



Environment, Housing and Infrastructure Scrutiny Panel

Proposed Budget 2026-2029 Review

Witness: The Minister for Housing

Wednesday, 5th November 2025

Panel:

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity (Chair)

Deputy T.A. Coles of St. Helier South (Vice-Chair)

Deputy A.F. Curtis of St. Clement

Deputy D.J. Warr of St. Helier South

Connétable D. Johnson of St. Mary

Witnesses:

Deputy S.Y. Mézec of St. Helier South, The Minister for Housing

Ms. N. Day, Head of Strategic Housing and Regeneration

[12:00]

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity (Chair):

Welcome to this public hearing of the Environment, Housing and Infrastructure Scrutiny Panel. Today is 5th November 2025, and this is our Proposed Budget 2026-2029 review hearing with the Minister for Housing. I would like to draw everyone's attention to the following. This hearing will be filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. All electronic devices, including mobile phones, please could you switch to silent. I would like to ask that any member of the public who has joined us in the room today to not interfere in the proceedings and as soon as the hearing is closed please leave quietly. My name is Deputy Hilary Jeune, and I am the chair of the Environment, Housing and Infrastructure Scrutiny Panel.

Deputy T.A. Coles of St. Helier South (Vice-Chair):

Deputy Tom Coles, vice-chair.

Deputy D.J. Warr of St. Helier South:

Deputy David Warr, panel member.

Deputy A.F. Curtis of St. Clement:

Deputy Alex Curtis, panel member.

Connétable D. Johnson of St. Mary:

Constable David Johnson, panel member.

The Minister for Housing:

Deputy Sam Mézec, Minister for Housing.

Head of Strategic Housing and Regeneration:

Natasha Day, Head of Strategic Housing and Regeneration.

Deputy H.L. Jeune:

Thank you Minister. The kick-off today, you had an allocation of £522,000 in 2025 and this has risen to £632,000 in 2026, representing an increase of 21 per cent. What is driving the 21 per cent increase?

The Minister for Housing:

Sorry, could you just cite which lines in the Budget that you are referring to there? Sorry, I might have missed part of that.

Deputy H.L. Jeune:

Your allocation for 2025 was around £500,000 and this has risen by 21 per cent, so you have got £632,000, I believe.

The Minister for Housing:

It is Ministerial allocation as opposed to departmental allocation?

Deputy H.L. Jeune:

Yes.

The Minister for Housing:

Okay, so I am guessing that that rise is partly to do with the Rent Tribunal, I would have thought.

Head of Strategic Housing and Regeneration:

To be honest it is difficult to ... I had not picked up that slight nuance. The Minister for Housing's actual budgets of his own have not changed so it will only be pay award inflation as standard across all other departments. Then there is the residual amount after minusing the £90,000, which is a budget transfer, which is the tribunal. So it could be that difference between the total sum of the tribunal and business case minus the £90,000.

Deputy H.L. Jeune:

So your budget is similar to 2025?

The Minister for Housing:

Yes.

Deputy H.L. Jeune:

Thank you. What projects are your department intending to deliver in the first half of 2026 using this financing?

The Minister for Housing:

The establishment of the Rent Tribunal will be a big part of that. That is a consequence of the Residential Tenancy Law. I think we had hoped to have started that this year, but the law being debated later than we initially thought would happen means I think the bulk of that will probably happen at the start of next year.

Deputy H.L. Jeune:

Is that the main ... is there any other ...?

The Minister for Housing:

Well, in terms of projects, a lot of the rest of it is the stuff I am already doing. It is not necessarily new things. I have the 3 pillars of my agenda on home ownership, improving experience for renting and addressing the plight of homelessness. A lot of what I will do next year will be the continuation of that, and it may be different elements of that because we have got a bit further on down the line in that. But a lot of that is not resource intensive because a lot of that is policy changes. A degree of that is having this policy instead of that policy which does not always mean spending more.

Deputy H.L. Jeune:

No, of course. If this is the focus of business as usual plus of course the Rent Tribunal, I believe there were some propositions that were passed related to work in your area from the States Assembly.

The Minister for Housing:

Yes.

Deputy H.L. Jeune:

Is that considered business as usual?

The Minister for Housing:

Yes. So things like the social housing rents review. But again we do not know what that will lead to. It may conclude with changes, it may conclude that tweaks ought to be made or may conclude that the current system works well, but we do not know yet. We do not know whether it will be the democratic will of the Assembly to initiate any changes as a result of that, but we will have something to present that will be of interest for whatever we decide the next steps as a result are.

Deputy H.L. Jeune:

I suppose that business as usual, you were mentioning those 3 pillars, the R.T.L. (Residential Tenancy Law) being one of those pillars, and now the addition is the Rent Tribunal, but the other 2 areas, is there anything that will be presentable to the Assembly between now and the end of the term? Is there anything that you will be bringing to the Assembly or is it really specific actions?

The Minister for Housing:

We are working at the moment in putting something together that says what I more tangibly want next steps to be. One of the things I have done in this term of office has been expand social Housing Gateway eligibility criteria, for example. But I have said every time I have ever been asked that I want to go further. So I want to be clearer about what the further is and what a timetable for that might look like. So presenting that kind of thing will be in the mix as well.

Deputy H.L. Jeune:

Okay. Because of course halfway through next year there will be the election and then there potentially will be a new Minister for Housing; is there any direction that will be set for the new Minister for Housing? Was there any intention to ... I suppose what I am asking is that maybe in other Budgets past there have been specific projects that have been put in Budgets that potentially other Ministers have then taken up; yourself being one of them, I believe.

The Minister for Housing:

Indeed, I was just thinking that.

Deputy H.L. Jeune:

Why was then the idea of not bringing the potential projects to the table to go after June 2026?

The Minister for Housing:

There is the Investing in Jersey programme. That has come out more towards the end of a term of office. The next Government may wish to pick up some of that and run with it or throw the whole thing in the bin or what have you. It will depend on the democratic will of whoever is in charge of the next Government what they want to do. But the things that are part of my agenda, I am not saying that this is what I am aiming for, but if I happened to carry on as Minister for Housing after the next election or somebody with an identical agenda to me did, the way the Budget is set up they would be able to carry on doing that because a lot of the things in my agenda are not things that are requiring budget increases in order to deliver. It is policy stuff that we use the team that we have had to go out and deliver.

Deputy H.L. Jeune:

For example, one of the things that obviously fell off the agenda but what had been a project was empty homes and working on empty homes.

The Minister for Housing:

Yes.

Deputy H.L. Jeune:

Would that then potentially be able to be budgeted? If a future Minister came and decided that that was something they wanted to do, would the money be there to be able to do it within the business as usual?

The Minister for Housing:

Next year, no, unless they decided to scrap an existing thing that they, for whatever political reasons, were not keen. So they would have to reallocate within what they already have or they would have to apply for it for the 2027 Budget, if they were taking on an additional project like that that needed more resource.

Deputy H.L. Jeune:

But you yourself, Minister, do not believe that within the Minister for Housing's portfolio that the 3 pillars that you have chosen, those are the ones that should continue and they are there able to develop, like deliver on Jersey's housing?

The Minister for Housing:

Yes, but with the caveat that if I were completely in charge and the realities of how you budget things across the whole of Government were less constrained than they are within the political compromises we all have to make, then there may well be more things that I would want to pack into that. But that would involve having more people in the team to deliver on it. It would have to mean finding that budget from somewhere else. But within the agenda that I have set, I am absolutely confident that this Budget allows that to carry on exactly as I hoped to do so. If we were talking ideal world where loads more money was available, yes, I would hire a load more people to take on some more projects, but that is in a parallel universe kind of thing.

Deputy H.L. Jeune:

In the Invest in Jersey programme, would that then assign more money to the Minister for Housing in the future?

The Minister for Housing:

Not necessarily to the Minister because that talks about things. It talks about potentially doing more of First Step, that would not sit under a column that says "Minister for Housing Budget". That would be something that, if we are doing it the same way we did it last time, it would go to Andium Homes again. My budget, as Minister, you can see straight from the chart looks very different to other Ministers and that is mostly because I just deal with the policy team. It is other entities that do the actual physically building stuff. A lot of the things that are in Investing in Jersey, like potentially doing more First Step, that would be a budget that would end up somewhere else. My team would be setting the policy and it is the same people, irrespective in that.

Deputy H.L. Jeune:

I suppose my last question is, and you have made it clear, your team is about policy setting. Then, I suppose, is there ... just to understand and explain to the Scrutiny Panel obviously, do you have regular discussions about whether the direction of that policy needs to be changing depending on the environment that we see ourselves. Two years ago now since you have been a Minister, is there need to be a reset, a rethink with those policy decisions and directions? When does that happen?

The Minister for Housing:

I regard that as always happening. The social housing eligibility is a really easy example to use there, because that does depend where we are in a particular moment, where we are with supply, what the current Gateway statistics look like, and the judgment will come based on that. But that evaluation is happening all the time. In terms of the agenda that I have, those considerations are constantly made.

Deputy H.L. Jeune:

With that in mind then, do you feel, and of course not being in an ideal world unfortunately, do you feel that the proposed expenditure is sufficient to ensure adequate resources are available for these policy directions?

The Minister for Housing:

100%, yes.

Deputy H.L. Jeune:

Thank you. I am going to pass over to the Connétable.

The Connétable of St. Mary:

Yes, we have already referred to the question of Rent Tribunal and a few general questions regarding that. The report to P.24 estimated annual costs of £130,000 for a tribunal whereas in the Budget estimate there is an ongoing annual revenue cost of £40,000 with additional annual transfer of £90,000 to be made from the Employment, Social Security and Housing Department to the Cabinet Office. Can you confirm these figures are correct, first of all, and explain why the transfer is being made through the Cabinet Office rather than directly to Judicial Greffe?

The Minister for Housing:

Natasha might be able to do the second part of that.

Head of Strategic Housing and Regeneration:

Yes. So the £90,000 came about in a Budget from 2021; a business case of 2021, the money landed for 2022. That was around the time that the first attempt at establishing a rent tribunal was taken forward under the Dwelling Houses (Rent Control) Law 1946. An employee was taken on to support that work at the time and the employee was brought into S.P.P.P. (Strategic Policy, Planning and Performance) or Cabinet Office, but the budget was actually established for some reason, I think on best judgment of the day, to exist within Customer and Local Services, as it was at the time. So there has always been a mismatch between where the budget has existed and where the employee is actually employed and managed and providing their day-to-day services. So it has always been on the agenda to correct that budget allocation. It has actually taken a bit longer than I had hoped. I think when I first started in my role it was one of the first things I wanted to address and it has taken until now. I think there is a timing issue that the correction of the budget allocation is first being addressed and then when the Rent Tribunal is ready to be effectively switched on and there will be an employee transfer, that happens at that time, then the budget moves with the employee and the residual budget between the F.T.E. (full-time employee) pay and the total

budgeted amount will go into the Greffe's budget to manage the tribunal. There is a slight difference there between those 2 things.

The Connétable of St. Mary:

It is almost a holding measure then, is it really?

Head of Strategic Housing and Regeneration:

It is correcting the situation and making sure that the budgets are in the right place. Then it will only move when it is the right time to move. We do not want to see that money moving prematurely, otherwise my team's budget will have a shortfall to pay for the employee that we have.

The Connétable of St. Mary:

Okay, thank you for that one. Does the funding allocation for 2026 include any flexibility for an influx of initial cases? There is an assumption that there might be 3 cases, is it, per month?

Head of Strategic Housing and Regeneration:

On that, when we developed the business case, we did work very closely with the Greffe, and we identified as many sources as we possibly could, but ultimately there is no precedent for a modern rent tribunal under the legal provisions that have been newly created. So it is only assumptions, largely drawn from interactions with Citizens' Advice. We arrived at a number and allowed a contingency above that number to give us an estimate of cases. But it is nothing short of an estimate. We will not know until the tribunal is in action as to how many cases really do come forward.

[12:15]

So is there any further modelling going to take place to get a better estimate? I do not think it is possible because these are wholly new legislative provisions. We have only been able to plan ways to mitigate any negative consequences of an estimate that is off the mark. So the transitional provisions are key in that they serve many purposes. The way that we have designed the transitional provisions, one of the key benefits is that people will have a gradual move to the legislation, depending on the tenancy type that they have and what they agree with their landlord. Which will give a slow entry of the number of cases that could be subject to a rent tribunal over what we expect to see as being, perhaps a 5-year period, would cover most tenancies which might be on fixed terms.

The Connétable of St. Mary:

Well, thank you again for that. But in case volumes do rise beyond what you have been able to anticipate, is the department able to fund the increase or will there be a problem in actually hearing the many cases that are required?

Head of Strategic Housing and Regeneration:

That has been an area of concern for the Judicial Greffe. Obviously they do not want to be short. There are some natural consequences if the tribunal were to find itself to be overwhelmed above the number of cases or significantly above the number of cases that had been estimated. You would see a backlog start to form in terms of cases being heard and therefore a resultant delay in the conclusion of cases, which we do not want to see. But, as I say, because we have a gradual transition to the legislation we should start to see cases rising over a period of time and have early warning if we think that actually we are getting to the point that we have built the business case assumptions and we do not yet think we have fully transitioned to the law, therefore it is likely that the case may be insufficient. We also have to account for the fact that this is new legislation and people will be testing the provisions of the law early on. They might be already dissatisfied and ready to ... if they believe that their landlord is behaving in a way that is unlawful, that they could use the tribunal and they may be more active. It may be that people are slower to use it. There are so many different assumptions on people's behaviour and how they are going to respond to the law that it really does make it impossible to reliably estimate. But we can only assure you that we have done our best based on the information that we could have made available to us and that, as a team, we are committed to continuing to work with the Judicial Greffe and manage any new business case requirements as they arise. But I think to answer your point, is there any scope in terms of overspend, if you like, that between the Housing budget there is no scope and the budget within the Cabinet Office is fully spent on staff costs, as the Minister has explained, with our policy function. Within the States Greffe budget, that is a question that you would have to ask of the Judicial Greffe as to their budget flexibility at year-end.

The Connétable of St. Mary:

Yes, so what you say then, the final burden will lie on the Judicial Greffe, that they will be the ones that would not be able to implement the additional cases?

Head of Strategic Housing and Regeneration:

As it is with any other tribunal that they manage, they adopt that service and they are ultimately responsible for its management and if a business case is required ... if it were any other tribunal, if they thought their current budget allocation was insufficient they would be looking at a greater business case. I think the difference that we have with the tribunal that we are looking to create is that we have a long-term commitment to continue working with the Greffe to make sure that this is not an additional burden on them. We know that they are a small and busy team and we are committed to working with them and supporting them. If it means writing another business case with them we would be looking to do that. But at this stage I do not think there is any strong indication that that would be necessary.

The Connétable of St. Mary:

Leading on to again this interaction between yourselves and the Judicial Greffe, will the Greffe therefore be responsible for the budget oversight, or will that be yourself?

Head of Strategic Housing and Regeneration:

The Greffe is responsible for the budget.

The Connétable of St. Mary:

Okay, thank you. The last area of questioning, really, is: the panel understand that the implementation of the Residential Tenancy Law will require additional enforcement to compliance work by officers within the Minister for the Environment's department. What assessments has he made of the staffing resource requirements to fulfil those enforcement duties or would you say that is for the Minister for the Environment to determine?

The Minister for Housing:

Our teams obviously are constantly in communication because we have not wanted to design something that runs the risk of overwhelming the service and causing exactly the kind of problems that you are alluding to could happen. So the whole thing has been built and budgeted based on a lot of work between my team and the Minister for the Environment's team as well to co-produce some of that and, as you saw through the process of putting that law together, policies did evolve over that because of feedback and how it was deemed things might end up playing out. There has been a reasonable degree of collaboration on that to get to a point where we can be confident we will be all right.

The Connétable of St. Mary:

On funding of any additional resources required, would that be down to the Minister for the Environment or yourselves, given that it is your ...?

The Minister for Housing:

For that, I would have thought that would be the Minister for the Environment. We would want to talk about it obviously, as it is happening.

Head of Strategic Housing and Regeneration:

It depends on at which point in time you are looking at. The immediate transition to the law, I think all of the conversations that we have had up towards the back end of lodging was that the team would be capable of managing this because it very much reflects what they do on a day-to-day basis. While there is a lot of legislative change, there were some isolated changes that would

actually have an impact on what they do on a day-to-day basis. The more substantive change is the regulation-making power to pass over powers of investigation and enforcement to regulation, which they were very keen to have because at the moment their ability to investigate and conclude cases is limited because they do not have the *vires*. They have to work with the police and it would make it a better place to have them in control of that. But we have reflected, based on their current capacity issues, that now is not the right time to be progressing that secondary legislation. The intent was to bring it forward along a quite close pace of the enactment of the legislation. That is now not likely to happen. It is going to be second order. So the switch on of the law with the structural requirements of the tribunal order, and establishing a tribunal are the first priority which we are looking to deliver before the pre-election period. The second order would be working with the team in regulation to design and consider the best timing for any extension of their powers of investigation and wider enforcement of the law. That is where the substantive change would come.

The Connétable of St. Mary:

So again, just to clarify, it is the extension of powers that would cause the additional burden on them beyond that which you already discussed, is that what you are saying?

Head of Strategic Housing and Regeneration:

So again, I think that their reflections directly to me have always been that this is not much beyond business as usual. They would actually prepare cases for prosecution anyway, but it would firmly place any obligation on to them, which would be a material change in legal terms, certainly. We just want to make sure that that was carefully considered as to their readiness to take that responsibility on, which we have decided now is not the right time. We have got to focus on getting the law switched on and the tribunal established as that first order priority.

The Connétable of St. Mary:

Okay, so obviously nothing within the present Budget to cover that?

Head of Strategic Housing and Regeneration:

No.

The Connétable of St. Mary:

It is not necessary.

Deputy H.L. Jeune:

Does that mean then the discussions that we have had, because we have just had the Minister for the Environment hearing and he made it very clear that there is very limited money within his budget. In fact, there is a reduction which would mean an impact especially on staff and new posts or filling

post vacancies, which obviously has a direct impact on any implementation of this new law, depending on what happens with staff. Does that mean that really these secondary legislation and that focus that has to be with their department would be more for the 2027 Budget rather than 2026?

Head of Strategic Housing and Regeneration:

Yes.

Deputy H.L. Jeune:

So we are seeing that delay because of that situation?

Head of Strategic Housing and Regeneration:

I would not say it was a delay because of that. As the Minister said before, we keep these situations live and open and re-evaluate based on the current circumstances. I think it is quite clear that they are feeling pressure within their team. I think probably that the choice to not expedite that regulation-making power is probably more about the additional loading it creates for them just to think about that. Their own process design and supporting the policy team in developing the proposals creates an overhead for them above their day job, and they have to focus on their regulatory activities. I think that is like let us slow that bit down a little bit, give them the space to get on with their core regulatory activities and we will place the regulation-making power in the second order to the tribunal.

The Connétable of St. Mary:

I think we clarified that will be in 2027, so it is out the scope of this Budget.

Deputy H.L. Jeune:

Thank you. Deputy Coles.

Deputy T.A. Coles:

Minister, the Budget notes that the affordable housing purchase scheme and the 99-year loan fund are being closed, with remaining balances transferred to the Dwelling Houses Loan Fund. Why have these housing-related funds been consolidated and what assessment has been made of the potential impact on homeowners or future housing support schemes?

The Minister for Housing:

The short answer to that is that basically both of those funds do not particularly get used much these days and it just seems smarter to consolidate them into a single fund that can still meet those purposes if it needs to. There was a recommendation previously from the Fiscal Policy Panel about looking at the myriad of different funds that the Government has and assessing whether they are

still meeting their stated purposes. Looking at these ones, generally not. I think the most recent use of the 99-year lease one was the issue with the balconies at some of the flats at Les Quennevais, but that can all be done by having it all consolidated into one fund. It just strikes us as making sense.

Deputy T.A. Coles:

So you shared the Minister for Treasury and Resources' view that all these have fallen away and that they should not have any impact on future housing conditions?

The Minister for Housing:

Not even slightly.

Deputy T.A. Coles:

Not even slightly, okay. With these funds now closed, are there plans to introduce a new and updated mechanism to support affordable housing ownership or access to finance in the future Budgets or Government Plans?

The Minister for Housing:

Well, the Investing in Jersey programme alludes to that. That proposes setting up the Capital Investment Fund, which obviously has not happened yet but it is our ambition to do that, and that will be a new way of doing things; not just for housing but for other things as well. So that and whatever exists on the periphery of that could be a way of doing that in the future. But in this term of office, we have obviously done the First Step scheme and Andium managed that for us, and that proved to be a good way of doing that. As a model, that service is one we could continue to do into the future. It may well be sticking with that, but if other options are politically pursued in the future, that can be done through the Capital Investment Fund or however we choose to do it then.

Deputy H.L. Jeune:

Minister, we have talked a lot about a Capital Investment Fund with the Minister for Infrastructure. Obviously there are some really big ticket project items that he was wanting to see funded through the Climate Investment Fund, like the shoreline management plan, essentially the change of the Energy from Waste plant; there are some big items there. You yourself are now mentioning that there are elements within Housing to fund some housing projects. How will it be structured so that these priorities, it feels like there could be an end ... is it an endless fund? It feels like it will not be an endless fund and how do you prioritise?

The Minister for Housing:

That is all going to be down to future politics because there are loads of different ways that you could get funding into that fund, and some of those ways would be more palatable to people of one political

persuasion versus another. The document talks about generating surpluses and directing it to that fund; well there may well be competition for that if we end up in that situation. It talks about taking on borrowing to supplement that fund. Again people have different political positions on whether that is a good thing or a bad thing or a prudent thing, and we could make cuts in government services and use that to reallocate funding there. Or we could do tax rises, like all of that is going to be down to politics.

[12:30]

But the foundational point of the Capital Investment Fund is sitting legally where it will sit as being an easier mechanism to use than the existing ones means that whatever shape that future Government takes will at least have a degree of freedom, more so than current and previous ones have had to make those choices, what it chooses to do. The next Government might decide that housing should not be a top political priority for a while, in which case it will not get a look in in that, but that will all be down to the politics.

Deputy A.F. Curtis:

I want to continue the theme talking about where funding for housing comes from, looking at both the housing bond but ultimately the existing fund we have to ring-fence the funding of social housing, which is the Housing Development Fund. Perhaps to draw from the earlier question, given the state of a well-established fund that can be used as a mechanism to fund and be ring-fenced for the funding of housing, how have you discussed with Council of Ministers the role of the Housing Development Fund in the context of the Jersey Capital Investment Fund during the planning for the budget and the in-principle set up of the Capital Investment Fund?

Head of Strategic Housing and Regeneration:

So the H.D.F. (Housing Development Fund) is fully drawn down at the moment and I think since coming into office the £10 million for the First Step scheme was held in reserves for that purpose. We have not had to open up a conversation about where any major funding may come from for a direct Government initiative. The whole purpose of that fund is to develop new homes which Andium are clearly very effectively getting on with and you will be aware, and I think you might even have your meeting with them today with Andium, that they have also taken up a private placement. So that has relieved the Government of a need to perform a greater role in providing an extended Housing Development Fund to the company because they have managed to secure a good and appropriate deal with the private sector. I think there just has not been any real reason to open it up or question the future role of the H.D.F. at this particular time. You need to be careful about the distinction and the purposes of the funds. The ones that we have just spoken about is more likely why the Minister would be looking if he were to have a policy initiative because that would be about

helping Islanders directly with new initiatives. The H.D.F. is very much about developing homes and we do not develop homes ourselves, so there is no reason.

Deputy A.F. Curtis:

Notwithstanding the fact that funds sit with the Minister for Treasury and Resources enabling social housing providers to deliver the homes you want to see within the social housing market would seem to be a key priority of this Government, and probably the Minister for Housing, so, were any conversations taken as to whether the debt framework around the housing bond, the repayment where ... I mean the last consolidated debt framework publication, R.61/2022, talks about seeing the Housing Development Fund grow in value from receipt. Did this Budget look at all at trying to instil that so that you can help direct the social housing providers of the Island to achieve that aim in the 2026 to 2029 period?

Head of Strategic Housing and Regeneration:

As far as I am aware, that conversation had not been opened and it is part of a longstanding established expectation that Andium would look to the private sector. I think it was being in P.33 that there would be a combination of government finance and private finance. They are playing out the intended course for funding. I think if it was felt substantially beneficial as opposed to securing the private placement then that conversation could have been opened. I am personally not aware that that conversation had been opened and, as I said, it is something that is running well, running as intended. There has just been no reason to reopen the conversation about its future role or extension at this time because Andium have adequate funds secured to deliver their pipeline of projects.

Deputy A.F. Curtis:

Were there any requests from any of the social housing providers during 2025 to seek Government loans using the established mechanisms that you had to consider and ultimately debate, or did no social housing providers contact the Government for support and financing arrangements in 2025?

The Minister for Housing:

None that I think came to me.

Head of Strategic Housing and Regeneration:

Not directly relevant to the fund, again, as far as I am aware because there is a possibility that some communication has gone directly into Treasury. There were some letters of comfort that had been called upon from social housing providers that are again being dealt with by Treasury, which are on historic ... letters of comfort over a certain percentage interest rate on historic arrangements with social housing providers. The Treasury have been dealing with some of those over the course of

the last 2 years I think while the interest rate environment has been particularly high. But that is the only conversation that I am aware of that is related to other social housing providers and financing relative to Government support.

Deputy A.F. Curtis:

Okay. The most recent position on when repayment of the £250 million housing bond is to start for the 2054 bond due date is 2034. Did you discuss with the Minister for Treasury and Resources at any point in the year plans to bring that forward, plans to maintain that as part of the long term/mid-term financial sustainability of ultimately confidence in funding social housing?

The Minister for Housing:

Again, not that I was involved in.

Head of Strategic Housing and Regeneration:

Yes, it is not a conversation that I have been directly involved with. Although it is a conversation that I have had with Andium and Treasury because I myself take interest in the original justification for the repayment period and what that means for Andium's return to Government. So, the return to Government has been a sticky area. It presents Andium with an ongoing challenge in terms of meeting or adjusting their pressures that they face while it is a structural element of income to the Government. I would say that there is a conversation that could be had around the long-term strategy but it is not a conversation that has been had.

Deputy D.J. Warr:

The Budget notes that consultation has been carried out on removing landlord's ability to claim interest deductions on residential rental properties and that any Ministerial Decision will depend on market impacts. What are your views on the policy area?

The Minister for Housing:

Well, that originates from an amendment to a previous Budget that I brought. It remains something that I am philosophically aligned to. I think there is an inherent unfairness in homeowners having mortgage interest relief taken away from them, which I voted against doing, but maintaining it for investors in residential property. I think there is an inherent unfairness there. I cannot morally justify it but if you are going to change it, obviously you want to do a good job of it and do it properly, and so the Minister for Treasury and Resources has led on that as a result of that Budget amendment but it is not concluded to a point of being able to enact one way or the other at this point.

Deputy D.J. Warr:

The Budget also proposes a temporary reduction in the higher rate of stamp duty on non-main residents' properties. In light of the current slowdown in the housing market, what are your views on that approach?

The Minister for Housing:

That is the majority view of the Council of Ministers. It is not a unanimous one and ...

Deputy D.J. Warr:

Is it your view?

The Minister for Housing:

It is not my view, which is why I will not muster up a defence for it but it is the majority view of the Council of Ministers and I support the Budget as a whole.

Deputy D.J. Warr:

Okay, fine. So, the Budget states that Andium's housing construction programme will add 583 new homes, including 253 family homes by the end of 2026. Given the impetus for ...

The Minister for Housing:

2028, I think.

Deputy D.J. Warr:

Sorry, 2028. Sorry, I misread it. Given the impetus for increasing supply, does Andium and the Government have sufficient personnel with the right skills to support this level of production?

The Minister for Housing:

I certainly believe so. If it were 2026 we would not. But since it is 2028 then I think that is manageable. That obviously fits in line with the business plan. They are constantly updating me about pipeline. But there is always inherent risk in all of those. You can easily have a project that you invest a lot of time and energy getting to the point where you can make a reality and then a curve ball is thrown at you. You might get planning permission denied, you might have another thing that gets in the way of that, and all of that can be a risk but things going as intended, I have got confidence that we have got the ability to meet those ambitions.

Deputy A.F. Curtis:

Could I just follow up on the stamp duty question that Deputy Warr asked? You supported the Budget as a whole but not of the stamp duty reduction. Did I hear that correct?

The Minister for Housing:

It is not something I personally welcome but it is the majority view of the Council of Ministers.

Deputy A.F. Curtis:

Could I understand how you have discussed this with the Council of Ministers and the Minister for Treasury and Resources? I say this because the Connétable and I sit on the Corporate Services Scrutiny Panel and I asked the Minister for Treasury and Resources on the reduction of the stamp duty and I will just read it for: “Can I conclude on the section from what Mr. Hacquoil is saying, the finance is not the need for change. The stamp duty model is stable. To what extent is this area of policy owned by the Minister for Housing and is he in full agreement that this is the right step to?” The Minister for Treasury and Resources says: “I believe so.” And I say: “Okay.” How is that relationship working that one panel can ask Minister for Treasury and Resources, is the Minister for Housing supportive of quite a fundamental policy change in the Budget, she believes yes. You are quite happy to say: “I do not. I support the Budget but I do not support this area of policy.” How did this area of debate go down in the Council of Ministers that we have got a Minister with his own personal view or Ministerial view, which is allowed, but a Minister for Treasury and Resources misinterpreting an area which she believes you both have the policy remit for and she thinks you agree to it, which you do not.

The Minister for Housing:

Well, I agree with the Budget and I will vote for the Budget irrespective of ...

Deputy A.F. Curtis:

This was a policy area on this that she believes ...

The Minister for Housing:

But if you let me finish my sentence. I agree with the Budget as a whole and I will vote for the Budget and in the discussions that help solidify a Government’s position on this, there were obviously strong and different views across the board from different Ministers, and there will be some who will say that they support the policy position even if it is not the one they would have chosen. Some may well have wanted to have gone further on this but they conclude that they would still support that policy position on it. In terms of the discourse that led to arriving at that decision, I was not a particularly ... what is the way of phrasing this? It was not the hill I was choosing to die on and so I was not providing an amazingly robust argument one way or the other on it. In fact, my priority at the time was focusing on getting the Residential Tenancy Law agreed in the States and all of the work that was happening with that. I do not know whether word reached the Minister for Treasury and Resources in this. I may have said it around her or may not have. It is a policy choice that if I were completely in charge would not be one that I would make and therefore not one that I will

defend, but it is not a deal breaker. I still support the Budget as a result of it, so I am not kicking up a stink about it.

Deputy A.F. Curtis:

Do you see the challenge that States Members might have here? We are given the view that the Minister for Treasury and Resources sees this as your policy area and she misinterprets, perhaps, what your policy preference would be and Members are trying to take confidence that Ministers have directions here.

The Minister for Housing:

I did not see that part of the hearing but it sounds like you did not ask her: "Could you explain what you think the Minister for Housing's policy preference would be?" If she got tasked with that question I am sure that she would come up with a really interesting answer to it that I would be keen to hear. But if it is framed specifically about one element of the Budget I do not know what angle she was coming at from there.

Deputy A.F. Curtis:

Okay.

The Minister for Housing:

The Minister for Treasury and Resources and I are good friends and we work very closely on lots of these matters.

The Connétable of St. Mary:

A more general point on that situation. Yes, the Budget determines a change in rate but that is not written in stone for the whole year. I am right in thinking, am I not, that that will be monitored by the Council of Ministers in the future and if the situation warrants it can reduce further, go back to what it was?

The Minister for Housing:

Yes, but that is always the case.

The Connétable of St. Mary:

Yes, I know. I want to get it in perspective. This is not set for the year necessarily, is it?

The Minister for Housing:

As in set for the whole of 2026? We could change it half way through, is that what you are suggesting?

The Connétable of St. Mary:

Yes. Can you change it?

The Minister for Housing:

That would be a bit more drastic than waiting for the ordinary moment of a next Budget but I suppose could do that.

The Connétable of St. Mary:

Okay, thank you.

Deputy D.J. Warr:

I just want to carry on with your friend, the Minister for Treasury and Resources. You said that housing deliveries are on track or progressing, yet the Minister for Treasury and Resources has publicly said: "We cannot build more homes until the drainage issue is resolved." Why has that constraint not featured in your account of progress, and what is being done to address that?

The Minister for Housing:

I think that would be because I will be generally leaving that to the Minister for Infrastructure and the Minister for the Environment in whom I have full confidence in my friends in those portfolios as well to get on with that. I support the Minister for Infrastructure on that and I have confidence that he will see us through that and we can resume as we intended.

Deputy D.J. Warr:

You would prefer the Minister for Treasury and Resources did not make comment in that area then?

The Minister for Housing:

Say that again, sorry?

Deputy D.J. Warr:

You would prefer the Minister for Treasury and Resources did not make commentary in that area?

The Minister for Housing:

No, I enjoy every comment the Minister for Treasury and Resources makes. It is always very enlightening.

Deputy D.J. Warr:

So, next question. How will you ensure or enforce the minimum 15 per cent of waterfront development properties to be deemed as suitable right-sized properties in accordance with P.37/2024?

The Minister for Housing:

I am frequently in dialogue with the States of Jersey Development Company who will lead on that and we have various discussions as we go along about what kind of purchase schemes, not just the right-sizing one but other ones, that we look into. It is fair to say that the waterfront one is not one that we are ready to put spades in the ground on so we are not at a point of needing to absolutely determine the result of that in the short term. But there is thinking that they have begun to do on that about what offers might look like but we are not close to being at a point of needing to determine that in one way or the other.

Deputy D.J. Warr:

Just in terms of monitoring that, are there any mechanisms for monitoring compliance of these requirements?

[12:45]

The Minister for Housing:

As in legal compliance?

Deputy D.J. Warr:

Yes or ways of making sure that the policy is being complied with.

The Minister for Housing:

Yes, there will be various stages to that, I would have thought. Through planning there will be a part of that if they are coming forward with something that is non-compliant in one form or another. There will be planning obligation agreements and sales going through court and there will be lots of opportunities to pick things up along the way if a mistake is being made or something is not being complied with.

Deputy D.J. Warr:

That is basically how you will do it, okay. What influence, if any, do you have over the design mix and affordability of homes delivered by J.D.C. (Jersey Development Company)?

The Minister for Housing:

A reasonable amount. We speak frequently on that and I have obviously been challenging them to go as far as possible when it comes to affordable options and so we will frequently have dialogue about what a deposit saver scheme portion of those homes might involve, what the shared equity portion might involve. I am in frequent dialogue on that. But the shareholder of the S.o.J.D.C. (States of Jersey Development Company) is ultimately the Minister for Treasury and Resources; my good friend, the Minister for Treasury and Resources.

Deputy D.J. Warr:

Excellent.

Deputy T.A. Coles:

The Deputy asked about the mix of properties and we talk about housing mix a lot, especially within St. Helier. The question I have got around that is what responsibility do you have in understanding the housing requirements on the Island and to encourage the use of housing mix in these kind of developments?

The Minister for Housing:

Do you mean private sector ones as well, or ...?

Deputy T.A. Coles:

Yes, and broadly as well.

The Minister for Housing:

Yes, so I am often asked for comment on planning applications when they come forward, and that includes private sector ones as well on sites that maybe are not quite as contentious as other ones and will provide those comments and will provide a view based on the type and mixture of homes on there based on what data we have got about need. I can think of examples in my head of when private sector is looking to develop a site in town, for example, we get asked for comment on that. If they are providing homes that do not look particularly well-designed or liveable in I have occasionally made that comment to them to say: "The way these are laid out, not quite sure that is going to be offering the quality of life that you might want people in town to have." So, I provide official comments through that route.

Deputy T.A. Coles:

But what is the data you gather? How do you gather the data to understand the housing need?

Head of Strategic Housing and Regeneration:

That is reported on largely by Statistics Jersey. So there are probably 3 core datasets, if you like. There is what we would call the Objective Assessment of Housing Need. So, the householder housing need projections were produced by ... well, the updated ones, were produced by Statistics Jersey last year and that models housing requirements by bedroom type over different population growth scenarios. It is based on demographic trends. If the composition of the Island and the trajectory of household sizes, ageing population, if that continues, plus migration, that is the requirement you will have. Of course that is a policy off. So we have to account for other factors which is both government policy and people's intentions. People's intentions will be influenced largely by affordability and that gives us the second dataset, which is the Housing Needs survey, which comes also from Statistics Jersey, but that is based on J.O.L.S. (Jersey Opinions and Lifestyle Survey) data largely and some population assumptions. They merge those things together a bit. That gives us a more realistic, I think, outlook as to where housing demand might be pointing over the next 3 years. It is a much shorter horizon than one because they want to keep it more certain. What we saw in the last dataset was that there is a higher demand for 2-bedroom houses which we think is a symptom of 3-bedroom houses becoming less affordable and 2-bedroom flats not being the preference. The people have been noting a 2-bedroom house demand, which is something we had not really seen before. That then gets reflected in our comments on things like the re-zoned housing sites because we are seeing evidence of an emergent demand for a house type that is not provided for at a great level. Then the third dataset is the Island Plan assumptions, and with that the policy influences of the Island Plan and what it is trying to achieve. Island Plan assumptions take those datasets and make a planning assumption. That has set the housing supply for the entire Island Plan over the period, and as it is now beyond because the population has not grown as fast. But it sets expectations for housing mix around having good sustainable, blended communities and the design quality of homes, as the Minister has indicated. That is another figure, or set of figures, if you like, that we use to influence our thinking around whether or not the right housing supply is coming forward in the right places. The right-sizing again is a good example of that where we want to see those smaller homes in local communities because the community have told us that is what they want to see to enable them to right-size in the place where they want to live.

Deputy D.J. Warr:

I think that has answered my last question there. So, thank you.

Deputy H.L. Jeune:

I suppose, wrapping up, Minister. You have made it very clear that you have a smaller focus budget that is mainly focused on policy. You have your business as usual, your main elements that you need to be implementing next year before the elections. But the big thing that I suppose, and you have mentioned is, what does the future look like? Obviously, the Investing in Jersey and, I suppose, the Jersey Capital Investment Fund does mention housing as the big thing why it is ring-fenced. It

says: "Ring-fence the required annual funding for housing." But we were just talking about the Housing Development Fund being separate, the Andium funding being separate. I assume that means that is not going to be part of that. I know that the Chief Minister wants to set up this fund as soon as possible and start maybe even putting money in it early before the elections, and maybe even structuring it. It means that you will be part of those discussions. You mentioned about it being future political decisions, but of course you will be one of the first Ministers around housing to be discussing what that looks like. When we are looking at this document about the Capital Investment Fund and it says: "Ring-fence the required annual funding for housing", what would that be looking at within Housing? What is it meant to be doing? What is the main funding that would go to?

Head of Strategic Housing and Regeneration:

I probably should have made the connection when you were asking questions about the States bond, the £250 million, because I would see that as probably what the conversation would need to be about Investing In Jersey. So, the Investing In Jersey programme talks about supporting Andium and S.o.J.D.C. I do apologise because I should have made that connection to Investing In Jersey that we have discussed it in that particular context. The Investing In Jersey programme itself will be set up as an investment fund but housing will not necessarily translate into a drawdown from that fund for housing.

Deputy H.L. Jeune:

No.

Head of Strategic Housing and Regeneration:

It could relate to another fund so I do apologise that I did not pick up that connection earlier. But all of these things would have to be subject to a business case. There are proposals, a scale of funding has not been settled. I think the principle of housing in Investing In Jersey relative to the wider infrastructure spend is because they are materially linked. So you are talking about the dependence on our drainage infrastructure, for example, is that if we are going to provide more homes for Islanders we absolutely have to invest in our drainage infrastructure.

Deputy H.L. Jeune:

Which I understand the narrative of that and that is Investing In Jersey but because we are talking about the money and what that fund will be spent on and which projects will go for and because it says: "Ring-fencing for housing", that instead of: "Ring-fencing for infrastructure", that would help develop housing is a different narrative than saying it is ring-fencing for housing. I just was wanting to see what discussions have happened around what the funding potentially could be for and what does that housing funding look like? What would it be for? Would it be in these elements that we have just been talking about?

Head of Strategic Housing and Regeneration:

Again, the total value would have to go to the housing need. We have not recast our future housing requirements relative to the next Island Plan, which is where we reset our assumptions for housing supply and demand. So, it is impossible to say where the difference lies between the financial capacity of Andium and S.o.J.D.C. to deliver homes for Government against what we would expect them to deliver in any increased or decreased housing demand projection that we might identify. So that number has not been rationalised yet. It will not be rationalised until the work for the next Island Plan starts in earnest at the beginning of the next political term. We cannot set a number on that but it would naturally form part of the business case if there is that difference between their existing financial capacity and what we would want to be supporting them to increase that capacity to deliver more homes for Islanders.

Deputy H.L. Jeune:

So the fund itself would then be the place to raise that money to pay Andium and S.o.J.D.C. or to provide them ...

Head of Strategic Housing and Regeneration:

The mechanics of it would be subject to Treasury and the building fund would come into that as well. Where would the money come from and how it becomes available is a question that the Council of Ministers will have to be thinking very carefully about in terms of the source of funds and also how they are prioritised, as you have identified.

Deputy H.L. Jeune:

I think there are no more question from Scrutiny. Well, thank you very much, Minister.

The Minister for Housing:

Thank you.

Deputy H.L. Jeune:

I will give you 5 minutes back of your time. Thank you, Natasha, for that. Thank you, everyone, and thanks to the Scrutiny Panel as well.

[12:56]