2 SJL and CC delivered a short presentation, giving some background on the company, its experience and methodology.

4.3 Questions arising from the presentation:

- JY questioned the timescales of Altair’s work. Officers advised that Altair had a 12 month contract to support the Board and also feed into work on the Island Plan. Their work was starting immediately and progressing over the Autumn then into Q1 of 2020. JY noted that timetables were very tight – which was a cause for concern - and that the sooner the Board had proposals, the better. Early reporting for the Island Plan was vital. Altair’s representatives noted this for Action.
- The Chair enquired as to the amount of time Altair expected to base their work in Jersey. SJL advised that representatives will attend all future Board meetings and will also work with officers and liaise with local stakeholders. This will equate to at least a day a month, and likely more.

5 Review of Key Worker Accommodation – Phase 1 Report

5.1 SJL and CC presented an overview of the executive summary paper and gave some background to the findings it noted. CC noted that the full report explained the methodology in greater detail.

5.2 The key points were noted as follows:

- SM stated that a statutory definition of “a key worker” was an important aspect of the work
- The options presented in the paper were:
 - 1) Introduction of landing accommodation
 - 2) Long term leasing at an affordable rate – specifically for key workers
 - 3) A part ownership scheme
 - 4) A fully subsidised ownership scheme.

RJ - explained work streams already underway, noting that the current provision is in many cases not fit for purpose. There is a particular lack of quality key worker housing and this has been the case for some time. Additional keyworker accommodation has recently admitted been provided at Plaisant Court and work is underway to provide more at Hue Court.

5.3 The Board discussed the findings of the paper, several observations were noted:

- JY observed that the States had a more interventionist approach in the 70's – operating capped rentals and with the States assisting with purchase and lease of private sector properties – JY suggested elements of this could be re-introduced.
- JY noted the importance of any model that is put in place being dynamic and allowing key workers to move through it so that the Island retained their skills.
- GG questioned what would happen under these proposals if a key worker left their job i.e. would they be required to leave their housing? JY noted this is the reason why the system must aim to integrate and retain key workers.
- RJ noted that more work was needed in order to actually define what *affordable* housing for key workers looked like. This work is progressing.
- The Chair questioned whether key workers could be from any sector – citing software developers in the digital sector as an example. Officers advised that it would ultimately be the Housing Minister’s decision – but it was the intention that they could be from any sector if a need had been identified.
- The Board requested explanation of “partial ownership”. Andium Homebuy was cited as the likely model for this. JY highlighted that a decision was needed on how this system could/would be applied to private developers. SD noted that

this would feed in to broader work of the Board i.e. possible options for increased home ownership for all local residents.

- SD noted that the initial work completed in Part 1 would now be developed in detail in phase 2 of Altair's work.

5.4 The following points arising from Altair's paper were agreed by the Board to inform the phase 2 work:

1. Definition of Key Worker – the Board agreed to use the definition in the report as the basis for further work and research.
2. The Board agreed that data collection be undertaken around areas of skills shortages and roles that will likely fit the key worker definition.
3. The Board agreed to a review of other relevant legislation (employment practices etc) – SD and RJ noted that other groups/officers may be working on some areas already - officers will check this.
4. The Board agreed to further research into the three proposed options i.e. landing accommodation, long-term lease and partial ownership. However, the scope of partial ownership needs to be widened i.e. not just focus on Andium Homebuy. The Board agreed that the fourth option, i.e. a fully subsidised ownership scheme, should not be pursued.

5.5 The Board noted the report and the Minister for Children and Housing's intention to publish the report in due course¹.

5.6 More general points raised included:

- SM noted that significantly more social housing will be available within the next 12 months. This is a positive thing and a reason why he had been prepared to agree that some current social housing properties in need of refurbishment could be transferred to key worker accommodation.
- The Board highlighted empty and underused property as an issue.
- The Chair noted that more work was needed with the data available (*to understand real vacancy rates, for example*).

5.7 The Chair thanked SJL and CC for the presentation.

6 Jersey's Housing Market – Context and Challenges

6.1 SJL and CC presented an overview of the Housing market briefing paper:

The paper covered a wide range of topics. The objective at this meeting would be for the Board to decide priorities and direct Altair's future research.

¹ Following the meeting, it was agreed that this report would also be available on the Housing PDB website once in the public domain.

The Board noted that a key area they would wish to see come out of Altair's review was a view on the barriers to development; is it (for example) - planning legislation, the market, waiting lists, and/or building costs (etc)? It was suggested that demand needs to be understood before supply could be worked on.

6.2 Following the presentation, the Board identified and agreed the following key areas for future work for Altair. This will include (where relevant) reviewing the area and presenting proposals for consideration:

1. Housing affordability in the Island.
 2. The availability of housing. JY requested that "land banking" be factored into this review.
 3. Building costs and land values. JY requested that the relationship with land values (rather than just building costs) be factored in. SJL confirmed that this would be added.
 4. Ageing population and downsizing incentives.
 5. The impact of the housing market on the economy and vice-versa.
 6. Population - entitlement and residential qualifications.
- RJ noted that a review of Social Housing and of Buy to Let are covered by other work streams and would not form part of Altair's work.
 - JY highlighted that the work of the board needs to link up with all other Government work streams e.g. economics framework, population, revenue (taxation).

ACTION 1 – Officers to look into how to link up with the Economic Framework Board.

6.3 Altair concluded by advising the Board that their final report would deliver a diagnosis of the various issues highlighted as well as a range of options as solutions to those problems identified.

6.4 The Chair thanked SJL and CC.

7 Future Briefings for the Board

7.1 Andium Homes – briefing on their strategic business plan and its alignment with the work of the Board. Monday 20th May, 12.30-2,30pm, Andium Homes, Don Street.

7.2 Statistics Jersey – date to be confirmed.

8 AOB

8.1 None arising

8.2 The Chair closed the meeting at: 12:07pm

Actions

	Action required	Allocated to	Required by	Date completed
1	Officers to look into how to link up with the Economic Framework Board.	SD	4/6/19	

Future Meetings:

- Tuesday 11th June, 10am-12pm, Broad Street, La Pulente Room
- Tuesday 23rd July, 10am-12pm, Broad Street, La Pulente Room

Minutes agreed

Chairman:

Date:

Agreement for
publication

Chairman:

Date:

Register of
Actions from
previous meetings

	No.	Action required	Allocated to	Required by	Date completed
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Meeting 1 09/04/19	1	Officers to approach Mr. Scally about joining the Board.	JN/RJ		14/5/2019
Meeting 1	2	Social Housing Rents – Paper	JN/RJ		

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