2.14 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity the Chief Minister regarding the 'Investing in Jersey: 2026-2050' programme (OQ.246/2025):

Will the Chief Minister advise what specific investments will be made via the Jersey Capital Investment Fund under the Investing in Jersey 2026-2050 programme in order to deliver the initial focus of affordable family housing across all ages and income levels?

Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter (The Chief Minister):

Family-sized affordable housing is the cornerstone of Jersey's long-term prosperity, which is why it has been prioritised within the C.S.P. (Common Strategic Policy) and the Investing in Jersey programme 2026-2050. While the Jersey Capital Investment Fund is not currently anticipated to make direct investments into housing, it will play a vital role in enabling housing developments by supporting essential infrastructure projects. For example, this includes investment in such areas as drainage systems, something we have neglected for many years but I am pleased to say work is progressing rapidly. That will lead to the delivery of sustainable housing and affordable housing. A range of other funding mechanisms are probably better suited to support direct investment in housing. These include, for example, the Housing Development Fund, the Dwelling Houses Loan Fund and extended financing support through Andium Homes and the States of Jersey Development Company. In addition, extensions to the First Step scheme and other targeted initiatives are currently being considered. The scale and structure of these investments are being developed as part of the broader commitment to enhancing housing affordability and expanding access to affordable family housing, as the Deputy asked, across all ages and incomes.

2.14.1 Deputy H.L. Jeune:

Could I just confirm with the Chief Minister that ... and I believe he said it in his answer but if he could confirm that Andium Homes, States of Jersey Development Company or private developers would or would not have access to any of the Capital Investment Fund when it is set up?

Deputy L.J. Farnham:

I think that is a difficult question to answer because first we need the States Assembly approval in the Budget to develop the fund. We are working on how that fund will operate, so it is a difficult question to answer. I am keen that the Investing in Jersey programme and the fund helps deliver housing, of course. The investment by the fund in infrastructure for drainage will, of course, impact and support the private sector as well as Andium Homes and S.o.J.D.C. (States of Jersey Development Company).

2.14.2 Deputy R.S. Kovacs of St. Saviour:

As the Chief Minister mentioned the First Step scheme and given the success of it but the absence of funding for it next year, how will the Chief Minister work with the Minister for Housing to ensure this Capital Investment Fund supports similar affordability opportunities for first-time buyers?

Deputy L.J. Farnham:

As I said, it is not envisaged that the Capital Investment Fund ... that is more of an infrastructure fund aimed at protecting ring-fenced money, capital for our essential infrastructure, but rather a range of other funding mechanisms such as the very successful First Step scheme. But I know the Minister for Housing and his officials are considering other initiatives that will help get families into family-sized affordable housing.

2.14.3 Deputy A.F. Curtis of St. Clement:

I think the original questioner might be confused by the answer because the Investing in Jersey programme says under the purpose of the Capital Investment Fund that it will ring-fence the required annual funding for housing and that is noted separate to infrastructure such as drains and regeneration. The final sentence on that page says it will support said drainage infrastructure and affordable housing delivery. Could again the Chief Minister then just confirm for the avoidance of doubt that perhaps this is not the correct and most up-to-date version of the purpose of the fund that Members will debate during the Budget?

Deputy L.J. Farnham:

I can confirm that is the correct and up-to-date version and I think it can be read in different ways. The fund will support the provision of new housing, predominantly by investing in infrastructure projects such as drainage. As I said before, we have not ruled out it being used for more direct funding for housing, but we think that is not currently anticipated in the current thinking because we think there are better mechanisms for doing that such as the First Step scheme and other initiatives which are currently being developed.

2.14.4 Deputy L.M.C. Doublet of St. Saviour:

Does the Chief Minister agree with me that, while the existing schemes that help first-time buyers and those who wish to rent are excellent schemes, we are not doing enough to help support struggling families who already own sometimes very modest properties that they have outgrown and because they are already on the property ladder they are not able to access the schemes? What will be done to help those families, please?

Deputy L.J. Farnham:

I completely agree. We need to do more. We would like to be doing more but, of course, we are constrained by the money available to us to put into those schemes. Members are fully aware of the challenges we face currently. That is why the Minister for Housing and his team are working on other initiatives that build upon the First Step scheme. We will and I hope this Assembly in the years ahead will continue to prioritise how we fund those schemes because, as I say, they are an important investment and the cornerstone of Jersey's long-term prosperity. Members will have noticed from the media yesterday - and I welcome the debate and the work of the new Youth Assembly - it is still the number one concern for young people in Jersey. We have to work harder to turn that around and encourage young people to stay here.

2.14.5 Deputy L.M.C. Doublet:

I thank the Chief Minister for his answer. Is there a timeline available for the new work in this area, please?

Deputy L.J. Farnham:

That is a question I will have to check with the Minister for Housing on what their current timelines are looking like for these initiatives. But I would reiterate it is a key priority for this Assembly and the Government and we need to move faster.

2.14.9 Deputy P.F.C. Ozouf of St. Saviour:

In reference to this stream of questions on housing supply and the issue that Islanders are facing, the F.P.P. on page 23, section 4.2, says: "Policy missteps may worsen housing supply or delay stabilisation." Question 25 says: "The second home surcharge has an unclear impact on affordability. There is no evidence it has materially improved access for first-time buyers." He said he agreed with everything the F.P.P. said. Does he agree with this disconnected policy, it seems, by our economic advisers like Sir Jon Cunliffe?

Deputy L.J. Farnham:

Firstly, I did not say I agreed with everything the F.P.P. said. I welcome their valuable advice. There is a subtle difference. I presume the Deputy is talking about the stamp duty surcharge.

Deputy P.F.C. Ozouf:

Yes.

Deputy L.J. Farnham:

Yes. Well, I supported in the Budget a slight reduction in that for second homes and, as I said, there is no real evidence that it is helping or it is not helping, but that is something we need to find out more about. We like to try and make decisions based on evidence, but the key priority is delivering more affordable homes so young people can get into affordable family homes, stay in Jersey and have families.

2.14.10 Deputy P.F.C. Ozouf:

The question is about housing and the capital fund that the Deputy asked. Can he absolutely say that he is not going to be a Chief Minister putting forward a plan that is going to be relying upon States' resources, as heard by the Minister for Treasury and Resources, and he said scarce resources, as opposed to what should be happening, which is private capital in not only first-time buyers not requiring States' subsidy but the market operating and also private capital in the private sector rental to avoid further drains on the public finances? Does he agree on the importance of private capital and do everything in this Budget to do that?

Deputy L.J. Farnham:

Of course, I agree that private capital and private housing is absolutely essential, but I also understand that the housing market over the years when we have not had surcharges on second properties has not really worked for young people. So we need to bear that in mind, and the action we need to take we need to make sure first and foremost will benefit first and foremost young Islanders or Islanders across all ages and incomes, as the Deputy asked, in getting into affordable family housing. Second homes for people is important. It is an important investment into the rental sector, but for me that comes slightly behind young people getting into family homes.

2.14.11 Deputy H.L. Jeune:

Bringing the question back to the Capital Investment Fund specifically, we have heard in our Budget hearings with 2 of our Ministers that there is focus on projects in the future coming out of the Capital Investment Fund. I would like to hear from the Chief Minister if he could advise how access to the funding will be prioritised against other priorities. We have also heard from the Minister for Education and Lifelong Learning needing some of that funding in the future, so how will it be prioritised and will this information be available to us ahead of any principle vote in the Budget?

Deputy L.J. Farnham:

It is envisaged that the Capital Investment Fund will predominantly ring-fence and support essential capital projects. Having said that, it is not ruled out it might not be used for more direct investment; for example, in housing or private sector housing. I need an update from the Treasury. They are working on it. I would like to see the draft legislation or part of it at least available before the Budget debate, but if the fund is approved, then shortly afterwards in the first quarter of next year that piece of legislation will come forward. At that time, we will have worked out and considered how that fund will start the detail of running that fund.

[11:30]

Of course, that will be part of the important States Member meeting we are due to have in February because I would like to seek States Members' views on that. Having said that, once the fund is established and operational, it will be within the means of this Assembly as time goes by to amend how it is used in line with how circumstances demand at that time.