

Housing Policy Development Board



Minutes of the Housing Policy Development Board Meeting 8 – Tuesday 28th January 2020, 10am to 1pm

The meeting was attended by the following members –

Michael De La Haye, Independent Chair (the “Chair”)
Senator Sam Mézec, Minister for Children and Housing
Deputy John Young, Minister for the Environment
Deputy Kevin Lewis, Minister for Infrastructure
Deputy Lindsay Ash, Assistant Minister for Treasury and Resources
Deputy Carina Alves
Deputy Gregory Guida, Assistant Minister for the Environment
John Le Bailly, Connétable of St. Mary
John Scally, Independent Lay Member

In attendance –

Sue Duhamel, Policy Director, Strategic Policy, Planning and Performance
Jim Shilliday, Head of Shareholder Relations, Treasury and Exchequer
Richard Jouault, Deputy Director, Social Policy, Strategic Policy, Planning and Performance
Ralph Buchholz, Principal Planner, Strategic Policy, Planning and Performance
Jack Norris, Policy Principal, Strategic Policy, Planning and Performance
Matt McCormack Evans, Principal Consultant, Altair Ltd.

1. Welcome and introduction

1.1. The Chair welcomed everyone to the seventh meeting of the Housing Policy Development Board.

2. Minutes of the last meeting 18th December 2019

2.1. The Board approved the minutes of the meeting held on 18th December 2019 and resolved that the Chair sign the minutes on behalf of the Board.

3. Matters arising from the minutes of the last meeting

3.1. There were no matters arising from the last meeting.

4. Housing Policy Development Board draft final report

4.1. The Board received a report entitled: ‘Housing Policy Development Board Final Report.’ The Board noted that the report was the conclusion of the work it had commenced in April 2019 and set out:

- the findings of a review of Jersey’s housing market;
- the policy development process and options considered by the Board; and
- the final package of measures recommended by the Board.

- 4.2. The Chair observed that the report included the policy measures that the Board had developed at its previous meetings, which, if implemented, would improve the supply, affordability, access to, and standard of housing in Jersey, in accordance with the Board's Terms of Reference.
- 4.3. The Chair further noted that, following the meeting and any comments Members that might have, a final draft of the report would be prepared for sign-off and presented to the Chief Minister and the Council of Minister for consideration and approval in March. The process and a timetable for the publication of the report would be considered by the Chair and officers in due course.
- 4.4. Thereon, the Board focused, specifically, on three areas of the report that it wished to clarify and expand on in relation to its findings and recommendations. These were:
- the 'two-tier' housing market in Jersey
 - the role of the housing trusts in the delivery of housing
 - the review of the social housing rents policy
- 4.5. With regard to the two-tier housing market in Jersey, the Board agreed that the final report should make clear the Board's position on unqualified ('Registered') accommodation and its view on the social impact this had on the community. The Board noted there were households in Jersey who, as a result of their residential status, were required to live in the unqualified housing sector, which had an impact on their ability to access affordable and good standard rented accommodation.
- 4.6. The Board recognised that migration controls of some kind were required to regulate the number of people who could come to live and work in Jersey, and work in this area was being undertaken by the Migration Policy Development Board. However, the Board expressed the view that, in the not too distant future, new forms of migration control could be introduced that would enable unqualified residents to access the rental housing market on an equal basis to qualified persons.
- 4.7. The Board further noted that its recommendations, if implemented, set a direction of travel that would enable renting to become a more attractive tenure and would reduce the potential for any adverse impacts of changes to Jersey's two-tier housing market.
- 4.8. Moreover, the Board recalled that it had recently held a meeting with the Housing Trusts at which it had discussed their potential role in the delivery of the Board's policy recommendations. It was noted that the Trusts were important delivery agents for new social rented housing and the report should, therefore, acknowledge the role of the Trusts.
- 4.9. The Board agreed that there was a need for Government to consider how it provided resources to the Housing Trusts in terms of land and potential financial assistance to deliver new social rented accommodation, specifically 'bespoke' schemes to meet particular housing needs. J. Scally advised that many of the Trusts wished to undertake more development, and the Government needed to explore with them the release of sites to meet their development capabilities.
- 4.10. The Board requested that the role of the Trusts in the delivery of social rented accommodation to be highlighted in the report, alongside the roles that Andium Homes and the Jersey Development Company would play as Government-owned housing delivery agencies.
- 4.11. Finally, the Board noted that the draft final report stated that the findings of a separate review into the social rents policy was underway and should be awaited and responded to in the context of its package of policy recommendations. However, the Board wished to consider whether it could take a more defined and comprehensive position on the social housing rents policy in the final report.

- 4.12. The Board noted that the rents policy – which permitted social housing providers to charge tenants up to 90% of the market equivalent rent – had delivered significant investment in social housing in terms of the refurbishment of existing social housing stock and the delivery of new homes. As such, the Board was aware that the policy currently provided a sustainable funding model for investment in social housing, and Andium Homes’ (and a number of Housing Trusts’) borrowing was predicated on this funding model to deliver new housing supply.
- 4.13. Moreover, the Board was aware that Andium Homes was in the process of seeking private financial borrowing, which would deliver new housing supply over the next 10 years to meet the anticipated housing need. The Board noted that the delivery of new social housing was a key recommendation in the final report which, if implemented, would seek to address the historic undersupply of housing in Jersey. This supply, alongside proposed rent stabilisation measures, would help to make the cost of housing more affordable.
- 4.14. However, the Board acknowledged that the 90% rents policy was under review and it was important to recognise that potential other models for funding social housing were available, including capital grants. It was, therefore, important to acknowledge that a review of the rents policy would be made available in due course and would determine what, if any, funding gap would exist if the rents model were to change. At this point, it would be for Government to determine where alternative sources of funding would come from.
- 4.15. The Board agreed that its proposed policy measures would improve the cost of renting over a period of time through the interaction of new housing supply and rent stabilisation measures. This would, as a result, enable consideration of whether the rents policy could be adjusted in the future.
- 4.16. The Minister for Children and Housing stated that it was his intention to change the 90% rents policy following the review to ensure that social housing rents were set and maintained at an affordable level for tenants, and this intention had some support from other Board members.
- 4.17. The Chair extended his thanks to M. McCormack Evans and Altair Ltd. for their work on the draft final report. The Chair requested members to review the report and provide their comments by 10th February. The Board would sign-off the final report at a meeting in early March before it was presented to the Chief Minister and Council of Ministers. The Chair also advised members that he would circulate the ‘Chair’s Foreword’ for comment.

5. Any other business

- 5.1. The Board noted that, as well as supporting the Housing Policy Development Board, Altair Ltd. had been commissioned to assist Government with the delivery of a key worker accommodation offer. It was noted that the first phase of the work (relating to key worker policy) had been published in September 2019, and the second phase would be brought forward for consideration in February. This modelled the potential costs and demand for key worker accommodation and was consistent with the Board’s policy recommendation to *‘deliver new homes across a range of tenures and need groups.’*
- 5.2. The Board were advised that an officer meeting had taken place with the Tax Policy Team to discuss the role of changes to Stamp Duty to ensure that they resonate with the strategic direction of the recommendations of the Housing Policy Development Board Report. Areas for further consideration in relation to stamp duty are envelope properties, foreign buy to let and assisted purchase properties. These will be taken forward by the Revenue Policy Board.

5.3. There being no further business, the Chair declared the meeting closed.

6. Date of next meeting

6.1. The Board agreed that it would meet at the end of February 2020 to approve the final draft of the Housing Policy Development Board report.

Signed:
Chair

Date:

Minutes agreed for publication –

Signed:
Chair

Date: