

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2023- 2026 (P.97/2022): TWENTY-SIXTH AMENDMENT (P.97/2022 FIRST AMENDMENT) AMENDMENT

**Lodged au Greffe on 5th December 2022
by Deputy R.J. Ward of St. Helier Central**

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2023-2026 (P.97/2022): TWENTY-SIXTH AMENDMENT (P.97/2022 AMD.(26)) – AMENDMENT

1 PAGE 2, PART 3 –

After the words “future years” insert the words –

“; the scheme will be covered by the Public Health and Safety (Rented Dwellings) (Jersey) Law 2018, which would apply to all rooms included in this scheme - the necessary legislative amendments will be put in place in 2023 to extend the Law to include where one or more individuals rent rooms in the same dwelling in which the owner resides, where the period of residency exceeds 30 days and there is some form of reward. The duties outlined in the Law and subordinate legislation apply to the owner. This includes requirements around electrical safety, gas safety, smoke detection and similar, and ensuring that the property is safe and free of the hazards outlined in the legislation (including damp and mould, excess cold, space, security, trip hazards, falls from height and similar)”.

2 PAGE 2, PART 3 –

After the words “future years.” insert the words –

“An option will be included for participants in the scheme to check whether the prospective tenant or homeowner is subject to the notification requirements of the [Sex Offenders \(Jersey\) Law 2010](#), which permits a register of offenders to be kept and similarly for the new [Domestic Abuse \(Jersey\) Law 2022](#) when this comes into force.”

Note: After this amendment, Part 3 of the amendment of the Council of Ministers would read as follows –

After the words “as set out at Appendix 3 to the Report” insert the words –

“except that, underneath Table 10 on page 34, there shall be inserted the heading “Rent-a-room tax relief” below which there shall be inserted the words “Ministers are proposing a rent-a-room income tax relief, under which lodging income of £10,000 a year or less will be exempt from income tax. If lodging income exceeds £10,000 the full amount would be taxable in the normal way but would benefit from the existing concessional treatment. This proposal is intended to encourage better use of existing housing stock and allow Islanders to generate additional income while providing accommodation at a fair rent to ease the housing strain. The required legislative changes will be made by an amendment to the Draft Finance (2023 Budget) (Jersey) Law 202- and would come into force for the year of assessment 2023 and future years; the scheme will be covered by the Public Health and Safety (Rented Dwellings) (Jersey) Law 2018, which would apply to all rooms included in this scheme - the necessary legislative amendments will be put in place in 2023 to extend the Law

to include where one or more individuals rent rooms in the same dwelling in which the owner resides, where the period of residency exceeds 30 days and there is some form of reward. The duties outlined in the Law and subordinate legislation apply to the owner. This includes requirements around electrical safety, gas safety, smoke detection and similar, and ensuring that the property is safe and free of the hazards outlined in the legislation (including damp and mould, excess cold, space, security, trip hazards, falls from height and similar). An option will be included in the scheme for participants to check whether the prospective tenant or homeowner is subject to the notification requirements of the [Sex Offenders \(Jersey\) Law 2010](#), which permits a register of offenders to be kept and similarly for the new [Domestic Abuse \(Jersey\) Law 2022](#) when this comes into force.”

Note: After the amendment of the Council of Ministers, as amended by this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2023–2026 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2023 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law, except that total States income in 2023 shall be reduced by £330,000 following the introduction of a new “rent-a-room” income tax relief to commence in the year of assessment 2023;
- (b) to approve the proposed Changes to Approval for financing/borrowing for 2023, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (c) to approve the transfers from one States fund to another for 2023 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (d) to approve each major project that is to be started or continued in 2023 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (e) to approve the proposed amount to be appropriated from the Consolidated Fund for 2023, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, except that in summary table 5ii, the Head of Expenditure for the Community Fund should be reduced by £330,000;

- (f) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2023 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (g) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2023 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (h) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2023 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (i) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2023-2026, as set out at Appendix 3 to the report, **except that underneath Table 10 on page 34, there shall be inserted the heading “Rent a-room tax relief” below which there shall be inserted the words “Ministers are proposing a rent-a-room income tax relief, under which lodging income of £10,000 a year or less will be exempt from income tax. If lodging income exceeds £10,000 the full amount would be taxable in the normal way but would benefit from the existing concessional treatment. This proposal is intended to encourage better use of existing housing stock and allow Islanders to generate additional income while providing accommodation at a fair rent to ease the housing strain. The required legislative changes will be made by an amendment to the Draft Finance (2023 Budget) (Jersey) Law 202- and would come into force for the year of assessment 2023 and future years; the scheme will be covered by the Public Health and Safety (Rented Dwellings) (Jersey) Law 2018, which would apply to all rooms included in this scheme - the necessary legislative amendments will be put in place in 2023 to extend the Law to include where one or more individuals rent rooms in the same dwelling in which the owner resides, where the period of residency exceeds 30 days and there is some form of reward. The duties outlined in the Law and subordinate legislation apply to the owner. This includes requirements around electrical safety, gas safety, smoke detection and similar, and ensuring that the property is safe and free of the hazards outlined in the legislation (including damp and mould, excess cold, space, security, trip hazards, falls from height and similar). An option will be included in the scheme for participants to check whether the prospective tenant or homeowner is subject to the notification requirements of the [Sex Offenders \(Jersey\) Law 2010](#), which permits a register of offenders to be kept and similarly for the new [Domestic Abuse \(Jersey\) Law 2022](#) when this comes into force.**

REPORT

The “rent a room” scheme proposed by the Government does not have adequate “protection” built into it regarding those that exist in the rental dwellings law 2018. This amendment seeks to extend the coverage of the law to all rooms within the proposed scheme.

This will provide some level of standard of the rooms being offered under the scheme. The amendment is not commenting on the appropriateness or not of the proposed scheme in terms of the tax exemptions or what it addresses regarding the need for homes. This proposition is simply addressing the standard of accommodation that may be offered.

It is vital that requirements around electrical safety, gas safety, smoke detection and similar are in place to ensure safety for both the tenant and the landlord in this rental scheme.

Ensuring that the property is safe and free of the hazards outlined in the legislation including damp and mould, excess cold, space, security, trip hazards, falls from height and similar are also addressed if the accommodation offered is to be habitable. Particularly as government is provided a tax incentive to promote the scheme.

The second part of the amendment seeks to provide an avenue to allow checks to be incorporated into the scheme whereby information on whether a tenant or the landlord is on the sex offenders register is checked. This will also be consistent with the new domestic abuse law when updated.

It also provides transparency of possible consequences linked to being on a register. For example, from the law section 9:

- (4) *The Bailiff or Jurat may issue a warrant authorizing a police officer –*
- (a) *to enter the premises specified in the warrant, being the home address of the person who is subject to the notification requirements of this Law; and*
 - (b) *to search those premises to ascertain if there is on the premises a person who is at risk of harm from the person who is subject to the notification requirements of this Law.*

This opens homes to search, and landlords should be aware of this. It does not stop landlords from renting rooms to any individual but gives greater transparency of consequences that may arise.

There are several other issues that may also need to be considered. Both landlords and tenants should have transparency and assurances if living in or renting a room in a person's house. Considering it is likely that there will be shared living space such as kitchens and bathrooms. This is not about making assumptions about individuals, but about awareness of the situations that exist.

There is also a need for assurances that lead from the domestic abuse legislation that is developing in Jersey. Again, several situations may arise and the building in of safeguarding is necessary for any scheme that is financially supported by the Government.

The final mechanism for applying the safeguards from this amendment is the responsibility of the government as they finalise the Rent a Room scheme. This is a necessary approach and gives an opportunity to ensure public money is not spent with unwanted consequences.

Financial and manpower implications

There are no financial implications for government as laws already exist. There may be a need for a small amendment to regulation although this amendment may cover that change in its wording by removing exemptions. This does not change the governments costings for the scheme.