

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 20th FEBRUARY 2018

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[9:30]

The Roll was called and the Dean led the Assembly in Prayer.

COMMUNICATIONS BY THE PRESIDING OFFICER

1. Welcome to His Excellency The Lieutenant Governor

The Deputy Bailiff:

On behalf of Members I would like to welcome His Excellency the Lieutenant Governor to the Chamber this morning. [**Approbation**]

QUESTIONS

2. Written Questions

Senator P.F.C. Ozouf:

May I advise that I wish to withdraw the question in my name of 32 oral question? It seems more appropriate as a written question.

The Deputy Bailiff:

Which number is that one?

Senator P.F.C. Ozouf:

32, Sir, to the Minister for Treasury and Resources. It is number 7 on the list.

The Deputy Bailiff:

Number 7 on the list?

Senator P.F.C. Ozouf:

Yes, indeed.

The Deputy Bailiff:

Very well. Thank you for that, Senator.

2.1 THE DEPUTY OF GROUVILLE OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE REVENUE THAT WOULD BE RAISED IF INCOME TAX WERE CALCULATED ON AN INDEPENDENT BASIS: [WQ.28/2018]

Question

Will the Minister supply the annual revenue that would be raised if Income Tax was calculated on an independent basis, based on the following rates?

First £40,000	10%
£40,000 - £100,000	20%
Over £100,000	25%

Further to the gross figure resulting from this calculation, will the Minister also supply the annual revenue that would be raised on the basis of these rates and allowing for a personal allowance provided on the same basis as the current personal tax allowance and whatever is currently given as children's allowance?

Answer

In respect of the first part of the question we note that the Deputy appears to be requesting information regarding a personal income tax system containing no allowances whatsoever. This would be a very significant change from the current system with material distributional impacts (in particular making a large number of low income households tax paying where they are currently exempt from income tax).

We also note that for administrative simplicity, both from the perspective of the taxpayer and the Taxes Office, the Taxes Office does not require tax returns to be submitted by those people who have a low, fixed income which means they are exempt from tax now and are unlikely to pay income tax in the future (e.g. pensioners on a fixed income which is below the income tax exemption threshold). Under the proposal outlined in the first part of the question these people would become subject to income tax, however the Taxes Office does not hold information on their income, and hence it is not possible at the current time to calculate accurately how much additional income tax would be payable by this cohort.

It is further noted that in relation to the second part of the question there are a number of options that the Deputy would need to consider and determine before any modelling of the tax implications could be undertaken. For example, the question is seeking information regarding the amount of personal income tax that would be raised if the current system of single person/married man taxation was changed to a system where every individual was taxed only on their own income; however it is unclear how the proposed allowances would be given within this new system, for example:

- what is the “current personal tax allowance” – is it the single person income tax exemption threshold or, alternatively, half of the married couples income tax exemption threshold;
- when talking about “children’s allowance” does that encompass the allowance given in respect of school age children as well as the higher child allowance given in respect of children in full-time higher education, does that term also encompass the additional personal allowance and/or the relief currently given for child care costs incurred; and
- in the context of married couples with children how should the “children’s allowance” be split between the parents in a system of independent taxation.

In light of the comments above it would be more straightforward to discuss the Deputy’s requirements in person to ensure that she is obtaining the most relevant information and that the limitations of any information provided are fully understood.

Finally it is noted that work is being undertaken on the completion of a modelling tool that will make it more straightforward to analyse these sort of hypothetical proposals in the future. It is anticipated that the testing of this modelling tool will be completed by the end of the second quarter this year.

2.2 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR SOCIAL SECURITY REGARDING THE APPRENTICESHIP MINIMUM WAGE: [WQ.29/2018]

Question

In respect of the apprenticeship minimum wage, will the Minister -

- (a) provide the details of how many workers are currently being paid below the standard minimum wage rate on the basis of being classed as apprentices;
- (b) state what proportion of those workers are being paid exactly the apprenticeship minimum wage rate;
- (c) advise what process, if any, exists to assess if the apprenticeship minimum wage rate is being used appropriately by employers;
- (d) advise whether employers have to provide proof to the Social Security Department that their employee is undertaking genuine training, with a timetable for completion upon which the employee will be uprated to the standard minimum wage rate; and
- (e) state how many employers over the last 3 years, if any, have been found to be incorrectly paying staff the apprenticeship minimum wage rate?

Answer

There is no 'apprenticeship minimum wage' in Jersey and so this response provides details in relation to the minimum wage rates for trainees. The employment legislation permits a trainee rate to be paid to an employee of any age, who is undertaking approved training for a maximum period of two years, at any time within the first two years of a new job.

(a) According to the survey undertaken by the Jersey Statistics Unit for the June 2016 report on the Index of Average Earnings less than 100 jobs were paid at the trainee rates.

(b) The proportion of jobs paid at exactly one of the two trainee rates is not available from the average earnings data. As stated in response to a previous question (WQ.22/2018, tabled on 30 January 2018), anecdotally, the Department understands that few of the Trackers apprentices are paid a trainee wage and most are paid above the minimum wage rate. The Education Department may be able to provide more information specifically relating to Trackers apprentices.

(c) The Minister's clear intention that the trainee rate must be used appropriately by employers is set out in the Jersey Advisory and Conciliation Service (JACS) guide (available on the JACS website¹) which states "*The Minister's intention is that employers of different sizes and in different sectors should have sufficient flexibility, whilst ensuring that employees are paid the lower trainee rate only*

¹ [https://www.jacs.org.je/legislation/employment-\(jersey\)-law-2003/2017-minimum-wage-approved-training/](https://www.jacs.org.je/legislation/employment-(jersey)-law-2003/2017-minimum-wage-approved-training/)

if they are being provided with relevant, formal training.” Where a business is inspected by the Social Security Department and an employer is found to be paying the trainee rate, inspectors will first check that the requirements are met for that employee to qualify as 'a trainee' under the employment legislation. The employee must have a written training agreement with their employer and must be -

1. over age 16
2. in the first 2 years of their employment in a particular job
3. undergoing approved training at any time during the first 2 years in that job
4. undergoing approved training for that particular job

The process of inspection includes pro-active and re-active surveys across all employer types. If an employee reports concerns, officers will conduct a visit and will ensure that any particular questions are addressed. In a routine survey officers will ensure that the correct minimum wage or trainee rate is being paid, and that terms and conditions of employment are inspected, including any training agreements that are in place. Where inspectors are informed of a possible wage infraction the wage records are inspected and sanctions are imposed if the employer does not agree to repay any underpayment of wages.

(d) Where an inspector finds that a trainee rate is being paid, the employer is required to provide evidence to the Department for inspection demonstrating that the employee is undertaking approved training, including any training log and time scales. Taking into account the criteria for formal approved training as set out in the JACS guide which include that training outcomes must be assessed against pre-defined standards or benchmarks and that trainee achievements must be recorded and documented.

(e) Social Security inspection data shows that in the 3 year period 2015 to 2017, 2 issues relating to the trainee rate were dealt with. In both cases the employer was required to pay the full minimum wage to the employee going forward, as well provide back pay at the minimum wage rate for hours previously worked. In such cases inspectors require the employer to confirm to the Department when they have received any wages owed to ensure that employer complies. If the Deputy is aware of issues relating to incorrect payment of the trainee rate, then he is encouraged to advise the affected individuals to contact the Social Security Department or to seek advice from the Jersey Advisory and Conciliation Service.

2.3 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR SOCIAL SECURITY REGARDING RULES SURROUNDING WORKERS' TIPS: [WQ.30/2018]

Question

Will the Minister advise –

- (a) what rules, if any, currently exist to govern how tips are calculated as part of a worker's wage;

- (b) when tips are offered by a customer to a worker on the basis of the service the customer was given, whether the employer has the right to withhold such tips from the worker; and
- (c) what rules, if any, currently exist to compel businesses to display their tips policy so that customers are aware of what happens to the tips they may choose to pay and, if no such rules exist, will the Minister consider introducing them?

Answer

(a) The employment legislation provides that in determining whether the minimum wage has been paid the calculation must not take into account amounts paid by customers by way of a service charge, tip, gratuity or cover charge. The law requires an employer to maintain certain records, including a record of the employee's actual hours, in the form of a single document for each pay period (e.g. a weekly pay slip) that is sufficient to establish that the employer is paying a rate at least equal to the minimum wage.

The Social Security (Contributions) (Jersey) Order 1975 provides that tips, gratuities and service charges paid to a Class 1 insured person must be treated as earnings of a Class 1 insured person, but only if the tips, gratuities or service charges are distributed to employees by the employer or otherwise in accordance with a scheme for their distribution.

(b) Tips are usually administered in one of two ways; either staff collect tips individually or they are collected in a 'tronc' system to be distributed amongst the staff. A tronc system is usually run by a member of staff (a troncmaster) who acts independently of the employer. This was found to be the case in a review of practices relating to tips in Jersey (the Employment Forum's recommendation for the April 2010 minimum rates) in which evidence from employees indicated that tips are pooled and shared, and evidence from industry representatives indicated that businesses usually distribute tips through in-house troncmasters (e.g. on a monthly basis) with no direct involvement from the business in the distribution of tips to individual staff members.

(c) The Minister does not intend at this time to compel businesses to display their policy on tips. Following the Forum's 2010 review relating to tips, the employment legislation was amended to ensure that employers could not count tips towards minimum wage pay. If the Deputy is aware of evidence that might justify further consideration in this area, he is encouraged to provide that information to the Social Security Department or to the Jersey Advisory and Conciliation Service.

2.4 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE H.M. ATTORNEY GENERAL REGARDING THE POWERS OF THE COMMISSIONER FOR STANDARDS IN RESPECT OF CONNÉTABLES UNDERTAKING PARISH WORK: [WQ.31/2018]

Question

Does the power of the Commissioner for Standards extend to ruling on the conduct of a Connétable whilst the Connétable is attending purely to Parish business (as opposed to States business)? If not,

what procedures are available to Parishioners who wish to raise concerns about the conduct of a Connétable whilst the Connétable is carrying out their non-States duties?

Answer

In relation to the first part of the question: Does the power of the Commissioner for Standards extend to ruling on the conduct of a Connétable whilst the Connétable is attending purely to Parish business (as opposed to States business)?

The functions of the Commissioner under the Commissioner for Standards (Jersey) Law 2017 relate to investigating complaints that there has been a breach of ‘a code’ i.e.

- (a) the code of conduct for elected members of the States set out in Schedule 3 to the Standing Orders of the States of Jersey; or
- (b) the code of conduct and code of practice for Ministers and Assistant Ministers referred to in Article 18(3A) of the States of Jersey Law 2005.

Taking (b) above firstly, the codes referred to in Article 18(3A) of the States of Jersey Law 2005 necessarily relate to conduct and practice in the context of activities as a Minister or Assistant Minister.

The purpose of the code in Schedule 3 to the Standing Orders is “to assist elected members in the discharge of their obligations to the States, their constituents and the public of Jersey. All elected members are required, in accordance with standing orders, to comply with this code.”

Schedule 3 goes on to recite, under the heading ‘Public duty’ that: “The primary duty of elected members is to act in the interests of the people of Jersey and of the States. In doing so, members have a duty to uphold the law in accordance with their oath of office and to act on all occasions in accordance with the public trust placed in them. Elected members have a general duty to act in what they believe to be the best interests of Jersey as a whole, and a special duty to be accessible to the people of the constituency for which they have been elected to serve and to represent their interests conscientiously. Elected members must give due priority to attendance at meetings of the States in accordance with the terms of their oath of office and should be present in the Chamber when the States are meeting unless they have very compelling reasons not to do so.”

Schedule 3 also states these general principles of conduct which elected members should observe as holders of public office –

Selflessness: Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family and friends, their business colleagues or any voluntary or charitable organization they are involved with.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organizations that might influence them in the performance of their official duties.

- Objectivity:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- Openness:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest, or rules on freedom of information, data protection or confidentiality clearly demand.
- Honesty:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- Leadership:** Holders of public office should promote and support these principles by leadership and example to maintain and strengthen the public's trust and confidence in the integrity of the States and its members in conducting public business.

Schedule 3 goes on to state how these principles are to be applied in practice. Thus for example paragraph 5 recites that: "Elected members should at all times conduct themselves in a manner which will tend to maintain and strengthen the public's trust and confidence in the integrity of the States of Jersey and shall endeavour, in the course of their public and private conduct, not to act in a manner which would bring the States, or its Members generally, into disrepute. Elected members should at all times treat other members of the States, officers, and members of the public with respect and courtesy and without malice, notwithstanding the disagreements on issues and policy which are a normal part of the political process."

Conduct by a Connétable in some cases may be alleged to have infringed these principles whether the conduct is in the context of States or Parish functions. Thus for example if a Connétable chairing a Parish Assembly were to treat a member of the public with disrespect and discourtesy, such conduct might properly be the subject of a complaint to the Commissioner and be investigated by him/her.

As the code itself states, it applies to conduct "at all times".

In short there is not a strict dividing line for this present purpose between conduct in a Connétable's capacity as an elected member of the States, and conduct in a Connétable's capacity as head of the Parish. The authority of the Commissioner is not automatically negated if and when an allegation relates in some way to conduct in the latter capacity, albeit that there may be occasions when a complaint in the context of the Connétable's Parish role would not be appropriate for investigation by the Commissioner.

In relation to the second part of the question: What procedures are available to Parishioners who wish to raise concerns about the conduct of a Connétable whilst the Connétable is carrying out their non-States duties?

The Connétable (along with other sworn officers of the Parish) has always has been, and remains, subject to the supervisory jurisdiction of the Royal Court. This jurisdiction has not been displaced by the Commissioner for Standards Law.

This is a jurisdiction of the Royal Court which has long existed at customary law. Its purpose is to secure the lawful and orderly administration of the Parish, primarily in terms of its obligation to keep the peace, but also in terms of its wider civil functions. The Court may be seized of this jurisdiction by the Attorney General making a representation to the Court, or by a private party with a sufficient interest doing so, subject to the Attorney General being convened. The Court may impose sanctions ranging from reprimands to orders to do, or not to do, a certain thing; or the Court may dismiss persons from office. The States recently in passing the Connétables (Amendment No. 2) (Jersey) Law 201- confirmed the Royal Court's jurisdiction over the Connétables.

To the extent that a complaint in the context of the Connétable's Parish role might not be appropriate for investigation by the Commissioner, it may nonetheless - depending on the circumstances - be a matter in respect of which the Royal Court can exercise its jurisdiction.

2.5 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING THE DECISION TO RULE OUT A DUAL-SITE OPTION FOR THE NEW HOSPITAL: [WQ.32/2018]

Question

When, during this political term, did the Minister officially make the formal decision to rule out pursuing a dual-site for the new hospital and will the Minister publish the grounds on which this decision was made?

Answer

At meetings of the Ministerial Oversight Group in April and May 2015 it became apparent that following consideration of the Gleeds site options appraisal, the dual site for the new hospital was not as financially beneficial as first thought and would take more than ten years to deliver. The site options appraisal is available on the future hospital website at www.futurehospital.je

2.6 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT, TOURISM, SPORT AND CULTURE REGARDING GRANTS OF PUBLIC MONEY WHICH HE HAS SIGNED OFF: [WQ.33/2018]

Question

Will the Minister list every grant of public money which he has signed off during this term of office, including how much the grant was; to whom it was paid; from which budget it was paid; and what conditions (if any) were attached?

Answer

The recipient and the sum total of all grants that I have authorised directly during the period 2014 - 2016, or which were approved under delegated authority but for which I remain accountable, are already publicly available in the [States of Jersey Financial Report and Accounts](#) and Annexes for those years. I will need additional time to collate and verify details of all grants I have approved in 2017 and 2018 and to determine the amount of information I can publish regarding grant conditions.

I have instructed officers to undertake the necessary work in order that the additional information can be provided to Members by the next States meeting on 6th March.

2.7 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE CHAIRMAN OF THE COMITÉ DES CONNÉTABLES REGARDING THE NUMBER OF PEOPLE ON THE ELECTORAL REGISTER: [WQ.34/2018]

Question

Will the Chairman –

- (a) advise whether the number of people currently on the electoral register for St. Helier is some 20% to 30% lower than was recorded for the 2016 by-election;
- (b) publish figures showing numbers on the electoral register for each district in the 2014 elections and the 2016 by-election, as well as the current figures; and
- (c) state what actions, if any, the Comité will take to increase registration in the coming weeks leading up to the general election?

Answer

- (a) The number registered as electors in the Parish of St Helier for the 2016 by-election was 18,779. The number on the electoral register on 14 February 2018 is 16,086. This is a decrease of some 15%.

The electoral register is a ‘rolling register’; a person who is entitled to have his or her name included on the register for an electoral district has a duty to apply for registration as soon as practicable (Article 7(4) of the Public Elections (Jersey) Law 2002).

The electoral administrator is required to remove a person’s name from the register when –

- i) Satisfied that the person whose name is on the register is deceased or no longer resident in the electoral district (Article 8(3)), and
- ii) A person who has not, for a period of 3 consecutive years, been included in and signed a statement returned under Article 7(3) has been served a notice under Article 8(4) and the confirmation required has not been received within the time specified.

Between elections for States members, the electoral administrators will seek to update the electoral registers by removing the names of those within (i) and (ii) above.

(b)

	2014 elections	2016 by-election	14-Feb-18
St. Brelade no. 1	2,418	2,557	2,348
St. Brelade no. 2	5,164	5,323	5,081
St. Clement	6,244	6,469	5,747
Grouville	3,478	3,637	3,473
St. Helier no. 1	5,335	5,575	4,610
St. Helier no. 2	4,339	4,507	3,797
St. Helier no. 3	8,386	8,697	7,676
St. John	2,139	2,160	2,253
St. Lawrence	3,261	3,757	3,807
St. Martin	2,748	2,807	2,703
St. Mary	1,373	1,401	1,328
St. Ouen	3,100	3,083	2,845
St. Peter	3,604	3,620	3,403
St. Saviour no. 1	3,061	3,089	2,818
St. Saviour no. 2	2,923	3,183	2,938
St. Saviour no. 3	2,385	2,453	2,348
Trinity	2,127	2,143	2,085

(c) The Annual Statement is sent each year to every unit of dwelling accommodation (Article 7 of the 2002 Law), it is the duty of each person ordinarily resident to check, sign and return the statement so the registers can be updated. The statements were sent out in autumn 2017 for return by 1 December 2017.

A Notice of Registered Voters will be sent out in early March in accordance with Article 7A of the 2002 Law. The notice will contain the names of the persons (if any) whose names are included in respect of that unit of dwelling accommodation on the electoral register for the electoral district; explain where and how to inspect the electoral register; and explain when a person is entitled to be registered and how to register. The notice will also contain other information pertinent to the forthcoming elections in May 2018.

There will also be publicity in the media about the forthcoming elections on 16 May 2018 to ensure those not currently registered have the opportunity to register. Information is available on vote.je and on the parishes' website parish.gov.je

Finally, and subject to the States approving an amendment to the Public Elections (Jersey) Law 2002 (P.2/2018) which will remove the requirement for a signature where an application is made in electronic form, an online application to register as an elector will be available from March 2018.

2.8 DEPUTY G.P. SOUTHERN OF ST. HELIER THE CHIEF MINISTER REGARDING THE WORK BEING UNDERTAKEN TO MAKE JERSEY A MEMBER OF THE WORLD TRADE ORGANISATION: [WQ.35/2018]

Question

In the light of concerns expressed on 23rd January 2018 in the House of Lords by Lord Teverson regarding the potential marginalisation of Jersey's interests in the U.K.'s Brexit negotiations, what progress, if any, has the Jersey government made in becoming a member of the World Trade Organisation (W.T.O.) to protect against potentially damaging tariffs and quotas in the event of a no-trade deal with the E.U. being secured post-Brexit by the U.K.? What assistance from the U.K., if any, has Jersey received over the last year in gaining membership of the W.T.O.?

Answer

It is a long-standing policy objective of the Government of Jersey to secure extension of the United Kingdom's (U.K.) membership of the World Trade Organization (W.T.O.). Over the last year, this objective has been progressed in close conjunction with the U.K. Government, particularly the Department of International Trade (D.I.T.).

Government of Jersey officials - working closely with D.I.T. - are currently conducting a cross-departmental review of the Island's ability to comply with W.T.O. obligations and commitments. This review is progressing well and its outcome will inform the future progress of, and mechanism for, W.T.O. extension. D.I.T. officials are conducting a similar due diligence exercise in advance of the planned rectification of the U.K.'s W.T.O. Schedules.

Work to progress the related issue of extension of the Paris Convention for the Protection of Industrial Property continues. A resolution of this issue is expected within the first quarter of 2018.

A number of telephone calls, workshops and meetings have taken place with the relevant D.I.T. team to focus on W.T.O. membership. Quarterly meetings between the Chief Ministers of the Crown Dependencies and Robin Walker MP, Parliamentary Under-Secretary of State at the Department for Exiting the European Union provide an opportunity to raise issues at Ministerial level.

2.9 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE FINANCIAL ASPECT OF RENT POLICIES: [WQ.36/2018]

Question

Will the Minister –

- (a) detail what impact the policy of above-inflation rent rises (RPI plus 0.75%), and the move to rent levels for new tenancies of 90% of private sector levels, have had (or will have over the next 5 years) on the return to the Treasury and the repayment of the housing bond dividend, and also the amount required to support those tenants of Andium Homes in receipt of the Income Support rental component;

(b) state what measures, if any, he has in place to prevent excessive rent rises in the private sector leading to increased rent levels in the so-called social sector; and

(c) state what the impact of a rent-freeze on Andium rents would be on States revenues?

Answer

(a) P.33/2013: The Reform of Social Housing introduced a rent policy of a return to near market fair rent levels as part of a series of changes to transform the provision of social housing.

A near market rent policy was proposed and set at 90% enabling the maintenance and back log maintenance required to achieve the Decent Homes Standards to be undertaken and also to make the creation of new affordable housing stock financially viable.

A near market rent policy is essential if the servicing and repayment of the Housing Bond is to be sustainable and affordable.

The annual return to the States is determined by the Transfer Agreement signed between Andium and the Minister for Treasury and Resources It is an agreed base sum inflated annually by the June RPI. It is not directly linked to above-inflation rent rises or the move to 90% of private sector levels.

An initial increase in the budget for Social Security was agreed as a result of the rent policy agreed as part of P.33/2013, such that Income Support rental components were increased so that families in receipt of the benefit were not worse off as a result of the new policy.

(b) The Minister for Treasury and Resources has no direct responsibility for private sector rent levels. However the Minister for Housing is clear that a consistent supply of housing across all categories of tenure, which has been supported by the measures put in place following P33/2013, will help reduce the upward pressure on housing costs.

(c) There is a Variation Procedure within the Transfer Agreement (annual return). If Andium were forced to freeze their rents they could invoke this Variation Procedure to end the annual inflation increases to be paid to the States. They could also seek to reduce the annual return further, to compensate for the lost income which they would have reasonably anticipated when they made the loan repayment contractual commitments for borrowing from the Bond monies. A rent freeze would also limit the amount that would be paid out through Income Support which may partially offset any reduction in the annual return through the Variation Procedure being invoked.

It should also be noted that freezing rents does not help the poorest members of society. This can only be achieved through income support. A rent freeze would also make new build schemes less viable and further limit the development of more homes. This would impact supply and therefore increase rents. Effectively it would undo the positive principles that the Housing Transformation Programme was established upon.

2.10 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE LOSS OF INCOME TAX ARISING FROM CHILDCARE ALLOWANCES: [WQ.37/2018]

Question

Will the Minister provide the most recent figures for the loss of Income Tax arising from all of the childcare allowances offered through the Income Tax system and will he also provide the number of people who are currently claiming these allowances?

Answer

This answer refers to Taxes Office data for the 2016 year of assessment.

<i>Childcare allowances</i>	<i>Tax relief²</i>
Child allowances	£17m
Additional personal allowance	£4m
Child Care Tax Relief	£3m
TOTAL	£24m

There were about 14,000 claimants.

NOTE:

1. 'Child allowances' includes basic (pre-school and school age children) and higher (children in full time higher education). These allowances are set at a flat rate.
2. Basic child allowance and additional personal allowance were phased out for standard rate taxpayers through 2016 and 2017.
3. Childcare Tax Relief, is a tax relief which can be claimed by working parents who incur specific costs for pre-school and school age children under 12.
4. The claimants are a mixture of marginal and standard rate taxpayers, but also those whose access to reliefs and allowances ultimately exempt them from income tax. In these cases the tax relief available may not have been fully utilised.

2.11 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR EDUCATION REGARDING EXPENDITURE FROM THE NURSERY EDUCATION FUND: [WQ.38/20218]

² Figures rounded to the nearest £500,000

Question

Will the Minister provide the current level of spending from the Nursery Education Fund and the number of people currently claiming such funding?

Answer

The figures provided are for the completed financial year 2017.

The expenditure for the Nursery Education Fund (NEF) paid to NEF registered nursery providers was £1,842,287.

The number of children accessing the NEF during 2017 is detailed below:

Term	Number of children accessing a NEF place
Spring 2017	506
Summer 2017	498
Autumn 2017	448

2.12 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR SOCIAL SECURITY REGARDING THE HOUSEHOLD COMPONENT OF INCOME SUPPORT: [WQ.39/2018]

Question

Given that, under the Income Support rules, a household is able to claim support for childcare for their children, will the Minister advise how much is currently spent via this particular component and what number of people currently claim such funding?

Answer

In 2017, a total of 453 Income Support claims received a childcare component for some or all of the year.

The total cost of paying these components was £1,430,000. This figure is calculated by considering the additional value of the claim due to the presence of the childcare component. It does not reflect the overall value of the Income Support claim which will vary depending on the level of other income the household receives.

2.13 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING HIS DEPARTMENT'S POLICY ON BORROWING AND LENDING: [WQ.40/2018]

Question

Will the Minister advise what his Department's policy is on both borrowing and lending and will he explain why there was a difference in policy position on borrowing up to £400 million for a new hospital from that on supporting students via loans for higher education purposes?

Answer

The rules governing the Minister for Treasury and Resources' ability to borrow and lend money are clearly defined in the Public Finances (Jersey) Law 2005 and the Public Finances (Transitional Provisions) (No.2) (Jersey) Regulations 2005.

The States do not currently borrow for annual expenditure costs, but limits borrowing to that related to capital assets.

Lending to students, borrowing to fund such, and borrowing for significant assets clearly exceed the Minister's authorities and require decisions of the States Assembly.

Turning specifically to supporting students via loans for higher education purposes, the Council of Ministers position on this is clearly set out in P.33/2018. In summary, whilst acknowledging that a loan scheme is a feasible solution it also has a number of drawbacks. The Council ruled out a UK style and scale loan scheme because of the financial implications of the debt burden for students/parents and the States of Jersey. In addition the logistics of establishing a loan scheme meant that it was unlikely to be available until September 2019 at the earliest.

Similarly, P.107/2017 Future Hospital: Approval of Preferred Scheme and Funding included a reduction in the amount being proposed as borrowing (from £400million to 'up to £275million') to reduce the debt burden on the States of Jersey whilst still maintaining the greatest flexibility of reserves should they be required for alternative uses in the future.

2.14 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR SOCIAL SECURITY REGARDING THE OVERPAYMENT AND UNDERPAYMENT OF INCOME SUPPORT: [WQ.41/2018]

Question

Will the Minister advise –

- (a) how many instances over the last 3 years there have been of Jersey's Social Security Department overpaying and underpaying Income Support payments to Islanders;
- (b) how much was overpaid / underpaid; and

(c) how much is due to be repaid?

Answer

(a) how many instances over the last 3 years there have been of Jersey's Social Security Department overpaying and underpaying Income Support payments to Islanders;

Income Support benefit is always paid in advance, on either a weekly or four-weekly basis. Any change of circumstance that occurs after a payment has been made and during the period paid for, which affects the value of the claim rate, will result in the need for a payment adjustment in respect of the over or under payment. The alternative would be to provide payments in arrears, which could cause hardship to vulnerable clients.

The most common reason for an adjustment (an over or under payment) is a change in employment/ earnings. This could either increase or decrease the level of Income Support payment. In some cases, all the details of the change will be known in advance and the claim can be amended to pay at the correct rate for a future date.

However, there is often a short delay before the claimant provides all the details to the Social Security Department; this is the responsibility of a claimant when accessing Income Support. When this change is processed, an adjustment will be included to take account of the underpayment or overpayment during this time.

Over the last 3 years, the number of overpayments and underpayments adjustments is as follows:

Year	Overpayment s	Underpayment s
2015	4797	5557
2016	5046	6049
2017	4889	5680

The most common reasons for a payment adjustment to an Income Support claim include:

- change of income or employment
- change of accommodation;
- receipt of an additional benefit; and
- change in the membership of an Income Support Household.

It should be noted, a significant number of larger underpayments are generated by the award of impairment components for long-term illness and disability. These awards require information from

both the claimant and the claimant's GP and the collation and assessment of this detailed information commonly takes several weeks. The award is then backdated to the date on which Income Support received the initial application, which can often result in a large underpayment being paid.

The processing of many changes is completed at the front desk. The benefit of this method is that changes are completed with the customer present, the changes in rate can be explained in full to the customer and written confirmation is handed to the customer regarding their change of circumstance. This helps customers understand the impact changes can make on claims.

Online forms are also available for Income Support so that customers can complete change of circumstances online at a time convenient to them, reducing the time taken to communicate and action a change of circumstance.

The Department provides an assisted digital area within the main reception. Two computers are available for customers to use with help available from the Customer Service Centre staff as needed. This helps customers who do not have access to their own PC or need support completing forms or changes to claims

Back to Work and Income Support teams also liaise closely so that a customer starting work has their claim adjusted with the minimum of delay.

All Social Security applications forms and customer letters detail the terms and conditions regarding Income Support and the responsibility of claimants to notify the department regarding changes to circumstances.

(b) How much was overpaid / underpaid?

Year	Average median Overpayment	Average median Underpayment
2015	£158.27	£112.70
2016	£164.36	£106.92
2017	£159.57	£109.25

(c) How much is due to be repaid?

All overpayments are due to be repaid either through deduction from benefit or if the Income Support claim has closed we offer a repayment plan.

2.15 DEPUTY M. TADIER OF ST. BRELADE OF THE CHAIRMAN OF THE COMITÉ DES CONNÉTABLES REGARDING MEMBERSHIP OF THE PARISHES' ROADS COMMITTEES: [WQ.42/2018]

Question

Will the Chairman advise –

- (a) what the total number of members of Roads Committees is across the 12 Parishes;
- (b) out of this number, how many are women; and
- (c) how many elections for Roads Committees there have been in the past 5 years and how many have been contested?

Answer

- (a) There are 62 members across the island (St Helier Roads Committee is the Connétable, Rector and 5 principals of the parish; in the other 11 parishes the Roads Committee is the Connétable, Rector and 3 principals of the parish).
- (b) There are currently 5 women members. There were two unsuccessful women candidates in St Helier (2017 elections).
- (c) Members (principals) of the Roads Committee are elected every three years so, other than if there has been a by-election to fill a vacancy, a parish will only have had one or two elections in the past 5 years. The number of candidates has not exceeded the number of vacancies other than in the following elections –
 - St Clement by-election 2013
 - Grouville by-election 2013
 - St Helier elections in 2014
 - St Brelade elections in 2017
 - St Helier elections in 2017 (there was a tie for one position and a further election held subsequently which was also contested).

2.16 DEPUTY M. TADIER OF ST. BRELADE OF H.M. ATTORNEY GENERAL REGARDING PARISH HALL ENQUIRIES UNDERTAKEN IN 2017: [WQ.43/2018]

Question

Will H.M. Attorney General advise, with the numbers broken down by Parish, -

- (a) how many parish hall enquiries took place in 2017; and
- (b) out of these, what percentage resulted in no further action or were dismissed due to insufficient evidence?

Answer

The below table details the information collated by the States of Jersey Police in relation to all Parish Hall Enquiries:

Crime - 2017	Written caution	Charged for Court	Words of advice	Summonsed	Verbal caution	No further action	Grand Total
St. Helier Parish Hall	133	109	2	4		7	248
St. Saviour Parish Hall	13	22	7	2	1		45
St. Clement Parish Hall	17	2		1			20
St. Peter Parish Hall	11	3		2		1	16
St. Brellade Parish Hall	5	8		1		1	14
St. Lawrence Parish Hall	3	4	1				8
Trinity Parish Hall	4	3					7
Grouville Parish Hall	6						6
St. Martin Parish Hall	1	1	1				3
St. Ouen Parish Hall	2		2				4
St. Mary Parish Hall	1		1			1	2
St. John Parish Hall	1						1
Grand Total	197	152	14	10	1	10	374
Process offences - 2017	Written Caution	Charged for Court	Words of Advice	Summonsed	Fine	No further action	Grand Total
St. Helier Parish Hall	381	225	8	39	862	60	1,575
St. Saviour Parish Hall	50	42	15		252	2	361
St. Brellade Parish Hall	14	59	11	6	182	22	294
St. Clement Parish Hall	16	35	2		221	1	275
St. Lawrence Parish Hall	20	62	5	2	173	7	269
St. Peter Parish Hall	17	26			179	1	223
St. Martin Parish Hall	28	18	1	1	56	2	106
St. Mary Parish Hall	8	11			54	1	74
Trinity Parish Hall	4	30			17		51
Grouville Parish Hall	8		1		8		17
St. Ouen Parish Hall	4	4			7	1	16
St. John Parish Hall	3	4			5	3	15
Grand Total	553	516	43	48	2,016	100	3,276

In response to (a) there were a total of 3650 Parish Hall enquiries in 2017.

In response to (b) 3 percent resulted in ‘no further action’. The data collated does not specify which of the ‘no further action’ cases were dismissed due to insufficient evidence.

“Crimes” are offences defined as such under UK Home Office guidelines.

“Process offences” include offences such as speeding, breach of the peace etc.

2.17 DEPUTY M. TADIER OF ST. BRELLADE OF THE MINISTER FOR EDUCATION REGARDING THE NUMBER OF STUDENTS LEARNING AN INSTRUMENT WITH THE JERSEY MUSIC SERVICE: [WQ.44/2018]

Question

Will the Minister provide annual figures for students learning an instrument with the Jersey Music Service from 2013 to 2017?

Answer

Year	Number of students
2013	1055
2014	770
2015	830
2016	1004
2017	1070

2.18 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE CHIEF MINISTER REGARDING FUNDING FOR AN INCOME DISTRIBUTION SURVEY TO BE HELD IN 2018: [WQ.45/2018]

Question

Further to the response to Written Question WQ.23/2018, has the Chief Minister reached agreement with the Treasury in respect of funding for an Income Distribution Survey to be conducted in 2018, rather than waiting until 2020, so that a new Council of Ministers has an early insight into income inequality and people living in relative low income on which to base its social policies; and if not, why not?

Answer

Can I please refer the Deputy to the answer previously given on this matter on the 30th January, 2018:

“£200,000 to undertake an Income Distribution Survey is being requested as part of the “carry forward” process to support the delivery of a survey in 2018-2019.

The allocation of this budget must be prioritised alongside other requests, but it is hoped that the required funds to undertake the survey will be approved shortly and the survey can then proceed”

This remains the position.

2.19 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR SOCIAL SECURITY REGARDING THE IMPACT OF MAKING CHANGES TO SOCIAL SECURITY CONTRIBUTIONS AND THE UPPER EARNINGS LIMIT: [WQ.46/2108]

Question

Further to her responses to Written Questions 8473 and 1(592), tabled on 9th September 2014 and 14th November 2017 respectively, will the Minister –

- (a) inform members of the 2018 changes to the Standard and Upper Earnings Limits (SEL and UEL) for Social Security contributions;
- (b) provide updated figures for the income yield arising from the following changes to contribution rates:

	With employer rate of 2% between SEL and UEL	With change to employer rate of 4% between SEL and UEL	With change to employer rate of 6% between UEL
Class 1 between SEL and UEL			
Class 2 between SEL and UEL			

- (c) state what income stream the application of a flat rate (6%) to employee earnings up to the UEL would be produced with current earnings limits; and
- (d) state what income stream would be produced by the removal of the UEL if contribution rates were applied at 2%, 4% or 6% above the SEL?

Answer

- (a) This information is on www.gov.je.

Contribution levels from 1 January 2018

Table showing percentage of wage that must be contributed per month up to the Standard Earnings Limit of £4,290.

Who must pay	Percentage of wage to be contributed
Employee	6.0%
Employer	6.5%

Table showing the Monthly Earnings Limits and maximum Class 2 contribution rate per month.

Monthly Earnings Limit	Amount per month
Upper Earnings Monthly Limit (UEL)	£14,188
Standard Earnings Monthly Limit (SEL)	£4,290
Lower Earnings Monthly Limit (LEL)	£908
Maximum rate Class 2 contribution	£734.21

Source: <https://www.gov.je/working/contributions/pages/contributionlevels.aspx>

Estimates

The following answers are estimates of the change in contributions that might result in the scenarios suggested in question parts b, c and d. The estimates do not take into account any changes in individual or business behaviour, or any wider economic impacts, that might result from changing the current contributions structure.

Estimates of contributions on earnings up to the UEL are based on actual contributions received by the Social Security Department in 2016.

Estimates of contributions on earnings above the UEL are based on income tax data for 2016. These estimates are less certain due to variations arising from the ways in which income and earnings are defined.

In addition, the contributions estimates for the highest earners are based on a small number of people. Any changes in the number of these people could have a disproportionate impact on the estimate and the actual sum achieved will be subject to considerable variation.

(b)

	With employer rate of 2% between SEL and UEL (actual)	With change to employer rate of 4% between SEL and UEL	With change to employer rate of 6% between SEL and UEL
Class 1 between SEL and UEL	£5.4m	£10.9m	£16.3m

Class 2 between SEL and UEL	£1.7m	£3.3m	£5.0m
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(c) A flat rate of 6% on employee earnings up to the UEL would have a very similar effect as a flat rate on employers of 6% between SEL and UEL and the estimate would be £21.3 million – i.e. the total of the last column in table above.

(d) The extra income that would be produced by the removal of the UEL if contribution rates were applied at 2%, 4% or 6% above the SEL can only be estimated from income tax data. The extra income in respect of income above the UEL is estimated at:

2%: £2.7m

4%: £5.4m

6%: £8.2m

3. Oral Questions

3.1 Deputy J.M. Maçon of St. Saviour of the Minister for Social Security regarding consultation with the business community in respect of family friendly employment rights: [OQ.27/2018]

I believe the Assistant Minister is taking this one so I will try and get the pronouns rights. Further to the Employment Forum's review of family friendly employment rights and given that 27 of the 331 respondents to the Forum's consultation were employers, is it the Minister's assessment that this was a representative sample of the business community?

[9:45]

Will the Assistant Minister explain how small businesses were proactively engaged before the department lodged their proposals on maternity and paternity rights?

Deputy G.J. Truscott of St. Brelade (Assistant Minister for Social Security - rapporteur):

I thank the Deputy for his question. The Minister and I are both confident that the Employment Forum undertook this consultation to its usual high standard and that a balanced recommendation has been presented to take into account the views of local businesses as well as employees and parents. In addition to the 27 responses from individual employers, which were from a range of sectors, I am pleased to reassure Members that the views of local employers were also represented in the consultation by employer associations that provided written responses and attended the Forum stakeholder meetings. The Forum's report explains that these included the Jersey Chamber of Commerce representing 550 businesses, I.o.D. (Institute of Directors) Jersey representing more than 650 business members, the Jersey Hospitality Association representing about 400 industry partners and the Jersey Farmers Union representing about 100 members. The Forum's role is to take into account the views of a wide range of stakeholders and other relevant evidence, as the Forum itself has explained. The Forum reaches its recommendations not by being persuaded by the most forcefully expressed consistent or recurring responses but by taking a balanced approach to the evidence and the information that was available from many sources. In addition, there is a balance within the Forum itself with members representing both employers and employees. I am confident that this structure and process have led to a balanced set of recommendations.

3.1.1 Deputy J.M. Maçon:

I thank the Assistant Minister for his response. However I have been contacted by several small business owners who said that they were not even aware that the consultation process had occurred and therefore had not contributed. I wonder whether the Assistant Minister, as it is not in the report, would be able to give a breakdown of those 27 companies explaining the sectors and size of businesses that responded to the consultation. For example, it might be much easier for a finance company to support the forthcoming recommendations where maybe a different smaller company may not, but we do not know at this moment because that breakdown was not provided within the report. Will the Assistant Minister provide that breakdown?

Deputy G.J. Truscott:

I understand. I have not got the precise breakdown of that but it is just generally from a diverse - I was told - range of businesses. So it would be from small businesses, large businesses, right across the board and spectrum of businesses in Jersey. The whole process was very well advertised back ... the consultation started in January 2017 and ran for 3 months. It was extensively advertised via social media, via the radio, via T.V. (television), and online as well. I think really robustly it was well advertised and, as I say, it was well attended by business people locally.

3.1.2 Senator S.C. Ferguson:

As the Deputy knows, over 80 per cent of our businesses are in fact small businesses. I know of cases where someone has been employed only to declare within a week that they were pregnant. Now what safeguards are you going to provide for an employer who takes on somebody in good faith only to find that they are going off on maternity leave very shortly? What safeguards are there for the employer?

The Deputy Bailiff:

Senator, I do not think that is within the parameters of this question, which relates to the strength of the sample that has been obtained and I do not think I can permit that within the context of this question.

3.1.3 Deputy M. Tadier of St. Brelade:

Has the Assistant Minister and the department given thought to the impact that will be had on small businesses and should it be a States contribution that is paid as this benefit rather than one by the employer?

Deputy G.J. Truscott:

Yes, we have considered just about everything, to be honest with you. I think if local businesses or the Government was to get involved in this we would have to be looking at a significant increase in contributions. In the U.K. (United Kingdom), for example, the Government does pick up this type of maternity and maternity bill but employer's rates are at 13.5 per cent for contributions whereas over here obviously they are at 6.5 per cent currently.

3.1.4 Deputy M. Tadier:

Is it not the case that the department cannot have it both ways? We cannot promote what is looking towards being perhaps a gold-plated maternity system without funding it properly in some way? So is it not the case that while comparisons may be made with the U.K. there is of course a cap so that the very wealthiest earners in Jersey do not pay higher contributions? Rather than increasing the basic rate the cap is something that could be looked at in order to fund a universal benefit of this kind?

Deputy G.J. Truscott:

I have finally seen the light where the question is coming from later on, so thank you for explaining that. I think currently the proposals that the Minister is putting forward to the change in Employment Law is balanced and measured, and I am a small employer and I have no hesitation whatsoever for paying 6 weeks' pay for a loyal member of staff that wants to go and take maternity leave. I have no hesitation whatsoever. It is totally affordable from my point of view. I could, if I wanted, take the £209.53 as a reduction in that pay, but not that I would.

3.1.5 Deputy G.P. Southern of St. Helier:

Is it not the case that there is little point in extending the period of the maternity leave or paternity leave from 18 to 26 weeks unless you extend their eligibility for receiving benefit for maternity allowance during that period? That is the way and only costs £1.5 million. Does the Assistant Minister not agree?

Deputy G.J. Truscott:

I do not want to get particularly drawn into the ... we are going to have a debate in 4 weeks' time on the proposals and I do not particularly want to get involved in this type of thing because, at the end of the day, if members want to weaken or strengthen the Minister's proposals that is their political prerogative and their democratic right. I think what we are talking about in here today is whether the process of the Employment Forum is robust, and I do believe it was. I just maybe have your opinion on that, Sir.

3.1.6 Deputy G.P. Southern:

The Assistant Minister again has failed to answer the question but can he explain why that sum of money, £1.5 million to extend maternity allowance, has not been considered? When he talks about the wide survey that has been done, is it not the case that I have had to defer my proposition in order that some results are coming forward forthcoming from another survey to be done on family friendly policies by his department?

Deputy G.J. Truscott:

The Deputy knows full well that we are undertaking a full survey of various contributions and how things are going to go forward into the future. That particular result we are waiting for - there has been the extensive public consultation - will not be known until the end of March. That is why the Minister did ask you to defer your further question later on until after March, until the results are in. So until the results are in I am not prepared to give an answer to the Deputy's question.

Deputy G.P. Southern:

Sir, the Assistant Minister just refused to answer my question. Is he allowed to do that?

The Deputy Bailiff:

The Minister is entitled to say he is not in a position to answer a question at this time for reasons; that is an answer to the question even if it is not the information that you are seeking.

Deputy G.P. Southern:

I think the phrase used, Hansard will say: "That is why I will not answer your question."

The Deputy Bailiff:

I think the Minister said: "I am not prepared to answer your question" to be precise, but there we are.

3.1.7 Deputy S.Y. Mézec of St. Helier:

Could I ask the Assistant Minister just how much take-up he thinks there is going to be of this increased parental leave when such a large proportion of it is going to be unpaid?

Deputy G.J. Truscott:

Again, Deputy Mézec, I have not got a figure. I would hope as many mothers feel they could take up this particular ...

Deputy G.P. Southern:

Rich ones.

Deputy G.J. Truscott:

I do not have the figure, I am afraid, but it is something that ... this is about the family going forward. This is about an important period, which I am sure you do not deny. I know where you are coming from but I have not got the figures. But I do hope as many mothers can take up this as possible.

3.1.8 Deputy S.Y. Mézec:

If it is all about the family then it needs to be accessible by as many families as possible, not just the very wealthy who currently, under the proposal, will be the only families who will be able to take up this full parental leave. So could he give a guarantee to this Assembly that work is going to be done to make sure that the poorest families in our society, the ones that need the most support in this area, will get that support and that he is looking at all potential funding mechanisms to make sure that it is paid and that they can take the full benefit of this, and not leaving it to just be something that only the wealthiest families can benefit from?

Deputy G.J. Truscott:

I will give you my assurance. We look at everything really, and I can rule nothing in and rule nothing out. We will look at everything and you have the ability with the 3 ...

The Deputy Bailiff:

If you could address your answers through the Chair.

Deputy G.J. Truscott:

Sorry, Sir, I do apologise. The Deputy has the democratic right. As I say, we have coming up on 20th March the Minister's proposal. He has every right to try and strengthen or weaken the proposals that we are putting forward.

3.1.9 Deputy J.A. Martin of St. Helier:

It is welcome that there is a little bit extra for some families who can afford it. My question is to a reply the Assistant Minister made and he said: "We have looked at businesses who pay" and then initially then that would be the state, but that would raise employer's contributions to something like the U.K., around 13 per cent. Does the Minister not understand that there are some big, massive multi-million turnovers in some of these companies and that is where they should be looking at, then the pot could subsidise the smaller companies that will be struggling and their families will not be taking the time off because they cannot afford it? Does he not think there is a lot more work to be done and the States should be contributing with the very rich firms that have large, large, large turnovers?

Deputy G.J. Truscott:

I do agree with the Deputy, absolutely. As I say, we have got the M.T.F.P. (Medium Term Financial Plan) 3 coming up in 2019. It is something that the department will be looking at, at all the contributions that we currently offer. Some could be weak and some could be strengthened. That is why we have gone to public consultation and, as I say, we have got Members here that are obviously... all of us are here for the family friendly rights that the Minister is quite rightly promoting. She is

very proud to bring those to the States on the 20th, and as I say, it is down to Members if they want to bring in their revised propositions then please do.

3.1.10 Deputy J.M. Maçon:

In which case, can I ask the Assistant Minister that all States Members, should they want to bring amendments to the Minister's proposition... that they will receive the full co-operation and support of the department in bringing those amendments forward?

Deputy G.J. Truscott:

Absolutely.

3.2 Deputy S.W. Mézec of St. Heier of the Minister for Treasury and Resources regarding the funding requirements for revised higher education grants: [OQ.35/2018]

Further to the funding requirements for the revised higher education grants, as set out in P.33/2018, will the Minister advise what assumptions were made for States income and expenditure in 2020 and 2021 in order to calculate the requirements for those years?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

Members will and can be assured that the Treasury team undertake a great deal of work forecasting the potential income and expenditure expectation over the years ahead. Latest income forecasts for 2020 are £811 million and for 2021 £839 million. These are detailed in the Budget 2018 document. These forecasts take into account the latest economic assumptions and any States decisions determining income over the period. Expenditure for 2020 and beyond will be prioritised by the next Council of Ministers and presented to this Assembly as part of the next Medium Term Financial Plan covering the period 2020 to 2023.

3.2.1 Deputy S.Y. Mézec:

Has any work been done looking at the forecast demographic changes to the Island and what further increases in basic level spending in departments, like the health service, the education service, over those years and whether the extra funding that would be required to fund the higher education grants, where that money will be able to come from and can the department afford it?

[10:00]

Senator A.J.H. Maclean:

As I have said publicly on a number of occasions, the ability to prioritise available budgets for the period of the next Medium Term Financial Plan is, first and foremost, a matter for the next Council of Ministers to consider and present to this Assembly. I believe that Education, along with Health, will remain a priority for this Assembly and for the Council of Ministers, and I do believe that the additional up to £2.5 million from 2020 that will be required for higher education funding is affordable when taken in the context of the priority that it represents.

3.2.2 Deputy M. Tadier:

Will the Minister for Treasury and Resources refer to his colleague at Education at the last sitting who said that he could not guarantee that other funds from his department would not be put at risk in order to fund this unsustainable project just before an election by the Minister for Treasury and Resources?

Senator A.J.H. Maclean:

The election is irrelevant. What I would say to Members is that in 2017 the Education Department had a budget for higher education of £9.9 million. Of that £9.9 million, £2.9 million was underspent,

was not spent and was going to be used in the period 2018 to 2019 to funding the short-term proposals that are going to be before Members on 10th April.

3.2.3 Deputy M. Tadier:

Does the Minister, in celebrating the underspend, can he explain why there was an underspend and what projects perhaps were not delivered on during that period?

Senator A.J.H. Maclean:

The underspends that I have just referred to are specifically in relation to underspend of the higher education element of the Education budget. That was quite simply that there was not enough take up of that particular budget. The proposals that have now been reworked, which Members will have to consider on 10th April, are, I believe, far better targeted and will allow all eligible students the opportunity to access higher education. I think that is something to be celebrated.

3.2.4 Senator P.F.C. Ozouf:

I wonder if the Minister for Treasury and Resources could just confirm again what he said. It is always difficult to get figures on an oral question, which is why I have resubmitted mine as a written question. Did the Minister say the estimated income was £811 million? I am looking at the Budget 2016 and I see that the estimate then was £800 million. What is he saying? What is the income and how does that relate to when he started his term of office because there has been a lot of controversy about income and it seems the income has been rather higher than expected?

Senator A.J.H. Maclean:

The Senator is right with his final comment. Income has exceeded forecasts in recent years; in fact, in each of the last 3 years, which is as a result of prudent forecasting. That is the approach that I support, and I believe is absolutely right. Certainly when the economy is performing strongly, as it has been over the last few years, Members will tend to see a greater surplus generated. Of course the reverse happens when a recession hits and that is why prudent forecasting is important. But just to confirm: the forecasts which are contained within the Budget document 2018 show a forecast of £811 million in 2020 and £839 million forecast income for 2021.

3.2.5 Senator P.F.C. Ozouf:

I wonder if the Minister for Treasury and Resources would agree to publish immediately after this sitting these numbers because they are rather difficult to understand. It seems to me that what the Minister is saying is that ... if I can understand because he said the forecast was downgraded but now we are back up to what we were 3 years ago. These numbers are massively in advance and the Assembly must know what the figures are accurately. There is being prudent, but there is also being overly prudent, and these figures seem to be breaking all records.

The Deputy Bailiff:

So the question is: will the Minister publish?

Senator P.F.C. Ozouf:

Can he publish all the figures that he has explained, reconciled from the start of this Assembly's term of office?

Senator A.J.H. Maclean:

I do not need to publish the figures that I have just referred to because they are already published, as I mentioned in my initial comment. Budget 2018 gives forecasts for 2020 and 2021. However, if the Senator would like to have additional information relating to forecasts and actual outturns I have

no problem whatsoever in publishing those, and going back a number of years to so do. I am happy to circulate to Members as well. I think they will find the information very interesting.

3.2.6 Deputy G.P. Southern:

The Minister referred to the underspend in the higher education budget. Was that not the case that things had got to such dire straits that young people and their families were deciding not to go to university because it was too expensive? Secondly, his new figures, do they cater for a return to the old level of higher education funding with old numbers, the trend, and is there new money in his proposals or not?

Senator A.J.H. Maclean:

Taking into consideration the third question first with regard to new money: I think I have again publicly stated that a proposal is intended for the Budget 2019, which will be presented at the end of this year, to remove the higher childhood allowance, and to target that approximately £3.5 million into the higher education funding proposal. So that is better targeting. The new money from 2020 onwards, and the differential, again I have mentioned previously in a public forum, is £2.5 million on the assumption that every eligible student takes up the opportunity of accessing higher education. At the moment, in round numbers, around about 1,200 students are attending higher education. There are in fact about - again in round numbers - 1,600 or so who could ... the shortfall is 400. What we are not absolutely clear about is there are some within that 400 who indeed may be still accessing higher education being funded on a private basis. I believe these proposals will ensure that all students have the opportunity so that gap of some of the 400 have the opportunity to access higher education. I think that is an important step forward and an important investment.

3.2.7 Deputy G.P. Southern:

The second part of the question was: and whether his figures correspond to the old levels of student applications or otherwise, the new levels, the lower levels? Which is it?

Senator A.J.H. Maclean:

I am not sure if the Deputy is referring to actual student numbers or money. What I can say to Members is that since 2008 there has only been one upgrade, as far as I am aware, in the available grants either for maintenance or for the tuition fees. I think if those numbers since 2008 had been upgraded perhaps on an R.P.I. (retail price index) basis the actual overall costs would probably be very similar to where we are today. But that aside, the system itself has been redesigned to be more targeted, and I believe more effective, and therefore should have a greater uptake and, indeed, give every student, as I have said, the opportunity to access higher education.

3.2.8 Deputy S.Y. Mézec:

I think it follows on from what Senator Ozouf was trying to allude to in his question, which is that forecasts change. Often out of circumstances that are beyond anyone's control sometimes the situation ends up better than we foresaw, sometimes it ends up worse than we foresaw. What I am asking is what guarantees this Government can give those students who are setting out their path towards higher education, and the families who need security and funding for that, to know that this proposal that has been brought forward by the Council of Ministers is sustainable and that the next Assembly will be able to maintain its principles and funding at the levels that are being suggested right now. Either without having to see a decrease in their standard of living because of higher taxes to pay for it, or without seeing a decrease in their standard of living because other services are cut to find the funding for this. Can the Minister give any guarantees that this funding is sustainable within the parameters of what may end up being the case, a forecast being more optimistic than they otherwise could be?

Senator A.J.H. Maclean:

The Deputy knows full well that I cannot stand here and give guarantees. I am not able to give guarantees and I have said that on numerous occasions. In the same way I cannot give guarantees for any funding from 2020 or beyond. Quite simply it has not yet been presented to this Assembly or approved by this Assembly. There is nothing unusual about that. What I have however said is that I believe that the up to £2.5 million of additional funding required is affordable and will represent part of the prioritisation necessary in the future for education, which is a key part of government funding. That is all I can simply do but let me be clear one more time, there are no guarantees of any funding for 2020 or beyond in any government expenditure. That is our system.

3.3 Deputy G.P. Southern of St. Helier of the Chairman of the Comité des Connétables regarding the levels of voter registration: [OQ.33/2018]

Is the Comité des Connétables satisfied with the current levels of voter registration and what measures, if any, does the Comité have in hand to increase voter registration and voter turnout in the upcoming general election?

Connétable L. Norman of St. Clement (Chairman, Comité des Connétables):

In addition to the initiatives of the Constables, which are detailed in the answer to Written Question 7 this morning, those wonderful people at vote.je will be pushing people to register through various activities. For example, on social media there will be posts to encourage registration especially when online registration comes into effect, and that will be next week if the States approve the regulations that we are debating later on in this session. Vote.je will be using traditional media, such as posters and banners, but have also produced 3 short videos which are being translated into Portuguese and Polish, which explain all about the registration process. They have also commissioned a play with Love Theatre, which will go around all the 16-plus schools and colleges the week before the Easter holidays so that young people can be encouraged to register before 9th April, and therefore be able to pre-poll if they so wish. If I could add: while registration is obviously very important the main focus of the vote.je campaign is for those registered to actually vote. Registration is only half of the democratic process and candidates must play their part by enthusing voters during their campaigns to turn out.

3.3.1 Deputy G.P. Southern:

Is it not the case that the registers were viewed and names were removed who had not signed up – registered - in the previous 3 consecutive years? Did the Comité not notice that the electoral cycle has changed from 3 years to 4 years and that when this removal of names took place it was at the end of last year, just the very worst time it could have been, in order to ensure that people were maintained on the register for this coming election?

The Connétable of St. Clement:

We have a 3-year electoral roll, therefore every 3 years or so, it can vary, we are required by law to remove from the register folk who have passed away, have moved away, or have elected not to be on the electoral roll by not returning an electoral form after 3 years. But before they are removed those people are written to at their address to make sure they understand that they are being removed. That is a matter of law.

Deputy G.P. Southern:

Does the chairman not agree that this was the very worst timing that it could have occurred for the next election?

The Deputy Bailiff:

You will have a final supplementary.

Deputy G.P. Southern:

He did not answer it, Sir.

The Connétable of St. Clement:

No, it is not because if people have died or moved away or do not wish to vote by not being on an electoral register it will make no difference whether they are knocked off last year or knocked off next year.

3.3.2 Deputy M. Tadier:

On a positive note I am pleased to hear that videos are being produced in Portuguese and Polish telling those communities why they cannot stand for election, but at least doing so in their own language. The Constable spoke about candidates need to be playing their part to enthuse voters and, indeed, candidates should also be doing their part to make sure that people are registered to vote before the election. The problem is it is very difficult with our electoral roll law for people to access the roll in a meaningful way to collect information about who it is that has not voted. In fact, to the point of being obfuscatory. One can of course sit down with the roll and make a perfect copy of it in handwriting but one is not allowed to make a copy of the roll in order to go around and register people to vote. Is this something that the Constable will look into to make it easier for groups and individuals to engage with the public before an election process and before the roll closes?

The Connétable of St. Clement:

We say in answer to Written Question 7, and the comments I have just made, it is up to the individuals to make sure if they wish to vote they are on the electoral roll. We do everything we can to make sure that people are on the electoral role, even this year for the first time - next month - we will be sending out a letter to all homes in the Island with a list of people who are registered to vote.

[10:15]

Those homes which have got nobody registered to vote will also get letters so those people will still have the opportunity of coming on to the electoral roll. We want more people on the electoral roll. We want everybody on the electoral roll. But more importantly we want those people to vote.

3.3.3 Deputy M. Tadier:

I am glad to hear the Constable wants everybody on the electoral roll because the corollary of that is of course to have automatic registration so that everybody we know about is automatically on the roll. But in the absence of that, could he clarify under whose name these letters will be sent out? Will they be sent out signed by a Parish Secretary who is an independent member of the Parish administration, or will it be signed by the Constable, who is not just an incumbent politician but a potential candidate in the election in that Parish?

The Connétable of St. Clement:

The electoral administrator under the law is the Constable, therefore the Constable is responsible for completing the roll; although, in effect, of course, it is the Parish staff who deal with that. But of course automatic registration, the Deputy reminded me, will hopefully be coming when the ... I think it is the name and address register is completed and the 2 are dovetailed. That will need a change in law but that is what is P.P.C. (Privileges and Procedures Committee) and the eGov team are working on achieving.

3.3.4 Deputy G.P. Southern:

I shall take a look at St. Clement's registration, which in 2014 was 6,200, it rose in 2016 to 4,500, has now fallen to 3,800. Will he be talking to those 700 potential electors that are no longer on the register, and who may not be aware that they are no longer on the register, in order to bring the numbers back up to the 5,300 that it should be, plus population rise?

The Connétable of St. Clement:

As I explained earlier, the number removed from the list are because they have moved away, passed away or no longer wish to be on the register. I was speaking to my staff about this this morning, and after the referendum, which the States decided to go against what the public had decided in the referendum, a lot of people came into the Parish Hall and said: "I do not want to be on the electoral roll anymore because you do not take any notice of what we say." That actually happened. But of course the other thing that happened in St. Clement was Andium knocked down Les Squez Estate. So we lost a heck of a lot of voters at that time and it is currently being rebuilt. So it is not surprising that in St. Clement the numbers went down.

3.4 Deputy J.A. Martin of St. Helier of the Chief Minister regarding the appointment of Assistant Ministers: [OQ.28/2018]

In light of the Assembly's adoption of P.53/2016, will the Chief Minister advise when, and how, Assistant Ministers will be selected in the new Assembly?

Senator I.J. Gorst (The Chief Minister):

Assistant Ministers for the new Assembly will be appointed using the existing procedures. Initial proposals that would have changed this were developed in response to P.53, brought in the name of the Deputy, but did not meet with a sufficient level of support across this Assembly. It does remain an important matter, which should be addressed by the next Chief Minister, in line with the decision of this Assembly.

3.4.1 Deputy J.A. Martin:

Just hypothetically, I know I must not ask that, but say the Chief Minister now is going to go for Chief Minister next time, would he be able to, when he gives his slate of Ministers, would he be willing, not able - the word is "willing" - to give a slate of Assistant Ministers? It is quite simple.

Senator I.J. Gorst:

I think hypothetical questions are without Standing Orders but when I stood for Chief Minister last time I did things which were new and changed, and moved portfolios or said there was that intention. I think that it would be a good act of goodwill towards the Assembly for a Chief Minister to put alongside those people that he was or she was proposing for ministerial positions to acknowledge publicly who they had spoken to at least about being Assistant Ministers. Because what we know happens, sadly - it is not appropriate - is that people right, left and centre, are told that they will be given an Assistant Minister's job in exchange for a vote for that ministerial position. That is what is wrong. That is what we need to eliminate, so we have to find a way of dealing with that.

3.4.2 Deputy M. Tadier:

I do not think it is left, right and centre that they are offered at, I think it is just right of centre. Certainly not left. But that may change. Does the Chief Minister acknowledge that the reason that no changes are forthcoming to the way in which Assistant Ministers are appointed or when they are appointed is because he successfully amended Deputy Martin's proposal to water it down just to ask for it to be investigated rather than any changes implemented? Is that not the case?

Senator I.J. Gorst:

Absolutely not. Proposals were developed... he will know because he sits on some of those committees that my officials and I on some occasions attended and discussed the proposals and what their view was. All of those were collated into a letter to me from the Chairmen's Committee, and it is interesting I have received a recent letter from the Chairmen's Committee as well saying that the proposals are fundamentally flawed. That is why we had to go back to the drawing board and then officials were, unfortunately, taken up with other issues.

3.4.3 Deputy M. Tadier:

In his heart of hearts does the Chief Minister - irrespective of political pragmatism and what this Assembly will accept - not still believe that the ultimate way forward, for whoever the next Chief Minister is, is to be able to be elected, him or herself, first, propose his or her team *en bloc*, and then stand by that ministerial team irrespective of ... sorry, without letting the Assembly choose their individual Ministers?

Senator I.J. Gorst:

I think I, on previous occasions, have - if not proposed it to this Assembly - developed it, and the difficulty that Members had with that proposal was the backstop position. Do you have 3 strikes and you are all out or do you have 3 strikes and then the third strike is assumed to be in place? My proposal for Assistant Ministers, in light of P.53, was just that, that Assistant Ministers were elected *en bloc* by this Assembly. It was that proposal that Members were not satisfied with.

3.4.4 Deputy J.A. Martin:

That was not as simple as that. They were not fundamentally rejected, they were fundamentally flawed and they made it very complicated. Does the Chief Minister not accept that a proposition brought by a Back-Bencher in 2016, supported very heavily by this Assembly, is being totally ignored, and we are going to be in a position again when this House elects a new Chief Minister, will be electing Scrutiny before anybody knows who is going to be Assistant Minister? That is absolutely not the place we should be. Will he apologise to myself and the Assembly for ignoring the wishes of this House in P.53/2016?

Senator I.J. Gorst:

Of course I would apologise if nothing had been done and the wishes of the Assembly had been ignored. But hours and hours were undertaken by officials in trying to bring forward an appropriate proposal. They attended upon the various committees of the Assembly, sometimes more than once. We thrashed out round the Council of Ministers' table on many occasions a proposal, and it resulted in, and she has admitted it... She believes it would appear, from her final supplementary question, as well, that it was fundamentally flawed. I do not believe it was but when the Assembly, after all of that work ... Assembly committees believed it was, those officials had to move on to other work. But it is still an important issue for the very issue that the Deputy in her final supplementary question raises, and that is that Members of the Assembly would benefit from knowing who the proposed Assistant Ministers are in advance of the selection of Scrutiny. If - and it is a big if - I think that whoever sits in the seat of Chief Minister after the election, I think it would set an excellent precedent for them, with their candidates for Minister, also propose and put into the public domain who it is they would have as Assistant Ministers.

Deputy J.A. Martin:

She never said it was fundamentally flawed, I said they were fundamentally complicated and "she" is the Deputy.

3.5 Deputy M. Tadier of St. Helier of the Minister for Health and Social Services regarding the prescription of medicinal cannabis products: [OQ.34/2018]

Will G.P.s (general practitioners) be able to prescribe medicinal cannabis products to their patients; if so, when; and if not, why not?

Senator A.K.F. Green (The Minister for Health and Social Services):

The Deputy of course knows the answer to this question. G.P.s can currently prescribe Sativex on a private basis. The advice I received, as the Deputy knows, from the Misuse of Drugs Advisory Council, which includes a G.P. among its membership, was that prescription of off-label medical cannabis-based products should be restricted to specialist hospital consultants only and that the supply should be from the hospital pharmacy. This is what I am implementing.

3.5.1 Deputy M. Tadier:

I am getting exasperated with this Minister but it is nothing compared to the suffering of people I get contacted with, and other people in this Assembly get contacted with, who are suffering with the likes of cancer, with severe chronic pain, spasticity and other symptoms. The Minister talks about off-label products, but the whole point is that these should not be off-label anymore. The evidence in the reports have been produced. Why are these now not licenced products. We know of Tilray and Bedrocan that exist. Should it not be the case that this Minister should empower G.P.s to prescribe these medicines, like they do with any other opiate-based medicines or whatever type of medicines that are not available simply on off-label, but that they can be prescribed to those who need these drugs urgently now?

Senator A.K.F. Green:

Clearly, the Deputy either does not understand or does not listen to the answers given. Off-label merely means that the product is used for treatment in a way that it was not tested for clinically. So a doctor may choose to use a medicine that was clinically tested for M.S. (Multiple Sclerosis), for example... a doctor may choose to use it for something else even though it has not been clinically tested. That is what off-label means. I am sorry if the Deputy is frustrated. I am frustrated trying to get hold of products that are produced to good manufacturing practice that we can get in into Jersey through countries where it is still illegal. I know the Deputy thinks it is very easy but I can assure him it is not. It is a daily quest of mine to get this right. I want to help the people who are suffering, but I want to help them with safe products that the clinicians approve.

3.5.2 Deputy M. Tadier:

The Minister knows that Sativex is an ineffective form of cannabis for most people who would benefit from a more effective and user-friendly form of cannabinoid for their particular symptoms. So saying that there is something that can be prescribed off-label, essentially saying doctors can prescribe something which is inappropriate for the symptoms, is simply not acceptable. He is the Minister so it is fine for me to be frustrated but his frustration must be taken out on himself and his staff in that case. Will the Minister acknowledge that these medicines already exist, they have already been tested and there are people out there who are willing to bring them in and to prescribe them, both as G.P.s and dispense them as pharmacies? Why can he not take swift action in this regard?

Senator A.K.F. Green:

Clearly, the Deputy knows far better than M.D.A.C. (Misuse of Drugs Advisory Council), which consists of the Head of Probation, Crown Advocates Solicitor General, the States Pharmacist, the States Vet, clearly the Deputy knows much better than all these people. If it was easy to get this product in, produced to good manufacturing standards, believe me they would be here today. But we cannot approve products that we know that are not produced to good manufacturing standards

when they are being prescribed by the public for the benefit of people. I want a solution for people but I want a safe solution, a clinically approved solution, and the right solution, not just any solution.

3.6 Senator S.C. Ferguson of the Minister for Treasury and Resources regarding the long-term strategy for funding higher education grants: [OQ.29/2018]

What is the long-term strategy for funding higher education grants?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

A bit of *déjà vu* here. As I have said already, this extra investment in our students has been identified from within existing resources - underspends in other words - for the remainder of this Medium Term Financial Plan period covering 2018 and 2019.

[10:30]

For the longer term, there is a commitment to announce the removal of the higher rate child allowance in the next Budget. This allowance is currently worth approximately £3.5 million and this money will go directly towards funding student grants from 2020 onwards. Beyond this, additional funds estimated at up to £2.5 million per annum that is assuming all eligible students choose to pursue higher education - will have to be prioritised in the next Medium Term Financial Plan process, which will ultimately need to be agreed by this Assembly.

3.6.1 Senator S.C. Ferguson:

This is not much of a long-term plan, this is merely a short-term fix. Why does the Minister think this is sustainable?

Senator A.J.H. Maclean:

Because, as I have already said, it is simply as long as we are able to plan in terms of agreement by this Assembly. Clearly forecasting, as I mentioned earlier this morning, in terms of income and expenditure is looked at in the longer term, but plans and approved expenditure can only be made in the constraints of the Medium Term Financial Plan and ultimately, as I have said, approved by Members of this Assembly.

3.6.2. Deputy T.A. Vallois of St. John:

Can I ask the Minister for Treasury and Resources how he envisages the latest announcement of the U.K. Government with regards to revising the higher education university loans and whether or if he believes that there is a position for Channel Islands and the Isle of Man to have a discussion while they are undertaking that review with them?

Senator A.J.H. Maclean:

I have been watching, as I am sure other Members will have been, with interest to developments in the United Kingdom and the review that they have announced they are undertaking. The fact that they have currently frozen the tuition fees... and there is some talk that these could even in the future be reduced. The implications for Jersey are again unclear at this stage. I know colleagues within the Education Department have also been watching the matter and will indeed be looking at opportunities for discussions with the U.K. to see how Jersey's position will be managed and what implications may result from the outcome of the review.

3.6.3 Deputy G.P. Southern:

What consideration has his department given to Reform Jersey's plan to introduce a single rate of tax, which produces an extra £6 million, which might be used for higher education funding in the future and in the longer term?

Senator A.J.H. Maclean:

I am not sure it is particularly relevant although the Deputy did his best to weave it into this particular question. I think the matter was dealt with in the Budget 2018 when proposals were brought forward by Deputy Southern and his colleagues in the Reform Jersey party. We have and are currently in the process of undertaking a review of personal taxation and it would be premature to consider anything further until that review has been completed.

Deputy G.P. Southern:

Always the unit of time, when is that review likely to be completed?

Senator A.J.H. Maclean:

The intention is that the review will be completed to align with, broadly speaking, the new computerisation system being introduced into the Taxes Department, which helps, as the Deputy knows, with data that is needed to ensure that the outcomes are as robust as possible and so I would anticipate that by the end of 2019 those details should be available.

3.6.4 Senator S.C. Ferguson:

Yes, it is necessary to consult, but relying on underspends in a department is not sustainable. When will the Minister publish a genuine long-term strategy to meet the costs of education for our youngsters? Not good enough, these woolly suggestions, when will he give us a proper strategy?

Senator A.J.H. Maclean:

With the greatest of respect to the Senator, there is nothing woolly at all. I have been absolutely clear, the use of underspends is a short-term measure and I have made it clear that is exactly what it is, to deal with 2018 and 2019, which is the only pragmatic, and in fact the only way we can manage the additional costs of this much-needed higher education proposal to allow our students to be able to access additional funding for 2018, for this year - for September this year. I might add that a loan scheme would have been impossible to introduce and access for students any earlier. In fact it would have been September 2019 before that would have been a possibility, which was one consideration we had. As far as the long term is concerned, a proposal will come to this Assembly in order to remove the higher-rate tax allowance that is £3.5 million to fund that. The shortfall of £2.5 million, as I have said numerous times this morning, will be a matter for priority of the next Council of Ministers and approval of this Assembly in the proper process that we operate, which is the Medium-Term Financial Plan. I can say from the figures that I have seen to date, the forecasts that I have seen, I am comfortable that what is being proposed for higher education funding is sustainable in the long term and I would be very disappointed if Members do not agree with that, but it is a matter for this Assembly on 10th April when it is debated.

The Deputy Bailiff:

Very well, question 7 having been withdrawn, we will come on to question 8 that Deputy Tadier is to ask of the Chief Minister. Deputy Tadier is not in the Assembly. I anticipate he may simply have not realised that question 7 had been dropped away so, subject to any observation of the Assembly, I propose to list his question at the end of the list and proceed with the next one after that.

3.7 Deputy S.Y. Mézec of St. Helier of the Minister for Education regarding the work of the Department to enable students to engage with the democratic process: [OQ.36/2018]

What work, if any, is being undertaken by the Education Department to enable students to take part in the democratic process and engage with the upcoming election campaign?

Deputy A.E. Pryke of Trinity (Assistant Minister for Education - rapporteur)

The States Greffe and the Department, especially the Jersey Youth Service, will host a young person's hustings at the St. James Centre. It is likely to take place out of school hours and the team are planning to put on transport for students who wish to attend. Voter registration forms will be available at the events. The States Greffe have kindly commissioned a Love Theatre production, who will visit all schools over the next few months, again supported by the Jersey Youth Service team who will help students to complete registration forms at the performance. They have also developed a lesson plan to explain Jersey politics to young people and sharing this with schools. As well as ongoing learning, the department has been working with the States Greffe to support their attempts to improve participation in elections. Since last summer they have been holding refresher sessions for teachers and other staff so that they can better advise their students. Jersey children now learn about the Island's political system and how to take part in it at all stages, not just in the run-up to elections. I believe that is an essential part of education and that is why it is written into the Jersey curriculum. As in previous years, we will also use our social media to promote the JE campaign where it can reach more than 5,000 people through the Education Facebook and Twitter feeds.

3.7.1 Deputy S.Y. Mézec:

I wish the theatre group the very best of luck finding a way to explain our overly-complicated and incoherent political system. Could I ask the Minister, a lot of the things that she has listed will be voluntary for those students, depending on how interested they already are? Could I ask if there are plans in the schools to hold assemblies in the immediate period before the election to explain how the system works and how they vote? The reason I ask this question is I remember when I was at school we had teachers who would refer to the election as "that thing I am not supposed to talk about" because some of them felt that it was actively inappropriate for schools to be talking about politics, and I would just like her to confirm with me that that attitude is no longer the case in any of our schools.

The Deputy of Trinity:

I am sure things have moved on since the Deputy was at school. Yes, as I say, it is written into the Jersey curriculum about the importance of voting, voter participation, how to register, and the importance of a democratic process. As I said, that is now written in the Jersey curriculum.

The Deputy Bailiff:

Final supplementary? No. I will pause for a moment. Deputy Tadier, you were not here for your question. I am assuming you had not realised question 7 had dropped away, would that be correct?

Deputy M. Tadier:

Yes, apologies to the Assembly, Sir, I was just caught out on that and I was coming back to check when my question was coming up, so I am happy to ask it at the end.

The Deputy Bailiff:

We will ask it at the end. In my view that is a reasonable excuse.

3.8 Senator P.F.C. Ozouf of the Chief Minister regarding the resource implications of the recent case pursued by the Jersey Competition Regulatory Authority involving the oil sector: [OQ.32/2018]

Will the Chief Minister give an up-to-date estimate of the total resources required from the States and the J.C.R.A. (Jersey Competition Regulatory Authority) to pursue the recent case involving the oil sector, either directly or indirectly, including the cost of officers' time which could otherwise have been allocated to other tasks; and will he state which Accounting Officers within the States and which J.C.R.A. directors approved the use of these resources and when?

Senator P.F. Routier (Assistant Chief Minister - rapporteur):

The Chief Minister has asked me to respond. The additional funding of £508,605 has been provided to the J.C.R.A. to date. A further £33,965 has been funded from the J.C.R.A. grant reserves. The plaintiff has applied for costs and we do not know the outcome of that application as yet. The J.C.R.A. executive directors and board members have been fully sighted on this case throughout and Accounting Officer responsibilities initially rested with the Economic Development Chief Officer and then moved to the Chief Minister's Department.

3.8.1 Senator P.F.C. Ozouf:

I thank the Assistant Chief Minister for his answer. He says that the costs in relation to the costs award, because the case failed, has not been included. But I think I have read in the media that the figures are in the region or certainly north of a million and certainly it seems to me that the question... the answer about £508,000 is quite limited in terms of just dealing with the appeal. Bounding around numbers in an oral question is not helpful, would perhaps the Assistant Chief Minister circulate to Members what the full likely end costs of this are, because I have reason to believe, adding it up, that we are potentially heading for something that is north of £2 million. Would he agree to provide a written breakdown and would he agree with that potential assessment?

Senator P.F. Routier:

I am unable to agree with the potential assessment at the present time because we have not had anything given to us formally with regard to the outcome of the costs application. But when that is available obviously we will be making that available to Members. But I think the Chief Minister has already indicated that a complete review will be carried out very soon about what has happened within this case and the terms of reference of that are being drawn up at the present time and that will obviously cover all areas, which all Members I am sure are concerned about.

The Deputy Bailiff:

Do you want a final supplementary, Senator?

Senator P.F.C. Ozouf:

I would like to have 2 final supplementaries, if I may.

The Deputy Bailiff:

I am afraid it is a final supplementary, you have asked a supplementary question, no one else wishes to ask a question, so it is a final supplementary.

3.8.2 Senator P.F.C. Ozouf:

If I may break it into 2 parts then: the Assistant Chief Minister said that the directors have been fully sighted, does he mean by "fully sighted" that they agreed with the spending of potentially up to £2 million on this case; and secondly does he not think that there should be consequences of more than just a review of a body that appears to have sanctioned the spending for nothing of up to £2 million of taxpayers' money on a case that in my understanding was worth about £18,000 a year, and what is he going to do about that? Surely a review is not sufficient in these circumstances.

[10:45]

Senator P.F. Routier:

I believe that we have to look at all the circumstances around this case. The review, which has been talked about, is certainly a first step of finding out what happened, so I think it is important that a review of all the circumstances, including the risks that were taken by the directors of the J.C.R.A., and to find out exactly how they came to make a decision about progressing in the way they did. So

a review is important and we will then be able to make a judgment call about what actions, if any, need to be taken.

3.9 Deputy G.P. Southern of St. Helier of the Minister for Social Security regarding contribution rates for employers and high-earning employees: [OQ.30/2018]

Further to the review of the Social Security contribution and benefits system which is being undertaken, what consideration, if any, has the Minister given to raising contribution rates for employers and high-earning employees and, if none, why not?

Deputy G.J. Truscott (Assistant Minister for Social Security - rapporteur):

I thank the Deputy for his question. The Social Security and Sustainability Review is looking at all aspects of the Contributory Social Security Scheme. Every part of the scheme will be reviewed, including contribution rates. The department is concentrating on the benefits the scheme provided at the moment. The detailed review into parental and bereavement benefits is due to be completed in March and a review of the incapacity benefit is running through 2018. An actuarial review of the Social Security Fund is just about to start. When these are completed the department will collate all the results and then review the changes that may be needed to contribution income. This step will consider all the rules for contribution and this includes the balance of contributions between employees and employers, the earnings limits, the types of income to be included, and the percentage rates of different wage levels. This work will help to determine the level of contributions and the range and type of income to be included within the future rules of liability. Any potential changes to contribution rules will be considered as part of the next Government's strategic and financial planning process to feed into the debate on the M.T.F.P. 3 in 2019.

3.9.1 Deputy G.P. Southern:

Could the Assistant Minister inform Members how long an actuarial review takes to conduct? I believe it is of the order of 18 months and you may see the report in 2 years' time. Is it not the case that the Minister, in that case, has parked this question on a shelf and will ignore it for at least the coming 2 years?

Deputy G.J. Truscott:

The actuary has just been engaged I believe; his report will be fed-in in time for the next M.T.F.P. 3 and the important work that he will be doing is just about to be undertaken.

3.9.2 Deputy S.Y. Mézec:

I took part in the Apptivism survey on Social Security not too long ago and it asked questions based on 3 potential solutions; it spoke about raising contribution rates for everybody, it spoke about raising the pension age, and it spoke about cutting benefits. Given that there were no questions about the prospect of raising contributions from the highest earners - who, let us not forget, pay a lower percentage overall than ordinary workers do - what guarantees can he give us that this is being considered, given that it was not part of that consultation and there seems to be no sign that it is being considered?

Deputy G.J. Truscott:

I think we have been down this road before, Deputy, and I understand that Reform are not particularly happy with the way that the department phrased some of their questions. But personally I believe that our team have put a very good and robust review online and have consulted widely and as accurately as we possibly can. We are now collating the evidence. The general public have engaged with the review in a quite spectacular way, I think we have had over 1,600 respondents, and so we

are working through that and the first results will be coming through in March and then some later next year.

3.9.3 Deputy S.Y. Mézec:

But if 1,600 people took part in this review and none of them were asked what they think of the prospect of higher contributions, or not even higher contributions, but how about the same contribution rate as the rest of us, how does he expect that to have featured in their thinking when they were only asked: “Do you want to pay more contributions; do you want to work longer; or do you want to see benefits cut?” How does he think that this review has any credibility when that basic question was not asked?

Deputy G.J. Truscott:

I think the whole point of phrasing certain questions; it is a bit like if I was to ask you if you would like an Aston Martin, would you like to pay for it or would you like somebody else to pay for it? I think we know what the answer would be. I think we possibly tried to phrase questions in a way that we would get the result that we were looking for.

3.9.4 Deputy M. Tadier:

I will not go down my analogy because I might end up in a car crash. Does the Minister accept that the effective rates contributions that are paid for Social Security contributions are regressive?

Deputy G.J. Truscott:

Deputy, we are looking at all the rates. No, I do not agree with that. We are looking at everything. It is in the consultation, we are going to do a major piece of work. Nothing in, nothing out really. What I can guarantee is that we are looking at a sustainable fund. I do believe, and quite rightly, as a society we should be considering becoming a more caring society. But, like everything, it costs money and there is not a magic money tree out there unfortunately. So definitely at some point I think rates will possibly have to increase.

3.9.5 Deputy M. Tadier:

Can I suggest to the Assistant Minister that previous statements by the Treasury when analysing different contributions, taxes and duties, in the round show that Social Security is regressive because higher earners pay a smaller amount of effective rate than lower earners. On that basis, does he think that it is important for the public, coming into an election, that the policy direction of his Minister and the department is made clear and what proposals are likely to be put forward so that the public can vote in confidence as to whether social security is going to go up, down, or up for the wealthiest but the same for most people?

Deputy G.J. Truscott:

I believe it is an interesting concept and I think it is the old physics equation that comes into play here; it is with every action there is a reaction and I think we really have to look at the full ramifications of changing contribution rates right across the spectrum. Everything is going to depend on how the economy is doing. We are going to obviously seek the views of Treasury. We are looking for a sensible balanced forward-looking, looking into the future, kind of view and I think that is so important going forward.

3.9.6 Deputy J.M. Maçon:

My understanding was, for example, that if you died before you reached pensionable age the money you put into the pot... you certainly do not get a rebate, so the analogy of whether other people benefit from the money you put in of course is already established within our system. Given that is the case, surely the matter of thresholds that currently exist under the current system, how the public view

those thresholds is an important piece of information and data, which should be collected, and does the Assistant Minister not agree that information should be on the table as well?

Deputy G.J. Truscott:

I could answer this one, yes, it would be taken into account; everything will be taken into consideration. As you say, we have to look at the full spectrum, we have to think about the future, we have an ageing demographic, we have health costs that are going to spiral as the years go on and I think very sensibly Social Security are looking at the full range of benefits and thinking about how we pay for those benefits going forward.

3.9.7 Deputy G.P. Southern:

Does the Minister accept that potentially, by raising the levels of contribution above the standard earnings limit, there is the potential to collect an extra £22 million of revenues towards the Social Security Fund, which might replace supplementation or might be spent on better benefits such as maternity leave and that we have that scope?

Deputy G.J. Truscott:

I thank the Deputy. I think since 2008 I stood on an election platform with Deputy Tadier and I do believe I think he was even at that point mentioning the earnings cap and raising it. There is most certainly an untapped amount of money there that we could raise, but, like I say, it is looking at the action and the reaction, it is the ramifications, it is looking at the economy in the round, it is looking at world events, it is what the economy can really afford. So I do assure the Deputy, and you have been asking this question for some time, Sir. Not you, Sir, but the Deputy. It is something that we are seriously looking at; I think there is going to be a measured rise of the cap possibly. As I say, I cannot rule anything in or anything out.

3.9.8 Deputy S.Y. Mézec:

In answer to a previous question from Deputy Tadier, the Assistant Minister said that he did not agree with Deputy Tadier's assessment that social security contribution rates are regressive. Just help us understand his thinking here, could he give us a concise definition of what he thinks a regressive tax is?

Deputy G.J. Truscott:

If we are looking at specifically the Social Security Contributions Fund, which we are, there is the benefit or the payments and the pensions are basically a standard pay-out, so you could effectively pay more into the system, if you are richer you could pay more into the system, if you are poorer you could pay less into the system, and both get the same thing at the end of the day. So I know where Reform are coming from, I really do, and I think there is a degree of Robin Hood here, and I think there is something that we could do for the rich to pay a bit more and let us just analyse that particular thing.

3.9.9 Deputy S.Y. Mézec:

I can help the Assistant Minister out. The Oxford Dictionary definition of a regressive tax is a tax at which the taxable rate decreases as the taxable base increases. Under that definition, social security contribution rates are regressive. So could I ask him to familiarise himself with that definition before embarking on any course on social security contributions because it is right that when we go in a particular direction they are based on facts.

The Deputy Bailiff:

The question is: will you familiarise yourself with that definition? I do not know if you want to answer it?

Deputy G.J. Truscott:

Yes, indeed, Sir, I will. Thank you.

3.9.10 Deputy G.P. Southern:

So I am mightily relieved to hear the Assistant Minister say that he personally is coming around to giving consideration to the possibility of raising the rates for higher earners. I come back to my original question as to when we might see that, is it in fact sometime beyond 18 months' time away? Is he proposing to do nothing for the moment, even though there is potentially £22 million of revenues available?

Deputy G.J. Truscott:

The M.T.F.P. 3 is the most critical thing. We are all working to that and we are, as a department, going to work out a whole raft of recommendations and bring them to the Assembly in 2019. I am sure that will be part of the consideration and we look forward to that no doubt at the time.

3.10 Deputy M. Tadier of St. Brelade of the Chief Minister regarding negotiations with the BBC regarding free television licences for all over-75s in Jersey: [OQ.37/2018]

Will the Chief Minister seek a re-opening of negotiations with the BBC to provide free T.V. licences to all over-75s in Jersey and, if not, why not?

Senator P.F. Routier (Assistant Chief Minister - rapporteur):

From this year until 2020 the BBC will contribute the costs of providing means-tested T.V. licences for all eligible Islanders over 75. This will cost the BBC approximately £270,000 and that is on top of the cost of providing the extensive locally-produced radio and T.V. services, which I am sure we all value. This was a good outcome when the negotiations were done, so while this future date of 2020 is not far away we will not be at this time trying to renegotiate it. In 2020 the BBC will decide on its own funding policy and it is aiming to treat all licence fee payers equally. This means that the funding model applied in the U.K. will be the same in Jersey, Guernsey and the Isle of Man.

[11:00]

3.10.1 Deputy M. Tadier:

Of course, whether it is a good outcome is relative and one has to ask the question for whom is it a good outcome. It is certainly not a good outcome for the vast majority of pensioners who will be having to pay a full T.V. licence compared to their counterparts in the U.K. who will be given free T.V. licences by the BBC up to 2020. Does the Assistant Minister in this case think that it is incumbent on the BBC to treat all licence payers in all parts of the British Isles equally and not to have 2 separate deals?

Senator P.F. Routier:

The BBC have taken the approach of replicating the systems, which were already in place prior to the recent negotiations, in fact Jersey has for a long time had the means-tested over-75s T.V. licence and the U.K. had a different system. But, as I say, there are currently 1,700 people who do benefit from a T.V. licence in Jersey and we know that the commitment that has been given by the BBC is what they will do, as the questioner was asking, is to treat everybody across the United Kingdom, Jersey, Guernsey and the Isle of Man, in an equitable way in the future.

Deputy M. Tadier:

Can I have a supplementary?

The Deputy Bailiff:

Sorry, I thought that was your supplementary. I have you ticked as having a supplementary.

Deputy M. Tadier:

I cannot remember; I am just asking.

The Deputy Bailiff:

That last question was a supplementary. You will have a final supplementary.

3.10.2 Senator P.F.C. Ozouf:

Would the Assistant Chief Minister agree that it is not the case, as the previous questioner put to him, that in fact over-75s are badly treated, because of course would he confirm that the budget that would have been available to free fee licences was, instead of given to all pensioners, it was put into the Westfield scheme, which had a huge benefit to pensioners and that, if any change were to be made, what would be the consequences of withdrawing that free health care, optical and other foot care arrangements, and would he not think that would be a detrimental effect to pensioners rather than a benefit?

Senator P.F. Routier:

I thank the Senator for reminding me of that. Certainly we will recall at the time when this negotiation was going on and it was recognised that additional health provision was required for over-75s and the Westfield scheme has been a real benefit and has moved on from Westfield now, I think it is organised differently, but certainly it has been brought into local administration. But certainly it has made an immense difference to the health and well-being of those over 75.

The Deputy Bailiff:

A final supplementary, Deputy Southern.

Deputy G.P. Southern:

It is not my ...

The Deputy Bailiff:

Sorry?

Deputy G.P. Southern:

I have not asked a question yet, I do not think, in this one.

The Deputy Bailiff:

Sorry, I am confusing the requests now. Deputy Southern.

3.10.3 Deputy G.P. Southern:

Does the Assistant Minister not consider that a policy of sit back and wait for the BBC to come to us in 2020 is short-sighted and we could be in there laying the groundwork for a better deal if we chose?

Senator P.F. Routier:

Certainly not. I think the commitment that the BBC have made to ensure that everybody is treated equally with receiving their services, because the charter, which they are progressing and being a new place in 2020, it would not be really a useful thing to do when we are talking about the year after next that there will be something completely different, which we are waiting for the outcome of that. So it is not a matter of sitting back and not doing anything, we have negotiated effectively and we are in a good place.

Senator P.F.C. Ozouf:

Sorry, I just wondered if I was not coming up on your box, Sir?

The Deputy Bailiff:

No, you are coming up on the box, I have you down, but there is someone who has not yet asked a question to ask a question next, Senator. Sorry, was there a supplementary you wanted from that one, Deputy Southern? You normally have the chance to.

Deputy G.P. Southern:

No, thanks, Sir, I had a very clear answer that they are going to do nothing.

3.10.4 Senator S.C. Ferguson:

The Assistant Chief Minister has mentioned that it would probably cost something in the order of £275,000, I think he said, to provide free T.V. licences for all pensioners. Has it occurred to the Ministers to say that this is less than half the salary of one of the ancient male news presenters?

Senator P.F. Routier:

I think the Senator has misheard me or misunderstood what I said. It is not that it would cost £275,000 to give coverage for all over-75s, it is the cost that is currently being paid by the BBC to cover the existing licence, the people who do get it. But I will make no comments about the salaries of BBC employees.

Senator S.C. Ferguson:

I thank the Assistant Chief Minister for the correction.

3.10.5 Senator P.F.C. Ozouf:

I wonder if the Assistant Chief Minister would agree to publish an indication of the *per capita* additional spend that the BBC provides to Jersey compared to the *per capita* spend in the United Kingdom? In his answer... the reason why I am asking this is that he said everybody in the British Isles would be treated the same, and I am aware that, for example, the Isle of Man does not have a BBC outpost there as we do and would he not take the opportunity of reinforcing the importance that, if the additional cost would be imposed on the BBC, it is likely that we would see a further diminution in the output of the BBC, and would he not agree with me that would be a retrograde step, who are broadcasting these proceedings as we speak.

Senator P.F. Routier:

With regard to publishing the *per capita* spend for our Island, I would have to seek advice from the BBC about what they are currently spending, but certainly I can ask them that. But the Senator makes a really very, very good point. We are served exceptionally well by the BBC [**Approbation**], unless you are on the wrong end of an interview [**Laughter**], but certainly we do benefit from exceptional services from the BBC and I know at the time of the negotiations that was considered and that the Senator was the prime mover in doing those negotiations and I know that was considered at the time. So we have to be very careful that we do not have a loss of service from the BBC because that is not what we need.

3.10.6 Deputy M. Tadier:

If nothing else fails, a good bit of shroud-waving might to the trick. Essentially, if I understand the Assistant Minister's point before asking my question, is that he is saying that because we had a parsimonious benefit system in the first place, then the BBC are matching that parsimonious benefit system. It is the case that 17,000 people before who get free T.V. licences are no better off because they had a free T.V. licence anyway, it is just that now it is the BBC paying for it, and that by my figures, which are already a few years old, the majority of our pensioners are being short-changed by

over half a million pounds by the BBC by not extending this benefit to the rest of the residents in Jersey. That is the reality of it. Is it not the case that this Council of Ministers and previous ones have short-changed pensioners because they did not have a proper universal benefit and they are still short-changing them now by failing to negotiate properly with the BBC for a non-discriminatory deal with Jersey?

Senator P.F. Routier:

I think the negotiations that were carried out in the recent times were very good for our community. As I said in my opening comments, it will be not really appropriate to go back to the BBC to open renegotiations when we know that in the year after next there will be a totally different funding system for the BBC and the way they will review their licence fees, it will be decided at that time. But we have been given assurances by the BBC that we will be treated equitably at that time.

4. Questions to Ministers without notice - The Minister for Housing

The Deputy Bailiff:

That brings the Questions with notice to an end. We now come on to Questions to Ministers without notice. The first question period is addressed to the Minister for Housing.

4.1 Deputy J.M. Maçon:

As the Minister will know, the current Island Plan sought to deliver 1,000 extra units, I believe, of housing in its lifetime; it has about another 2 years to go. Can the Minister advise us how many units have been built, how many are outstanding, and what confidence can the Minister give that the goal will be reached by the end of the plan?

The Deputy of Trinity (The Minister for Housing)

I have great confidence that the 1,000 new affordable homes will be built by the end of the plan. As the Deputy might see, if he walks around town, that Summerland is up, they are starting work on there; Le Squez; Ann Court is just about to start; and we have the Gasworks site too; as well as Samarès Nurseries. Most of those, to reach the 1,000, will come just before 2019 and 2020. But that is on target. The next thing we need to look at is going forward and the information that we need to feed into the next Island Plan.

4.1.1 Deputy J.M. Maçon:

Will the Minister just produce that in written form with a timeline please?

The Deputy of Trinity:

Certainly, it is good news and I am very happy to send all States Members the list of properties that are being built and about to be started by Andium. These are only Andium. Bear in mind that there are still private developers who will add to the stock as well.

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

Given this Assembly's unanimous commitment to putting children first before all other considerations, will the Minister be accepting P.31, the proposition, which prevents housing discrimination against children?

The Deputy of Trinity:

It is something that I am still in the process of looking at. It is a very interesting proposition and, as Deputy Doublet said, it is discriminating for children and we want to make sure that children are not discriminated. But there has also been, on the radio, other property lawyers as well as the Citizens

Advice, saying we should avoid telling landlords who should they take as a tenant. So I have to weigh-up both sides and mitigate any concerns that might arise. Because, at the end of the day, some properties will never ever be suitable for children for one reason or another, and so you also have to think of those who are housing over-55s, so they will not be suitable - well hopefully might be, but children are not classed in that. So it is something that I am looking at and will make comments shortly. If necessary, I may even amend Deputy Tadier's proposition.

4.2.1 Deputy L.M.C. Doublet:

Given that we are now working towards incorporating the U.N.C.R.C. (United Nations Convention on the Rights of the Child) into our legislation, has the Minister looked at this Convention to see if it is compatible with the practice of banning children from properties?

The Deputy of Trinity:

Funnily enough, I did have a quick look at the United Nations Rights of the Child in there. It did not jump out at me, but saying that I only had a quick look. But we also have to look at the Discrimination Law and I will be talking to the Minister for Social Security too.

4.3 Deputy G.P. Southern:

Can the Minister explain to Members how her project on the objective assessment of housing needs, run by external advisers, differs from the normal housing needs review 2016 to 2018 and, in particular, what migration figures under the Migration Policy, or population figures, has she put into this assessment?

The Deputy of Trinity:

The objective assessment of housing needs report: this is going to be comprehensive and have up-to-date evidence of current and future demand for the housing up to 2030. Also, importantly, it will inform the next Island Plan. The work is undertaken with the Statistics Unit and Environment Department and Chief Minister's units, and it is looking at current demand and future demand across all categories, not just social housing, but all categories including affordable housing, and also looking at groups such as the elderly and the vulnerable people as well. It is going to be matched against anticipated supply, so it is being fed into part of the population debate that we have and with the Island Plan. In it there will be different scenarios at different levels that the population might rise to.

[11:15]

The work is being undertaken. There was supposed to be a States Members briefing on it but unfortunately one of the people doing it was stuck in the U.K. during the fog, but we aim to repeat that for States Members so that they have an understanding, and if they want to put their thoughts through obviously they would be very welcome.

4.3.1 Deputy G.P. Southern:

On the second part of the question as to what population figures will be put into this new survey to make it up-to-date, will they be based on the 2016 work of the Statistics Department or will they be updated and will the range of possible population figures be based on 1,500 migration or 350 migration at the 2 ends of the spectrum, or will there be a different spectrum?

The Deputy of Trinity:

I can send the Deputy the exact terms of reference, *et cetera*, but they will be modelling, as I understand it, all different scenarios of the anticipated population and then seeing what the needs are, but also looking and including the migration people who come here, who do not fit into the social housing because they have not been here long enough. So all that will be put into the mix.

4.4 Deputy M. Tadier:

I was just going to ask the Minister why is she struggling so much to rule out discrimination against children in housing when only 3 weeks ago she voted to rule out discrimination for another minority, in this case it was gay couple to be able to get married and to be served by businesses without discrimination, yet she seems to be struggling when faced with comments by right-wing commentators such as the lawyers and Citizens Advice Bureau, which we know has been completely politicised and taken over by a right-wing head.

The Deputy of Trinity:

The Deputy's last comment I think was perhaps out of order. **[Approbation]** I have great time for the Citizens Advice Bureau and all the good work that they do. But the Deputy has twisted my words. I said I was still looking at it and taking advice from the discrimination. Unlike the Deputy, who did no consultation, I have to look at both sides. **[Approbation]** I have to look at both sides and comments from landlords, as well as people like the Citizens Advice and the Children's Commissioner, so I have not ruled it in, I have not ruled it out, and I said I would be making some comments a bit later on and, if necessary, I might be looking at amending his proposition.

4.4.1 Deputy M. Tadier:

With due respect, I have been consulting on this for 10 years with case work constituents and I have heard from no shortage of landlords and tenants, including this week a landlord contacted me saying that they were disappointed; that they wanted to buy a house as a buy-to-let specifically for a mother and her children, but they were prevented from doing it by the regulations to do with that particular share transfer block. So it is not just a black and white grey area of landlords versus tenants, this is about protecting children and families' rights.

The Deputy Bailiff:

If you could ask the question please now?

Deputy M. Tadier:

Can the Minister at least give some reassuring statement that she acknowledges that discrimination against families and children is unacceptable and she will work together to make sure that something is brought forward in short order to make sure that this discrimination is ended?

The Deputy of Trinity:

Any discrimination, whatever the field, is wrong. The Deputy talked about the evidence he had, well if he can it would be nice to see that evidence, so that would be good to put it into the comments. If he said it is from landlords, unless I have the evidence it is very difficult to say one side of the other.

4.5 Deputy G.J. Truscott:

I think it would be fair to say that with the My Deposit scheme, there were a number of bedding-in issues, teething issues - whatever you would like to... just regarding people getting their deposits back. I would just wonder if the Minister would give assurances that these issues have been sorted out now and that the scheme is running more satisfactorily?

The Deputy of Trinity:

Yes, I am very happy with My Deposits, there were some hiccoughs at first, but I think everyone is hopefully bedding-down, so to speak, in addressing the scheme. If I remember rightly, there was about £10 million worth of deposits as of the end of January and just under 7,000 deposits were put in. Nine deposits did have a glitch in taking time to return phone calls, but they have employed a small staff to help with that. But also the most important thing too is that they have a local front office, so to speak, here in Jersey with the Citizens Advice Bureau and I know that clients can feel

free to go in there and ask any questions and obviously they have a direct link with My Deposits in the U.K.

4.6 Senator P.F.C. Ozouf:

Mindful of the current situation in the housing market, where, as a result of the booming economy, which is clear from the Minister for Treasury and Resources' increased numbers this morning, is leading to increased house prices and rents, and mindful of the fact that the States adopted P.33, Reform of Social Housing, I wonder whether the Minister would say whether or not she thinks that she has sufficient resources within her Strategic Housing Units to address important issues, which Members are asking her on supply, in order to deal with the issues of those rising rents and house prices? Would she break ranks from the ministerial code and say really whether or not she thinks she has enough resources to do the job that was envisaged.

The Deputy of Trinity:

I cannot remember the first part of the question. Yes, we are, the Strategic Housing Unit is a very small unit - as I am sure the Scrutiny Panel is aware - and do we need some more resources? Yes, of course we need some more resources, and hopefully that will be forthcoming after the next election when perhaps there is a revamp or whatever of departments. We need to build supply. That is it at the end of the day, a very simple sentence, we need to build, especially affordable housing, but across all tenures really, but my aim is the social housing, affordable housing, and especially those for first-time buyers. A lot has been said over the last years about over-55s, but we need to build good homes for the over-55s so they can downsize and release some of their capital, so therefore younger families can move into their properties, which they have just released. Because one of the main issues is that people are over-occupying their houses because of the ageing population and the make-up of families, *et cetera*. So we need to build decent over-55s so people can downsize.

4.6.1 Senator P.F.C. Ozouf:

Just very quickly, so can I just confirm what the Minister said: no, she does not have enough resources to deal with the supply issues that she has just said, yes or no? I am trying to be helpful, there are not enough resources is there, Minister, through the Chair?

The Deputy of Trinity:

No, I said it is a small team, it works extremely hard, but there are some important policy decisions that have to be worked up like key workers accommodation and supply for the over-55s and policies like that, which they will get to, but if we had more resources we could get their quicker.

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

Some 8 months ago there was a fire in one of the flats by Westmount owned by Andium Homes, some 8 months later it still remains in the same situation and nothing has been done to refurb. I wonder whether the Minister was aware of this and, if she is not, she could find out why it has not been refurb'ed after such a long period.

The Deputy of Trinity:

No, I was not aware of it and I am surprised because I know that Andium are now very good at refurbishing if anything needs addressing; that they are much more proactive in doing that. But if the Deputy would like to tell me where it is and I certainly will look into it and come back to the Deputy.

[The following information was subsequently provided by the Minister for Housing -

1. Housing Trust developments – Deputy Maçon asked for information on the developments being undertaken by the Housing Trusts. I am pleased to provide a list below.

Site	Rental	Purchase	Trust	Estimated completion date
College Gardens, former JCG	40	40	Jersey Homes Trust	2018
De La Mare Nurseries, Grouville	33	6	Jersey Homes Trust*	2018
Troy & Valley Court phase 1	60	/	Les Vaux	2019
Minden Place	25	/	CTJ	2019
Troy & Valley Court phase 2	63	/	Les Vaux	2020

**The 6 three-bedroom affordable purchase properties will be sold by Andium Homes through its Homebuy scheme*

2. Andium Homes fire – Deputy Rondel asked me about a fire in an Andium Homes property. Andium Homes has responded separately to the Deputy’s question, but the fire was encountered at this property at the end of 2017 caused by an incense candle. The flat was completely redecorated at the time, and remain occupied throughout as the tenants did not wish to move out. The only outstanding issue is window replacement due to heat and smoke damage. The replacement window is expected to be replaced next week, as there have been some access delays.
3. Objective Assessment of Housing Need Report – Deputy Southern asked the Chief Minister for the Terms of Reference for the said report. I have attached the ToR for reference. Regrettably, due to the inclement weather earlier this week, Arc4 Consultants were unable to visit the island during which a meeting with States Members had been arranged. We will endeavour to hold a briefing for States Members when they come to the island at the end of March.



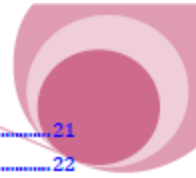
**INVITATION TO TENDER FOR THE
PREPARATION OF AN**

**OBJECTIVELY ASSESSED HOUSING NEED
REPORT**

<Enter Contract Reference
(See Corporate Procurement for register
no.)>

12/8/2017





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1 Introduction & Background

1.1 States of Jersey

The States of Jersey (SoJ) is the government (www.gov.je) of the Island of Jersey and is responsible for the management of the Islands finances and operation of its public services. Jersey does not sit within the European Union but as a Public Sector body it applies the principle of transparent procurement practices in accordance within the boundaries of their own laws and financial regulations.

The Government employs in the region of 6,500 staff and is currently organised into the following Ministerial Departments: -

- Chief Ministers (CMD)
- Economic Development, Tourism, Sport & Culture (EDTSCD)
- Education (E)
- External Relations (ER)
- Community & Constitutional Affairs (C&CA)
- Health & Social Services (HSSD)
- Non-Ministerial
- Environment (P&E)
- Social Security (SSD)
- Department for Infrastructure (Dfi)
- Treasury & Resources (T&R)

The functions of the Departments follow similar roles to the UK Government but on a smaller scale, with diverse requirements. The Strategic Housing Unit (SHU) operates from within the Department of Community & Constitutional Affairs.

1.2 Project Background

The Minister for Housing ("the Minister") requires suitably qualified and experienced consultants to prepare an objectively assessed housing need report ("OAHNR") to inform the next Island Plan 2021-2030.

The Minister published a Housing Strategy in March 2016, based on the available evidence. The strategy identified that housing supply is inconsistent, and needs to more closely match the needs of an increasing and changing population. Furthermore, housing markets are dynamic and complex and in order to support current and future policy decisions, an objectively assessed housing needs report needs to be based on a comprehensive up to date evidence base and provide evidence on current and future numbers of households in need, across all housing tenures. This will be matched against the anticipated supply, in order to provide the evidence base to support and inform future policy decisions.



1.3 Background Documentation

Housing Strategy 2016:

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Housing%20Strategy%2020160324%20VP.pdf>

Jersey's Future Housing Needs- update 2016-2018:

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20HousingNeedsSurvey2016to2018%2020161014%20SU.pdf>

Measuring Jersey's Economy GVA and GDP – 2016

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20GVA%20and%20GDP%202016%2020170929%20SU.pdf>

Jersey House Price Index Third Quarter 2017:

<http://gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20House%20Price%20Index%20Q3%202017%2020171116%20SU.pdf#search=house%20Price%20Index%20Q3%202017>

1.4 Key Drivers

Understanding future housing needs is fundamentally derived from estimating and modelling the future size and make-up of the population, together with household size, income levels and other variable factors – such as length of time living in Jersey.

Net migration has accounted for three-quarters (75%) of the total population growth over the last 10 years. It is not just net migration however, that drives demand. An ageing population has also resulted in the average size of households falling (headship rates). The outcome is that even with a nil-net migration scenario, the demand for homes will continue to rise as the average household size continues to fall.

Recent population figures show that during 2016, the resident population increased by 1,500 people with net inward migration accounting for 1,300 of the increase and natural growth (the excess of births over deaths) accounting for 200. This is higher than the current planning assumption adopted by States Departments when planning services of net migration of 325 people per year. This evidence base includes the subject of this tender that will in turn inform decisions over land requirements for the future housing needs of the Island.

The evidence shows that the vast majority of households in Jersey have access to good quality housing with significant investments in affordable rented housing in recent years. The current strategic plan sets out the delivery of a 1,000 affordable homes including 200 affordable first time buyer homes to be built with all existing stock refurbished to meet Decent Homes Standard by 2020. The largest social housing provider has also committed to the delivery of a further additional 1,000 new affordable home by 2025. There remain significant challenges around affordability and inequalities in access. The market within Jersey is characterised by a

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diverse range of properties, comparatively higher pricing and poorer affordability than many other jurisdictions.

1.5 Legal Requirements for working within Jersey

<https://www.gov.je/working/startbusiness/pages/settingupbusiness.aspx>

Application as a non-resident undertaking

A non-resident undertaking licence is required if you intend to come over to the Island and carry out activity for a resident business and / or individual. The licence must be granted prior to any activity taking place.

Check the application form for terms and applicable fees.

A minimum of 10 working days is required to process the application.



2 Specification / Scope of Work

2.1 Contract period

The Contract duration is for 5 months in accordance with the programme to be agreed at inception and amended through the programme in agreement between the SHU and the successful consultancy. The proposed commencement date is for the beginning of February 2018, concluding in June 2018.

2.2 Description of goods / services / works required

The work will be led by the SHU in collaboration with the Jersey Statistics Unit, the Environment Department and the Chief Ministers Department and the client for the work is the Minister for Housing.

The successful contractor will be expected to deliver an OAHNR that reflects up to date best practice. Contractors are expected to demonstrate how they propose to deliver this commission within their tender response, and based on their experience and knowledge, how their proposed methodology will successfully meet the SHU's needs in providing the necessary information for the Draft Island Plan 2021-2030.

This is expected to include the following:

- Describe the key drivers underpinning the local housing market.
- Include all necessary data and analysis:
 - existing characteristics and trends within Jersey housing market
 - relevant market and economic signals - including future economy/employment projections to include different economic scenarios such as one of no productivity growth/real income growth compared with one where there is sustained productivity and real income growth
 - Household and population projections, taking account of migration and demographic change
 - Distinguishing between housing need and demand
- Establish an objective housing need for the plan period up to 2030. This research is to include predicting current and future demand for housing, including affordable housing and the production of a model for computing the additional housing requirement in Jersey capable of modelling the effects of various scenarios and assumptions and consider the need for locally specific adjustments.
- The modelling should identify the latest most robust figure for the number of homes in Jersey and consider:
 - Latent demand in the form of the affordable housing waiting list and an estimate of concealed households. This should be in the context of relevant guidance and legislation.



- The Study should analyse the affordability of different categories of affordable housing (social rented and shared ownership) and consider the extent to which each type/tenure can contribute to meeting housing needs.
- The assessment should identify levels of current and projected overcrowding and underutilisation across the existing housing stock and provide recommendations as to how to remedy both issues.

• Consider market signals including land prices, house prices, affordability, rate of development, long term vacancy, under occupation, and any issues relating to overcrowding and other signs of un-met housing need and advise on how to respond to findings.

• Utilise the Statistics Unit data to project natural population growth over the required period (2021-2030)

• model household formation behaviour

• model projected migration using two scenarios of +700 net migration per annum and a historic rolling average figure.

The model should identify additional housing units required by tenure and bedroom for 2021-2030 as displayed below:

Bedrooms	Total Requirement		Affordable Requirement		Open Market Requirement	
	Min	Max	Min	Max	Min	Max
1						
2						
3						
4						
5+						
Total						

The model should use actual build rates and projected build rates to determine any surpluses or shortfalls in supply by tenure and bedroom.

• The assessment should consider changes to affordability levels with particular focus on effects on first time buyers (FTB) and Key Workers (KW). The report should recommend suitable policy interventions to address these issues and identify likely impacts on the market.

• Consider housing tenure, household type and size – including an analysis of need associated with: private rented sector, affordable rent, starter homes and provision of specialist housing (such as housing for older persons, young people with complex needs and the homeless and “hard to house”). The assessment should provide projections



about how the number and proportion of households comprising older people and people with specific illnesses or disabilities etc. are expected to change in the future, and the likely impact these changes will have on the requirement for specialist housing options.

- Liaise with local agents, lettings agents, housing providers, community groups, Parishes etc. The approach taken is to include extensive consultation with industry stakeholders and detailed analysis of the available data working in conjunction with the Jersey Statistics Unit.

2.3 Evidence of compliance to specification required from tenderers

The tender return should include:

- Case studies or example reports of previous work undertaken similar in size, type and complexity.
- CVs of the individuals who will undertake the work.
- References
- A project plan identifying the key activities and interdependencies. This should include your expectation of involvement and work to be undertaken by States of Jersey Officers.
- An overall description of your approach to this work delivery.
- A risk register of what you consider to be risks and issues including risk ownership and mitigation.
- Agreement to attend a meeting prior to the award of the contract.
- Quality control measures to ensure work delivered is accurate.
- Key performance indicators against which you will measure the delivery and performance of the work.

2.4 Key Performance Indicators

It is expected that the following key meetings / presentations would form key elements of the overall programme:

- Inception meeting / workshop, including the Steering Group and potentially key Officers as appropriate.
- Presentation of interim findings to the Steering Group. This should be programmed to be undertaken within 8 weeks of inception.
- Presentation of the final report – this might be to a wider group than the Steering Group itself for example to Officers and Ministers.

The programme proposed should allow for commencement in w/c 5th February 2018.



The remaining programme needs to link to the production of the Issues and Options Report for the draft Island Plan, working backwards as follows:

Full Council of Minister's approval	June 2018
(Draft Island Plan) Working Party	May 2018
Agenda / Papers for Working Party	April 2018

The outputs of the work will therefore be as follows:

A fully compliant interim / draft then final OAHN Report that provides the Council of Ministers with an in-depth understanding of the housing needs of the Island, looking forward for the whole plan period.

2.5 Contract Management

A project plan with identified milestones will be agreed prior to the award of the contract. The supplier will be required to maintain adequate records including timesheets to evidence compliance with the project plan.

2.6 Payment Schedule

Standard terms apply with payment within 30 days of submitted invoice.

2.7 Terms and Conditions

All presentations and reports should be made available to the SHU in hard copy (3 copies, two bound and one unbound) and digitally in Word/ PPT etc. and PDF formats.

In terms of the outputs, the States of Jersey shall hold copyright of all issued material and retain the right to distribute the material in whole or part to any organisation or individual it determines, at no extra cost. All of the information collected and co-ordinated during the project should be presented on a form that is compatible with the Authority's IT software systems in accordance with the States of Jersey Standard Terms and Conditions for Professional Services.

The States of Jersey are implementing a web-based Procure to Pay system called 'Supply Jersey' to improve the way we transact with our suppliers. The system includes a supplier portal which allows suppliers to easily view purchase orders, acknowledge orders and submit invoices for all States departments; reducing processing times whilst improving communication and accuracy. The system also allows the States of Jersey to store supplier catalogues and agreed pricing electronically, from which we can generate purchase orders against the agreed contract pricing.

It will be mandatory for Suppliers to transact with the States of Jersey through the Supply Jersey portal. As part of this contract all suppliers shall agree to register on Supply Jersey, create and maintain their own catalogue (where applicable).

Further details on Supply Jersey are available at www.gov.je/supplyjersey.





3 Pricing Schedule

3.1 Tender Pricing Format

A full breakdown of the total cost should be provided as shown in the following table

Cost Element	Details	Cost
(e.g. senior consultant at £x per day)	(e.g. number days)	£
(e.g. junior consultant at £X per day)	(e.g. number of days)	£
Administrative support		£
Transcription, printing etc.		£
Overheads		£
Travel*		£
Total Cost		£

Currency

All prices are to be quoted in pounds sterling (GBP).

* All travel must be in accordance with States of Jersey travel policy and via States of Jersey authorised Travel Management Company (TMC) HRG

3.2 Acceptance period

Your Tender shall remain open for acceptance for ninety (90) days from the tender return date. The SHU may invite selected tenderers to a meeting in order to clarify, specify or fine tune their tender e.g. by confirming processes and minor contractual details, although Tenderers will not be permitted to alter the basic features of their Tender unless it can be demonstrated that this would not distort the competition or have a discriminatory effect on the other Tenderers.

The SHU intends to award the Contract on the basis of the award criteria described below. However, the SHU reserves the right to abandon or recommence the contract award procedure in the event that it is unable to select a winning tender.

3.3 Value Added Tax (VAT)

Jersey is not subject to VAT so please exclude this from any tender price submitted.



4 Tender Timetable

Activity	Date / Time
Tender Issue Date	8/12/17
Tender close time & date	8/1/18
Tender evaluation process	w/c 15/1/18
Tender clarification	w/c 15/1/18
Supplier presentations / interviews (if applicable)	w/c 15/1/18
Preparation of Evaluation Report	w/c 15/1/18
Evaluation process complete (AO sign off)	w/c 15/1/18
Preferred supplier notified	w/c 22/1/18
Unsuccessful supplier debriefs completed	w/c 22/1/18
Contract documentation finalised	w/c 29/1/18
Supplier implementation period	w/c 29/1/18
Contract start date	5/2/18
Contract end date	5/6/18



5 Evaluation criteria

5.1 Selection basis

All tenders submitted will be reviewed in accordance with pre-determined contract award criteria. Tenders acceptance will not be bound to the lowest bid submitted but will be awarded on the basis of the industry standard "Most Economically Advantageous Tender (MEAT)". The Authority does not bind itself to accept any tender.

5.2 The criteria

With reference to section 2.3, selection will be based upon:

- Experience of similar work undertaken including case studies.
- Samples provided.
- Price.
- Demonstration the brief is understood including specific complexities.
- Calibre of the representatives carrying out the work (CVs, references).
- Demonstration of ability to comply with the deadlines for completion of the work (project plan) as identified in section 2.4
- Evidence of Internal quality assurance process.

5.3 Feedback

Feedback will be provided for unsuccessful tenderers. Tender prices submitted will not be provided as a comparison.



6 Instructions for submitting a response

6.1 Tender Return Date

The deadline for return of tenders is noon on Friday 8th January 2018. A copy of the Final Tender must be uploaded to the portal by noon on Friday 8th January 2018. No tenders will be considered after this date. Tenders should remain open for acceptance for a period of 90 days from the Invitation to Tender closing date. Tenderers who subsequently decline to respond in full are requested to notify the Strategic Housing Unit ("the SHU") at the earliest opportunity. The Director of Procurement will not consider individual requests for extension of the closing date but may at their own absolute discretion extend the closing date and time.

The Tenderer shall accept that by issuing this Invitation to Tender the Minister shall not be bound to accept any Tender and reserves the right not to conclude a Contract for some or all of the services for which Tenders are invited. The Minister also reserves the right to amend or withdraw all or any part of this Invitation to Tender at any time during the procurement exercise.

6.2 Documents to be returned

- Signed declaration statements
- Due diligence questionnaire
- Pricing schedule (full breakdown required)
- Proposal including all requirements outlined in this document

6.3 Instructions for Tenderers

6.3.1 Acknowledgement of receipt of invitation to tender

Tenderers must check that all the documents listed in the index have been received and are complete in all respects. If you decide to decline this Invitation to Tender please respond using the 'opt out' icon on the e-portal.

6.3.2 Tender queries

If Tenderers have queries regarding the Invitation to Tender, they are to be submitted by e-mail by using the Question and Answer facility within the Tender screen, not less than five (5) working days prior to the date for receipt of Tenders.

If the question is felt to be of general interest to other Tenderers such as the structure, content, and meaning of any documents then the Director of Strategic Procurement at their sole discretion will make the response(s) to these queries available to all Tenderers.

6.3.3 Completion of Tenders

Tenders must be submitted in accordance with these instructions and the other documents in the Invitation to Tender, together with all other information required to sufficiently describe the tender fully, not later than the date stated in the Invitation to Tender.



Completed tenders shall be submitted via the electronic system using the [Response Wizard](#). If you have any queries with this process please contact procurement@gov.je. The Authority may reject tenders not submitted in accordance with these instructions.

6.3.4 Language

The Tender and all communications are to be in the English Language.

6.3.5 Amended or Qualified Tenders

No alterations or qualifications to any of the Invitation to Tender documents shall be made unless the Authority has notified them in writing.

6.3.6 Tender Bulletins

The States of Jersey reserves the right to issue Tender Bulletins detailing changes to the Invitation to Tender at any time after the issue and up to **three (3) working days** prior to the date and time for the return of the Tender. These changes must be taken into account by Tenderers when preparing their submissions.

6.3.7 Tenderers Expenses

Tenderers shall bear all their own costs and expenses incurred in the preparation and submission of the Tender.

6.3.8 Obligations of the Agreement

Tenderers must ensure that they are fully familiar with the nature and extent of the obligations of the Agreement and be aware that the Agreement will be strictly supervised and the standard of the performance enforced. The Tenderer will be deemed to have read, examined and accepted the Agreement and the terms and conditions contained therein to the submission of the Tender. It is the responsibility of the Tenderer to obtain for itself at its own expense all information necessary for the preparation of its Tender.

6.3.9 Sufficiency and Accuracy of Tender

Tenderers are cautioned to check the accuracy of their Tender prior to submission. A Tender containing any clerical errors may, at the sole discretion of The Authority, be referred back to the Tenderer for correction. Tenderers shall familiarise themselves with all laws, regulations, bye-laws, site conditions and all other factors that may affect the Tender.

6.3.10 Late Receipt of Tender

Tenders received after the date for receipt of Tenders set out in the Invitation to Tender Letter, or not strictly in accordance with these Instructions may, at the sole discretion of the Authority, be disregarded.

6.3.11 Confidentiality

Tenderers shall treat the Invitation to Tender Documents as confidential and restrict their circulation and distribution to a 'need to know' basis. Tenderers shall not disclose their Tender



in whole or in part to any third party prior to either the award of a contract by The Authority, or receipt of notification that the Tender has not been accepted (in accordance with the non-disclosure agreement submitted)

6.3.12 Contract Award

The Authority reserves the right: to discuss confidentially, any aspects of your Tender with you prior to any award of Contract.



7 Declaration Statements

7.1 Form of Tender & Tender Declaration

We undertake to provide the following services: -

<Enter tender name and reference>

We accept the provisions of the Invitation to Tender and offer to provide goods, services or works in accordance with the prices, terms and conditions stated herein.

We understand that The Authority will disregard any oral agreement or arrangement made by us, and that we are cautious to check our Tender before submission, as amendments to or withdrawals of Tender submitted, if received by The Authority after the time specified for receipt of tender, may not be considered.

We undertake, and it shall be a condition of any Contract that;

the following is a 'bona-fide' Tender, intended to be competitive and that we have not fixed or adjusted the amount of the Tender by or under or in accordance with any other person. We also certify that we have not done and we undertake that we will not do any of the following:

- communicate to any person other than the person calling for these Tenders the rates or approximate rates in the proposed Tender,
- enter into an agreement or arrangement with any other person that he shall refrain from tendering or as to the amount of any Tender to be submitted,
- offer to pay or give or to receive, or agree to pay or give or receive, any sum of money or consideration directly or indirectly to or from any person for doing or having done or causing or having caused to be done in relation to this or any other Tender or proposed Tender for the said goods or services any act or thing of the sort described above. In this context "person" includes any person and any body or association, corporation or incorporate and "any agreement or arrangement" includes any such transaction formal or informal whether legally binding or not.
- that no variations in, or acceptance of any Invitation to Tender, or Tender shall be binding unless agreed in writing.

This Tender shall remain open for acceptance for a period of ninety (90) days from the final date for the submission of Tenders.

We also confirm that we have not allowed any amount in our Tender for Value Added Tax.

Unless and until a formal agreement is executed this Tender together with your written acceptance thereof, shall constitute a binding agreement between us.



We undertake that any of our employees, agents or servants providing the services under this Contract, where so required by The Authority will enter into and abide by a Confidentiality Agreement to be in a form acceptable to The Authority.

We understand and it is agreed that The Authority shall retain the right to reject any and all Tenders, in whole or in part and it is furthermore agreed that The Authority shall be under no obligation to select the lowest or any other Tender.

We understand that The Authority reserves the right to alter or cancel any requirement stated in the contract at any time during the period of the contract.

We have taken all necessary steps to inform ourselves regarding this requirement and we understand and agree that The Authority shall not be liable for any inaccuracy or insufficiency in the information available to us in connection with this Tender.

Dated: _____

Signed: _____

Name (Capitals): _____

Title: _____

On behalf of: _____

Address: _____



8 Due Diligence Questionnaire

8.1 Section A – Company Information

No.	Question	Answer
1	Organisation trading name	
2	Correspondence address (including postcode)	
3	Registered office address (if different to Q1)	
4	Please list the full names of Directors, Company Secretaries, Partners and / or Associates	
5	Please list full names of persons occupying a position of authority or responsibility as part of this bid	
6	Main contact(s) and company position(s)	
7	Contact telephone number(s)	
8	Contact email address(es)	
9	Date established	
10	Company website address	
11	Type of organisation (i.e. Private, PLC, Partnership, voluntary, charity, consortium)	
12	If applying as a consortium, please the registered names, addresses, company registration numbers, and websites of all entities and / or companies that form a part of the consortium.	

8.2 Section B – Company Profile, Accreditation and Insurances

No.	Question	Answer			
1	Please supply details of your organisations current insurance arrangements	Description	Value (£)	Start Date	Expiry Date
		Employers Indemnity			
		Public Liability			
		Products Liability			
		Professional / Design Indemnity			
		Third Party			

2	Please supply copies of certificates for insurance cover	<Attach document(s)>
3	Please provide names and addresses of accredited to which your organisation belongs, including trade and professional	
4	Does your organisation have ISO9001 accreditation?	<Yes / No> <If yes please attach certificate>

8.3 Section C – Declarations & Conflicts of Interest

No.	Question	Answer
1	Has any person named in this Tender response ever been subject to bankruptcy, insolvency or receivership proceedings?	<Yes / No delete as appropriate> <If yes please provide details>
2	Does your organisation, or any other relevant organisations, have any convictions relating to bribery?	<Yes / No delete as appropriate> <If yes please provide details>
3	Does your organisation, or any other relevant organisations, have any convictions relating to conspiracy?	<Yes / No delete as appropriate> <If yes please provide details>
4	Has your organisation, or any relevant companies' Directors or Partners ever committed the offence of conspiracy to defraud?	<Yes / No delete as appropriate> <If yes please provide details>
5	Does your organisation, or any other relevant organisations, have any convictions relating to corruption?	<Yes / No delete as appropriate> <If yes please provide details>
6	Have any Directors or Senior Members of your organisation ever been found guilty of any criminal offence, or professional misconduct, relating to the conduct of your organisation?	<Yes / No delete as appropriate> <If yes please provide details>
7	Does any person named in this Tender have links to an organisation that may also be submitting a response to this PQQ?	<Yes / No delete as appropriate> <If yes please provide details>
8	Has your organisation, or any relevant companies' Directors or Partners ever committed the offence of defrauding the Customs within the meaning of the Customs and Excise Management Act 1979 and the Value Added Tax Act 1994?	<Yes / No delete as appropriate> <If yes please provide details>
9	Has your organisation, or any relevant companies' Directors or Partners ever destroyed, defaced or concealed documents of procuring the extension of a valuable security within the meaning of section 20 of the Theft Act 1968?	<Yes / No delete as appropriate> <If yes please provide details>

10	Has your organisation, or any relevant companies' Directors or Partners ever committed fraudulent trading within the meaning of section 458 of the Companies Act 1985?	<Yes / No delete as appropriate> <If yes please provide details>
11	Has your organisation, or any relevant companies' Directors or Partners had legal or administrative finding of commission of an act of grave misconduct in the course of business?	<Yes / No delete as appropriate> <If yes please provide details>
12	Has your organisation, or any relevant companies' Directors or Partners failed to provide information when required or provided inaccurate/misleading information when participating in a procurement exercise?	<Yes / No delete as appropriate> <If yes please provide details>
13	Are you willing to ensure that all employees undertaking works arising from the award of this contract are subjected to personnel and employment checks relating to their criminal records?	<Yes / No delete as appropriate> <If no please provide details>
14	Please confirm that your organisation is working in accordance with the Control of Housing and Work (Jersey) Law 2013?	<Yes / No delete as appropriate> <If no please provide details>
15	Please confirm that all parties involved in the delivery of this service will keep their knowledge of the building layout and contents thereof completely confidential	<Yes / No delete as appropriate> <If no please provide details>

8.4 Section D – Financial Status & Legitimacy

A credit reference agency may be appointed to check financial status.

No.	Question	Answer																												
1	Please complete the table detailing the most recent 3 years of trading	<table border="1"> <thead> <tr> <th>Year</th> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Current Assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Current Liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Net Profit after Tax</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Overall Turnover (£)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Year	2011	2012	2013	Total Assets				Current Assets				Total Liabilities				Current Liabilities				Net Profit after Tax				Overall Turnover (£)			
Year	2011	2012	2013																											
Total Assets																														
Current Assets																														
Total Liabilities																														
Current Liabilities																														
Net Profit after Tax																														
Overall Turnover (£)																														
2	A copy of company records for the last complete financial year may be requested. Can this information be supplied if requested?	<Yes / No delete as appropriate> <If no please provide details>																												

3	Please confirm that your organisation tax payments are up to date (evidence in the form of tax certificate to authenticate may be requested)	<Jersey registered companies only>
4	Please confirm that your organisation Social Security payments are up to date (evidence in the form of a certificate to authenticate may be requested)	<Jersey registered companies only>
5	Has your organisation, or any other relevant organisations, ever been subject to a financial investigation by an accredited regulatory authority?	<Yes / No delete as appropriate> <If yes please provide details>
6	Does your organisation have any outstanding legal or financial claims against them?	<Yes / No delete as appropriate> <If yes please provide details>
7	Please confirm if there have been any significant post balance sheet events for your organisation, or any other relevant organisations.	<Yes / No delete as appropriate> <If yes please provide details>

8.5 Section E - Health & Safety

No.	Question	Answer
1	Has your organisation ever been prosecuted under the Health and Safety at Work (Jersey) Law 1989 / Health and Safety at Work Act 1974 or been served with an Improvement or Prohibition Notice?	<Yes / No delete as appropriate> <If yes please provide details>
2	Please provide a copy of your current Health & Safety statement / policy	<If less than 5 full time employees please provide a signed statement or if more than 5 full time employees attach policy>
3	If your organisation employs a designated Health & Safety Officer please provide details	<Please supply name and contact information>

8.6 Section F - Environmental Management

No.	Question	Answer
1	Does your organisation have ISO14001 accreditation?	<Yes / No> <If yes please attach certificate>
2	Does your organisation have an environmental management policy?	<Yes / No> <If yes please supply details>

3	Is your organisation registered with the ECO-ACTIVE Business?	<Yes / No> <if yes please attach certificate>
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Mydeposits tenancy deposit scheme – Deputy Southern asked about the Chief Minister about the Mydeposits tenancy deposit scheme and the use of a UK-based company. Mydeposits is a UK company and the administration of the Jersey scheme is UK-based, including the customer call centre. The Assembly, of course, made the decision to establish a tenancy deposit scheme, but it was clear from the tender process that only an existing provider of such a service could operate a scheme viably in Jersey. There is a lot of infrastructure required in order to support a tenancy deposit scheme, including IT and staff, so, given the small size of the local market and the fact that a scheme must be self-financing, the only sustainable way to operate a scheme locally was to utilise the expertise and resources of one of the UK providers. I was, however, concerned that there should be a local presence for the scheme and part of the strength of Mydeposits' proposal was a partnership with a local organisation to provide drop-in customer support and guidance. I am pleased to say that Citizens

Advice provide this service and their staff are trained with using the scheme and can help clients who need assistance with protecting deposit money.]

5. Questions to Ministers without notice - The Chief Minister

The Deputy Bailiff:

That brings the period of questions for this Minister to an end. There are now questions for the Chief Minister.

5.1 Deputy G.P. Southern:

The Strategic Housing Unit comes under the auspices of the Chief Minister, does it not, so I can ask him my questions as to whether we are likely to see the terms of reference of the objective assessment of housing need in the near future, that is one?

Senator I.J. Gorst (The Chief Minister):

As far as I am aware the answer is yes, we will be.

5.1.1 Deputy G.P. Southern:

With reference to what was previously said by the Minister for Housing, is the Chief Minister aware of what I have heard that the front office here of My Deposit has subcontracted the work to a London company and if you want to query what is happening to your deposits you have to talk to that London company. Is that not the case or not, can the Minister confirm or deny?

Senator I.J. Gorst:

I could be facetious and say I am not sure, I will have to ask my wife, who has dealt with My Deposit. But I think this is an issue that, if he has concerns about it, he should speak to the Minister about it and she will take it up with them.

5.2 Deputy J.M. Maçon:

Can the Chief Minister explain what is happening with the Population Policy and whether that will be lodged for debate before the end of this political term and, if not, why not?

Senator I.J. Gorst:

The Deputy knows that we are running up to the end of this term very, very quickly. I hope to be in a position to lodge this very shortly. I know that there have been a lot of questions about how the detail of short-term permits in particular would work. I have asked officials to carry on and do that development work. But I think that it will be the next Assembly that needs to make the decision. I very firmly believe that it is the right policy and will be providing further details about how it will work and what the implication will be right across our economy over the coming months, despite not having a decision in this Assembly.

5.3 Deputy G.J. Truscott:

With Brexit looming, and it seems to be gathering pace, and the importance of becoming members of the World Trade Organisation, I just wondered if the Chief Minister could update Members on what progress we are making with regard to joining that important organisation.

Senator I.J. Gorst:

The Deputy will perhaps be aware of a written question that was provided in answer to I think Deputy Southern this morning, and I can add no further to that but it continues to be a work in progress in

conjunction with the United Kingdom and we continue that review of schedules in order to move that work forward.

5.4 Deputy G.P. Southern:

The question asked in the written question was: what assistance from the U.K., if any, has Jersey received? The question now is: what progress has been made over our application to join the World Trade Organisation, separate from the U.K., in the event of Brexit coming to a hard Brexit solution to that issue?

Senator I.J. Gorst:

The Deputy knows that they are connected, the work that we are currently undertaking, which the U.K. is undertaking as well as its schedules and the implications, will lead ultimately to either an extension under the U.K.'s membership or, if that does not prove possible, an application ourselves without that extension. So the work that is being undertaken can at this point lead to either eventuality.

5.4.1 Deputy G.P. Southern:

The question is: what are the prospects for us achieving independent membership of the World Trade Organisation and thereby breaking that link with the U.K.?

Senator I.J. Gorst:

The first question is we would need to ask whether there was any benefit to that, but that will be a question that we can ask and answer once we have completed the detailed schedule work.

5.5 Deputy G.J. Truscott:

I have to say I was a little disappointed to read in the *J.E.P. (Jersey Evening Post)* recently with regard to work has been done regarding the cruise ship industry, but it seems that it is within a 25-year plan. It is such an important industry, Guernsey proves it, I think it is something like £4 million worth of revenue comes through that industry.

[11:30]

Is there any way that the Government can engage with possibly a partner, such as Carnival or somebody like that, to get the industry moving?

Senator I.J. Gorst:

This is not within my area of responsibility but the Deputy knows that we are in a very different topographical situation from our Guernsey colleagues where they have the deep water near to shore and therefore they have been able to see greater increases in the number of cruise ships and the number of onshore visitors, although let us be clear, that has not been universally welcomed by our colleagues over the water. But I am informed that officials - it may now fall to Visit Jersey - who do attend various cruise conferences as well and try to engage there, but if he wants a more detailed answer then he needs to address it to the Minister for Economic Development, Tourism, Sport and Culture.

5.6 Deputy J.A. Hilton of St. Helier:

I note that a press release went out this morning informing States Members and the public that our newly appointed Chief Executive would have responsibility, direct oversight and accountability, for the Children's Service, which is something that I was really pleased to read. Can the Chief Minister tell Members how he intends to hold his Chief Executive to account as far as the delivery of these services to?

Senator I.J. Gorst:

I was informed in a telephone call on Sunday evening with the Chief Executive that his conclusions and those of the Children's Commissioner are, after visits, after viewing facilities, after reviewing reports of progress, that there remained concerns. Therefore, yesterday morning I asked for him to take direct oversight of those day-to-day operations, not that the money and the resources have not been provided because they have, as the Deputy knows. Ultimately, I will have confidence - and it is one of the reasons that I will not be on the inquiry recommendations - and ask the Care Commission to this year carry out an independent review of Children's Services. Members will be aware that they have selected Ofsted for a report. They have now agreed terms of reference and it will be later this year when Ofsted carry out that report that we will know whether the progress is sufficient or not. I have asked him in the intervening period, and he will get back to me hopefully within the next 2 weeks, to understand why it is that all the progress we are making centrally in the Policy Unit, that is not filtering down to an operational level, and how it is that we find ourselves that the operational progress seems to be lagging behind the progress of the implementation of the recommendations from a policy perspective. So I will have further information in the next couple of weeks in that regard.

5.7 Deputy A.D. Lewis of St. Helier:

If the Chief Minister was fortunate enough to have success with the polls at the next election, what would he plan to do with electoral reform if he returned to this Assembly? Would he make it a policy objective of a new government to push forward with electoral form and what did he think that would look like?

Senator I.J. Gorst:

There are a lot of "ifs" before we got to the question there. A great deal of "ifs". The next Assembly will without doubt have to grasp a number of nettles of reform. I have a proposal in this Assembly about a reform or reforms which will, I believe, eliminate the silo mentality and we will be talking more about that later in this sitting. There is another reform of modernisation as well as all of the workforce and the structure of government reforms, and that is electoral reform. I cannot currently provide an easy answer, and nor would I think the Member expect me to, because any Member who is standing for election will, I am sure, no doubt be thinking about what they might include in their manifesto on these particular issues, as I expect the questioner will be doing so.

The Deputy Bailiff:

I think on reflection, the question... I probably should not have allowed it. It does not seem to me to be appropriate. It is no criticism at all of the Chief Minister, but it seems to me the Chief Minister could be asked questions within his current remit and areas of responsibility, what is currently going on, but probably Members should not ask questions as to what they may do in some hypothetical future situation, namely, were they to stand again, were they to be elected and were they to hold ministerial office.

5.8 Deputy G.P. Southern:

This is very current, I hope. My understanding is that W.T.O. (World Trade Organisation) rules allow for tariff-free exchange of goods across borders but not for services. Can the Minister say what may happen with our supply of largely financial services in Europe following Brexit?

Senator I.J. Gorst:

The Deputy is right to allude on the issue that W.T.O. does not cover services. He knows also that our current relationship with the European Union does not cover services either, but an important part of reviewing the schedules and the implications of W.T.O. membership or extension is any effect upon financial services and the services across borders, and that work is drawing to a conclusion.

PUBLIC BUSINESS

6. Social housing in Jersey: introduction of a regulatory framework (P.120/2017)

The Deputy Bailiff:

If there are no other questions for the Chief Minister? Then that brings this question period to an end. There is nothing under J or K, so we come on to Public Business. The first item is the proposition of the Minister for Housing entitled ‘Social housing in Jersey: introduction of a regulatory framework.’ Before the proposition is read, I understand that there is a late third amendment to this item lodged by the Environment, Housing and Infrastructure Scrutiny Panel. Chairman, are you wishing to seek the leave of the Assembly to reduce the lodging period so this matter can be considered today?

Deputy D. Johnson of St. Mary (Chairman, Environment, Housing and Infrastructure Scrutiny Panel):

Yes, I am. I would just like to explain that the amendment came out of discussions with the Minister on a presentation on 5th February. We did prepare the amendment shortly afterwards but unfortunately we were 2 days beyond the appropriate time. I do not believe the amendment is particularly contentious and the Minister herself has kindly agreed to accept it, so I am hoping that the Assembly will kindly agree to this reduced lodging period. Thank you.

The Deputy Bailiff:

So you propose to the Assembly that it be taken with a shorter lodging period?

The Deputy of St. Mary:

Yes.

The Deputy Bailiff:

Is that seconded? [**Seconded**] Does any Member wish to make any observations about that? Those in favour, kindly show. Those against? Very well, the amendment will be considered in its due time. I ask the Greffier to read the proposition.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion (a) to agree, in principle, to the introduction of regulation in relation to social housing, as set out in the report accompanying this proposition; (b) to agree, in principle, that the proposed components of this regulatory framework should include (i) the establishment of a register of social housing providers; (ii) the introduction of performance standards for social housing providers, and measures to monitor and assess performance against those standards; (iii) the establishment of a social housing regulator; (iv) the introduction of statutory oversight and governance arrangements for the assessment and prioritisation of housing need through the Affordable Housing Gateway; (c) to charge the Minister for Housing to develop and bring forward, for approval, the necessary legislation to implement the proposals in paragraph (b) above within 2 years.

6.1 The Deputy of Trinity (The Minister for Housing):

The proposition before Members today is concerned with the introduction of a regulatory framework for social housing in Jersey. The proposed regulatory framework covers all aspects of social housing provision. This includes the assessment and prioritisation of housing need through the Housing Gateway, the activities of social housing providers, Andium Homes and the housing trusts. It does not cover the Parishes who are presently classified as private sector landlords. In essence, the

regulatory framework will encompass services where tenants and prospective tenants who receive housing and housing-related services will come into contact with them. There are 3 main elements of this proposition: why we need to regulate social housing; the proposed structure of regulation and its governance arrangements; and our approach to regulation. But it is also important to stress that this is an in-principle proposition. If it is adopted it will allow draft regulation to be developed and brought back to this Assembly in 12 to 18 months' time. The reason I have brought this proposition forward for an in-principle debate is because the former Health, Social Security and Housing Scrutiny Sub-Panel, having carried out a very comprehensive review of the Housing Transformation Programme, successfully amended P.33/2013 - The Reform of Social Housing - to ensure proposals for regulation were considered by this Assembly before legislation was prepared. So that is where we are today, with an in-principle proposition, proposals for regulation having been developed, for which detailed work can begin on preparing a Draft Social Housing Law should the proposals be approved by this Assembly. Members may recall that regulation was one of the proposals set out in P.33/2013 which proposed the separation of the landlord, policy and regulatory functions that had been performed up to 2014 by the former Housing Department. Since then we have established Andium Homes to perform a landlord function for over 4,500 households in Jersey and we have created the office of Strategic Housing Unit to lead on cross-tenure housing policy. Regulation is the last remaining action from P.33 that is yet to be delivered. So I am pleased to be bringing this proposition to this Assembly today which will place us on the path of establishing a statutory regulatory framework for social housing. The proposition is a combination of a lot of time and hard work over several years working closely with the tenants, the social housing providers and other States departments to devise a model of regulation that is appropriate for the size and circumstances of a local social housing provision. Through consultation I am pleased that the principle of regulation has received unanimous support and I thank everyone, both the tenants and the trusts, who have been involved in the process so far. The proposals that are now before this Assembly have had to strike a balance between, on one hand, creating a robust form of regulation that will benefit tenants, while on the other hand ensuring that regulation is proportionate and does not create unnecessary regulatory burdens. But why do we need to regulate social housing specifically or why does it need to be regulated more than the private sector? We have, after all, only recently approved the Health and Safety (Rented Dwellings) (Jersey) Law introducing minimum standards for all rented accommodation in this Island. I know this is a question that the Environment, Housing and Infrastructure Scrutiny Panel has asked me, and it is important to address. We are introducing regulation to provide current and future social housing tenants with assurance that they will receive good-quality homes and housing services from social housing providers. This is honestly something that we all aspire to for everyone who rents their home in Jersey, but there are circumstances specific to social housing which makes it necessary to regulate the sector separately. Firstly, the social housing sector is in receipt of significant public investment which means that the States need to receive reassurance that the investment is being used correctly and delivers value for money.

[11:45]

Examples of this investment include a £250 million bond made available for building new homes and refurbishing existing ones and the income support system enabling rents of up to 90 per cent of the market equivalence. Unlike the private rental sector, there is no cap on the housing component which provides a sustainable funding model for social housing providers to deliver more new homes. The £20 million is spent each year on supporting social housing rents, which is the largest single expenditure in the income support budget. We also support social housing providers to access private borrowing and we exempt them from tax on not-for-profit activities and give them access to rezone land to build affordable homes. By introducing regulation we are seeking to strengthen oversight and accountability in respect of the public money invested in and other benefits social housing providers receive as a result of their activities. This is not to say that social housing providers do not

already perform well, and I would like to thank all the social housing providers for the work that they do do, but it is vital that the States has ongoing reassurance that social housing providers are delivering good-quality homes and services, are well-managed, financially viable and will be around in the future so that they grow in order to support more people in housing need, not for this generation, but for future generations. More importantly, social housing providers also provide additional services that you would not expect a private sector landlord to deliver. They are responsible for providing homes to some of the most vulnerable people in our community: the disabled, people with serious medical conditions, ex-offenders and elderly people, so it is vital that we have reassurance that appropriate levels of assistance are being provided to these vulnerable clients. The latter point is particularly important in the context of the independent care inquiry which identified that Jersey's housing has historically been inadequate and resulted in vulnerable children being received into care as a result of their housing circumstances. As a mother, I was ashamed to read that. The former Health, Social Security and Housing Scrutiny Sub-Panel also raised the point that regulation should not simply deal with the risk of service failure but should encourage growth and consumer-orientated service delivery. This is one of the reasons I have accepted one of Senator Ozouf's amendments. One of the key aspects of the regulatory framework will be the ongoing commitment of engagement between a regulator and the social housing providers in order to provide best practice advice and support the capacity of social housing providers to deliver more homes and access to new funding models. Evidence from other jurisdictions have shown that regulation enables social housing providers to access private borrowing at competitive rates in order to take on new projects because of the presence of statutory regulation, which is an important aspect in the due diligence and gives investors comfort to lend. We did also examine other options besides strategy regulation. We looked at, for example, whether regulating other contractual basis could work without the need to create a statutory regulator. However, the contractual regulation does not provide sufficient powers to direct or enforce the behaviour of social housing providers in the event of a failure to achieve the regulatory requirements which we are unable to deal with, urgent situations where the regulator may need to take action in order to protect the rights of the tenants. I have therefore determined a statutory regulation is the preferred option and a simple, clear and accessible regulatory framework will provide the best possible foundation for it to take effect. I want to outline to Members the proposed structure of regulation and the framework through which it could take effect. It is important to make clear that these are high-level proposals for establishing a regulator for social housing, and detailed draft legislation will be brought to this Assembly, as I have said, in 12 to 18 months' time. Nevertheless, regulatory framework must establish certain statutory requirements that are set out in part (b) of the proposition. The proposals include establishment of an arms-length regulator which would be appointed by this Assembly and legislation would prescribe the appointment of a regulator and set out its mandate, including its objectives, functions and powers. The primary feature of the proposed regulatory framework is a series of performance standards for social housing providers. These standards will be set out in legislation and cover key aspects of social housing provision. Firstly, financial management standards would ensure that social housing providers use their resources effectively, manage risks properly, and adopt satisfactory financial planning and monitoring practices, secondly, governance standards which would provide assurance that social housing providers have established effective, transparent management arrangements in order to support their business activities and, thirdly, the regulator would establish service delivery standards. These are the type of things that affect the every-day experiences of tenants and would encompass the standards of housing and housing-related services to such things as: achieving decent home standards and keeping homes in a good state of repair, following the States rental policy, ensuring tenants are offered secure tenancies, providing suitable means of communication and engagement with tenants, including a facility to handle complaints and, importantly, supporting vulnerable tenants to live independently in their own homes. In the report on pages 13 to 15, I ask Members to understand what the proposed standards might eventually look like. The performance standards have

not yet been developed but instead will be subject to consultation to ensure that they reflect the priorities of tenants and are achievable by social housing providers without sustainable resource implications. I am confident that Andium Homes and the housing trusts adopt good practice across their business activities and the performance standards would reflect what they already achieve for most of their tenants. As such then, introducing the performance standards on a statutory basis would simply formalise existing arrangements and ensure there is consistent cross-sectoral performance information. The legislation would finally establish monitoring requirements such as the key performance indicators against which social housing providers would assess and report on their performance. The legislation also establishes a regulator's responsibilities to run a performance and where necessary its powers to deal with situations where a social housing provider has not met or was at risk of not meeting one or more of the performance standards. In these instances, a series of graduated intervention powers could be instituted by a regulator and I will go on to speak about the regulator's approach to engaging with social housing providers. As I said, these are high-level proposals that reflect what a regulatory framework might resemble once drafted legislation is brought to the Assembly should the proposition be approved today. I fully anticipate that the draft legislation will be brought within 12 to 18 months, which provides sufficient time to develop the scope and structure of the framework in consultation with interested parties. This would ensure that we develop the best possible forms of regulation which is appropriate for the size and nature of social housing provision locally. It is estimated the regulation will cost £100,000 per annum to administer, funded by a fee charged to social housing providers. This is considered a proportionate amount in the context of the £20 million that is spent annually on social housing rents through income support and the housing bond where it is important to ensure that investment is being used effectively and delivers value for money. With this in mind, the proposal for social housing regulation has been developed to reflect the size of Jersey's social housing sector and the diversity of organisations that operate within it, each with its own objectives, plans for growth and financial arrangements. The one-size-fits-all approach to regulation will not clearly work with such a diversity of organisations operating in the sector, so although I am proposing the social housing regulation will be given effect on a statutory basis, most parts of the regulatory framework will depend on the social housing providers carrying out an honest and comprehensive self-assessment of their performance. This is what I have called a "co-regulation" approach wherein government establishes the structure of regulation in the same way I set out previously and the governing bodies of social housing providers then have responsibility for the monitoring, assessment and reporting of their performance in accordance with the regulatory requirements. A co-regulation approach recognises that the governing body of each social housing provider has a primary responsibility for the performance of their organisation and, importantly, being held accountable in doing so. Provided that a social housing provider has carried out a robust and evidence-based self-assessment of its performance and a regulator can obtain assurance that this was correct, then regulatory engagement between them would be limited. Only when a regulator received evidence of serious failures or believe that there was a risk of serious failures would it use its powers in a proportionate manner in order to secure improvements and to protect the interest of tenants. In performing its role, a regulator would need to adopt a risk-based approach and limit its intervention to cases where it believed that there were potentially poor outcomes for tenants that the social housing provider was not able or unwilling to rectify. Now I turn to the Housing Gateway. I have so far dealt with regulations of individual social housing providers - Andium Homes and the housing trusts - but the proposals for regulation also include access to social housing through the Housing Gateway. Members will be familiar with the Housing Gateway which the Social Security Department manages on my behalf. There is a small dedicated team running the Housing Gateway and I would like to place on record my thanks to them for their hard work. This is not an easy job. People naturally get frustrated with the housing situations and the Housing Gateway has to make very difficult decisions about applications every single day. They have to deal with people who have terribly challenging life circumstances, people who need to find housing and

the many difficulties they experience in their lives. I know many Members who have contacted me about their constituents and know the struggles that we face finding people homes. The point I will make is that the process of accessing social housing through the Gateway has to be fair, effective and transparent and seen to be so. I am proposing in this proposition to introduce legislation that will provide statutory oversight of access to social housing. The legislation will establish the different housing needs we need to provide for and the prioritisation that is given to those needs based on the assessment process. It will also include a statutory appeals mechanism so that applicants can challenge decisions they are not happy with.

[12:00]

This proposal is intended to make sure that determination of housing need is based on robust and consistent policies and procedures. In anticipation of bringing legislation forward in this area, and generally to ensure that we adopt good practice, I have commissioned an independent review of access to social housing in Jersey. The review, which will report in April, will inform the drafting of legislation and will also examine how we support vulnerable clients such as the elderly, disabled people and ex-offenders to find homes. With more homes due for completion in the next 3 years and a reducing number of applicants on the waiting list, I hope we are able to open it up to previously restricted groups such as single persons under the age of 50 in the future. That must be good news. The review is about ensuring that before we do, the Housing Gateway is able to effectively manage our housing needs and meet customers' expectations and fit for purpose. Altogether, these are important proposals for the future of social housing provision in Jersey. They are intended to provide reassurance to the various stakeholders connected to the sector, such as current and future tenants, the public, the States and private lenders, that this sector is operating effectively, delivers value for money from investment and is sustainable in future generations. Regulation also helps social housing providers, providing a tool which they can use to monitor and access their performance, innovate and share best practice and be supported to find opportunities to grow. But most importantly, regulation will provide reassurance for tenants that their landlord will provide the best possible homes and housing services now and into the future. Thank you. I make the proposition.

The Deputy Bailiff:

Is the proposition seconded? [**Seconded**]

6.2 Social housing in Jersey: introduction of a regulatory framework (P.120/2017) - second amendment (P.120/2017 Amd.(2))

The Deputy Bailiff:

Very well, there are 3 amendments to this proposition. The first is that lodged by Deputy Tadier and I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

1 page 2, paragraph (a) – After the words “in relation to” delete the word “social”, and after the word “housing” delete the words “, as set out in the report accompanying the proposition”. 2 page 2, paragraph (b) – In sub-paragraphs (i) and (ii) for the word “social” substitute the word “all” in each place where it occurs and, in sub-paragraph (iii), delete the word “social”.

6.2.1 Deputy M. Tadier:

In lodging this amendment, it does not for one moment suggest that first of all regulation of the social housing sector as defined legally is not necessary, nor does it undermine the good work that has been going on by the Minister and, in particular, her officers at the Strategic Housing Unit. But what it does do is it allows for a debate on the division that has been made between the social housing on one side, as it is legally defined, and where I believe the real problem in Jersey lies, which is in the

private sector of the rental accommodation market. Just to highlight this, I will be making a few points to do with housing generally because I think it has to be said that while many of us perhaps have a problem with the 90 per cent market rate with the way that Andium has been set up, with the fact that tenants who have previously for decades paid and not seen maintenance to their properties be done, only to now find that they are being faced with higher bills when they move or just to be able to live in adequate housing conditions. That is completely not fair but that does not mean of course that there is not work going on by Andium. Although a lot of us perhaps in our casework deal with all sorts of issues surrounding housing, I personally have always found Andium to be responsive and helpful, even when we have not always seen eye to eye and even when there have been perhaps real grievances that tenants have had which are valid and I have always appreciated the way they deal with. But the vast majority of complaints that I have seen in my time is really to do with conditions in the private rental sector, and that is only the tip of the iceberg, because we know that we do not hear from so many people. That is because in Jersey we have a housing market which is in favour of the property owner because simply there is so much demand in Jersey with an increasing population and with a small amount of housing. If I may, just to highlight this point, I want to comment from an unsolicited email I had yesterday with a constituent. It started off being on an unrelated issue and then she said the following: "I had planned to email you following the publicity about rented dwellings in Jersey. We have lived in Jersey for 8 years and rented 2 properties, one in one Parish and one in this current Parish. The house owners are returning to Jersey and we have spent the last 5 months looking for a similar property. Thankfully we found somewhere in the end." She said: "We looked at many properties in St. Brelade, and we are looking for something to fit our family, including 2 teenagers who currently go to the local school. The rents were much higher than what we are paying, and they have clearly gone up above inflation. The housing price index appears to be the only indicator because in reality demand outweighs supply, giving landlords *carte blanche* to charge what they want. Several of the properties we viewed at the very least needed redecorating, various D.I.Y. (Do-it-Yourself) tasks undertaken and had problems with bathrooms and kitchens. We also found that many places advertised 3 bedrooms that had a ridiculous third bedroom, one of which was just bigger than a single bed. We also looked at a place with a damp basement bedroom and one with ongoing septic tank problems which we discovered was costing the current tenants a fortune to maintain with no help from the landlady. I could go on. I am afraid the overriding issue is one that it seems that anybody could charge anything they liked for their properties and people are so desperate they would take them." That is the reality in Jersey. That is the reality that I am seeing. This is the reality on the social media blogs when people do have the courage to pipe up, when somebody speaks out about the real problems in Jersey. It is also the problems that this Government will do nothing about because like successive governments and administrations in recent years, they have not been willing to take on the landlord class and I do not know why that is. I really do not know why that is and we are starting to hear rumours and murmurs about: "Maybe we should do something about standards" and we are seeing just different standards applied to different sectors of the economy. I remember being a younger Deputy in my first term in this Assembly and we were promised that when the incorporation of Andium came to pass, that we would have a regulator set up first, not some 5 or 7 years later, that we would have a regulator for social housing for access to the gateway and then we would incorporate Andium. That never happened. Again, the process has been completely incorrect, and we have put the cart before the horse. I would like to also look at the concept of social housing and say something which might be quite provocative, but essentially all housing is social housing. It is a false construct. It is a basic human right that people need a roof over their head, whether it is something that they own outright, whether it is something that they are paying a mortgage off for or whether it is something they are renting from a social provider or from a private housing provider. In that sense, all housing is social. You might say: "Oh well, that is simply semantics." Of course, what we are talking about here is a legal definition of what constitutes social housing. But even more so from a governmental and an Assembly point of view, as we are

custodians of public money, we also have to acknowledge that because there is a shortage of social housing, we have had to outsource social housing to the private sector. We have to do that, and we have been doing it for years now, and that bill comes roughly to £10 million, and rising every year, of public money that is given to private landlords. Yet, the problem we have got here with what is being proposed, is it does not capture the private sector and in particular it does not capture those private landlords who are providing social housing on an outsource basis because we have asked them to do it. It is done without any other checks and balances. First of all, we do not know who these landlords are, we do not know where the properties are, we do not know how many of them there are, and we do not know how much money that they are getting in public funds to run their business operations. It could be that they are small, own one flat, it could be that they are a proper commercial operation. Either way, they are being subsidised by taxpayers' money and they are completely unaccountable for it. That is not their fault, incidentally, that is a political oversight on behalf of the States. Now is there any other charity or any other system where we would give away millions of pounds of taxpayers' money without asking for any kind of accountability? Would we give even £50,000 to a local charity to engage in really good work, even though they have probably raised the vast majority of the funds themselves, without some kind of memorandum of understanding to do that? No we would not, of course. Indeed, the Minister here is making similar arguments saying that because we have formal arrangements, because it is taxpayers' money, and also we have trusts which are set up which are also custodians and which get States support, we expect something in return. We set your rents at 90 per cent of market rate, up to 90 per cent of market rate, and of course they will end up charging that and they can charge above inflation 0.75 per cent every year. I am not sure why we are hitting the most vulnerable and least able to pay in our society with those kinds of increases but nonetheless that is the decision that the States have made previously in its wisdom. But this part of the economy and the housing market is completely unregulated. We do not hand out £10 million a year without saying: "You should be regulated in some kind of fashion akin to what we are proposing for housing regulation in the round." Now the argument I think has been put forward in the comments from the Minister saying that of course we cannot simply translate the social housing regulation because there are all sorts of financial considerations that need to be made, quite rightly, for the legally-constituted social housing bodies such as Andium and the trusts. I am not asking for that to be translated. If we read the wording of my proposals, the first paragraph amendment says to delete the word "social", so we are just talking about housing, but also delete the words "as set out in the report accompanying the proposition" because I am not saying that what is appropriate for regulation of the social housing sector can automatically be copied and pasted to private landlords. That clearly would not work and that is not what we are debating, and I would ask that the debate does not go down that specious route of argument today. But what I am asking for, and you can see it on page 2 of my report in the wording, so after this is amended it would read the following: "To agree, in principle, to the introduction of regulation in relation to housing." Now hopefully that is not controversial, it is saying that housing should be regulated. It does not make a distinction between social and private. Part (b) would read: "To agree, in principle, that the proposed components of this regulatory framework should include (i) the establishment of a register of all housing providers; (ii) the introduction of performance standards for all housing providers, and measures to monitor and assess performance against those standards." Again, I do not think there is anything controversial with that. These are the Minister's words simply amended to extend them, that good practice to all sectors of the housing market. "The establishment of a housing regulator." Well that is not controversial; that is what the Minister is asking us to do. "The introduction of statutory oversight and governance arrangements for the assessment and prioritisation of housing need through the Affordable Housing Gateway." My amendment does not affect that; that will simply carry on anyway and obviously part (c) is to go and charge the Minister to do this. So I really do not see why the Minister has made heavy weather of this in rejecting this proposition, because in fact it allows her completely the scope to be able to do

what she wants to do with social housing but to extend the good parts of that regulation to the private sector. We will go through this briefly one by one. First of all, I will pick up the point about establishing a register of all housing providers because it is clear that the Minister wants a register of social housing providers for a certain purpose, first of all to know who the social housing providers are, secondly to make sure that they fulfil all their requirements - accountability. Similarly, I have not been able to get an answer out of the Minister in the last 3 years, whether it has been in this Assembly or on Scrutiny or personally, as to say: why is there not a register for all properties in the Island? We have regulation now. We have had the Residential Tenancy Law since 2013 when it came into effect which has certain requirements that need to be lived up to. We have got the deposit scheme, the My Deposit scheme, which we talked about this morning. Now we do not know, the department do not know, at any one point who has paid that deposit in or out because we do not have a register of landlords. It seems completely ludicrous as a starting point to have regulation but have no effective way to implement that. What would one do at the Parish Hall, for example, on the issue of a gun licence or a dog licence?

[12:15]

If you want to find out whether somebody has paid their dog licence you need to know who they are, and they need to register for it. Then, a year later if they have not renewed their dog licence, if they have not renewed their gun licence, you send a letter to them, or they get a letter in the post saying: "You have not paid. You have got to pay otherwise you will get a Parish Hall Inquiry and we will fine you." You do that because you have got a register and you know who these people are. Surely, we need a register for all social and private sector landlords in Jersey irrespective of whether they are receiving that subsidy from the taxpayer in order to make sure they are meeting with the requirements. We have a very reactive system at the moment. It requires a complaint to be made by the tenant against the landlord, or sometimes the other way around - it could work both ways - in order for that to be raised. That is not going to happen for all sorts of reasons. It could be attritional, it could be the fact that people are busy, or it could be the fact that they do not want to rock the boat, or they do not know their rights or whatever it might be. It also seems desirable that we have that kind of information so that when we ask a question and when we talk about housing need in the Island, about how many places we need to build potentially on our greenfield sites in our leafy Parishes in the suburbs, we need to make sure we need these properties. We need to understand the market and the different areas of that market to know whether we do need to build or whether the answer is to bring in an empty property tax or something similar, some compulsion to get these empty properties, the 3,000 of them that are out there being unoccupied when they could be put back to use. All these kinds of arguments tie-in to the fact that we need good solid information about our housing situation, about who owns what, what kind of condition it is in and whether it meets and it leads into the next part that we seem to have such a fragmented approach to regulation in the housing market. I talk about some of the laws in my report. I have no doubt missed a couple out. So we have got the recent Public Health and Safety (Rented Dwellings) (Jersey) Law which we adopted at the end of last year. Of course, I fully expect the Minister and others to come back and say: "Well, look, we are already doing that, Deputy Tadier. We are regulating the private sector, we are just doing it in a different way." My comment is, it is great to see that there has been some movement at last in the regulation of minimum standards in that sector, but you seem to not be doing it properly for whatever reason. You should be having your regulator first, give him or her the power to do it. At the moment we are saying: "This law is administered by the Minister for Housing. This piece of the law is being administered by the Minister for the Environment through his officer." Another part of the law, for example the one relating to the lodging houses, which I know is going to be outsourced, might be administered in a different way by a different person; you have got the Statutory Nuisances Law. Why are these simply not brought into one area? We know that the Minister for the Environment is going to charge people to register to be a landlord, but they are not going to have a register, so why

not create the register first? Get people to register on it, say what type of landlord they are, have an inspection, say: "There you go, you have paid your fee, and there you are." My concern is, and I think it might be backed up by some of the evidence that the Scrutiny Panel has done, that when it comes to the Environment Department, and I am sure it is being done for many right reasons, they are not getting any extra staff. There is not one new person who is being recruited by the Environment Department to administer what will definitely be an onerous task to register how many thousands of private properties in Jersey, but it is bringing in lots of money. It is bringing in lots of money, and I suspect that is being driven primarily by cuts to the Environment budget which unfortunately is an area we neglect at our peril. The environment is something which transcends, and should transcend, the usual political deciders, because we only have one planet and we only have one Island. When we do not invest in the environment and we make those kind of short-sighted policies, it is not good generally, including for housing. So I am concerned that this is not joined-up and it is really, whether this succeeds today or not, a wake-up call to the Minister. Ministers, through the Chair, talk about working together, about getting rid of silo mentality, what we have seen here is a complete opposite of that, bits and pieces here, fiddling around the edges when it comes to regulation. I know that regulation is a hot topic. There are those on the right who do not like the libertarians, who do not like any form of regulation, who I think make specious arguments about saying: "Well, if you regulate in any way, then landlords are just going to take their houses off the market." I cannot see that happening, whether that relates to this regulation or to children. Is somebody really going to sit on an asset that is worth £25,000 a year and say: "I am not renting a house, I will just burn £25,000 a year rather than have to let it out to somebody who might have a child or rather than meet basic standards to make my property fit to live in for a human." I do not buy that argument. If there are a few landlords out there who think like that, then I think that they have got worse problems than simply losing a few quid a year on upgrading their properties. So these are essentially the problems I want to highlight. I will be looking forward to the Minister to say why she cannot accept this. It seems to me she needs to give reasons to the Assembly about why this amendment is not reasonable. I will highlight one last time, because I know the arguments will come forward, that it is not appropriate to copy and paste social housing regulation on to private landlords and that is not what I am asking for. I am simply asking that regulation be implemented across the board under an overarching policy principle to agree that if we are going to have a regulator, he or she should be able to regulate the whole industry. There is no point in duplicating, giving some powers to the Minister, some powers to the Minister for the Environment, and then having what I think might be a superfluous paid position of a regulator just for one specific sector, but there should be a register for all landlords irrespective of where they are from. If we are going to do this, do it properly. By all means, if you want to make arguments about not doing this at all, that is fine. Say: "We do not need any regulation, leave the free market do its own thing", but you cannot make the arguments about having regulation and then not doing it properly. So I make the proposition and look forward to the debate and in particular the Minister's comments.

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]**

6.3 Social housing in Jersey: introduction of a regulatory framework (P.120/2017) - second amendment (P.120/2017 Amd.(2)) - amendment (P.120/2017 Amd.(2)Amd.)

The Deputy Bailiff:

Very well, there is an amendment to this amendment lodged by Senator Ozouf and I ask the Greffier to read that amendment to the amendment.

The Deputy Greffier of the States:

Page 2 – After part 2 of the amendment, insert the following new part – “3 page 2, paragraph (c) – After the word ‘necessary’ insert the word ‘primary’ and after the words ‘within 2 years’ insert the words ‘, with the Minister for Housing retaining the ability to introduce the regulation of different categories of housing providers in stages rather than simultaneously’.”.

6.3.1 Senator P.F.C. Ozouf:

I am not sure whether or not there is a lot of point in progressing this amendment because it was with a degree of disappointment that the Council of Ministers rejected this amendment which I made very clear was a precautionary amendment. Because while I absolutely accept much of what the mover of the underlying amendment says about the problems, I am absolutely at one with him and all Members of the Assembly who are saying the consequences of high house prices being unaffordable is basically pernicious to many Island families. I should probably make a declaration of interest before I continue, like other Members, to say that I am one of those private sector landlords, but I think that every time we do this, I probably should declare an interest and invite other Members also to say if they are landlords before I continue. I meant to do that at the start. Yes, can I just declare that I am a private sector landlord, but it is a wide class of issues so I do not think ...

The Deputy Bailiff:

So, does anyone else wish to declare that position?

Senator I.J. Gorst:

Yes, if I may.

Connétable J.E. Le Maistre of Grouville:

Yes.

Connétable C.H. Taylor of St. John:

Yes.

Senator A.J.H. Maclean:

Yes.

Deputy S.G. Luce of St. Martin:

Yes.

Deputy E.J. Noel of St. Lawrence:

Yes.

The Deputy Bailiff:

Very well.

Deputy M. Tadier:

Just a point of order. How is this recorded for the public? People are jumping up and down in their seats. Can we at least have some kind of vote where people can indicate whether they are private landlords or even tenants? I am quite happy to put my light on as a tenant.

Connétable J. Gallichan of St. Mary:

May I ask, could you explain what constitutes a landlord? Is it only when there is a lease or a tenancy agreement? I am sure that other Members have perhaps family members living with them or in their property without having that defined.

The Deputy Bailiff:

I am not sure that technically what the definition would be, I would need to consider that. But I think a working definition should not require people who are housing members of their family, even for some form of recompense, as amounting to a conflict of interest or a potential conflict.

Deputy M. Tadier:

I noticed the Attorney General just walked in, but it seems to me that there is a pretty good definition of landlord in the Residential Tenancy Law as to what constitutes a landlord and what does not, based on what constitutes a property or dwelling.

The Deputy Bailiff:

Well I am considering what constitutes a landlord for the purposes of making a declaration of interest before the Assembly. The Greffe has taken a note of those who have declared that they have the same interests. Then having declared, we have got: Senator Ozouf, Senator Gorst, the Connétables of Grouville, St. John, Senator Maclean, Deputy Luce and Deputy Noel. Is there anyone else not on that list?

Deputy A.D. Lewis:

Yes.

Deputy K.L. Moore of St. Peter:

Yes.

The Deputy of St. Mary:

Yes.

Deputy R.J. Renouf of St. Ouen:

Yes.

Deputy R.J. Rondel:

Yes.

Senator S.C. Ferguson:

Yes.

Connétable M.J. Paddock of St. Ouen:

Yes.

The Deputy Bailiff:

Deputy Andrew Lewis, the Deputy of St. Peter, the Deputy of St. Mary and the Deputy of St. Ouen. Deputy Rondel and Senator Ferguson. Yes, and the Connétable of St. Ouen.

Deputy J.A. Hilton:

Can I seek some guidance from you? I only own my family home, but I do take students half of the year. I just want to make sure that I ... **[Laughter]**

The Deputy Bailiff:

I think this is aimed at providing for long-term dealing with the regulation of the housing market. I do not think taking students on a seasonal basis would fall within that.

Senator L.J. Farnham:

I am a director of a company that has property.

The Deputy Bailiff:

Very well. Well I think this illustrates how this kind of interest exists in a large part of sector of society and therefore does not amount to a conflict ...

Deputy M. Tadier:

Only in this Assembly, not in a large part of society. **[Laughter]**

The Deputy Bailiff:

Well, a sufficiently large sector of society as to make it not a conflict of interest within the terms of the Standing Orders. Very well, shall we continue?

Senator P.F.C. Ozouf:

I think that declaration, if I may say, demonstrates exactly there are some Members of this Assembly that almost took as a pejorative statement that owning and being a landlord is a bad thing. The reality is, if we were dealing with another aspect of home ownership, then other Members of the Assembly who were home owners rather than tenants would declare their interest. Tenants, if we were dealing with a tenant issue, they would be declaring an issue, whether they would be a tenant of a private sector landlord or social landlord. In fact, all of those remarks are exactly going to the very heart of the reason why I am trying to limit what effectively the exponential expansion of Deputy Tadier, albeit absolutely a well-intentioned remit of regulation, is trying to achieve. Because every single Member of this Assembly who is not homeless is affected by the housing market. A properly functioning housing market is one in which there are homeowners, there are tenants of private landlords and there are tenants of social housing providers. Every society in the world that seeks to have a fair and just and equitable society where people have the opportunity of advancing themselves and getting ahead is the dream of home ownership. What is at the very heart of this issue, which is at the heart of what the Minister for Housing is proposing, is my attempt to put some sense into what could be the solution. Because at the very heart of the proposition that is before Members that I am seeking to amend, is the philosophy that the solution to getting people into good, safe and proper affordable homes, whether they be owned, part-owned or rented, is regulation. The arguments about regulation versus the opposite argument, which is described by Deputy Tadier as apparently a right-wing view, which I absolutely stand and say, yes, it is a centre-right view, that the solution to people's housing costs is focusing on supply. What we are dealing with - and I see Deputy Southern remonstrating - is a philosophical difference. The philosophical difference is that where are best resources spent? I asked the Minister in questions earlier today whether or not she thought she had the right resources in her Strategic Housing Unit. I was very grateful that she conceded, no, she has not. Now what we are asking here is, we are basically saying with this proposition unamended that we are going to engage in even more spending on regulation as opposed to what I think is the alternative approach which is concentrating resources on increasing supply, supply in the various different categories of social housing. I waxed and waned and had quite a difficulty in working out how to try and effectively limit my amendment because effectively you can categorise not only different forms of ownership, as my remarks in relation to the different tenures that every Member of this Assembly has, whether a landlord or tenant of different divisions, but there are of course different types of landlords.

[12:30]

What my amendment seeks to do is instead of this unilateral approach, which the Assembly is being asked to take out the word "social" and replace it with "all housing" as if the solution to everything in terms of high housing costs is regulation, and I am not saying for one minute that there is not an appropriate partial role for regulation, but that regulation should be proportionate and it should not be the panacea that delivers everything. The Minister said in her opening remarks that regulation

was going to cost £100,000 if this proposition is unamended. The unamended proposal by Deputy Tadier is completely uncosted. I would take issue, if I may, respectfully with the Minister to say that the cost of regulating social housing is £100,000. She may well be right to say the cost to taxpayers is £100,000 but let us not forget the cost of the regulated entity: Andium, Les Vaux, if I may say, the Parish of St. Saviour with the Connétable Ozouf homes, which I know little about, the Trinity homes, the Cabot homes, and the other homes that Trinity have provided, the Christians Together Housing Trust, so regulation will not come free to them. Regulation will require a response because a regulator will be put in place and will want to do something because that is what regulators want to do. There are good regulators, like we have seen the excellent work of the new Children's Commissioner who is now positively engaging with children. But is it the case that a unilateral expansion of all housing types that are rented is going to be the solution to many Members' constituents who come to them and say: "I cannot rent a house. I cannot find a home which is affordable to my needs." In the Income Distribution Survey and the survey that this Assembly has spent a lot of time talking about, and many questions have come from Reform and others about the net income of Islanders, after housing costs, that show that there was a real problem in relation to what family budgets have got after the cost of housing. I can see the Deputy of St. John nodding in agreement, because while we may differ in our ultimate objective or how we achieve it, we are as one in terms of, I think, all Members of this Assembly wanting to provide affordable homes and having a plentiful supply of accommodation in different sectors which means that people can have a decent amount of income after their earnings net of housing costs. What my amendment seeks to do is instead of simply saying: "Let us have regulation for all housing." Instead of that, a step before that which would require the value for money of that additional cost needing to be justified. Now, I do not know whether I am on a completely losing wicket in relation to this because I cannot accept the unilateral expansion of what is effectively the proposition of the Minister for Housing, if adopted by the underlying amendments, which I am seeking to limit back, is completely unrecognisable to the original proposition. This is a proposition and a debate about social housing. It is not about the private sector ownership issues. It is not about all the other aspects of how we occupy homes. It is not about the mortgage market. It is not about access to finance, a deposit scheme, a shared ownership, a fractional ownership scheme, what the Parish's role is. If you regulate, there should be a case to be proven, and that is what, effectively, my amendment is saying. Are the resources of taxpayers best spent, on the one hand, by regulation or, on the other hand, by giving the Minister, who conceded in questions this morning that she did not have additional resources within her Housing Unit, as was envisaged by the former Minister's 'Reform of Social Housing' - P.121/2013, which set out a fundamental and, if I may say, an extremely successful approach and radical change in the way that we have seen social housing. This Assembly needs to ask itself: has the policy set out in 2013 of moving the social housing stock from the States ownership into Andium worked? Did getting the bond of £250,000 to catch up on the unacceptable status of maintenance that existed in social housing; has that worked? Do we need to focus on those things that are the proven track record of improving the lives of hundreds of Islanders, or do we say: "No, what we need to do is not put more money in, more investment in and more supply but we need to regulate." I say absolutely no. I would ask the Council of Ministers to respectfully ... I do not want to go on with this debate much longer because effectively what I am trying to do is, if my amendment is successful, I will vote against the unilateral expansion of all regulation outside to housing. **[Approbation]** What I was trying to do was to limit the damage. I am sorry that the olive branch to the Council of Ministers was not accepted. I do not want to have to go on and have a big debate about it. This is trying to, at least, if the Members of this Assembly, in the majority, want to have not just social housing regulation but all housing regulation, at least they can require a cost benefit analysis to be provided before it comes forward. Because I am afraid, as the recent C.I.C.R.A. (Channel Islands Competition and Regulatory Authorities) case... and I stand here as the person who proposed the regulator and set up the J.C.R.A. (Jersey Competition Regulatory Authority), and looking back 18 years on, has it worked in the last 5 or 6 years? I see Members

shaking their heads and saying: “No” and I agree with them. There is a case for regulation; there is a strong case for it but not unilateral. I ask the Minister for Housing and the Council of Ministers whether they would reconsider supporting this amendment to the amendment to at least, if there is going to be a unilateral extension of all social housing, at least let us have a cost benefit analysis before they do it, which is what my amendment seeks to do. I make my proposition.

The Deputy Bailiff:

Is the amendment to the amendment seconded? **[Seconded]**

Connétable J.M. Refault of St. Peter:

Sir, may I ask a direction from you? Just thinking a little about this debate, should I declare, in my role as Connétable and landlord on behalf of the Parish of St. Peter, the 14 flats and the 15 lifelong social homes that we have as well?

The Deputy Bailiff:

I think you have explained that position Connétable, and that will be noted, I am sure, by the Greffe. Does any Member wish to speak on the amendment to the amendment? Deputy of St. John.

6.3.2 The Deputy of St. John:

I am just going to be extremely brief because I think the Senator has just basically laid out my argument on the Social Housing Regulation. We found, sitting on the Scrutiny Panel, you have to prove these things, you have to have evidence and there are a lot of pieces of legislation that have come through. I am not necessarily saying that Deputy Tadier’s amendment is wrong because we need to have this debate. I think it has been wrong for the States of Jersey, for a long time, in separating the 2 issues of social housing and private housing, creating separate classes of people and creating separate views of how people should and should not live. I think by the Housing Transformation Programme... although I had a lot of issues with the rental policy in 2013, which I still think is one of the big issues that we have got and we need to address. With regards to amending this, and the Senator basically turning around and saying: “The argument is we need a cost benefit analysis for the private sector.” Well my argument extends to, well, that needs to apply to social housing as well because we have many regulative mechanisms in place already for social housing. Only in December last year, 100 years behind other jurisdictions, have we brought in a requirement for standards in private sector renting. So, I think I get where the Senator is coming from but I think if the argument is that social housing needs even further regulation, a duplication of work that needs to go on without a cost benefit analysis then why should the private housing sector not be treated the same? That is my argument. I would like the Senator to explain why we need to treat social housing in a different vein to that of private housing and why we need cost benefit analysis for private housing and not for social housing.

6.3.3 Deputy G.P. Southern:

The previous but one speaker mentioned my smiling as he gave his speech and he referred to his 18 years in this Assembly and what had happened over this time. For 17 of those years I have been here sitting, more or less, opposite him and arguing on the same old, same old. Time and time again this particular ex-Minister has come with the argument that the solution is in supply. Well I have heard that for 17 years-plus. Our housing, whether private or social, is it adequate? Is the market healthy? No, it is not. So 18 years in on this argument I have the same, a broken housing market that many of our young people cannot possibly dream of accessing in terms of first-time buyers. We have noticed this in the U.K., the housing market is broken, where 24 to 40 year-olds are unable to access the housing market and have to rent. Where do they have to rent? A 25 year-old, a 40 year-old, without any special needs, they have to rent in the private sector. The Minister for Housing, only this morning, was talking about we should be treating those in the private sector, where many people

have to resort to, in a similar way to social housing, which made the argument itself. So, to come back, as we do time and again, by saying it is the market, it is supply, is not working; proven not working. The Senator then referred to one of his major impacts on the Jersey Competition and Regulation organisation, which was his creation, and yet he says now it is not working. But look at that J.C.R.A. - competition and regulation. We have this argument often. In a small society with monopoly services being provided often, or near monopoly services, you cannot get the advantages of competition you can in a bigger market - you have to regulate. Certainly, this is an area where, worldwide, I defy anybody to look at any environment, any jurisdiction and say: "Look, no regulation there." Singapore, whatever free market you like, heavily regulated in order to provide the right services to its residents and that is what we should be doing. The Senator then opposed this spending on regulation with the spending on supply; building houses. One only has to look at that for 2 minutes to think: "Hang on, approximately £100,000 a year against the price of a house." Hang on, you would be lucky if you could build one house with £100,000. So one house a year is the balance. Total chimera, total false argument; set something up that is absolutely absurd and then destroy it. The Senator is very good at that. But I come back to the whole structure of the housing market and why we have gone down the route we have. We have set up a Strategic Housing Unit and devolved the delivery of social housing to a corporation. Why have we done that? Because we want our Minister to be in charge of the whole housing market; that is why we did it and here we have an amendment saying: "Yes, I know you are in charge of the whole housing market but do not regulate for the whole housing market, only regulate for a bit of it as you used to." Well, that is one step forward and 2 steps back, as far as I am concerned. Again, that is a nonsense argument otherwise why have we got a Strategic Housing Unit rather than a Minister for Housing delivering social housing. We took that decision however many years ago - 5 years ago - that is what we were doing and yet here we have the Strategic Housing Unit saying: "We do not want the whole of housing to regulate." Then the argument comes that this is almost compulsory, we will have to heavily regulate everywhere at the same time. It does not say that in the original amendment. It says regulate. It does not say at what pace, when, how, in what order at all. It just says regulate. It says regulate because obviously there is more than one form of supply of housing. But you need to regulate if you are going to. It seems to me that the argument to the amendment to the amendment does not hold water.

LUNCHEON ADJOURNMENT PROPOSED

The Deputy Bailiff:

The adjournment is proposed. The Assembly will stand adjourned until 2.15 p.m.

[12:45]

LUNCHEON ADJOURNMENT

[14:17]

The Deputy Bailiff:

Then we resume the debate on Senator Ozouf's amendment to Deputy Tadier's amendment and next to speak is Deputy Tadier.

6.3.4 Deputy M. Tadier:

I was hoping you had not seen me, Sir. **[Laughter]** It was not the case before lunch. I was a bit confused by Senator Ozouf's speech because despite what I had said in my opening remarks earlier, he seems to be arguing a different debate to the one we are having today. He is essentially making an argument against regulation of the private sector. What he said is that he admitted there is a partial role for regulation but that if you regulate there should be a case to be proven, which is strange

because he has spent most of his last term being part of the ministerial group and he should be aware that they are the ones regulating the private sector, albeit because they were asked by people like myself in the past to go away and do that, regulate the private sector, and that is exactly what we are seeing being brought forward by the Minister for the Environment. They already have a rent safe scheme, for example, which is optional and they will bring in regulation and licensing of private property. So, today is not a debate about if we regulate, it is about how we regulate. The argument about regulating social and private sector properties has already been made and won and I think the world, and Jersey, has moved on since that. It is a question of how we best do it. My point on this particular amendment, that has been put forward by the Senator, to mine, is that if we want to debate something or if you want to vote against something then at least vote against something that is done properly. Not this particular amendment, because I am asking simply that regulation is done properly, right across the board, and that the Housing Regulator, when he or she comes in, is given the scope and the teeth to look at both sectors. What the Senator is proposing here does not achieve that it seems to muddy the waters. So by all means if Members want to vote one way or the other, let us do it on a properly informed and worthwhile amendment not on this one.

6.3.5 The Deputy of St. Mary:

I find myself in a slightly awkward position here in that I am in danger of supporting Senator Ozouf's amendment to the amendment. I hear what Deputy Tadier says. I also heard what Senator Ozouf said this morning and I agree with Deputy Tadier, I think, in that the proposition, or his amendment as lodged does not equate full-square with what he said. If you could compare the amendment to what is in the original amendment of Deputy Tadier, you will note that the only amendment is the final version and that effectively enables regulation of all categories to be brought in at different times. There is no reference, in the amendment itself, to weighing-up the benefits and the costs. So if you choose to ignore what Senator Ozouf said this morning - and there is a temptation for you all - and go only by the proposition itself, I think it could represent an improvement on Deputy Tadier's amendment, i.e. if you want regulation of the whole sector - and I have sympathy with that, but accept too that you need not bring it in in one go - then I think Senator Ozouf's amendment does have attractions and I shall probably therefore vote accordingly.

6.3.6 Deputy E.J. Noel:

If I may, I would like to speak to both Senator Ozouf's amendment and Deputy Tadier's amendment to save speaking shortly after. Both Deputy Tadier and Senator Ozouf's amendments to the proposition are well meaning and highlight many of the housing issues experienced by Islanders. But the amendments are, in my opinion, a tad misguided and misplaced in the context of this debate. The proposals in the proposition by the Minister are very specific to social housing providers and I do not think it would be appropriate for private landlords to be covered by the same regulatory framework that is being proposed by the Minister. The Minister for Housing's proposal to regulate social housing providers has been developed with a clear policy intention to protect and promote the rights and interests of social housing tenants and to safeguard public and private investment in social housing. This is not to say that the States should not protect the rights of householders who live in the private rental sector, and to my mind we are doing that. But there are specific reasons why the social housing providers should be regulated above and beyond the generic requirements that apply to the rental sector as a whole within Jersey. Social housing provision is much more than simply good standard homes and secure tenancies. There are many activities that the social housing providers perform that landlords in the private sector do not. These activities need appropriate regulation and oversight. There is a need for regulation of social housing to ensure that social housing rents are applied in accordance with the States current 90 per cent rents policy. We have an amendment on that later on this afternoon, that social housing providers build the right size, type and tenure and match the demands, and that social housing providers are well managed and have financial

resources to deliver their plans. So Members should distinguish between regulation of the private sector and regulation of the social housing sector and that different levels of regulation should be applied, rightly, to the different sectors. In spite of the above differences between the regulation of the social housing sector and the private rented sector, it is important to highlight the work that is already underway to improve the regulation of the private rented model. We have already introduced compulsory inventories for landlords; that was done in 2014. We have banned landlords from charging above the retail prices for utilities and in 2015 we introduced the Tenancy Deposit Scheme. So some regulation has already taken place and I agree that more will be required. But most notably, the Assembly - and it has been mentioned already today - adopted the Public Health and Safety (Rented Dwellings) Law in December of last year and that law is what is commonly known, to myself and the Minister for Housing and officers, as Stewart's Law. Those introduced minimum standards of repair and maintenance for all rented accommodation, effectively decent home standards for the private sector. This legislation is soon to be followed by regulations brought forward by my colleague, the Minister for the Environment, to introduce a licensing scheme for landlords in the private rented sector. So we are doing some regulations and the regulation that the Minister for Housing is proposing today is very specific to the social rented sector and not the overall portfolio of rented accommodation in the Island. So, despite what Deputy Tadier says, we are regulating private landlords. But we should not mistake that social housing regulation for the private sector that regulates, as these amendments and indeed the comments from the Scrutiny Panel suggest that we should. We should not be seeking to extend the specific regulatory powers into the private rented sector. It would be disproportionate and unnecessary for social housing regulation to be enforced on the wider model. Therefore, I urge Members to support the Minister in this regard and to reject both Senator Ozouf's and Deputy Tadier's amendments as well, although they are well meaning but in this context I believe they are misplaced.

6.3.7 The Deputy of Trinity:

I will just be very brief because I know that Deputy Noel was speaking. I know that the Senator is well meaning and I know that, like a lot of States Members, he is passionate about housing. I understand that and I understand to a certain extent where he is coming from. Housing, as we all know, is a very emotive issue and I think there is a risk that we become entangled in a debate here that does not reflect the principles of the proposition. We all need to go back to the main principles of the proposition. It is a regulatory framework for social housing; for Andium Homes and other housing trusts, and any other housing trusts, which, I like to think, in the future might wish to become a social housing trust, and they can do that via the Social Security Law, contrary to what a previous Member said, that Parish homes are not classed as social housing. So, if this amendment or even the first amendment to the proposition is approved it will include every single one, including the Parish homes. Members will need to make up their minds on the basis of whether they agree that there is a case to be made for regulation of social housing, specifically, above the generic case that applies to private landlords. I have brought these proposals forward on the basis of the P.33/2013 – 'Reform of Social Housing', which was adopted by this Assembly in May 2013. It requested that the Minister for Housing would bring forward proposals for the regulation of social housing. This is the debate that we are having today. Then, no mention was made of private landlords and we have been very careful that we do not inadvertently extend the regulatory framework that works for the social housing sector, to also apply to the private sector. The social housing regulations, as I have said, have been brought forward on the basis that the social housing providers are responsible for delivery of a number of important States objectives: delivering new affordable homes, setting rents, access to rezoned land and £250 million bond. But also, importantly, providing accommodation to vulnerable people with specialist housing needs in exchange for financial investments and benefits. The same is not true for private sector landlords I understand that. I understand that Senator Ozouf has lodged, as a compromise, and suggests that regulation could be introduced in different stages if this is a case

for additional regulation. Unfortunately, I cannot support the amendment that may produce the same results but let it be made exceptionally clear, the main principle of the proposition is to regulate social housing only because of all the added advantages that they have. So, I urge Members to vote against this amendment and also Deputy Tadier's amendment. Thank you.

The Deputy Bailiff:

Does any other Member wish to speak on the amendment to the amendment? If not, then I call on Senator Ozouf to respond.

6.3.8 Senator P.F.C. Ozouf:

Well, it is absolutely an extraordinary situation that I find myself in, that I absolutely, fundamentally disagree with the underlying amendment that has been put forward and I extended an olive branch to the Council of Ministers to effectively say if there was a risk that the underlying amendment would be passed, which I completely agree with the Minister for Housing, completely changes the ... and I was grateful for the comments of the Deputy of St. Mary because he said he was in danger of believing me or not listening to me.

[14:30]

Because I think what he was saying is that he disagrees with this amendment because he disagrees with the underlying amendment, or at least I am not sure that that is what he was saying. Members have a choice, and before I explain to them what I am trying to achieve here, I will address the opposition to the amendment that was forwarded or advanced by the proposer of the underlying amendment, in which he spoke of the broken housing market in the United Kingdom. If I may just quote, there have been 2 major reviews into the problem of housing in the United Kingdom, which is regarded now and called ... and there was cross-party consensus on this from both the Labour Party, the Liberal Democrats and the Conservative Party, and they all agree that the U.K. has got a broken housing market. Now, what is their solution to that? Well, if I may just draw Members' attention, which strikes at the heart of the reason why I have attempted to limit, effectively, the solution which has been offered by Deputy Tadier which I absolutely disagree with. I am at one with the Minister for Housing to say that she is completely right that this is a proposition about social housing. What Deputy Tadier has done is he has attempted to widen that debate into all aspects of housing, as though it is a panacea. If I may just quote from the foreword by the Prime Minister in the United Kingdom on the housing market, it says: "The Government is determined to build a stronger, fairer Britain where hardworking people can get on in life." She says: "Our broken housing market is one of the greatest barriers to progress. Whether buying or renting, the fact is that housing is increasingly unaffordable particularly for ordinary working class people who are struggling to get by. Today the average house costs are almost 8 times above average earnings, an all-time record. As a result, it is difficult to get on the housing ladder, and the proportion of people living in the private rented sector has doubled since 2000." Sound familiar? Absolutely. This is a microcosm. Only, if Britain has a broken housing market ours is a very broken housing market because effectively the average earnings in Jersey is not 8 it is 12. Now, what is the solution? Is this... and if I may also say, lest there be any doubt that this is a centre right view, if I may also quote one quotation from the Labour Government's report into Britain's broken housing market that was done by the then Kate Barker, who was then knighted for her services to the Labour Government when she produced, in 2006, the Barker Review of Housing Supply for the Labour Government. What did she say? She said effectively: "It is supply." She did not talk about regulation. She basically said - and there are 360 pages I will not read them all - she said ... 365 pages, an eminent economist, who, by the way, has ended up by being the chairman of the Jersey F.P.P. (Fiscal Policy Panel). What a fantastic situation that we have one of the U.K.'s, and in the U.K. still, eminent economist, Dame Kate Barker, who did the review on the housing supply. All I would say is what a shame the Labour Government and the

U.K. Government and the Jersey Government did not listen because the solution for the broken housing market is, as is said by the Prime Minister in fixing the broken housing market, is not in the introduction of more regulation or regulation in stages, it is supply. Because I quote: "I want to fix this broken housing market so housing is more affordable and people have more security that they need to plan for the future." I say to Members, listen to this: "The starting point is to build more homes. This will slow the rise in housing costs so that the costs are more affordable for ordinary working families, so that they can afford to buy their own home and it will also bring the cost of renting down." I will repeat that again: supply will reduce the cost of renting down. The Prime Minister said: "We need to build more homes of all types in the places that people want to live in. To do so requires a comprehensive approach that tackles the failure of supply at every point." Is there one comment that regulation is the solution for fixing the U.K.'s housing market? No, it is supply. It is supply. So I say to Members, if they are worried about Deputy Tadier's proposition then let them vote in favour of mine and then let them vote down the underlying proposition. If they are confident that Deputy Tadier's proposition is not going to get through then they can happily vote against my proposition and the underlying proposition because that is what the Minister for Housing did. All I was trying to say, in my amendment, was that the solution is not more regulation. The solution is not more regulation and I disagree, if I may respectfully say, with the unamended version that Deputy Tadier is making, that there is not an automatic expectation that regulation will follow the approval of this amendment. Deputy Tadier's underlying proposition takes out the word "regulation of social housing" which means we are left with a proposition that says "regulation of housing."

Deputy M. Tadier:

Point of order.

Senator P.F.C. Ozouf:

I am not giving ... if it is a point of order.

The Deputy Bailiff:

No, it is not in respect of giving way, it is a point of order.

Deputy M. Tadier:

Point of order, that is not true. The Chair can clarify. I am only taking out the word "social" so I am not taking out "social regulation".

The Deputy Bailiff:

Your point of order is you are asking for clarification of the wording of your amendment.

Deputy M. Tadier:

That is right, Sir.

The Deputy Bailiff:

Well, your amendment simply removes the word "social".

Senator P.F.C. Ozouf:

Right. I am sorry if I used some extra words, it removes the word "social" **[Laughter]** so that means that you are left with regulating everything. You are regulating everything, and all I would postulate... and I absolutely agree with the Minister for Housing, and I think the Minister for Housing is facing a rather challenging situation with her ministerial colleagues, if I may say. One minute she is supporting my underlying earlier amendments and then they are not. I do not quite know where the Council of Ministers sit. **[Laughter]** All I know ...

Deputy M. Tadier:

Behind you. [Laughter]

Senator P.F.C. Ozouf:

I do not know quite where they are standing. I know that they are not squarely behind the Minister because if they would be clearly behind the Minister they would have given the Minister the resources that are required in order to deliver the supply that she needs to understand what the regulation, to respond to the Minister for Transport and Technical Services and Minister for Property is saying, that he needs to step up to the plate and deliver more land for social housing from within the States estate. That is absolutely what is required and I can hear other Members agreeing with me. Now, what is the point of having an amendment that is going to go through, that signals to the market, do you know what, all the problems in Jersey's broken housing market is more regulation. That is what we are going to have. If we have this Deputy Tadier proposition unamended we are going to regulate the heck out of housing. Come on, let us have some more regulation. Let us put some more costs. It will not be £100,000 it will be £500,000 because it will not be just the £100,000 anyway because of the costs of Andium, and then we are going to regulate Les Vaux and then when the regulations come in to those Parishes that are not social housing renters anyway. They are going to be to the Constable of St. Peter, they are going to be to the Constable of Trinity, they are going to be to the Constable of St. Saviour, they are going to be to the Constable of St. Helier, no doubt, and the Constable of St. Martin - yes, he has got a few too, has he not? Well done to him and well done to all those Constables. I am going to miss out a few now. Oh, dear, because they have been fantastic in delivering supply. I say to the Constable of St. Peter, well done when we were at the Treasury when we did a deposit scheme because the Constable of St. Peter knows exactly what the situation is with housing, and he is also the Minister that is responsible for Andium. I do ask whether or not there is a question of the underlying issue of social housing. Why are we regulating something that we own? I just wonder whether or not that is double regulation. I have to say that; I just wonder. I am absolutely in favour of regulating the proper social housing that is not State-owned, absolutely right. Now, that is unquestionable. But what I say is if Members are worried that Deputy Tadier's extant, absolutely. It is not just the sort of minor extension of regulation, this is the whole housing market. Every Member will have to pop up and declare an interest because either they are a tenant, a private sector tenant, a social renter tenant, whether it is the housing, Andium, Les Vaux, Christians Together, or they own their house, or maybe some people are in non-qualified accommodation, they are licensees. Because I tell you what, I say to Members, regulation is coming all the way near you with the owner of your home or the provider that is doing it. If that is the point ...

Deputy M. Tadier:

May I have another point of order?

Senator P.F.C. Ozouf:

... if that ... and that, I am asking ... I am not giving way.

The Deputy Bailiff:

It is not giving way it is a point of order.

Senator P.F.C. Ozouf:

Another point of order, Sir? [Laughter]

The Deputy Bailiff:

Indeed it is. You realise a point of order requires a ruling from the Chair?

Deputy M. Tadier:

It is just to make sure that the Senator is not misleading.

The Deputy Bailiff:

Well, no, that is not a point of order. You can ask him for clarification if you speak, if he is prepared to give way.

Deputy M. Tadier:

I would like to ask the Chair for clarification because he has said that the proposition in front of us is about not just the rental market but about people who own their own homes, that they will be affected, and as far as I know my proposition is only talking about the rental sector not about people who own their own homes. But I am happy for clarification, if it is easier, from the Speaker rather than a point of order.

The Deputy Bailiff:

Well on the surface of the proposition it simply refers, if your wording is adopted, Deputy, it simply refers to housing. There is nothing in it that I can see that refers to rented housing it just refers to housing and housing providers.

Deputy M. Tadier:

That is right and the Minister obviously refers to social housing not social rented housing. So hers could presumably cover affordable purchase.

The Deputy Bailiff:

As I say, it is what it says. Senator Ozouf, did you want to continue with your speech?

Senator P.F.C. Ozouf:

I want to continue, just very briefly, to say I am sorry but I just cannot accept it. I am grateful to the Constable. This said: "Social housing in Jersey: introduction of a regulatory framework." What the underlying proposition is, it says take out the word "social" and so we will end up with "Housing in Jersey: introduction of a regulatory framework." I am sorry but I believe what it says on the tin and on the tin ... I am not giving way.

Deputy M. Tadier:

Point of order.

The Deputy Bailiff:

Again, if this really is a point of order, Deputy.

Senator P.F.C. Ozouf:

The last one was not, Sir.

The Deputy Bailiff:

No, the last one was not and the others were. **[Laughter]** The last one was not.

Deputy M. Tadier:

I think these are genuine points of order. I am clearly only amending, first of all, what the Minister has put in front of me so surely it has to follow that part (b) establish housing providers, social housing providers.

The Deputy Bailiff:

I am not sure, I do not think that is a point of order. It is a matter certainly you can ask the Senator for clarification if you speak, if he is prepared to give way and give it to you but I do not think that is a point of order.

Deputy M. Tadier:

But could I seek direction from the Chair that the correct interpretation, objectively speaking, is that the proposition talks about either social housing provider regulation or just housing providers regulation. That is the context of the amendment and the substantive proposition.

The Deputy Bailiff:

I do not think I am in a position to make a ruling as to context, I think that is a matter for interpretation by the Assembly. I can say what the words mean but I do not think I can do more than that, and the words mean what I have said that they mean.

Senator P.F.C. Ozouf:

I am going to continue, very briefly. Look, let us get down to cases. I think I have got Deputy... I will not call him anything else because it is Deputy Tadier, just as I have I have got my title. Now, the title of this says: "Social Housing in Jersey: introduction of a regulatory framework". What I am trying to do, for goodness sake, is to ensure that if that word "social" is removed then at least we have some orderly process of doing what effectively this proposition will say, which is "Housing in Jersey: introduction of a regulatory framework" and basically having some sort of mechanism that is required in primary law to say if you are going to do a regulation of a subsector of the ... then remove all housing in Jersey, there should be a business case to have it. That is the proposal. I do not like the underlying proposition. I am desperately worried that we are going to open up another complete and/or response in terms of regulation, and I say to Deputy Southern, who opposed my amendment, who reminded me very well that I set up the Jersey Competition and Regulatory Authority, and I just remind him that that is not just about regulation that is about promoting competition. Because if he looks at the preamble to the Competition Law it says: "A law to provide for more competition in Jersey" and that is not about limiting supply and regulating it, it is about promoting supply. I rest my case. This is a damage limitation amendment. It is a sensible amendment even if Members do agree with an extension to the regulation of housing. It is an entirely sensible proposition because it says if you do want to have additional regulation you should have a cost benefit and it should be introduced in stages. So it is an absolutely sensible amendment that improves, as the Deputy of St. Mary said, the underlying proposition of Deputy Tadier. It improves something that is bad. But if improving something that is bad is better than doing something very bad then Members should vote in favour of my proposition and reject the underlying proposition, which I am going to do.

[14:45]

I hope those remarks are helpful. No, to social extension and no to regulation to the entire social housing provision without the check and balance that this amendment puts in place. I ask for the appel.

The Deputy Bailiff:

The appel is called for ...

The Deputy of St. John:

Sorry, can I just ask the Senator, I asked before the lunch recess why he believes there needs to be a cost benefit analysis of the private housing sector and not the social housing sector and he has not explained that.

Senator P.F.C. Ozouf:

I do apologise to the Deputy of St. John, as usual she is on the money in terms of where the money should be spent. She is absolutely right. In terms of cost benefit analysis there is a question that needs to be asked about whether or not the benefits of social housing ... I am at slight risk of straying into the main debate about whether or not there should be social housing. Effectively, I completely agree with her that there should be a compelling case for imposing any sort of cost where there are scarce resources that are being used in relation to that. If she would like any guidance as to my thinking in relation to these matters, may I draw her attention to the excellent report that was published on that competition of regulatory framework, which applies equally to all sectors of the economy, of which the Professor Sir John Vickers made an introductory remark, and I say these 2 sentences, which may be helpful to Members and to answer the Deputy: “In small economies such as Jersey it is important that markets work as well as it does in larger economies. But in smaller economies, competition and policy and regulation, where competition is not possible, faces particular challenges.” The other quote is: “There are 2 things that are worth stressing.” This is Professor Sir John Vickers. Let us be clear, we do not argue with somebody of this stature. He said: “The first important thing is to have principled pragmatism. A competition authority’s duty is to make the best use of scarce resources but in small jurisdictions this is especially important.” I say, absolutely, it is absolutely essential for there to be a cost benefit analysis in any decision to regulation. The Deputy is absolutely right and this is a cautionary approach that the expansion of regulation have cost benefit analysis whether it is social or private. On that basis I ask for her support, I hope, in that amendment. Thank you.

The Deputy Bailiff:

The appel has been called for. I invite Members to return to their seats. The vote is on whether to adopt Senator Ozouf’s amendment to Deputy Tadier’s amendment. I ask the Greffier to open the voting.

POUR: 22		CONTRE: 23		ABSTAIN: 0
Senator P.F.C. Ozouf		Senator P.F. Routier		
Connétable of St. Helier		Senator A.J.H. Maclean		
Connétable of St. Clement		Senator L.J. Farnham		
Connétable of St. Lawrence		Senator P.M. Bailhache		
Connétable of St. Mary		Senator A.K.F. Green		
Connétable of St. Brelade		Senator S.C. Ferguson		
Connétable of St. Martin		Connétable of St. Peter		
Connétable of Grouville		Connétable of St. Ouen		
Connétable of St. John		Connétable of St. Saviour		
Connétable of Trinity		Deputy G.P. Southern (H)		
Deputy J.A. Martin (H)		Deputy of Grouville		
Deputy J.A. Hilton (H)		Deputy of Trinity		
Deputy K.C. Lewis (S)		Deputy M. Tadier (B)		
Deputy of St. Martin		Deputy E.J. Noel (L)		
Deputy R.G. Bryans (H)		Deputy of St. John		
Deputy of St. Peter		Deputy M.R. Higgins (H)		
Deputy A.D. Lewis (H)		Deputy J.M. Maçon (S)		
Deputy of St. Ouen		Deputy S.Y. Mézec (H)		
Deputy M.J. Norton (B)		Deputy L.M.C. Doublet (S)		
Deputy of St. Mary		Deputy R. Labey (H)		
Deputy G.J. Truscott (B)		Deputy S.M. Wickenden (H)		
Deputy P.D. McLinton (S)		Deputy S.M. Bree (C)		
		Deputy T.A. McDonald (S)		

6.4 Social housing in Jersey: introduction of a regulatory framework (P.120/2017) - second amendment (P.120/2017 Amd.(2)) - resumption

The Deputy Bailiff:

We now return to Deputy Tadier's amendment. Does any Member wish to speak on the amendment?
Deputy Brée.

6.4.1 Deputy S.M. Brée of St. Clement:

Most of the arguments we have heard previously. I have to say, though, I am very concerned that what has happened here is that the original proposition, which was to do with social housing, has been hijacked to include the private housing market. That was never the intention of the original proposition and I fear that what we are seeing is an inherent dislike of private landlords creeping in. All dwellings are covered by certain regulations but this is about how do we deal with social housing providers in the Island. It is not about whether we seek to regulate private landlords. I think the 2 areas have been conflated and put together. I do not support, in any way, shape or form, further regulation of the private landlord area. But to try and creep that in with this particular proposition is wrong because it is deflecting us from what really is the issue at hand, which is how do we provide adequate, proper, regulated social housing? As a Government, as a States Assembly, we do have a responsibility to ensure that whatever social housing we look to provide through social housing providers, that it is well regulated, well monitored, standards are maintained but above all, the right sort of housing is provided for the people who are seeking social housing. As I said, I voted against Senator Ozouf's amendment to the amendment because I disagree with the regulation creeping in to private landlords, and I am going to vote against Deputy Tadier's amendment for exactly the same reason. Let us get back to the debate in hand, which is should we be regulating social housing providers. Thank you.

6.4.2 The Deputy of St. John:

I am going to try and put it as clear as day as I can about why I am supporting Deputy Tadier. Five years ago this Assembly decided that they were going to bring in a new rents policy for social housing and I argued on this floor of the House that we should not bring that rental policy in. I also stated that if we should bring in that rental policy that we would be actively removing the role of social housing from this Island. I still believe that is the case and the reason why I say that is because what we did was we pegged the rental policy against a market sector. The social housing argument for regulation is to provide vulnerable properties, areas and spaces for disability, all different requirements of vulnerable households and families and that is the responsibility of us, as a States Assembly, to ensure those people have the right properties to live in. Now, when we moved social housing into a corporation, which I did not agree with and I still do not think was necessary because what social housing needed and what they ever did need was money. They needed the investment in their property portfolio to expand, improve and refurbish the way that we provide housing to those most vulnerable in our community. So we provided a £250 million bond and it is the same people that were in the Housing Department, who are running Andium, that are doing a fantastic job in some difficult circumstances where land availability is quite difficult in a small Island. So the private rental sector is what we peg our social housing sector against. So, the argument is do not regulate this private housing market anymore but regulate social housing even further. Regulate social housing twice the amount we already do. Just bearing in mind, social housing, if we had not realised what we have done over the last 4 years ... well, over the last 9 years I have been in the States, that I have seen, we have brought in a Residential Tenancy Law, which needs to be reviewed and updated and amended. We have brought in a Rented Dwellings Law, which is a huge leap in Jersey; in December last year we brought that in. So it has not been enforced yet and we are yet to see the regulations against that Rented Dwellings Law to make sure that the enforcement is appropriate in the private

sector. So we have already applied regulation to the private sector because we want minimal, decent home standards for people living in the private sector. I do not know whether Members remember seeing some of the images that the Environment Department provided to Members at the briefings that we had, the kind of properties people have been subjected to living in over the years. So when I turn around and say why I am supporting Deputy Tadier, I am supporting him because this Assembly decided that it was appropriate to peg social housing against the private sector. So, do not tell me we need to regulate social housing more and not the private housing sector. If you are going to tell me that and that what we need to do is concentrate solely on social housing, even though we have got a Memorandum of Understanding with the Treasury and Resources Department, who should be holding them to account. There are plenty of facilities within that in which we could hold them to account for the way they spend the money. We have the Residential Tenancy Law, which they also fall under. We have now the Rented Dwellings Law, which they also fall under. Six thousand properties for social housing provision in this Island. There are trusts, who have less than Andium, who have within their charters a requirement to work with Government on housing policy. So my argument is, when you have got 13,000 rental sectors in the private sector against 6,000 in the social, which one needs to be regulated? If this States Assembly wants to peg their policy of social housing rental against the private housing market and not properly regulate it, then I question whether we should go back to the drawing board and revisit the issue of this rental policy, whether we should be considering it against what people can afford and go back to the drawing board on affordability, and whether we have got the issues in housing because I believe we have not. Yes, it is about supply, it has always been about supply. We live in an Island of only so much land and when there is a requirement to keep greenfields and everyone building in St. Helier, there are bigger issues here but does a regulator solve that? Does it? When you look at all of this and you say to yourself: "If we are not going to go back and say we need to deal with this rental policy and we are going to keep pegging it against the private market, is it right to over-regulate the social housing with the regulation of the private sector in terms of minimum standards?" I am not beating up private landlords. We have got some great private landlords in the Island, I am not beating them up at all. This is about regulation, this is about policy, and this is about what we expect in terms of standards, the way that we run it and how we provide solutions to the problems, not just window dressings. Because that is what is happening here, having a regulator is just window dressing the problem it is not solving the problem. So I will support Deputy Tadier's amendment because if we are going to keep a rental policy that pegs social housing at private market then we need to make sure that we have some form of level playing field.

6.4.3 The Connétable of St. Mary:

Just very briefly, there is much ...

The Deputy Bailiff:

I beg your pardon. Sorry, Deputy Brée, your light is not on, is it? No. I am sorry, please do carry on.

The Connétable of St. Mary:

There is very much that I can agree with what the Deputy of St. John has just said but rather than me developing her argument to say that we should support the additional regulation across public and private, surely the question that really needs to be asked is do we need this additional regulation at this particular time anywhere. That is the issue that I have. But the amendment that we are dealing with now, as it stands, quite clearly from Deputy Tadier's own proposition, and from what you have also said, it refers to the introduction of regulation in relation to housing, not any particular form of housing, housing generally. You may remember that I asked earlier this morning what the definition might be of "landlord" because I was not sure whether I would be caught in various ways, and the

same goes for this blanket definition of housing. For example, it is known to me, and I am sure to many other Members, that with the difficulties of our younger generations getting a foot on the housing ladder, parents are becoming more and more ingenious in offering different solutions to help their own family, looking after them while they save for a deposit, *et cetera*. If a parent has the resources to enable, say, a child in their family to live with them, to live in a family property, do they then fall under the scope of this? Yes, because they are providing housing. It may not be paid for, it may not be available to the general public but it is housing. I just think this is a scattergun approach. It is not targeting where regulation would be necessary, the Residential Tenancies targets that to many cases, as has already been said. We have a framework already in place that can deal with the most pressing needs. Should we be introducing extra regulation especially when I think the Deputy's amendment opens it to all sectors, as I think Senator Ozouf said.

[15:00]

Every single person would be caught by this whether you are living in rented accommodation or whether you are allowing someone else to share your own home temporarily. What restrictions, what regulations would those parents then be forced to comply with? No parent is, I would say, going to submit their own family to substandard accommodation, yet they would fall within this regulation. The cost of that just does not bear thinking about, when the whole purpose of that family arrangement might be to enable the next generation to get their foot on the ladder. I think this is probably well-intentioned but really the way the amendment has been structured I simply cannot support it because I think it opens up what we have all seen and what we have all come to know as unintended consequences. Thank you.

6.4.4 Senator P.F.C. Ozouf:

Well, having just about managed to get my amendment, but lost by one vote, let me go really full frontal and I hope that the ... **[Laughter]** full frontal, unified with all the friendly Members of the Council of Ministers, who I thought I was doing a favour, but obviously I do not have any friends on the Council of Ministers anymore, which is rather sad. Oh, that is right. At least I provide some entertainment for Members, at least I do that, but I do so with absolute seriousness, because what we are dealing with here is an incredibly serious issue, which affects every single Islander. The research that I have been able to conduct since I have been out of office, I received at the weekend a very curious phone call. I was very interested. I do not know how many other Members received a telephone poll from a company called ComRes, and I do not know whether the Council of Ministers are going to fess up on this, but certainly I was most interested because there was a telephone poll of exactly what people's views on the Government of Jersey was and what the most important issues in their lives were. I am going to be very interested to know, because I asked at the end of the session... yes, Ministers are looking at me rather curiously. I wonder whether they even know what is happening in their own backyards. Because all I know is that I received a phone call from a market research company called ComRes, who asked me various different questions about what I thought of different things. Of course I answered them very honestly: "What were the most important things in Jersey?" Politics. "What is failing, what is not working?" Then I had a whole of series of questions about the hospital. How very interesting. At the end of the interview, I was asked for my name. I gave it, so whoever is collating this information in the Council of Ministers is going to know exactly what I think, but what I know is a lot of Islanders think that housing has become unaffordable and the thing that unifies young people, old people, the working population, is that everybody is concerned about rising house prices, every single person, and it is going to be very interesting to know what that survey says. They asked in this survey what they thought the solutions were. Of course, I did not hold back, as I would not, but I know that the solution is not to scrap the "social" word from this proposition, because I know in my heart of hearts that effectively regulation - which is what Deputy Tadier is saying - is not the solution to Jersey's broken housing market. I have the

statistics from the Jersey House Price Index survey. It is very curious - it is rather unfortunate, really - that the Head of Statistics sent us an email yesterday that we are going to have the latest Jersey House Price Index survey after this debate. I will make a forecast of exactly what that Jersey House Price Index is going to say. There is only one way it is going in rental, in purchase. There is a song, but I will not sing it, that says: "The only way is up." My goodness me, the only way is up for house prices and high rental prices. The question that Members need to ask is if that is the case ... which is an unintended negative consequence to what is a rising economic tide of more people with plentiful jobs and more income seeking housing, we have a record number of people in work, we have low unemployment, unbelievable compared to where we were 5 years ago, after having lost L.V.C.R. (Low Value Consignment Relief) and the financial crisis. We have got more people in every single growing export part of our economy. We even see growth in the tourism market, which people wrote off. I heard a radio interview yesterday of the real problems that people in the hospitality sector have of getting staff. Now, the problem is where are we going to house all of these abundance of good things that are happening because of the good decisions of this Assembly in restoring confidence in the financial services market, restoring confidence in tourism, restoring confidence in where we are as an Island? The problem with rising house prices is a real problem. It is an unintended consequence of success. The question before Members in approving or otherwise Deputy Tadier's proposition is whether or not the solution is regulation. I say to the Deputy of St. John, I agree with her about her analysis of the problems of the 90 per cent. Is the 90 per cent working today? No, it is not, because 90 per cent of a rising house price rental amount is the real problem. If the intention that was brought by my good friend, the Minister for Health and Social Services, as the Minister with responsibility today for housing, she has really let the cat out of the bag in answers to questions this morning. It is that she does not have enough resources in her unit to deliver what the previous Minister for Housing wanted to do, which was to increase supply. Andium do not have enough supply. When we went to go and get the bond, the £250 million, I did not expect when I went on the roadshow with the Minister for Housing of the day, and the then Minister for Health and Social Services was also working effectively with the Treasury on finding solutions for the health funding, which we found at the time - it is a shame that never progressed - but did we imagine that that £250 million would sit in a bank account in the Treasury for 3, 4 years? No, we did not. That money should have been put to work to deliver more housing supply. Now, is there a case for regulating the social rental housing providers? I think there is. I think there is for the non-owned States bodies. I think there is a real question as to whether or not Andium should really ... I mean, what are we creating? We are creating a situation where Andium is going to have a ministerial reporting line, because they are owned... because the Constable of St. Peter has done an excellent job in overseeing, and it is going to be one of his last sittings, but he has done an excellent job in overseeing the shareholder responsibility for Andium, with publicly a challenging situation. But they have already got a relationship with the States. Now, the question that the Deputy of St. John rightly says is do we need to regulate? That is an issue for later on in the debate, but is there a case of regulating other social housing providers? I have been long enough in this place to remember the setting up of the Jersey Homes Trust, where we created ... there was so much kerfuffle when we set up the Jersey Homes Trust. I think they have got something like 900 units today, but is there a case for that trust to be regulated to ensure that those additional resources that are sitting on their balance sheet as a result of the low interest costs, tens of millions of pounds, is there a case of a social housing regulator to say: "Come on, spend that money on delivering supply"? Do you need only a response to regulation? No. You need a Minister for Planning that is engaged with the Minister for Social Housing that does more supply. Every single planning application should consider how many more units can we put in. That is the kind of regulation that works in terms of regulating. If you want to talk about regulating supply, I am absolutely in favour of that; regulate supply and promote it, be a champion. That is what every single report on a broken housing market says, whether it be in the United Kingdom, in Australia, in Canada, United States. The whole financial system broke down in 2009 because of a broken funding

arrangement for loans in the United States. Members perhaps do not remember the failure of Freddie Mac and Fannie Mae, the 2 social housing provider entities in the United States that caused the fundamental breakdown in the financial system of the world, which ricocheted and affected this jurisdiction. There is no case that Deputy Tadier has made: I have read this proposition and I saw the manpower and financial implications; there is nothing. I am sorry, I know that Members are responsible for making their own propositions, but if I have got the amendment before me correctly, the proposition which we are now basically being asked to approve has got no resources that are going to be required. I do not know, is it going to be some sort of volunteers, that people are going to do this for nothing? Is the cost going to be for those that are regulated in the whole housing market going to be done for nothing? Nothing against lawyers, but lawyers are quite expensive, in my book, and they are going to be involved in getting lawyers, because if we regulate, you have to have an answer. Is Deputy Tadier kidding us when he says that there are - and I quote the manpower implications - "There are no additional financial or manpower implications for the States arising from the adoption of this amendment"? Probably not just adopting a general view that we are going to regulate everything, I suppose that can just about get through Standing Orders, but are we kidding ourselves that we are going to regulate everything for nothing? I doubt the Minister is right on £100,000, I think it is probably a lot more. It is going to be a lot more for Andium. They are going to be employing people. They not only communicate with whoever passes the door of the Treasury next, but they are going to be wanting to ... because of course it is an adversarial thing. That is what happens. It is an adversarial relationship. The regulator is going to want to do the right thing, they are going to want to do ... I do not know, poke around on various different issues and this all costs money. It is absolutely the wrong approach. I have said in another amendment - and it is an issue later on - there should be a comprehensive proposition for supply. I was most interested that as soon as I amended the underlying proposition that will come to the amendments later, as soon as I started talking about supply - which has been accepted - goodness me, I start getting invitations from the Social Housing Unit to talk about supply side. I welcome it, it is fantastic. I am sorry it got delayed by fog. I do not quite know how, they could have got a boat here maybe, and what we are going to do, have a meeting about supply next month when we are in the middle of elections? It is too late. I do not blame the Minister. I absolutely do not blame the Minister. I think the truth is that the Minister has been dealt a very poor hand by ministerial colleagues who have not given the resources that are necessary to make sure that we fix Jersey's broken housing market. I say in conclusion, the solutions for fixing Jersey's broken housing market, which affects every Member of this Assembly, if they have got children, they will be worried about their kids getting on the housing ladder, they will be worried about the availability of rental accommodation at affordable rates. If they are grandparents, they will be worried about their grandchildren. If they are young Members of this Assembly trying to get on the housing ladder and saying that they are tenants and they cannot get on and find a decent rental accommodation, then they are going to be affected by that. It matters to everybody. While I might have been humorous in some of the remarks I make or dramatic in terms of the way I am explaining them, what matters to me more than anything is fixing this issue and fixing this issue means that there are 2 choices. Just as Professor Sir John Vickers said, there is a limited amount of scarce resources in a small jurisdiction. That is the reality of Jersey as opposed to the United Kingdom, Germany or the United States. There are not armies of people to write a report for the Minister for Housing on fixing Jersey's housing problem. There are 2 people. Is it one? One and a half. One and a half people for doing the policy of basically ... oh, it is 2. That is great, half is going to make a big difference. Are we really saying that 2 people dealing on housing policy issues is sufficient for something that affects every single person in Jersey, their kids?

[15:15]

If they are grandparents, whether they want to downsize, as the Minister said, for basically encouraging them to have policies for getting people out of larger homes into smaller homes,

lobbying the Minister for Treasury and Resources for changing stamp duty, stopping frictions in relation to stopping people moving from one house to another, making the market work, that is a solution and I say to Members, if they are going to spend money, let us spend money on something that we know that works, because we know that the report in the United Kingdom of fixing their broken housing market is not a report that says: "Do you know what, we need to regulate some more." What they are saying is: "We need supply." I ask Members to reject and send a clear signal that while we are committed to improving the lives of people in their rental accommodation, in their owned accommodation, in factual ownership, giving people hope that they might get a home to call their own, whether they partly rent it, whether or not they own it, but the solution is supply, it is not regulation. I ask Members to reject Deputy Tadier, who I absolutely accept is well-intentioned, because many people are ringing him up, like they ring me up, to say they cannot afford ... and their net income after housing costs is very low and it is constrained, because people are living on squeezed budgets. He is absolutely right, but my solution is not to regulate, it is to regulate the supply and increase it. I ask Members to reject the amendment.

6.4.5 Deputy A.D. Lewis:

I just wanted to talk briefly. I first entered politics about 12 years ago on a platform of reducing regulation. I was chairman of the I.o.D at the time and they still try and do that today, so I really could not vote in favour of more regulation in this forum - that being housing - although I can see where the good intentions are coming from. Perhaps some Members are also confused why this Bill is going through at all, because you will remember a few weeks ago - or maybe a couple of months ago - the Minister for the Environment put through some regulations which were excellent, in my opinion, from an environmental perspective to regulate rental dwellings, quite a large piece of legislation, a very effective piece of legislation, a much-needed piece of legislation. That largely regulates the conditions that people live in, which is essential, because we had some appalling conditions, and still do, and hopefully the department now is picking up on those and doing what they need to do. That is some regulation that we do need and we do have, but if you introduce additional regulation to the private sector ... because I am slightly confused why we are doing it just in the social rented sector, because Government owns 4,000 of those units. The rest of course is housing trusts, who do an excellent job in providing extra units, thousands of units, but they will be regulated under this as well. I cannot quite see the necessity for all of this regulation, but the Minister has stated a good case for it for social rented housing, which is a very different market, I think, to the private sector. One also needs to be careful what they wish for. If you over-regulate, it could reduce supply. I know of a lot of people that have small rented units and even now, with some of the regulation they have to follow, which is good and proper, are thinking: "You know what? I really cannot be bothered to rent that unit anymore" and some units are being taken out of the housing market. Some of it was not very good, incidentally, which is not a bad thing, but others, some people just might not bother anymore. They do not need to rent them out. Do we bring in new legislation to say all empty houses must be rented and become very socialist about this? I know some people behind me might like that solution and it does happen in some places, but I think the owner of those properties should have the choice whether they rent it or not - that is my own opinion - but if you introduce regulation, it may reduce supply. It will also put up cost. There is a cost to regulation, both to regulate it and for the owners of those units as well. They are already following strict environmental policies, which I alluded to earlier on, and that is a good thing. I do not see the need for any additional regulation. Also the private sector has created thousands of units of accommodation at no cost to the taxpayer whatsoever. In fact, a net gain, because they have paid tax on their profits, they have paid stamp duty and they have produced units. Yes, I accept a lot of people cannot afford them, but it is still housing units. If they were not produced by the private sector, Government would have to provide them, which is what happens in lots of other countries. We have a vibrant development sector that creates units of accommodation, some of which are affordable

homes, and we need more, so I do not like to hear the private sector, which creates units, being vilified in any way. The private sector rental market needs to be better, I accept that. I think the environmental health legislation is doing that. I cannot see the requirement for additional legislation, so I therefore would urge Members to reject this. It has some unintended consequences, which I believe Senator Ozouf has also outlined, and I would urge Members to reject this amendment and follow on with the Minister's proposal for the regulation of social housing, which I can see reasons for doing, but I am still slightly perplexed as to why we are doing it at all with the other regulations we have in place. But I am sure the Minister will explain that in more detail when she gets to her proposition.

6.4.6 Deputy S.Y. Mézec:

I am sorry to break it to Members, but the idea that we can fix Jersey's housing market with solutions based purely on supply and nothing else is cloud cuckoo land. It is simply a thought from another world, it is dogmatic idealism based on, frankly, nothing based on reality. All you have to do is look, I think, at the experience of real, ordinary people in our society to know that a lot of the problems that many people in our society face with housing is not down to supply, it is down to the quality or it is down to the rules that govern what rights they have according to those properties. These problems are widespread beyond just the social housing sector. In fact, to be perfectly honest, there are many elements of our social housing sector that are far better than the private sector in terms of your ability to communicate with someone who is going to help you sort out whatever problems you might be having with your rent or with the upkeep of that property. It is known that Andium do a fantastic job and when I have had to accompany constituents to Andium, even when there is a legitimate grievance against what a tenant has had to face, often the road to getting a solution is quite good there and the staff there are incredibly helpful. It is also the case that there are some fantastic private landlords out there, but I will say that my experience as a constituency representative has been that the worst cases of abusive practices have been in the private sector, they have not been in the social housing sector. In fact, it was just today that I got a text message from a constituent who is having a landlord behave quite blatantly unreasonably towards her and, frankly, there is probably nothing she can do about it because the landlord is the one with all of the power in that relationship. That is a real problem which must be recognised by this Assembly, because it is affecting people's lives. We are - and I will bang on about this until this is fixed - an affluent society that has rates of poverty that are unacceptable. We are a society that has levels of rental stress that are unacceptable, given how wealthy this society is. If you think that the solutions to these problems and the path towards making life better for the people who have elected us to represent them lie purely within the social housing sector and what actions we may take in that sector, then I am afraid you are delusional. The solutions to our housing problems lie across all sectors and we need a holistic approach to fixing these problems, especially when, as the Deputy of St. John has reminded us, the rents in the social housing sector are pegged to the private sector. Let us not pretend that we have essentially one sector of housing that is completely independent from the others. They are all interlinked and the problems cross the boundaries of these sectors and we need a solution that looks at all of these. Now, this ideological opposition to regulation is something I find very strange. Senator Ozouf said in one of his previous speeches, he talks all about how negative regulation is, all this horrible red tape that simply gets in the way and infringes on our freedom. I am sorry, but some red tape is good, health and safety, for example. We make it compulsory for businesses, for investors, for housing providers to have to abide by the red tape that is basic health and safety rules because we do not want people dying, we do not want people getting sick, we do not want people getting hurt because they are having to face an access to a particular service or accommodation that is unsafe. Some regulation is good and it is not helpful to be so dogmatic and say: "All regulation equals evil" because that simply is not the case. He used the phrase "proportionate regulation". Sorry, who is in favour of disproportionate regulation? Our own view of what is proportionate is subjective, based on what our values are in

society and how far we think the States should go to protect people versus letting people have the freedom to innovate and do interesting things in the free market. I think the view surely should be that regulation exists to protect consumers from abusive practices, to protect other businesses and consumers from uncompetitive practices and to keep all parties safe. That seems to be an entirely reasonable thing that the States would try to do, not just within its own service provisions, but also within the private sector. Senator Ozouf was talking about how he supports competition, but of course one of the problems with competition is that in some instances it can mean cutting corners to try to reduce costs and sometimes those who pay for those corners being cut will be the consumer. Now, that is not always the case. Sometimes businesses are very creative and innovative in cutting corners to provide a service more efficiently and pass on that saving to the consumer, but in housing, what is the product that would have the corner being cut on it? It is the property itself, it is the investment that is put in to keeping it safe, to keeping it watertight, to keeping it in a liveable condition. Those are corners that I do not think it is acceptable to cut, because housing, as a product, is not like any other product. Housing is essential. We all need a roof above our head. It is not like this brand of mobile phone versus that other brand of mobile phone, there are things in life that are nice to have and there are things that are essential. When it comes to something that is essential, like a roof above your head, I think the rules are different and I think the acknowledgement of that should be that when we look at the private rental sector, we should be saying that there is a minimum standard that we are not prepared to accept as something that is offered to people in our society who need a place to live. I think that is perfectly reasonable, and if you accept that point, you then must surely accept the next point, which is that there must be a regime for applying those standards, there must be a regime for dispute resolution when a tenant believes that they are not being protected or not being housed somewhere acceptable. I think there are a few other elements to this argument that make this idea that supply is going to be what fixes anything such a ridiculous idea. Firstly, it is the fact that our population growth is at higher levels than has been anticipated for years now, so it does not matter how many homes we build if we are not building more than the number of people who are coming into the Island, so this idea that: "We will build more homes and that is going to reduce the cost to tenants" is blatantly ridiculous when we have no population control at the moment. I simply cannot understand how anybody can keep a straight face when they say: "Oh, we will fix this by building more homes." No, that needs to be looked in a more round approach that includes looking at population. That includes also, I think, looking at supply within the different sectors in housing. For example, in a few weeks' time we will be debating a proposition about what access to housing people with families have. It does not matter if we build 1,000 new homes and all of those homes are taken up by private investors who say no children. That extra supply will not have helped those people in that situation, so I think when we look at the housing system, when there are certain categories of housing that you cannot have if you have children, supply is not very helpful for you there. There are certain types of housing that you cannot get if you are an immigrant who has not lived long enough there; that is something that affects supply. There will be certain properties that will not be acceptable for people below a certain age, because we have certain properties that are designated for people above a certain age. I am not necessarily saying that is wrong, but I think that needs to be looked at in the context of everything else as well. That is why ultimately I will be supporting this proposition, because it asks us to accept that the social housing sector does not have all the answers and no matter how right we may get it in the provision of housing that the States provides the public, it will not fix everything. We need solutions that are based on all sectors in housing and that includes the private sector, making sure that there are no abusive practices there and that tenants are treated fairly, making sure that they have recourse to solutions when they are faced with problems. I will say - and this is me being political here and some will not like hearing it - I have been very disappointed at the slow progress that has been made on housing issues throughout this term of office, on some issues that, frankly, could have been dealt with in a very short period of time. For example, letting agent fees to tenants, something that was banned in the U.K. ages ago

now, which we still have not done here because: “Oh, we will just stick it out to consultation because that is what we always do.”

[15:30]

It is a way of wasting a year's time and making sure that nothing gets done quickly. I have also previously contacted the Minister for Housing to tell her about some of the issues that I have seen with constituents, where letting agents have just been taking advantage of tenants, who have been desperate to move property for whatever reasons, slapped on all sorts of last-minute charges that were clearly not justifiable, not just for the deposit scheme, which has its own problems, but with other things as well, assignment fees if you are leaving a tenancy early. There are all sorts of abusive practices there that literally nothing has been done in the past few years. These are issues which cause ordinary people real consternation in their life. This idea that Deputy Lewis raised in his speech - Deputy Lewis of St. Helier - about how the regulation is going to reduce supply; sorry, what happens to these properties? Do they just disappear or something? Do they just disappear when a landlord decides they are not going to rent it out anymore because it is too much hassle? No, they sell the property on, either to somebody who will live in it, in which case, great, or they will sell it somebody who will let it out, who will make the investment. It will go to somebody who is better placed to be able to provide something positive to that market. I happen to think that that is a good thing and I think that having the right rules in place will encourage the right people to invest in property to make sure that they are the ones who are better-placed to provide the service to tenants. Whether that is somebody who is going to be more open-minded about the sort of family they let rent that property or for the price that they offer or for how often they are prepared to renovate that property and keep in a habitable status, that is a good thing. I find it weird that it is suggested it is a bad thing. No, that would improve supply, because it would put the properties we have, their ownership, in the right hands so that they are best placed to provide that basic social need, which is a roof above the head of every family on this Island. This proposition I see is clearly a step in the right direction. If we are just going to be regulating the social housing sector, then, frankly, we are neglecting something that is so important to the people who we are meant to represent. We should be looking at things in the round as a whole. What the Minister has come up with frankly is not good enough and I fully support what Deputy Tadier is trying to do with his amendment.

6.4.7 Deputy J.A. Martin:

I did support the amendment from Senator Ozouf and it was which way do I go on this, because I could see what he was trying to do and I then was looking at what Deputy Tadier is trying to do. I just think we are looking at this completely the wrong way around. I fully accept that we really have lost what we could call - or anywhere else you would go - social housing is, except for the few. I heard the Minister for Housing in her opening speech telling us that when we get more supply and this, that and the other we will be able to open it up to people maybe under 50 and single people, which has been the norm in social housing, whatever you want to call it, across the water there for many years. But I really have a problem - I am only going to speak once - because I have read the Scrutiny report and when you turn this on its head, they cannot even see the case for it. We own 4,500 properties in Andium. We keep introducing some sort of regulation, but I do not think they are doing a bad job. **[Approbation]** When Senator Ozouf says they have got money sitting in the bank, that is not their fault. They have emptied some very big estates, 100 people have gone from La Collette and Le Squez and they are living somewhere. Once they get them up and going, they have got the money, but do they need the regulation? I looked and Deputy Tadier was on this panel in 2013, which was the former Health, Social Security and Housing Panel, with the Deputy of St. Mary. Sorry, I always forget which, if it is St. Mary or St. Ouen. I am never in the right Parish there. What we came up with was the private rental sector, but what Deputy Tadier is trying to do here is to amend something that we are to regulate and add on the private sector. In the housing trusts, as I

say, I am absolutely confident, and working on a weekly basis for 18 years with the housing and now Andium and dealing with tenants, it is a vast improvement, but there is the private sector, but this will not do it. It is not workable. I mean, how are you going to regulate this? How are you going to regulate? Let us go further: we are introducing taking out social and it is private. It says: "The use of an enforcement notice where a housing provider is at risk of not meeting one or more of the performance standards and has not properly engaged with the regulator. The power to remove or suspend a senior officer, where his or her conduct is hindering the proper management of housing providers." I am taking that is social, and then: "The transfer of some or all housing assets in circumstances where there is serious risk to financial viability of a housing provider." It does not work. Why should it?

Deputy M. Tadier:

Would the speaker give way? It is clarification, Sir. It is just to enable the speaker to direct her comments. Obviously the first part of my paragraph removes the words: "as set out in the report accompanying the proposition" so none of what is contained in that proposition would be relevant to the regulation that I am seeking to put in place for the private sector.

The Deputy Bailiff:

I think that almost amounts to a second speech, but you will have right to reply at the end.

Deputy J.A. Martin:

I got this online the other day, the comments - well, the report from Scrutiny - and there is nothing in here, that they see that it is necessary. I think the Deputy, because he thinks regulating 4,500 homes that we own ... we have made silly policies on and we - I absolutely agree with the Deputy of St. John - are now going to throw £150,000 to regulate when there is one and a half or 2 people working in the Strategic Housing Unit. I would have 2 people employed. It beggars belief. We are sitting here, as Deputy Andrew Lewis has just said, and he is going to wait for the Minister to explain why she did it. She tried to do it when she opened her speech, because about 25 reports and other regulations say we are going to do more regulation. This will not improve one person's housing experience on this Island. I absolutely see where Deputy Tadier is coming from. There may be an issue, extra different issues in the private sector, but do not set regulation, do not try and regulate housing trusts, which between the other 4 provide 1,200 homes, and they are trying to grow and they are not sitting there all with money in the bank, that they do not want to build. Where are they going to build? This is their problem. Where are they going to build? Money in the bank there, money in the bank at Andium. This will not regulate the man in front of me, the Minister for the Environment, to make these homes happen. I am not blaming the Minister for the Environment, but there are so many other issues that we are not addressing. We are spending time here bringing in more regulation, in my opinion, which does not touch the people that probably should need more regulation, but trying to amend a terrible regulatory process, like what the Deputy is doing, does not cut it for me. I am voting against this amendment, I am voting against everything else and I am voting against the Minister.

6.4.8 The Connétable of St. Peter:

I am moved to stand up on some of the comments I am hearing, that if we regulate the private sector for housing, the rental market, that it will not affect the marketplace at all. The majority of private landlords, they are not really interested in the rental, they are interested in the accrual of the value of the property itself, which increases over the years as property prices go up. That is where they make the major part of their profits. Now, if we are going to start regulating them to a point where it becomes unviable for them to continue in the rental market, they will sell their properties and cash in their profits on that. What that does, it takes that property outside the rental market. What that does in turn, it reduces the amount of properties available to the rental market and when you have reduced

supply, what happens? Rents go up. That is the real problem with this. Unfortunately the speakers, both Deputy Mézec and Deputy Tadier, do not seem to understand the dynamics of the housing market and the way that private landlords work. When we look at people like Andium and the trusts, they are purposefully and only for the social aspect of social rental. They are not interested in the value of their property in itself increasing in value, only insofar as it enables them to build more properties to put into the social rental market. Private landlords have an entirely different ethic. It is about their profits and the accruing value of their properties over years, and when it is at the right value, they will take them out of the market. Only last year the Scrutiny Panel - the Environment Scrutiny Panel - determined there was over 3,000 empty properties in Jersey, because people do not want to rent them out. Now, that is an area where we could be looking to improve things, but unfortunately, putting regulation into the private landlord market has the potential to increase rents to those people remaining in that rental market.

6.4.9 The Deputy of Trinity:

Going to the main objective of this proposition, it was to approve in principle the introduction of regulatory oversight on social housing provision. Those proposals are specific to housing associations and not for private landlords. In Deputy Tadier's amendments, you would not, for example, introduce financial and governance standards for a small-scale private landlord or impose on a private landlord - perhaps who only owns one or 2 properties - performance reporting and assessment requirements. Such an approach to the regulation of private landlords is not found, I understand, anywhere else in the world. It will be clearly disproportionate to introduce such regulation and we can be certain that the effect would force landlords from the market, reducing housing supply and increasing rents. It will also be costly to administer a much broader system of regulation and I know comment has been made about the £100,000. I can say categorically it would not be enough to include the private sector if this amendment was approved. But the Deputy refers in his report to the need for a holistic approach when it comes to housing. I think we would all agree with that and we know there are many. The Residential Tenancy (Jersey) Law has been mentioned, the (Rented Dwellings) (Jersey) Law applies. They all apply to social housing providers as much as they do to private sector landlords. We expect social housing providers to meet the required standards of tenancy management set out in the Residential Tenancy (Jersey) Law and the proposed standards of repair and maintenance prescribed in the (Rented Dwellings) (Jersey) Law, so there is a consistent framework for the rented sector, but I make no apologies to say again, social housing is much more than simply a good standard of homes and secure tenancies. There are many activities that social housing providers perform that private landlords just do not, and these activities require appropriate regulatory oversight. I say again social housing rents, in accordance with a States Assembly decision, up to 90 per cent. Social housing providers build the right size, type and tenure. Social housing providers are well-managed and have the resources to deliver the plans, but more importantly, we need to ensure that low-income households, the most vulnerable in our community, receive fair, equal and transparent access to good-quality homes and housing services. Social housing providers work with multiple agencies, to work with the elderly, people with serious illness and disabilities, care leavers, domestic abuse survivors, ex-offenders, to name but a few, in order for them to live independently. They are part of M.A.R.A.C. (Multi-Agency Risk Assessment Conference), they are part of M.A.S.H. (Multi-Agency Safeguarding Hub), they have that link, that important work that they do with multiple agencies because they are there to look after vulnerable people, which the private sector do not. We need appropriate regulatory oversight to ensure that the rights and interests of those individuals are protected and promoted. The social housing providers help deliver the housing policy objectives of the States, based on understanding that in return they will receive Government assistance to do so. They are in an advantaged position with Income Support and have access to the bond; we support them to access private borrowing, such as loan guarantees.

[15:45]

The rezoning of land specifically to build affordable housing developments; the exemption from taxation on not-for-profit activities; an exemption from Population Office fees for property transactions. It is appropriate the States should therefore establish safeguards to ensure that the investment it makes in social housing, taxpayers' money, is used effectively and delivers value for money. That is what the proposed regulatory framework for social housing would achieve, a reasonable degree of oversight to provide assurance that the States policies, our policy objectives, are being delivered and social housing tenants receive a good standard of home and housing services. This was the key obligation in the Housing Transformation Programme. These changes were approved with the conditions that a statutory regulator would be introduced at a later date to have oversight of this very large amount of public expenditure: £20 million from income support and 58 per cent of all income support claims are from Andium Homes and housing trust tenants, so there is a need for regulation in order to have very significant investment, that the privileged position that social housing providers receive in return for delivering of States policies. There are allocated tenants via the Gateway almost immediately so there are not void properties. What the regulation does is to provide an overarching framework to monitor and assess the performance of social housing providers against these requirements. Say, for example, if a social housing provider wanted to evict a tenant for a breach of their lease then the Residency Tenancy Law would apply. This would not necessarily be a regulatory concern, just an everyday business as usual. However, if a social housing provider had evicted 10 tenants over the course of the year while another had evicted no tenants that might be a concern for the regulator to understand why their performance differed so much. This is especially important in the context of the States questions and the information Members have asked or in relation to social housing. As Minister for Social Security, I have received numerous questions about activities of Andium and the housing trusts, their rent levels, their standards of accommodation, allocation of their properties. I have answered 30 questions during the last year about Andium and the housing trusts and I have also been contacted by States Members about their constituents who are registered on the Affordable Housing Gateway. Every one of these issues that has been raised would be covered by the social housing regulation. I know that Deputy Tadier strongly believes in the regulation of the private sector and although I do not agree with the amendments to this proposition, it is important to recognise that his role is helping give impetus to introduction of minimum standards for rental accommodation. So in some areas we are similar, as we all are in the Assembly, in that everyone deserves a good quality home. These amendments are unnecessary because we need to focus on social housing. Members should note on page 4 of the proposition I include reference to tenants' dispute resolution requirements and I fully expect this will cover a requirement for social housing providers to belong to a dispute resolution service. It surprises me that we are having this debate about whether social housing regulation is necessary in an environment where we have had regulated care and have appointed a Children's Commissioner. It is unreasonable to say that social housing regulation is not necessary or social housing providers should not be regulated in the same way as private landlords. The 2 events last year clarified in my mind that statutory regulation is absolutely necessary. One, the tragedy of the Grenfell Towers last year...

The Deputy Bailiff:

Minister, could I just interrupt and say that we are still talking about Deputy Tadier's amendment. It is not to do with social regulation but to do with a more general regulation.

The Deputy of Trinity:

In Grenfell Towers, the housing tenants needed protection there and I mentioned about the Care Inquiry. We have consulted with tenants and social housing providers but I understand that the Deputy has not had any consultation, we have not seen any, and I urge Members to reject the Deputy's amendments.

6.4.10 Deputy G.P. Southern:

I start with the status of the Strategic Housing Authority, which was deliberately created by us to give authority over the whole of the housing market, not part of the housing market, not just social, which was the case before. So along came Andium and the Strategic Housing Authority to monitor, regulate the whole of the housing market, to take responsibility for the housing market, not just part of it. It seems to me that in bringing forward regulation only for the social part of the housing market the Minister is avoiding her overriding duty to look at the whole market holistically. This morning, in answering questions, the Minister for Housing was talking about the fact that the private sector, 13,000 private rentals, do pick up significant numbers of what ought to be vulnerable clients who should be in the social sector. She said that this morning and yet here we are saying we can differentiate between the social sector and the private sector because they are different and yet, to a certain extent, they perform the same duties. To illustrate that I will just talk about the person who came to me this last week. He is 75 years old. Until 5 years ago he was resident in Andium Homes but requested to move out because of noisy disruptive neighbours. Since then he has been in the private sector and in that 5 years he has had 3 changes of tenancy, he has had to move at 75. Get everything together again and move, another move. As he said, he has now got a notice to quit, which comes into force at the end of next week. He says: "I think I have got somewhere lined up, I will probably be all right but I am worried about it. It seems to me that that landlord has probably the right package, I hope I can get it because my nerves are shredded." A 75 year-old whose only demand is that if he moves it should be in the west of the Island if possible to be with his daughters who live there, either St. Brelade or St. Peter. Yet he is being catered for in the private sector. He came to me saying: "Please can you get Andium to open their doors to me again because I do not want to be facing this hassle when I am 76, 77, 78, 80 and having to renew my lease or move every year. That is the reality. When we look at making regulation to ensure uniformity and the same standards across the housing market, we can make a simple, straightforward comparison between Andium and Jersey Homes Trust. If you are in an Andium home and your youngest son or daughter leaves home, leaving you over-housed in a 2-bed rather than a one-bed, you will be given - if you are in an Andium - a year to make sure that you move out, downsize. That may or may not be the right policy but it is the policy that applies. But if you are in Jersey Homes Trust you may not be asked at all as long as you continue to pay your rent at the 2-bed rate and you can afford that then the landlord will not insist that you move. Now, that sort of difference between one sector and another must be regulated and you must have a proper considered and uniform policy to apply in that particular case. When we talk about avoiding doing anything about the private sector, what we do is we ignore the fact that overriding any conditions that apply we have got social rents attached to private sector rentals, the 90 per cent mark that the Deputy of St. John talked about and the operating of R.P.I. plus 0.75 per cent is very significant, because what does that do? This October I am sure social housing rents will go up by something of the order of 3.6 per cent plus 0.75 per cent or 4.35 per cent, nearly 5 per cent linked to the private sector. What will the private sector be doing? It will be cranking up its rents at the same time. The 90 per cent link and the advantageous position driving the upwards spiral of rents cannot be ignored. We cannot, I would argue, bring in regulation for one sector without taking in holistically the whole of the supply. Unless we do that I think we are letting down both the social sector and private sector renters in what we are doing. I notice again on that level of rent levels... what does that do? Those sort of 90 per cent marks, what does that do? Can you save while you are renting in order to move into the private sector? Is the housing market for first-time buyers, assisted purchase, is that viable? In many case it is not, without money from your parents. So we have closed the market down to young employed people in Jersey. So when Senator Ozouf says: "Many young people think that housing is too expensive" I think I should point out that they think it is too expensive because their experience is it is too expensive. It is no use saying in the U.K. this government or that government is doing tremendous activities to increase supply, the fact is that for the last 17, 18, 20 years we have been talking about increasing supply and we have failed to do so.

The fact the housing market is broken is our fault. We have not addressed it properly in that time and we are not addressing it today if we do not vote to include the private sector today.

6.4.11 Deputy S.M. Wickenden of St. Helier:

I have got some emails from some people that live in the private sector on some of the challenges they are facing and I think we probably all have very similar emails. They get an eviction notice saying they have to leave. In this particular instance a young family with 2 children, one 5-year old and one just a few months. It was born with a cognitive heart defect. The landlord gives them 3 months' notice to go, they have got to leave because of apparently complaints from other tenants and they spoke to the other tenants and nobody said that they had any complaints whatsoever, it was the landlord that wanted to get rid of them, or something along those lines. Now, I have told them to go to Citizen's Advice but they have got no legal standing because they are in a private tenancy agreement, so they are struggling a bit. They also do not fully qualify for housing qualifications right now so social housing is not for them, because they do not meet the requirements. They do not want to challenge too hard with the landlord because they were informed by the management agency that they would be evicted straightaway. There is a broken system in the private sector that is failing people. This is not the Minister for Social Housing this is the Minister for Housing. If we want to start bringing in regulations and say it is the right place, let us bring across the board. Let us do it for all the people of Jersey. We are talking about the fact that social housing gets ... the payments for social housing tenants is £20 million, but it is £10 million in the private sector.

[16:00]

So 58 per cent of the people that are receiving social funding come from Andium Homes and the social trusts, and the people that do social housing, then 25 per cent or something which is in the private sector. That means they are social tenants. Just because we do not have enough social housing does not mean they are not social tenants. We are totally creating 2 classes of society by doing what we are doing here and it is unacceptable. It is certainly not what I am standing in this Assembly to do. It is for the people of Jersey, not for a section of the society. I am totally going to be supporting Deputy Tadier's amendment here, I feel that if we want to do something let us do it for everyone. Let us do it right, let us not cherry-pick in society. Does this regulation ... is it needed? I think the Scrutiny Panel's report was very clear. We have got other areas, other laws and other restrictions that we have, is it even needed that we need to be creating this position? The funding, it says at the bottom of it, will come from some parts of fees that will be given to social housing providers, but will those not just be coming from Social Security? Is it not just putting another burden on the Social Security Department to pay for it as well? So we are just taking the money and circling around it in a different way. I have to support Deputy Tadier here, I do not even know if I will support the main proposition because I am wondering ... I agree with the Scrutiny Panel that this is just window dressing, it has not got any substance behind it anyway and it is possibly not needed. But if it is, I do think we need to regulate the private sector more. I think we need to make sure we have the security for people because that is where the problems are. That is where I am getting my emails and I am sure that is where a lot of other Members of this Assembly are getting their emails too about challenges in the private sector, not the social sector. So I will wholeheartedly support the proposition. I hope other people will too but I do have to say I am not quite sure I am not going to be supporting the entire proposition when it comes to the main debate.

6.4.12 Deputy J.A. Hilton:

Just very briefly, please. I am just rising to say that I will support this amendment, simply because if the main proposition is accepted I want it to go through in its amended form but I have to say at this current point in time that I have taken on board comments of the Scrutiny Panel who I think have

written a very good comments paper and I thank them for that as well. So that is where I will be coming from. Thank you.

The Deputy Greffier of the States (in the Chair):

Does any other Member wish to speak? If there are no other Members then I call upon Deputy Tadier to reply.

6.4.13 Deputy M. Tadier:

I think it has been a worthwhile debate and often - not always - the length of a debate shows the seriousness with which Members place on a particular subject and I think it is quite right that most Members, if not all of us, agree that housing is a critical area for this Island and it is definitely a critical area for those that we represent. I do not need to refer to the Care Inquiry, I think other people have done it, but it transcends that and we know that housing affects every part of people's lives. It is critical that we get it right because of that. There is a role for government to play and for the States to play in this. I make no apologies for that. There are, perhaps, very few people out there and in this Assembly who are complete libertarian and believe that the States should have no role or a very minimal role. Even those who are loathe to adopt legislation regulation, we recognise that there are key areas where it has to be adopted and that housing, which touches all of our lives has to be one of those areas. So I was very pleased with the last few speakers, for their support, and I do not think it is any coincidence that the last 2 speakers have been St. Helier Deputies, including one who has been a long-serving Deputy who has dealt with a lot of casework and who knows the issues, not just in housing and beyond to know that they are very real. I am also pleased that they have recognised, and hopefully others can still change their minds, when the arguments have been taken away from what is a very simple proposition and a very, I believe, still uncontroversial proposition. We will take it back to the wording of that proposition. What I am asking for here is not to abolish the regulation of social housing, it is not to scrap all of that good work and the necessary work that is being done, and we are going to have a debate on whether that is the right method and whether there are other areas that could be synthesised or amended. That is for the next part of the debate. That is completely separate and I for one am not saying let us scrap regulation of the legal definition of the established social housing providers, but what I am saying is that we do spend £10 million of taxpayer's money every year; it is public money, and we give it to the private landlords. So I was interested to hear one particular speaker, Deputy Andrew Lewis of St. Helier, because I know in other areas he has campaigned for the living wage, *et cetera*, he knows about people's struggles and he said: "Okay, I was put in here to oppose regulation." He is quite happy to support the Minister's regulation from the environment and he used a strange term, he said: "I am quite happy to support the environmental regulations that have been put there." Well, they are not environmental regulations, they are housing regulations which are being administered by the Environment Department. Very strange. It is not to do with the environment. I was in France last week and you go to the estate agents and you see what you get on washing machines in fact, it tells you the energy efficiency of the property. It tells you whether it is rental or purchase, it tells you whether it is an E, which is right down the bottom with a big red mark - it might be cheap but your bills are going to be really expensive, it is going to be difficult to heat that property - or it could be an A which you might pay a little bit more for but you know your bills are going to be really low. That is environmental regulation as I see it. That is also something we need to talk about in Jersey, but later on. So in a sense he is saying: "I am quite happy to support regulation when it comes from the Minister who is sitting on my right but not from a colleague who is sitting behind me on the left." It brings me to the point, this is not some kind of socialist plot to try and overregulate, to suggest that Andium should be the sole proprietor of rental property in the Island. Senator Ozouf made an interesting point, he seemed to be saying that Andium do not own enough property, they do not have enough resources, that we have not given them enough money. Well, that is interesting because it was not us on this side that pushed forward the

incorporation of Andium. There is some good stuff in that and I agree that they should have much more money and they should be able to increase their portfolio. But we cannot have it all ways. We cannot have people standing up saying we need to increase the number of social housing properties that are owned, we need to aspire to get people to own their own homes and we also need to not have any effect on the private sector because it does not work, you are just trying to divide that pie up into those sections and you cannot please everybody. I will not mention any individual but I have been in this Assembly campaigning on housing issues since the beginning and in 2011 I get the phone call from a politician courteously, obviously, congratulating me on re-election saying: "What are your areas of interest?" I said: "Well, my area has always been and continues to be, among other things, housing." The gist of the conversation - as I said I will not name the individual because it was, I think, private but the comments are germane - is that well essentially you cannot do anything about housing because you have one group of people who own their own houses and they do not want to see the prices going down. They are quite happy to see the prices going up, albeit gradually or a little bit at a time or a lot because either they want to flip the houses to make a profit or they might need to sell to upgrade when they have children and therefore they cannot have deflation. So anything you do to interfere with the market is a non-starter. So basically do not touch it, *laissez faire*. It is quite refreshing and honest. But, of course, politicians cannot say that in public so when we get Ministers coming out they want to be all things to all men. We can give you your first-time buyer house, we can give you affordable social housing, it would be well regulated and we will make sure that we improve standards in the private sector but we do not want any regulation. Of course all of those things are not possible and when you analyse them something has to give there. What I am asking for in this simple amendment is to agree to principle of introduction to regulation for housing. That is part (a), remember. That is the Minister's. But that is social housing, I say remove social housing. Now, part (b) is the critical thing here and the idea that somehow this proposition is asking to regulate all housing, including people who own their own homes. So we could be starting to regulate anyone who sells property. That is complete nonsense because part (b) is the critical thing, because part (c) asks to charge the Minister for Housing to develop and bring forward for approval the necessary legislation to implement the proposals in paragraph (b). The key part after that is "within 2 years". So this is not saying we will do this tomorrow, it is not saying we will do it in 3 months or even by the end of this year, it is saying: "You have a 2-year period, Minister, in which to bring these proposals forward" and the Minister, whoever that is, and the department working behind him or her will bring forward sensible propositions which take on board the views that this Assembly have provided today, which will include the establishment of a register for all housing providers because we do need a register for all housing providers. We need it in order to implement effectively what the Minister for the Environment is putting forward. We need that already and we need it for social housing so do it across the board. As I said earlier, it will help us analyse the statistics and know exactly what we are dealing with to better cater for. If we do want to bring more supply into the Jersey market, if we are going to build on fields, if we are going to do high-rise in Jersey to continue increasing the population, I think, beyond what the Island can reasonably cope with, at least let us know what the consequences of doing that is and where we are going to build that housing. But as my colleague Deputy Mézec said, supply has not been a solution up until now. If we keep doing what we have always done, Minister, then we will keep getting the same results we have already had. Supply in itself does not work. We cannot build the houses quickly enough in Jersey to house an increasing population. We all know that and I think we should be honest about it. If we really stand on a platform of social policy then we should be honest about what the levers are out there. Now, it is interesting, we hear one Minister - who is the Assistant for Housing, the Constable of St. Peter - saying: "Well, let us look at those 3,000 properties that are currently empty and maybe we can put those back into housing stock." Well, that is regulation. I am not averse to that. If there were 3,000 houses out there and our Scrutiny Panel report found, with independent advisers, that even if you put a small proportion of those properties back on to the market you solve a lot of what

we have in terms of the waiting lists, both in the private and social sector. Those are the kind of things we should not shy away from as an Assembly. I think those are the mechanisms ... we are not necessarily talking about rent control at this point but there is a fundamental problem which has been highlighted. When we pick a random figure out of the air of 90 per cent of market rate and we have no idea what the market rate is or will be into the future, we are setting ourselves up to fail. Now, when you look at the income support components that are available for a 3-bedroom house in the private sector, which we fund incidentally, they say apparently you can get a 3-bedroom house in Jersey for £340. That is a reasonable amount of rent. So if you look on the websites out there, not many of us need to necessarily look for rental properties on a weekly basis but there are people out there who are spending their time on a daily basis looking for a property because they do not know where they are going to move into with their family in 3 months' time. They have the message though: "We need to come back, we have to sell the house, we are coming back to Jersey to live, you have 3 months to find somewhere." What do you do in Jersey - especially if you are unqualified, especially if you have children - when you are established and you need to send your children to school and you need to go to your job, perhaps in a different part of the Island. Well, we are told you can have £340 a week and you can find a 3-bedroom place for £1,480 a month. That is how most people work. But the reality of that is completely miles away from what is being proposed in that amount. The reality nowadays, if looking at the market, is that you are lucky to find a 3-bedroom house for £1,600 of any decency, let alone with parking or let alone in the areas of your catchment area potentially for your children. A 2-bedroom flat, yes, you can probably pick that up for £1,500 if you are willing to slum it a little bit. £1,600 is the going rate. It is not unreasonable. You will see ads on social media and on the other housing sites saying: "I am looking for a 2-bedroom property, I can pay up to £1,600 a month." That is the reality for these people. If they are receiving States money for it, they are social landlords. To say that we are only going to regulate social landlords because they are the ones who have to cater for the vulnerable, people with mental health issues, people who come out of prison, the elderly, the disabled, recovering addicts, that is not true. A lot of these private landlords also cater for those and they do it with differing levels of success because sometimes they might have social conscience and they deliberately seek out people to house. Other times they do it because it is convenient and they know that the cheque is regular from income support. They do not need to worry about where the money is coming from. So it is important, I think, that we do regulate across the board. I think I am going to limit my comments to those. We have had the main debate, and I apologise if I have not responded to anybody specifically and, of course, if they want me to I can do that by way of clarification.

[16:15]

I would ask Members to think about why they are in this Assembly. It is not asking for regulation to be copied and pasted ... what we do for social housing regulation to be copied and pasted. I made that quite specific in my proposition. It is to give the Minister 2 years to go away and to find co-regulation. Just perhaps to answer Deputy Brée's point: "Where has this come from? The idea that today we are supposed to be talking about social housing but this has been hijacked to talk about the private sector." It is because for most people they do not make the distinction. There is fluidity between the social sector and the private sector. In fact that was what was intended partly by the 90 per cent rent, so those who were on the margins, who could then afford it, have more choice. They can rent in the private sector, they can move around. So that distinction is not made so clearly in the minds of most people. I would say what I am doing today, I am not hijacking a social housing debate to make it a housing debate, I am simply using a housing debate to talk about housing issues in the round. It has not come out of the blue either. The previous Scrutiny Panel, which I was not on in 2013, said: "We think there is a case for some kind of regulation and it should be across the board." As I said, I remember being in this Assembly with previous Ministers for Housing saying: "We need regulation that is across the board and that needs to be done before we incorporate Andium." So I

am only asking for a continuation of previous States policy and of Scrutiny recommendations to be followed. It does give the Minister the time, the discretion and the wherewithal to come back to this Assembly and to implement those proposals.

Senator P.F.C. Ozouf:

May I ask a point of clarification to the proposer? I raised in my remarks the fact that the proposition said that there were no financial and manpower implications. Could the Deputy explain because any proposition does need to understand what the financial and manpower implications are and it cannot be ... I accept that the direct implication of just agreeing this, but regulation costs money and could he just inform the Assembly whether or not he has made any calculations about what the additional cost is, because I suspect it is hundreds of thousands? I wonder whether he has conducted any research because he has done no consultation.

Deputy M. Tadier:

I am happy to respond to that. First of all, those are not the Minister’s comments, the Minister has not criticised this amendment or the department on the basis of cost. It is Senator Ozouf who does not like my amendment and does not even like the main proposition anyway.

Senator P.F.C. Ozouf:

That is not what I have said.

Deputy M. Tadier:

That is the way I understood it. He does not support regulation as it is being proposed. The point here is that we already have a regulatory framework being proposed by the Minister and she is proposing somebody new to be employed to do a job for the States on behalf of the States and I am saying simply extend that to the private landlords. I base it also on the fact that having done extensive work with the Scrutiny Panel on the regulation that has come out from the Department for the Environment ... now, whether we believe the Ministers or not is another question, but we have to take them at face value, I think. When they say: “Look, we can do this new workload without employing one or even half an extra member of staff, we can do it within the current workload of our department”, we say: “Really? Can you do that? That is fine but if that is the way you think you can do it then we have to believe you.” So it sounds like the Minister for the Environment is already doing this work from within existing manpower resources. But we also know that the Minister for Housing does have a mechanism in place and is employing someone new in the main proposition. This is simply asking for the regulation to be across the board and implemented by the same regulator. No additional manpower cost.

The Deputy Bailiff:

Did you call for the appel? Yes. The appel is called for. I invite Members to return to their seats. I ask the Greffier to open the voting.

POUR: 16		CONTRE: 31		ABSTAIN: 0
Connétable of St. Saviour		Senator P.F. Routier		
Deputy G.P. Southern (H)		Senator P.F.C. Ozouf		
Deputy J.A. Hilton (H)		Senator A.J.H. Maclean		
Deputy K.C. Lewis (S)		Senator I.J. Gorst		
Deputy M. Tadier (B)		Senator L.J. Farnham		
Deputy of St. John		Senator P.M. Bailhache		
Deputy M.R. Higgins (H)		Senator A.K.F. Green		
Deputy J.M. Maçon (S)		Senator S.C. Ferguson		
Deputy S.Y. Mézec (H)		Connétable of St. Helier		
Deputy of St. Ouen		Connétable of St. Clement		

Deputy L.M.C. Doublet (S)		Connétable of St. Peter		
Deputy R. Labey (H)		Connétable of St. Lawrence		
Deputy S.M. Wickenden (H)		Connétable of St. Mary		
Deputy T.A. McDonald (S)		Connétable of St. Ouen		
Deputy of St. Mary		Connétable of St. Brelade		
Deputy P.D. McLinton (S)		Connétable of St. Martin		
		Connétable of Grouville		
		Connétable of St. John		
		Connétable of Trinity		
		Deputy J.A. Martin (H)		
		Deputy of Grouville		
		Deputy of Trinity		
		Deputy E.J. Noel (L)		
		Deputy of St. Martin		
		Deputy R.G. Bryans (H)		
		Deputy of St. Peter		
		Deputy R.J. Rondel (H)		
		Deputy A.D. Lewis (H)		
		Deputy S.M. Bree (C)		
		Deputy M.J. Norton (B)		
		Deputy G.J. Truscott (B)		

6.5 Social housing in Jersey: introduction of a regulatory framework (P.120/2017) - third amendment (P.120/2017 Amd.(3))

The Deputy Bailiff:

We now come to the amendment of the Environment, Housing and Infrastructure Scrutiny Panel and I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

Page 2, paragraph (b) – In sub-paragraph (b)(ii), after the words “performance against those standards” insert the words “, with particular regard to the interaction with both Income Support and the States’ 90 per cent rent policy”.

6.5.1 The Deputy of St. Mary (Chairman, Environment, Housing and Infrastructure Scrutiny Panel):

Hopefully after what has gone before this is relatively simple. As mentioned before, we had a briefing from the Minister for Housing in February. As a result of that we felt it would be a useful extension of the original proposition if (b)(ii) was extended to ensure that the performance standards had particular regard to the interaction with both income support and the States 90 per cent rent policy. I think I can do no better than just quote a small part of the final paragraph of the accompanying report: “We recognise that there may be potential issues between the charging of the 90 per cent rent policy and the policy of the Minister to require social housing providers to create bespoke living accommodation for those most vulnerable in our community. Secondly, and perhaps more importantly, we are of the opinion that the social and economic of the policy needs to be sufficiently monitored to ensure the protection of social housing tenants, especially given that one of the key aims of the Strategic Plan is to assist households to become financially independent. Acceleration of the interaction of performance standards for social housing providers with income support and the 90 per cent rent policy will help to determine whether there are any unintended consequences.” I understand that the Minister is happy to accept that amendment and I therefore hope that there will be favourable debate on that.

The Deputy Bailiff:

Is the amendment seconded? [**Seconded**] Does any Member wish to speak on the amendment?

6.5.2 The Deputy of Trinity:

Just briefly, just to say that I am very pleased to accept the Environment, Housing and Infrastructure Scrutiny Panel's amendment. This amendment is seeking to include specific reference in the proposed regulatory framework in the interaction between the housing component of income support and the 90 per cent States rent policy. I totally support that. I know there has been much discussion about the up to 90 per cent and now that 36 per cent of Andium tenants are on the up 90 per cent that there could be sufficient use of that to have a review. I am happy to support it.

Deputy G.P. Southern:

Could I seek some clarification from the Minister as to what she thinks the interaction of this ...

The Deputy Bailiff:

Excuse me, Minister, the Deputy is seeking a point of clarification from you.

The Deputy of Trinity:

Sorry, Sir, I was distracted.

Deputy G.P. Southern:

Certainly, could I just seek clarification from the Minister as what she sees as the interaction between regulation and the rents policy? Because I am not clear on that whatsoever so I presume she is because she is accepting it, so she knows what it means, I do not.

The Deputy Bailiff:

You are asked a point of clarification from your speech.

The Deputy of Trinity:

That is something to be worked through. The principle is right and I am accepting the principle and it will go from there and I am very happy to work with the scrutiny panel too.

6.5.3 The Deputy of St. John:

I might be a little bit of help to Deputy Southern. I am vice-chairman of the panel. So we had a discussion around what the regulation meant, although I have a personal view on the whole social housing regulator thing, it was appropriate we believed to put an amendment in because one of the vital issues that came around us discussing this particular issue was how the money from income support is determined as value for money, and how it is treated in terms of financial viability and all those arguments. Then there is also the issue of the 90 per cent rents policy. The argument that was put to us was that to have a framework to the Housing Gateway and to have a framework for social housing, because it is run through Social Security as well, there are different elements of social housing regulation that all work in different departments. In particular, with the income support side of things, one of the strongest arguments that was made by the Minister was about this £20 million funding that is given to social housing through the income support system. When we pressed the Minister about what happens if the regulator turns around to the Minister for Social Security and says to them: "Well, your regulation or the way that you are running income support to support these tenants or to support the social housing provision is not working, you have to amend it to do A, B, C and D", all the regulator does is send a letter of direction. The Minister could potentially ignore that letter of direction. So our argument is that this is a vital component of social housing as a whole if the argument is around public funding on income support and the 90 per cent rents policy, if you looking at it joined-up. So on that basis the States, if there is going to be a report by the regulator

produced around performance standards, monitoring and assessing performance and how that works strategically, then there should be a report that comes to the States so that we are aware of the issues. So if the Minister does decide, for example, to ignore a letter of direction or something that the regulator is concerned about it enables the other 48 States Members within the States Assembly to pick it up and bring a proposition to override the Minister's decision. So that was our view, that it is a strategically important part of the whole regulation and one of the biggest arguments that was made around ensuring public money is spent wisely, and also for this Assembly to be enabled to hold the Minister to account from an independent reporting framework.

6.5.4 Deputy J.A. Martin:

I will be brief. I fully understand why the Scrutiny Panel wants this piece of work to be done. I think, like Deputy Southern ... and I really appreciate the explanation given by the Deputy of St. John, but I still say this is not the right place for this piece of work. We do not have anywhere else to put it but I would not stick it in the place where I do not agree there should be the regulation anyway, just to soften it a bit and then the Minister has accepted it. This is about looking at the actual - as the Deputy of St. John says - policy of the 90 per cent rent and then we are introducing a housing regulator. To me it should be tied-in but this piece of work is urgent, should be done before you start regulating anybody. So I fully appreciate again what they are doing, or trying to do, but I just think we are trying to make something better that is already very bad and stick this in here where I would much appreciate ... I fully appreciate the work that the Scrutiny Panel have done and this would come better as an absolute stand alone piece of work that must be carried out very shortly. I am sorry, I cannot support ... as I said in the last speech where I did say I was only going to speak once, but it is so important. This is in the wrong place and it is not making this framework any better. I cannot say that strong enough. Thank you.

The Deputy Bailiff:

Does any other Member wish to speak on this amendment? I call on the Chairman to respond.

6.5.5 The Deputy of St. Mary:

Thank you. I thank the Deputy of St. John for her far better contribution than I could make on that subject, and for her general input. As for Deputy Martin's contribution's, I would advise that having been given this proposition the panel felt that they had to amend it. If it went through it is not an endorsement of the main policy as such. Hopefully that explains the panel's view. Can I call for the appel?

The Deputy Bailiff:

The appel is called for. I invite Members to return to their seats. If Members have had the opportunity to return to their seats, I ask the Greffier to open the voting.

POUR: 42

Senator P.F. Routier
Senator P.F.C. Ozouf
Senator I.J. Gorst
Senator L.J. Farnham
Senator P.M. Bailhache
Senator A.K.F. Green
Senator S.C. Ferguson
Connétable of St. Helier
Connétable of St. Clement
Connétable of St. Peter
Connétable of St. Lawrence
Connétable of St. Mary

CONTRE: 2

Deputy J.A. Martin (H)
Deputy M.R. Higgins (H)

ABSTAIN: 0

Connétable of St. Ouen
Connétable of St. Brelade
Connétable of St. Martin
Connétable of St. Saviour
Connétable of Grouville
Connétable of St. John
Deputy G.P. Southern (H)
Deputy of Grouville
Deputy J.A. Hilton (H)
Deputy of Trinity
Deputy K.C. Lewis (S)
Deputy M. Tadier (B)
Deputy E.J. Noel (L)
Deputy of St. John
Deputy J.M. Maçon (S)
Deputy of St. Martin
Deputy R.G. Bryans (H)
Deputy of St. Peter
Deputy R.J. Rondel (H)
Deputy S.Y. Mézec (H)
Deputy A.D. Lewis (H)
Deputy of St. Ouen
Deputy R. Labey (H)
Deputy S.M. Wickenden (H)
Deputy S.M. Bree (C)
Deputy M.J. Norton (B)
Deputy T.A. McDonald (S)
Deputy of St. Mary
Deputy G.J. Truscott (B)
Deputy P.D. McLinton (S)

6.6 Social housing in Jersey: introduction of a regulatory framework (P.120/2017) - amendment (P.120/2017 Amd.) – amendment (P.120/2017 Amd.Amd.)

The Deputy Bailiff:

The final amendment has been lodged by Senator Ozouf. Senator, I understand you also amended your amendment so do you wish to take it as read?

[16:30]

Senator P.F.C. Ozouf:

If I could, Sir, yes.

The Deputy Bailiff:

We will take it as amended and I ask the Greffier to read the amendment.

The Deputy Greffier of the States:

Page 2 - After paragraph b(iii) insert the following new paragraph - “(iv) The inclusion of an appropriate power of direction to the regulator by the Minister for Housing;”, and re-designate paragraph (b)(iv) as (b)(v). Page 2, original paragraph (b)(iv): for the word “need” substitute the words “supply and the type of housing needed”.

6.6.1 Senator P.F.C. Ozouf:

I think the amendment is quite straightforward and I understand that the Minister and Council of Ministers are accepting the amendment. As I mentioned earlier in the debate, if I am to take the 2 amendments in reverse order, my strong view is that there is no point in having regulation outwith a consideration of supply. If one remembers the Reform of Social Housing that was brought by the previous Council of Ministers the purpose of that was to have an equal weight on regulation as the, I think, “championing of supply” was the words that were used. I also call to mind the very thoughtful report that was conducted and produced evidence and advice by the previous Scrutiny Panel, which was chaired by the Deputy of St. Peter and had a subpanel consisting of a number of other Members. In that report, they absolutely set out what was the very clear case for simply not just having regulation but all the costs associated with it. I think if the Scrutiny Panel of the day had been listened to and their proposals had been properly implemented by the subsequent implementation by the Council of Ministers - which is this Council of Ministers, not the last one - then I think that we would be in a better state. So, that might appear critical to the current Council of Ministers and it is because I think as the issue that has been brought into very, very sharp focus by the Minister’s own answer to my question earlier, is there sufficient resources in the housing unit? No, and particularly on a rising tide. Four years ago in 2012 and 2013 when we originally brought the reform of social housing, we were faced with very, very distressing economic circumstances. In fact, you could get a house for a much, much lower rent and there was a much more plentiful supply because, of course, we had record unemployment and we had employment in which effectively we were seeing job shedding on a significant scale. Members may be concerned about population rises and all those issues, but effectively if you do not concentrate with equal weight on regulation and supply, you will not get anywhere. I will not remind Members of the remarks that are set out in the Barker review and in the current U.K. *Fixing Our Broken Housing Market*. So, supply absolutely needs to be part of the regulatory framework. Deputy Southern spoke about the fact that I brought forward a regulator for competition. What is competition about? It is about an equal weight concerning not only regulating those entities which have a dominant position but celebrating and putting more competition into the marketplace. Now I speak to the first amendment, which is the ministerial direction. What we have seen in the experience of C.I.C.R.A. is a regulator that appears to have no ability for the actual Minister who holds democratic consent to say: “Stop.” Now, if Members are concerned about the imposition of a Ministerial Direction in a regulator, is there precedent of that working well because a regulator must be accountable to somebody? Yes, they are accountable to this Assembly, but on a day-to-day basis they are accountable normally to a Minister. What I would say to Members is that the experience of holding the J.F.S.C. (Jersey Financial Services Commission) to account, who are absolutely independent and you cannot fetter and interfere into their work, certainly from a regulatory point of view, is that there is a power of direction within the J.F.S.C. Law. It is there in a very clear way. There is a memorandum of understanding between the Minister for Financial Services and the J.F.S.C. which sets out exactly the circumstances in which that Ministerial Direction is there. It is much more sensitive for financial services than it is effectively potentially for a housing regulator, but it is there and it works. I think we have seen in the last 5 years or so the J.F.S.C. responding very well to what is effectively having regard to a policy framework, because if a regulator does not work within a policy framework how can they regulate? I think that is exactly what we are seeing in relation to the concerns that I have, and I hope they are shared by other Members, in relation to C.I.C.R.A. What I am trying to do, and this has been accepted by the Minister, is ... what is the point of the Minister? Deputy Martin and others are saying they do not like the overall issue of regulation. It is true to some extent that what the Minister is doing is effectively parking the regulation into one step removed from the Minister herself; herself in this case. Now, is that right? Well, I am perfectly happy with that because what I think the Minister’s role is is to be the policymaker. It is to be the policymaker on all issues, and yes, all issues of housing, not just social housing, having a view and going to lobby the excellent Minister for the Environment and saying: “Look, Minister for the environment, I need 300 or 400 units of accommodation.” We are going to be seeing these people

coming over. They have been fogbound but they are going to be doing the proper work that I have been wanting to see for a long time, which is articulating, just saying: “What are the units of accommodation required in different sectors?” What that Ministerial Direction does is it provides that check on the regulator that works very well in the J.F.S.C. Law, which is not in the J.C.R.A. law. One could argue it is the power of direction that is in the J.C.R.A. law when it is in relation to the regulation of telecoms and postal, but it was not in the Competition Law. I argued very strongly for the creation of the Competition Law and while I did a lot of the work my get-out-of-jail in relation to this one is that it was the Economic Development Committee - which was not under my watch - that brought the law to the States. Then there was this whole sorry situation of how the Competition Law came into force, where it disappeared into a black hole - that was a real black hole - in relation to effectively when it came through. Members will recall that that regulator then faced the situation that Safeway was bought 5 hours before the regulator took it over. Now, what has all that to do with what the issue is here? What a Ministerial Direction does is it provides the opportunity for positive guidance to that regulator, and I cite in my report potentially the urgent circumstances of a Ministerial Direction with something such as the massively tragic situation of the Grenfell Tower in the U.K. in relation to fire cladding. If the Minister wants to direct the regulator in exceptional circumstances to do something which is in the public interest and the regulator is not sure whether they have the power to do it, then the Minister should be able to so direct. In normal circumstances, what the Minister should be able to do is to have a transparent process of direction of that regulator. To ensure that the regulator is independent, what happens, as reflected in other laws and which is in the J.C.R.A. law in relation to telecoms and postal, is that you direct. You write to them and say: “I am going to propose this direction to you in public” and you publish it. The regulator then publishes their response and the Minister then decides whether or not to impose that direction in a transparent way. It is the transparency of the process that means that the regulator is working within a proper framework and a transparent process so there cannot be something untoward in terms of some inappropriate direction to a regulator. So, I am very pleased that the Council of Ministers has accepted this. It has a clear precedent in the excellent way that the J.F.S.C. works and their excellent work, which I think is a real testament to the excellent work of a regulator doing very, very difficult work in very, very difficult circumstances sometimes, but it works. But there must be a democratic check. We are the elected Assembly of Jersey. We are elected here and regulators need to have democratic consent in order to conduct their work. In fact, they are strengthened because of it, but it needs to be done in a transparent way. So, those are the 2 purposes of the amendment. They have been accepted and I hope Members agree that they are a helpful and useful addition to make sure that our housing market works in the interests of tenants and owners now and into the future. I move the amendment.

The Deputy Bailiff:

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?

6.6.2 Deputy S.M. Brée:

I merely am seeking a bit of clarity from Senator Ozouf. Having read all the various amendments and amendments to amendments that we have gone through this afternoon, it has become very, very useful when at the bottom of the amendments the wording of what the proposition will look like should the amendment be successful ... it gives us a very helpful look at it. Unfortunately, looking at Senator Ozouf’s amendment to the amendment, and perhaps this is where I need his assistance, he says, note 2: “If both this amendment to the amendment and the amendment itself were adopted, the proposition would read as follows” and yet I cannot see anywhere in that any wording of his actual amendment, which is the establishment of a housing supply commissioner. Perhaps he could assist me.

Senator P.F.C. Ozouf:

Shall I just intervene at that moment just to assist him?

The Deputy Bailiff:

Well, it is a point of clarification of your proposition so I think that is reasonable.

Senator P.F.C. Ozouf:

To assist, I have basically proposed the amendment as amended and because some people got excited with the concept of a housing commissioner, I dropped that and just basically put the spirit of the supply side by dropping the creation of the word of a housing commissioner. The Minister for Housing agreed with my initial proposals and then something happened that the Council of Ministers then did not agree with it, so suddenly I found that my amendment, which was well-intentioned, went slightly too far. So, effectively, the housing commissioner has been dropped. So, the words “housing commissioner” have been dropped from the amendment but the remit of supply exists within the regulatory framework. I hope that is helpful.

Deputy S.M. Brée:

Sir, may I seek clarification from yourself? I accept what the Senator has said, but I am looking at P.120/2017(Amd.)(Amd.).

The Deputy Bailiff:

If you look at page 2 of that, Deputy, and if you look at the top underneath the title, it says: “Page 2, amendment 2.”

Deputy S.M. Brée:

Yes.

The Deputy Bailiff:

After the word “supply” and the type of housing you would delete the words: “and the original paragraph (b)(iv), insert the new following paragraph: ‘The establishment of the housing supply commissioner’.” So you are deleting the entire text after that, which includes the reference to the housing supply commissioner.

Deputy S.M. Brée:

Thank you.

6.6.3 Deputy S.M. Wickenden:

I am a bit confused by how much or if or where this will change the main proposition because to give direction to the regulator kind of goes against page 11, section 8, of creating the social housing registry. The Minister for Housing is proposing the establishment of an independent social housing regulator to oversee the regulatory framework. It says: “An independent regulator would provide the necessary separation of policy and regulation. Various options were considered during the consultation process as to whether an alternative to an independent regulator could be introduced, including the Minister for Housing acting as the regulator. However, it is recommended that the regulator should be established on an arm’s length basis.” Now, if we are now giving the ability for the Minister for Housing to be able to direct the regulator, are we not removing the word “independent” from there in some way, shape or form? The regulator would be able to do such things as, in the report, the power to remove and suspend the senior officer where his or her conduct is hindering the proper management. So what we are getting here is if we are allowing the Minister to direct, which is the wording, then it could be a case of the Minister saying: “I wish you to do this.” It just feels to me like (a)(i), if we are going to be directing the regulator, should we not have the framework in place already because that is the best way to direct? Are we doing the cart before the

horse, which is something that I have been concerned about on this proposition anyway? Should we not have a framework and the regulations and then get the regulator in to oversee those frameworks and regulation? It is slightly different to the Commissioner for Children because I think a commissioner is different from a regulator. It all seems topsy-turvy. It just does not seem like it is all making sense and I am not sure, and maybe the Senator can clear up, whether he feels that this would remove the independence from the regulator. But to me it is not clear whether it is going in the same way as the proposition.

[16:45]

6.6.4 The Deputy of Trinity:

I will only speak very briefly, but I would like to thank Senator Ozouf for lodging these amendments. I am happy to accept both the original amendments and also the amendment to the amendment, which, to help Deputy Brée, removes the parts relating to the creation of a housing commissioner. With regard to the first amendment, I agree with the Senator that a regulator must have democratic oversight and a power of Ministerial Direction is an appropriate check and balance that can be built into legislation, but there needs to be a balance to be struck here. On the one hand, a regulator must demonstrate independence in order to uphold confidence in both the impartiality and objectivity of its decisions, and that is why an arm's length regulator has been proposed. On the other hand, a regulator must be accountable to this Assembly in the performing of its functions. The power of the Minister for Housing to give direction, therefore, would need to be clearly articulated in the legislation, including what could be directed and when. So, I think that answers Deputy Wickenden's comment. As I say, I do accept the amendments and the power of the Minister for Housing to give direction to a regulator, which would be incorporated in further legislation subject to Law Officer advice. Turning to the second amendment, which I am happy to accept, it includes a provision around housing supply in future legislation and, as I have mentioned this morning, we have recently commissioned an objective assessment of housing needs report which would help to determine this Island's future housing needs. This is an independent report which will assess an evidence base of development needs for housing both in the open market and affordable and identify our needs for housing in terms of scale, size, type and tenure. This will be fed into the next Island Plan. I think that as our approach to determining housing needs matures there is an opportunity to include the cyclical preparation of a future housing needs report into legislation in much the same way as we do with the Island Plan, but that is something I need to discuss further with the Minister for the Environment. In terms of the amendment to the amendment, which the Senator has lodged, I am grateful that he has decided to remove reference at this point to a housing supply commissioner and I understand fully the Senator's concern for housing supply. He is very passionate about housing issues and I know that he has concerns about the supply and affordability. I will leave it at that.

6.6.5 The Deputy of St. Mary:

Just to follow up on Deputy Wickenden's concern, which I share to a certain extent, I have in front of me a copy of the Competition Regulatory Authority (Jersey) Law 2001, which says in 2(4): "Save as this law provides to the contrary, the authority shall be independent of the Minister and of the States and neither the Minister nor the States shall be liable for any act or omission ... of the authority." Later on it goes on to say in clause 10(1): "The Minister may, if he or she considers it desirable and in the public interest to do so, give to the authority written guidance or general written directions on matters relating to corporate governance, that is relating to the system and arrangements by and under which the authority is directed and controlled." In sub-paragraph (2) it goes on to say: "Those matters may include matters relating to accountability, efficiency and economy of operation of the authority but not matters relating directly to the performance of the authority's licensing or regulatory functions or its functions under Article 6(2) or (4)." What I am effectively saying is that I see that the amendment refers to "appropriate" direction, and I think that, having gone to what the

Minister for Housing said “appropriate” will be looked at by the Scrutiny Panel of the day. For my part, I will make sure that our Scrutiny Panel pay particular attention to that in their end of term notes.

6.6.6 Senator I.J. Gorst:

I just want to briefly follow up on the idea of direction, which perhaps some Members are uncomfortable with. I think it is an appropriate and important democratic governance tool. You do not necessarily need to have a framework, but there are, as the mover of the amendment and the amendment to the amendment said, models - particularly the Financial Services Commission - where directions can be extremely helpful. I recall a particular issue where I issued a direction to the financial services regulator, but we did it in consultation and we did it together. It enabled important policy decisions and actions to be taken to serve the public interest, and that was critically important. If we look to the United Kingdom, the Minister for Treasury and Resources there gives the regulator an annual direction about how it should be administering its affairs in the public interest. I think rather than being concerned about it we should see this as an improvement to the regulatory approach, and when we are thinking of regulation in the future and regulators we should be concerned where there is not the power of direction. If we look at some of the arm's length bodies that we have created - and again I know some of this flows into a later debate of articles of the changes to Government - the fact that there is not appropriate power of direction is not helpful in them acting in the public interest. Members in this Assembly have rightly for many a month and year stood up and said: “Well, such a Minister should do this, they should intervene, they should reduce the dividend policy, they should ask them to do this for the common good.” With the power of direction such public interest directions are able to be delivered in an appropriate, consultative and partnership way. So I think that these amendments enhance the Minister's proposal and, of course, we know from reading the Senator's comments and despite what some Members in the Assembly have said, regulation and supply can go hand in hand. There is just no need to create a second commission or another bureaucracy to deal with it. It could work together with this. So, it is not that no supply is important, that supply will solve all the problems as some have criticised others for saying, but supply is a really important element of what is currently missing. The Minister I know is committed to doing it. The Senator is absolutely committed, and I support the amendment and the amendment to the amendment.

6.6.7 The Deputy of St. John:

I would just like the Senator to explain practically how this is going to work. If the regulator is focusing on social housing regulation or the Housing Supply Commission is also the regulator only of social housing and how they are not taking the whole of the housing supply across Jersey or the whole of the housing market into account when they are advising, so if he could advise how he expects that to work and how to report. Because he referred to the former Scrutiny Panel's report, which stated and recommended that there should be flexibility. If you are going to go for a social housing regulator, there should be flexibility for the private market to be involved in that regulation as well. I would just like to understand from the Senator how it is going to work as a housing supply commissioner if only one sector is being considered as the regulator.

The Deputy Bailiff:

Does any other Member wish to speak on the amendment? I call on Senator Ozouf to respond.

6.6.8 Senator P.F.C. Ozouf:

The chairman of the Scrutiny Panel quite rightly identified the issue concerning the power of direction that is involved in the Competition Law, and I would say to the chairman that there is an issue in relation to the particular limited powers of direction that exist in the J.C.R.A. law because they are very, very limited. I think that if truth be told if any Member in this Assembly is of the view that everything is well with the J.C.R.A., then I think that they must look very carefully at the track

record of the J.C.R.A. in the last 3 or 4 years. Now, there was a very interested Minister in relation to competition and certainly a close relationship, but you cannot do your job unless you have a very close relationship with the regulatory body. Now, I say to Deputy Wickenden I am slightly surprised that Deputy Wickenden is ... maybe he is just being an opportunist and he is really arguing my case about how beneficial this can be. The power of direction in the J.F.S.C. Law is, and I quote because the chairman quoted the J.C.R.A. Law: "The Minister may, after consulting the commission and where the Minister considers it is necessary and in the public interest to do so, give the commission guidance or give written general directions in respect of policies to be followed by the commission in respect of the supervision and development of financial services in Jersey and the manner in which any function of the commission is carried out." Now, that means effectively that the policy of financial services - which was recently most clearly articulated in the results of the McKinsey review for financial services where the priorities of regulation and promotion of financial services are clearly articulated - if you ask a regulator to regulate outwith the policy, how can they do their job? A regulator must regulate within the context of a policy and where necessary, where there is a divergence of the regulator doing things that are outwith effectively the overall policy ... and Members have been speaking throughout this debate about: "What is the Minister doing? Should we be throwing out the fundamental of this proposition by saying no, we do not want any regulation because we think the Minister can be the regulator and the policymaker?" I take issue with any Member, if I may respectfully say, that says that a Minister can be a regulator and a policymaker. We have seen how that fails. We have seen that the previous Housing Committee and the previous incarnation of the Minister, when they were both, as I describe it, the dripping tap runner - in other words they were running 5,000 units of accommodation, or 4,400, and they were dealing with policy considerations and they were trying to be the regulator - you cannot do it. You cannot be all things to all men and women. You have to have a segregation of duties. So you have to have a supply side or a runner of effectively the operation of the Social Housing Commission. That is what we put into Andium, and people may criticise Andium but I do not. I think Andium has done a very difficult job of cleaning up what was effectively a massively under-invested housing supply and they got on with that. The Minister has had to concern herself, as previous Ministers for Housing had or maybe had not, and the Chief Minister also said ... look at the situation in relation to the Care Inquiry and to children's services, absolutely ... sorry, I thank the BBC for pointing out that there was not a microphone, or maybe somebody wanted to put it off. The fact is that you cannot have it both ways. We have seen the failure of what are good intentions of previous committees and Ministers trying to regulate really difficult issues like children's services, housing and others. We have seen occasions where financial services went literally off the rails in terms of it not working, and we have brought that back. Now, I say the power of direction that is very, very carefully construed in the J.F.S.C. law works and has worked brilliantly and successfully, and I would argue that there has been an alignment of the promotion of the finance industry and the regulation of it and government policy by what has happened in the last few years. The reason why the Minister for Treasury and Resources this morning has spoken about this non-black hole that we now have, because we have income which has exceeded the expectations of anybody, is because we have a framework within financial services which is working. We have a regulator regulating within a policy. We have a Jersey Finance that is working in terms of promotion, and we have the Chief Minister doing a very good job in relation to the co-ordination of financial services. What is the future for housing and making the housing market work well?

[17:00]

The future is an equal balance in relation to housing supply and the championing of the housing supply. What I would say to the Deputy of St. John is she is absolutely right to ask what this is going to do if we at least put a supply consideration into the social housing regulator. I would say to the Deputy that what I would see, for example, the housing regulator saying is: "Look, I cannot regulate

what you want me to do” in terms of increased standards, of allowing, for example, the other point that Deputy Tadier made, not banning, for example, adverts saying: “No children” or increasing the minimum size requirements of units of accommodation with families that want to rent and the social housing things. They cannot do that. There is no point in a regulator regulating if they cannot say there is not enough of it. That is fundamentally what I am saying is I want the regulator to think about and to champion and to complain vigorously, publicly. The fact is there is no point in regulating if there are not the resources there to do it. Resources may mean units or the financial resources to do it. That is why I want the Minister to be able to have a regulator that is unpicking the problem. The problem is not just saying to landlords or social housing providers do more, do more. I want you to raise the standards without the ability to saying: “Well there is just not enough of it.” Because what is the problem with social housing rents in the last few years? They have been going up because they are 90 per cent of a number that is too big and the number is too big because there is not enough of it. What is the point of asking the regulator to basically make observations to improve the lot of housing tenants, to increase the supply, to reduce what the 90 per cent of the rental is? What is the point of giving a regulator the ability, effectively, to do their job with one hand tied behind their back? The Financial Services Commission can have jolly constructive discussions with Government by saying: “There is not enough regulation in the insurance market.” We are seeing excellent work by the J.F.S.C., basically they are provocative. I want a housing regulator that is really provocative that says: “Hold on a minute, States of Jersey, Planning Department, Planning Committee, you are not basically providing enough supply.” I want the regulator to be able to say that. I do not want the regulator just simply to be muffled in saying: “I want better standards. I want lower rents.” What on earth is the point of setting up a regulator that has not got that word competition in it? What does competition mean? It means supply. The effects of my amendments are to fix the 2 fundamental problems. It might not be the flavour of every single Member of this Assembly but there is a particular commentator, called Janet Daley, who I particularly like in terms of her articulation of what works. I will simply say that in my asking Members to support this proposition that they think about what somebody that basically said in terms of commenting on what, effectively, Janet Daley was a left-wing person who has come to the centre. What, effectively, she said in her recent article was: “There is no miraculous formula with working out what works. What works is, effectively, nobody is saying there should be no regulation. Effectively, there should be regulation but with democratic consent.” That is what this is about. It is giving the Minister the ability to have democratic consent. I hope Members understand that I have persuaded the Deputy of St. John to support the fact of doing what I think I know she wants, which is an equal weighting of supply and of regulation because that is what this is about. What also is required, democratic consent because you cannot have a regulator if you cannot tell them what to do in extreme circumstances and that is what this is about and I move my amendment.

The Deputy Bailiff:

Do you call for the appel or ...

Deputy P.F.C. Ozouf:

Yes, Sir.

The Deputy Bailiff:

Very well, the appel is called for. I invite Members to return to their seats. Members are in their seats, I ask the Greffier to open the voting.

POUR: 28		CONTRE: 14		ABSTAIN: 0
Senator P.F. Routier		Senator S.C. Ferguson		
Senator P.F.C. Ozouf		Connétable of St. Saviour		
Senator I.J. Gorst		Connétable of Trinity		

Senator L.J. Farnham		Deputy J.A. Martin (H)		
Senator P.M. Bailhache		Deputy G.P. Southern (H)		
Senator A.K.F. Green		Deputy of Grouville		
Connétable of St. Helier		Deputy M. Tadier (B)		
Connétable of St. Clement		Deputy of St. John		
Connétable of St. Peter		Deputy M.R. Higgins (H)		
Connétable of St. Mary		Deputy J.M. Maçon (S)		
Connétable of St. Ouen		Deputy S.Y. Mézec (H)		
Connétable of St. Brelade		Deputy R. Labey (H)		
Connétable of St. Martin		Deputy T.A. McDonald (S)		
Connétable of Grouville		Deputy of St. Mary		
Connétable of St. John				
Deputy J.A. Hilton (H)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy R.J. Rondel (H)				
Deputy A.D. Lewis (H)				
Deputy of St. Ouen				
Deputy S.M. Wickenden (H)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

6.7 Social housing in Jersey: introduction of a regulatory framework (P.120/2017) - as amended

The Deputy Bailiff:

Before moving on Members might wish to join me in welcoming the South-East Pack Brownies, who are in the public gallery. **[Approbation]** Very well, we now return to the main proposition. Does any Member wish to speak on the main proposition?

6.7.1 Senator P.F. Routier:

During the debate on some of the amendments, I am concerned about some of the comments that some Members have said about the need for regulating some of our social housing providers, for instance, Andium and some of the trusts, because they are doing such a good job and I agree with that. That certainly is something that we should be pleased that Andium and the trusts really have upped their game in recent years and are doing a very good job in providing houses for people who need them. What I am concerned about is the view that, going forward, there is no need for regulation of those. But just imagine a time when perhaps there might be a difficult financial outlook and the States decided that they were going to be a bit right-wing and going claw money back from the housing providers and they were going to be really tight on providing funds for them and not supporting them as much. I am so sorry that the Deputy is leaving the room at the present time. **[Laughter]** Deputy Martin is just leaving the room because it was her, I think, that was saying that we probably would not need to regulate Andium because they were doing such a good job. But what I would really just say, just imagine that time in the future when the housing providers were not being supported as they are now because it is quite possible. It is quite a realistic thing to think about because we have been through those periods in the past. But having a regulator in place to ensure that the social providers are behaving themselves, I think is the right thing to do. I hope Members

will now go on to support this main proposition and to ensure that the regulation is in place to provide protection for those who are in social housing.

6.7.2 Deputy J.A. Hilton:

Safeguarding the interests of tenants and protecting public investment in housing are important objectives and I recognise the intentions of the Minister for Housing in bringing forward her proposals for regulation. However, a number of issues concern me, issues which were among those identified by the Environment and Housing Scrutiny Panel. Firstly, whether there is indeed a need for statutory regulation at all. The Scrutiny Panel have commented on this point extensively and so I will not rehearse all of those points again. But it does seem to me that in 2013 when the Assembly considered P.33 or was given a clear steer that the proposal for independent statutory regulation was not appropriate, the Minister was tasked with coming back with something else. However, what the Minister has now proposed is not materially different from that which we saw in P.33. Secondly, there is a lack of clarity as to why other forms of regulation have been ruled out. It seems clear from the Scrutiny Panel comments that there is a working model of contractual regulation presently in place with Andium Homes and that the housing trusts are generally willing to enter into similar contractual arrangements. Such contracts, alongside existing legislation, such as the recently approved Rented Dwellings Law and the Residential Tenancy Law, would seem to meet the main aims of the proposed regulation without the need for yet more cost. Thirdly, in a similar way to the Scrutiny Panel, I am concerned that at one point the Minister appears to have accepted that this form of contractual regulation was appropriate, only to change her mind very late in the day. We do not know why that is. If Members want to look at the Scrutiny Panel comments, I will not read them out but they are on page 4 of their comments from 12 and 13 onwards; I think they are very interesting indeed, so if Members want to read those comments and remind themselves. My fourth concern is the narrow scope of the proposals. The Minister is only proposing to regulate a certain number of social housing providers. She has excluded the Parishes and the privately-rented sector from her proposals. I do find this bizarre. Surely, as tenants, they are equally deserving of protection. Many of the tenants also receive assistance in the form of income support payments. I am curious as to why this is seen as public money when provided to tenants of, say, Andium Homes but seemingly not when paid to a Parish or private landlord. We perhaps need reminding that Andium returns £28 million per annum to the Treasury, some £12 million more than their tenants receive in the housing component of income support. Our social housing providers, including the Parishes, do an excellent job in providing homes to about 14 per cent of the population. A much larger proportion, 19 per cent, rent in the private sector. My experience as a Parish Deputy is that it is the private rental sector where tenants are at greatest risk of receiving poor standards of accommodation and service. If the primary aim of regulation is to protect tenants, then it must be all tenants and that is why I supported the amendment of Deputy Montfort Tadier. In the Minister's proposition P.120 I have marked "Why" against it. I would like the Minister to explain why the Parishes have been exempt from this regulation. I am not quite understanding that, so I would really appreciate the Minister explaining to Members why the Parishes are exempt because it seems to me they are using the same money and I do not quite understand that. My final point is the proposed cost of regulation. This has been assessed at about £100,000 per annum minimum. I suspect this will turn out to be the absolute minimum cost. Once an independent income stream has been established there will be little incentive to control cost and the bureaucracy will grow like topsy. Let us be honest about this, the States have form for this, however, let us not forget it will be the tenants who will be paying for this. That sum of money equates to a number of replacement windows, bathrooms and kitchens, which I would suggest would be more welcome and yet more unnecessary red tape. Let us also not forget there will be a cost to the new Rental Dwellings Law in the form of licence fees, yet to be determined. This will also be passed on to providers and, therefore, tenants. Surely, these must come to an end when we do not keep passing on the cost of new legislation to those least able to afford it. In view

of all the points I have raised I would encourage the Minister to think again and to come up with something that is more fitting for Jersey that tackles the problems where they lie, in the private-rented sector. For those reasons I cannot support the proposition this afternoon.

6.7.3 The Deputy of St. John:

I am grateful for going after that last speech by Deputy Hilton. I certainly will not be supporting this proposition, from my own personal point of view but also from the work that I carried out on the panel with my colleagues on the Environment, Housing and Infrastructure Scrutiny Panel. The evidence just is not there. It was interesting to hear Senator Routier talking about, well, what if future Assemblies decide not to put that money in? I have lost count of the amount of previous Assemblies that have chosen not to put money into certain areas that are needed. Are we going to start having a regulator and a commissioner for Social Security now? Are we going to start having a regulator and a commissioner for Treasury? Are we going to start having a regulator and commissioner for E.D. (Economic Development) for how we provide business grants to businesses?

[17:15]

There are so many independent reports and auditors' reports that have been written time and time again over the years about the state of housing, about the supply of housing, about how housing does not fit for the tenants' needs or for the people's needs in this Island. Time and time again we have been told it is because of supply. I think if we go back to 2011 on the Island Plan, we lost a whole section of affordable housing under the Island Plan; that disappeared. In 2012 we had P.82, which was about care in the community, about ensuring people can be cared at home because that is where they want to be. In 2013 we had the Housing Transformation Programme and at that very time when we debated the Housing Transformation Programme this particular subject of having a social housing regulator was part and parcel of the bigger theme of things. But at that time it was not envisaged to have a Rented Dwellings Law. I am amazed at some of the arguments that have been made today on some of the amendments. You have got people contradicting themselves, turning around saying: "I do not want regulation but I like this regulation." It is all regulation. The (Rented Dwellings) Law is vitally important to ensure there are proper standards across the board. Deputy Mézec referred to health and safety earlier, sometimes it can be overboard, sometimes it can get ridiculous and that is what I think some people balk at. But having this social housing regulator, the Minister for Housing still has not now determined why it is needed. The reason why I will say that is because I will go through the specific areas. Under our £250 million bond that the States Assembly agreed to back in 2013 a memorandum of understanding in the articles of association was agreed. We have that responsibility, the shareholder responsibility sits with the Minister for Treasury and Resources. We, as a States Assembly, have a responsibility to hold that Minister for Treasury and Resources to account, to make sure he is holding them to account for spending that money in an appropriate way. We also have the Rented Dwellings Law, although not enforced yet and I absolutely fundamentally believe, even though I am told time and time again by the Minister for the Environment that it is not needed, but that department needs more money. If we are going to enforce that legislation properly and in the right way for the amount of properties that need to be regulated with that particular piece of legislation, his very good team that he has got in place at the moment are going to need extra support and so that is going to need to be funded. Whether that is through a licensing scheme; that is yet to be determined because we are yet to see the regulations. Then we have the Residential Tenancy Law, that was agreed in 2011, came into force a little bit later and that is the rental deposit scheme, which is also managed by the team at the Environment Department. Then we have got Senator Ozouf turning round talking about having the same person doing the policy and the same person doing the regulator, actually the environmental health team are doing much of the regulation; a large proportion of it, I would argue, under the Residential Tenancy Law and under the Rented Dwellings Law. I go back to the point: why do you need another person to duplicate all that work?

I am told by Senator Ozouf in his speeches that you need somebody to champion housing. I have lost count of the amount of times I have heard how many States Members stand up in here and talk about the issues of housing. Who listens? Whose job is it to provide the solutions, provide the money, provide the investment, do the job? This Assembly. In terms of social housing, the point is it does not matter how many people you have sitting at the top of the chain, until somebody listens, puts the investment in, finds a solution and deals with the problem, it is never going to get solved. We can write as many reports as we like. We can read as many reports as we like and we can listen to as many regulators and commissioners as we like but at the end of the day, until something is put on the table and we have got the money to prioritise these areas when we need to, then it is not going to get solved. There has still not been any amendment to the Island Plan on affordable housing. There is still an argument around what affordable housing is. I am going to upset the Minister for Infrastructure next here because he is in charge of property for the States. Let us go back to the Lime Grove situation where we were supposed to have some kind of office modernisation programme, when there was a whole scheme set out about how we were going to make land available for social housing and how we were going to make land available so that we ensured that we were utilising our property in an appropriate way; that disappeared. Then we were supposed to have some office modernisation programme coming forward. I get in an argument when I have that heated discussion with my colleague on my left about property plans. Are we any the wiser, as a States Assembly, about what we do or what we do not need in terms of property that we own? Every time a big project comes up and we talk about where it needs to go, the hospital, for example, all these different areas that the public owns and then you get somebody turn around and say: “No, no, no, I do not want it there because I would like this to go there.” But there is no actual strategic plan of how we are going to get there, what it needs to be used for and in what way it needs to be used and how joined up it is. If we are going to provide supply for social housing we need to do a job as an Assembly or even as Ministers need to have some form of plan for what we need in terms of States property and what we do not need because that will assist in the affordability. In terms of development in the Island there needs to be a big discussion, I think, going forward, if we are not going to have some form of population control there needs to be a discussion about what we do about fields and greenfields and how that has worked because that comes into the affordability argument as well. Whether we like it or not, that discussion has to be had. We are all aware here of issues with regards to housing but instead of getting together, trying to identify a solution, deal with the issue of the Island Plans, which a new one is due to come forward in a couple of years, enforce our regulation that we have got in already, hold our Minister for Treasury and Resources to account for ensuring that the money is being spent appropriately, having the conversations with Andium Homes about what the real issues they face are because they have only been incorporated for the last 3 years or 4 years, since July 2014... Then the biggest elephant in the room, which I am amazed to hear some people turn around and talking about the 90 per cent rents policy. The argument that was made to us on the Scrutiny Panel about the reason why we need to regulate social housing more is because there are vulnerable people that live in social housing. Yes, there are vulnerable people that live in the private housing rental market. If we need specific types of property for these people, that is absolutely fine. I think that is a role that we have to play to ensure everybody has a proper standard of living. If they need to be helped and assisted in that way in their housing needs, absolutely right. But when you place a rental policy against a market that does not supply that kind of property, how do you deal with that issue? Where is that money going to come from? Are the States going to start handing out 50 per cent of the cost of providing this kind of accommodation to Housing Trusts, to private providers in order to ensure that they can provide that for people? How does this fit in to the care in the community strategy? How does this work for joining-up all the dots of all these big policies that we have to ensure at the end of the day the people that we represent are being helped? I do not think a regulator is going to do that. I think that is our job. I think what we are doing is passing the buck and what we are doing is window dressing and I think we need to take responsibility and start dealing with the

issues. But the last thing I want to address is in our comments we referred to the consultation that went out on the regulatory framework for social housing and the response in the policy paper. What I have to say is there was a response by the Minister to that consultation, which basically stated that she was in agreement that there was no need for a social housing regulator - and that was only in March last year: "That whether the appointment of a regulator would be a proportionate measure in view of the small scale of social housing provision in Jersey." The Minister has, therefore, decided not to appoint an arm's length regulator. It refers to the memorandum of understanding with the Minister for Treasury and Resources: "Enables the guarantor to give directions to the company, that draconian measures set the wrong tone for regulation and would not facilitate co-operation." That is the other point about this, this is not the regulation that some people think it might be; this is not forcing, this is co-regulation. Basically what we are saying is all social housing providers, what you will do is you will get all your papers together and all your financial information and all these bits and pieces and at the end of the year you will hand it over to this person that we have appointed as a Minister or as a States Assembly and they will sift through the things and they will go: "Right, you have got this amount of eviction rates and you have got this amount of eviction rates, why?" Why can the Minister for Housing not do that? I mean I question, if we are going to have a social housing regulator, why have a Minister for Housing? That is not being personal or horrible in any way but how many different people do you need to be doing this job at the top? I do not feel I have had a sufficient argument or a sufficient response from the Minister for Housing that suggests social housing, which, bearing in mind 6,000 properties, proportionate measure of regulation, bearing in mind we now have rented dwellings, which, in my view, is the biggest issue here and we need to be dealing with standards across the sector, proportionally I ask Members to think about whether having a social housing regulator is proportionate, is right, whether it duplicates what is already being done. Whether our role in holding the Minister for Treasury and Resources, the Minister for Housing, the Minister for the Environment to account to ensure that it is all working and being enforced appropriately, holding them to account for the right amount of money that is being applied to the regulation of the laws that are already in place. I do not believe that we need a housing regulator because I think it is duplication. I think it is twice the amount of work where not necessarily the outcomes that we are being told will be achieved. I think there are much bigger issues that we can be dealing with and I would rather throw my weight and my support behind the Minister for the Environment's team to ensure that the Residential Tenancy Law and the Rented Dwellings Law is properly enforced and properly dealt with. Then maybe consider down the line if they are not working properly and have a review to make sure that legislation is working in the appropriate way, then down the road, if the regulator is absolutely needed ... I mean I just cannot see the 6,000 properties and with the already legislation and the memorandum of understanding that we have in place, why we need the regulator. If the Minister can convince me... which good luck to her if she can, because since last year I am still waiting for that bombshell to hit me to tell me that this is needed, I just cannot support this proposition.

The Deputy Bailiff:

It is now 5.30 p.m., Standing Orders require that I ask the Assembly if it wishes to continue or wishes to adjourn until tomorrow morning. [Aside] I have notification of one person wishing to speak. Perhaps if people could indicate how many wish to speak on ...

Senator P.F. Routier:

I now propose the adjournment, Sir.

The Deputy Bailiff:

The adjournment is proposed. Before doing so, could I announce of the lodging of ‘Banning the sale, importation and use of products containing glyphosate: petition’ lodged by Deputy Lewis of St. Saviour.

PETITION

7. Deputy K.C. Lewis of St. Saviour will present a petition in relation to banning the sale, importation and use of products containing glyphosate

7.1 Deputy K.C. Lewis of St. Saviour:

I present the petition and I would very briefly just like to say that glyphosate is a non-selective herbicide and desiccant, meaning it will kill most plants. What it does... it is the proteins needed for a plant to grow and has even found its way into our water supply. I would like to thank the Jersey Organic Association, and the Assistant Greffier who has been very helpful in preparing this.

[17:30]

I would also like to state that the French President, Monsieur Macron, has said that glyphosate will be banned within the next 3 years when a suitable substitute is found. It says here: “The French President, in a tweet, Emmanuel Macron, said that he had ordered a ban on the use of glyphosate in France as soon as alternatives are found and, at most, within 3 years at the latest.” I look forward to debating P.35 with Members in due course.

The Deputy Bailiff:

The petition is accordingly referred to the Minister for the Environment in accordance with Standing Orders. Very well. The States stands adjourned now until 9.30 a.m. tomorrow morning.

ADJOURNMENT

[17:31]