

2.12 Deputy J.H. Young of the Minister for Planning and Environment regarding a policy to ensure affordable homes for first-time buyers:

Further to the adoption of an amendment to the Island Plan 2011, will the Minister inform the Assembly whether the Supplementary Planning Guidance on the operation of Policy H3 for affordable housing, will soon be lodged for debate by this Assembly? If not, will he take urgent action to bring forward a policy to ensure affordable homes are available for first time buyers?

Deputy R.C. Duhamel (The Minister for Planning and Environment):

I am and I will do. This Minister, as I mentioned earlier in a previous question, met with the Construction Council, the Chamber of Commerce, Association of Jersey Architects, Jersey Hospitality Association and the Jersey Farmer's Union on Friday to discuss the latest stage in the bringing of a paper to this House and for public consultation in the very near future. Although the cross-industry working party did not agree with all 4 points, substantial progress, I felt, was made in that over 50 per cent of the items were deemed to be supportable. At that meeting a number of other issues were raised to bring forward a consensus, a way forward, that perhaps might be able to achieve the 100 per cent buy-in by those industries, which I feel is necessary if we are going to move forward. I will bring this policy to the House as soon as possible and that will hopefully be before the end of the year.

2.12.1 Deputy J.H. Young:

It is good to hear that the Minister is in a position to bring this forward very quickly and that he is seeking 100 per cent support. Is the Minister, though, still satisfied that the H3 policy that was approved by this House and suspended 15 months ago and cannot be put into operation, is still fit for purpose?

Deputy R.C. Duhamel:

Quite clearly it is not fit for purpose which is why the jury is out for consultation. I was charged to come forward with a new policy in order to replace the old policies and that is what I am doing. There is no point in my mind in coming forward with any policies that do not either share the support of this House, the States Members who form the rump of the Government or indeed the public at large, particularly those within the construction industry who will be party to the policies. I am looking for a realistic way forward and, as I said, it is easier if we have buy-in by all those parties, admittedly 100 per cent might not well be achievable but I think perhaps even an 80/20 per cent solution would be better than no support from those industries at all.

2.12.2 Deputy R.G. Le Hérissier:

The Minister said he had at least 50 per cent support. Could he outline whether those 50 per cent were the people in favour of really moving ahead in a big way? What did that 50 per cent consist of and what is the other 50 per cent about?

Deputy R.C. Duhamel:

I can do. The 4 items that are being discussed at the moment is whether or not the States land should be predominantly used for the provision of affordable housing on the basis that we can do further things or innovate things with the land ownership in order to bring the price down. The second thing that was successful was the general drift of the States in providing affordable housing as a concept. The 2 things that were not however completely accepted, although I do think there is room for further improvement in a short timeframe, were commuted sums in order to provide a funding which is necessary to get assist in the provision of affordable housing and the fourth point was a non-acceptance of this Minister's consideration by bringing innovative construction techniques so that potential cost savings could be anticipated.

[11:00]

2.12.3 Deputy R.G. Le Hérissier:

I know the Minister has worked very hard at this. When he says: "Committed sums were not accepted by the meeting", does that mean the meeting did not accept the idea of allowing people on fairly low salaries of getting on the housing ladder via a financial inducement from the States. Is that what that recommendation was?

Deputy R.C. Duhamel:

Not exactly, no. I think the suggestion was that if any commuted sum policy was going to be imposed or asked for by the States, either through planning obligations or by taxation, that the industry did not feel that their particular industry should be taxed at all in terms of any uplift in building availability or potential that would form the backbone to the town regeneration project that all Islanders are supporting.

2.12.4 Deputy S.G. Luce of St. Martin:

The provision of proper affordable housing into the future may well involve some sort of prefabrication. Does the Minister share my dismay at the forthcoming closure of the Island's only frame form construction facility? Will he acknowledge that it is his own employment-led policy that is ultimately responsible for the closure of this facility and the loss of over 15 jobs, the very same jobs that his policy is supposed to protect?

The Bailiff:

I am not entirely sure, Deputy, that that arises out of the question.

Deputy R.C. Duhamel:

I am happy to answer that, Sir. No, I do not because as any person who does a modicum of research into affordable building techniques and innovation in construction methods will know, there are so-called methods which appear to be on the one hand sustainable construction methods, but compared to the more innovative ones that are being promulgated or promoted through Scandinavian and German factories, they are not as cost effective as perhaps they could be.

The Bailiff:

If you please, if your answers could be concise.

Deputy R.C. Duhamel:

I have probably said enough in that case, Sir.

2.12.5 Deputy G.P. Southern:

Can I ask the Minister the question I asked the Minister for Housing last time? What is the Minister's calculation of the level at which homes become affordable? Is it 5, 7 or 9 times the average salary for one or 2 people or some other figure?

Deputy R.C. Duhamel:

The level at which I consider homes to become affordable is a 25 per cent contribution of a gross income, which is the same figure that is used by the U.K. It is slightly lower than the American standard that was agreed by Ronald Reagan's Government in 1989 of 30 per cent, but that amounts to a person's ability to pay at affordable rent, which amounts to some £275, £280 a week, which would mean a joint income of £56,000 across the board, £14,000 of which would be put into an affordable mortgage. These figures have been corroborated by banking institutions and indeed by our own statistics.

2.12.6 Deputy G.P. Southern:

Do institutions lend on these sorts of levels?

Deputy R.C. Duhamel:

Yes, it is my direct experience that they do and certainly would do and this is why I consider that the policies that are coming forward in embryonic form are going to take the Island by storm.

2.12.7 Deputy R.J. Rondel of St. Helier:

It is becoming increasingly monotonous and frustrating to continually ask for action and delivery of both affordable and social housing. I can recall when the former Senator Corrie Stein, at that time she was President of the Housing Committee. She became, at one stage, so frustrated with the lack of delivery that she slammed her fist on the desk in front and loudly said: "What I want to see are erections, erections, erections." [Laughter] Would the Minister show the Assembly that he is serious about the delivery of affordable housing and provide Members with a list and timescale of when decisions will be made and on which sites?

Deputy R.C. Duhamel:

I have to be careful what I say. This Minister is about to bring the final paper in front of the Council of Ministers in a very short period of time. I was unwilling to do so without the support levels that I think I have almost achieved across the board with the cross-industry working groups. Following on from that there will be a public consultation and following on from that towards the end of this year or the early part of the New Year, there will be a formal States debate at which all of these issues will be properly discussed and the States will decide whether or not the policies are something that they can fully endorse.

2.12.8 Deputy M. Tadier:

I was tempted to keep my mouth shut but the question is for the Minister. Does he acknowledge that apart from building there are other ways to increase the supply of first-time buyer and affordable homes, which may include a levy on multiple home ownership and increased rates for unoccupied properties? Would the Minister state how those 2 tools perhaps could be used in conjunction with acquisition of land and building of affordable homes in order to drop the price of first Homebuyer homes in the market?

Deputy R.C. Duhamel:

It is an alternative mechanism but it is not one that I have been given the full remit in order to consider by this House and will probably be better considered by the Minister for Treasury and Resources in association with all those other Ministers who might have a point of view to express.

2.12.9 Deputy J.H. Young:

The Minister has committed today to bringing forward not just Supplementary Planning Guidance as the States decided 15 months ago, but a new policy to achieve affordable housing. In doing that policy will he recognise that at the moment we already have policies in the Island Plan for States-owned sites. What we are talking about here is for privately-owned sites. Does he not accept that his review should include looking at other opportunities to deliver those homes, including on other sites such as former glasshouse sites and others, particularly bearing in mind we do not have brown-filled land in the Island that the U.K. does. Will he include those matters in his review and his policy?

Deputy R.C. Duhamel:

I think I am and certainly will be doing so. But as I said previously, this House committed to a particular set of policies and policy direction under the Island Plan debate and indeed, the first and foremost route for providing affordable homes was to define the terms properly to allow more of our youngsters to purchase property or indeed others who were able to do so and to try to do it with our property as far as possible. It was not to open the floodgates and to build on green field sites, which indeed most Members, if not all Members, of this House did not wish to participate in.