

Treasury and Exchequer Ministerial Decision Report

ALLOCATION OF RESERVE FUNDING FOR 'FIRST STEP' ASSISTED HOME OWNERSHIP SCHEME IN 2025

1. Purpose of Report

To enable the Minister to approve the release and allocation of up to £2,000,000 from the Central Reserve to the Cabinet Office head of expenditure for onward transfer by way of a grant to Andium Homes Limited (the Supplier/Scheme Administrator for the "First Step" assisted home ownership scheme).

2. Background

£10 million was originally set aside and released via MD-TR-2024-241 in 2024 for the implementation of the assisted home ownership pilot scheme. Due to the success of the pilot scheme and more unmet demand, the scheme has been extended by the Minister for Housing and the Council of Ministers through their Government Budget 2025-28. This has set aside in the Central Reserve a total of £2 million (funded from the legacy housing funds), for the First Step assisted home ownership scheme, to provide further support to first time buyers to help make home ownership achievable for those struggling to get on the property ladder.

This investment will provide support through the "first step" assisted home ownership scheme for a targeted section of Islanders for whom home ownership is assessed as not affordable, due to the combination of high property prices, strong demand and increase in the cost of borrowing. This allocation will be transferred to the Supplier/Scheme Administrator (Andium Homes) by way of a grant and the scheme will be administered by them. Funds will be allocated to successful applicants in accordance with the Policy Guidance for the Scheme. Allocated funds returned by a Successful Applicant under the terms of the Scheme will be retained by the Supplier for reinvestment into the Scheme or other initiatives as agreed by the Government.

3. Recommendation

The Minister is recommended to approve the allocation of up to £2,000,000 in 2025 from the Central Reserve to the Cabinet Office head of expenditure.

4. Reason for Decision

Article 15(3) of the Public Finances (Jersey) Law 2019 states that the approval by the States of a Government Plan authorises the Minister to direct how an approved appropriation for a reserve head of expenditure in the plan may be spent (including on another head of expenditure) in the first financial year covered by the plan.

The current Policy for Allocations from the Reserve, presented to the States Assembly as R.76/2022, sets out the requirements for allocations from the General Reserve. These requirements have been met and the Treasurer now recommends these allocations to the Minister for approval.

5. Resource Implications

The Central Reserve Head of Expenditure will decrease by up to £2,000,000, and the Cabinet Office head of expenditure will increase by up to £2,000,000 in 2024.

This decision does not change the total amount of expenditure approved by the States in the Government Budget 2025-28.

Report author: Specialist Cost Benefit Analysis	Document date 21 st April 2025
Quality Assurance / Review: Head of Financial Governance	File name and path: L:\Treasury\Sections\Corporate Finance\Ministerial Decisions\DS, WR and SD\2024-xx - Allocation of reserve funding for 'first step' assisted home ownership scheme in 2024
MD Sponsor: Director of Treasury and Investment Management	