

# STATES OF JERSEY

## OFFICIAL REPORT

**TUESDAY, 13th DECEMBER 2022**

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[9.30]

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

## **COMMUNICATIONS BY THE PRESIDING OFFICER**

### **The Bailiff:**

#### **1.1 Welcome to His Excellency the Lieutenant Governor**

I am sure Members will join me once again in welcoming His Excellency to the Chamber this afternoon. [Approbation]

### **PUBLIC BUSINESS - resumption**

#### **2. Our Hospital Project: Reporting (P.109/2022) - as amended (P.109/2022 Amd.(2)) - resumption**

### **The Bailiff:**

We now resume the debate on P.109 and next to speak, Deputy Bailhache.

#### **2.1 Deputy P.M. Bailhache of St. Clement:**

Deputy Farnham's report states that the aim of the proposition is to ensure that the Government does not abandon the Overdale project without States approval and until such time as there is certainty that the multi-site scheme proposed by the Chief Minister and the Minister for Infrastructure in their report is a better option for Jersey than Overdale, both clinically and financially. Deputy Farnham must know that if that is the aim his proposition is completely unnecessary and a waste of the time of this Assembly. He knows that the Government cannot abandon the Overdale project without the approval of the States. The resolutions referred to in the proposition remain in force until the States have revoked them and the States will not revoke them until the Assembly is certain that the Chief Minister's scheme is a better option for Jersey than Overdale, both clinically and financially. There will be - there must be - a debate on this question before the Overdale scheme is laid to rest. It may not be, it will be for the Government to persuade us that the multi-site option is clinically satisfactory and financially less risky and better for Jersey. Will the Government therefore be obliged to produce all the financial analyses referred to in the proposition? I think it is true that some of it will have to be produced. But that will be a matter of judgment for the Government. If the Government eventually recommends a 2 or 3-site option, which does not involve remodelling Westmount Road and the rest, why should we compel them to spend thousands of pounds on a financial analysis that is irrelevant to their conclusion. It makes no sense. If the decision is to press ahead with Overdale then of course the costs of remodelling the roads may be relevant. But is that not a judgment for the Government? It is the Government that must persuade the Assembly and I, for my part, am not prepared to authorise the wasting of one more penny on architects, engineers, consultants and experts than is absolutely necessary. If the Government fails to provide the relevant information, there is a risk that it will lose the argument. Deputy Farnham does not need this proposition to gain the information he wants. It will almost certainly involve unnecessary expenditure and quite possibly delay. The Minister for Infrastructure has made it very clear that his officials have advised that the financial, clinical and medical analyses which Deputy Farnham has asked for cannot be produced within the very short timescale allowed. I am afraid that the Deputy's aim is political mischief. He is setting the Government up to fail. That is not an appropriate resolution for the Assembly to adopt. I think that we must trust the Government to produce the relevant information in the knowledge that if it does not it is likely to fail. I hope that Members will vote against this proposition.

### **2.1.1 Deputy R.J. Ward of St. Helier:**

It has been a very interesting debate the last couple of days to see sometimes the creation of reality, which is then spoken around, which seems to happen a lot in this Assembly. If we look back to the last project in the last Assembly, there were so many issues over what the Overdale project meant, one of them over the road and so on and so forth, and things like superhighway was bandied around. Many people were opposed to that; myself included. I had real issues over what was necessary in order to gain access to Overdale. We also, as a party, and as myself involved in some of the panels, had real concerns over the spend itself being one large tranche, which seemed to be an open cheque. Indeed, we voted to limit that funding in the debate itself, and I would still stick by that. However, those concerns were because of uncertainty. There is uncertainty over the future of the project, over what it meant, over the content. I will add this: I am not a hospital designer, I am not a clinician, I am not somebody who knows about how to build a building. I am a healthcare user, as we all are, and at a time when we desperately need that we want the best possible services available to us. At that point, that is when you do not care as to what happened to how that hospital got there. You just want the building there so that you can access it and utilise it. I think we need to remember that context as we move through this debate. One of the issues with the old project was this notion of there was information that was not given, there was uncertainty about costs, there was uncertainty about the future. There was uncertainty whether there was an analysis of that project being more successful than the old project of building on top of Gloucester Street. One of the first things we did in the old Assembly was to go to presentations on that. I had concerns about that presentation because they were talking about building in a way that they built in the U.K. (United Kingdom). I think it was in Bristol where there are 3 or 4 other hospitals that can be used, indeed a hospital across the road. I did not think that fitted this Island because we have one place to build and if we are going to build on top of it that is going to be massively disruptive. So there were issues. But again it was all about uncertainty. Now, we have come into a new Assembly and many seem to believe that their election was due to the fact that they opposed the Assembly. I do not know if that is the case. For me, the things that were on the doorstep were much more widespread than that. They were about housing and genuine poverty and uncertainty in people's lives, how are they going to make ends meet, living wage, access to our healthcare, access to education that was needed, access to university, parking, roads, how much green space there was. There were so many different things that came across on the doorstep. The overriding message was that just get on with it and do not spend too much money on the hospital.

[9:45]

That is a really important point that we need to be discussing. Speakers who have spoken in this debate so far have talked about how we are spending more money on finding out whether this is the better project. We have gone backwards. We are starting again. We are going to have a much longer time for this project to be built. We have to remember that. Whether that is the right thing to do or not, to be quite frank, I am still uncertain. There are benefits to all of the projects that have been brought forward. At this point, if we were building perhaps, we would be moving forward and we would be having a different debate. How can we save that money? Being cynical, I still believe that there was an element of the Government, if it was successful before coming back later on and saying: "By the way, we can spend less money, we have saved you a lot of money, look how successful we were" but perhaps that is just my cynicism. But we have massive uncertainty. The uncertainties I have with the new project are similar to the ones with the old project, and that is the key point in my mind. What is the final cost? We do not know. We are told that we cannot have a like-for-like comparison because we cannot talk about those costs. Therefore, in my logical mind, I come to a conclusion as to how can we therefore say that we will save money. Unless we have certainty on the costings going forward and the outcome, we cannot end the project on the notion that we will save money because we do not know what we are getting. What this proposition asks for is a direct like-for-like financial analysis. If that cannot be produced then that is all the more power because the old

project did not have it, or the old project did not have certain facilities, all the more power to the elbow of a change for the new project. Because if we are coming up with a new hospital project that is absolute certainty and these are the services that will be provided, this is where they will be, this will be the cost long term, this will be what we will be able to access on-Island and off-Island, this is the way in which we will staff these things, these 2 or 3 or 4-site hospitals, do not worry about that. Clinicians have had it explained to them and they know the way they are going to work in this new healthcare system. Here is the healthcare model that will go with it. Absolutely fantastic. Coming back with that sort of information in comparison to the old thing will give this Assembly a continuity and, I will use that word that seems to be used so much at the moment although I am not so sure people understand its meaning, a consensus on where we want to go forward, which we have not had before. We do not have that unless we have these sorts of comparisons. Look at the timescale. I do not believe that this has to slow anything down. What it will produce is more detailed, more useful, richer evidence for the decision-making process in this Assembly. I was pleased to hear Deputy Bailhache state that we have to take a vote to end the project. Because the last thing we want to do is go down another road of there being a mistake in what we do with the hospital and throw more money down the drain as we do it. Because this hospital project, I am not sure when the completion date is now; I really have lost track of it. It is going to be at least 8 years; that is 2 more Assemblies. Who knows who will be sat in this Assembly at that time. Who knows who will still be around, who made the decisions in the beginning, and then we come to the outcome. What we need is real clarity in what we are going to do. At the moment, I am afraid, the report that was produced did not have that clarity. Every time we have asked questions and questions of the Minister for Infrastructure has been: "We do not know yet, but we have got this plan and we promise you it will be okay." That is great and desperately I want to believe that. I want to believe that we can build a much cheaper hospital with exactly the same facilities and the facilities that this Island needs to look after its Island. We all desperately want to see that, but I have not seen clarity in the evidence that that is what we have got. There is this classic phrase of throwing the baby out with the bathwater. If we are not careful that is what we are going to end up doing. I wonder whether, to really stretch an analogy, what we need to be doing is checking the temperature of the bathwater before we do anything. I wonder whether this proposition gives us an opportunity to do exactly that. "A direct like-for-like clinical and medical analysis of the multi-site option and the approved Overdale project." Some people in this Assembly have said we cannot do that because it is not like with like. That is really important that we come back to the Assembly and make that clear. That we are talking about 2 different projects that are not comparable. That is fine. But let us make sure we have the evidence for that. Let us make sure that we are looking at that because what we have is a clouding, a greying of areas as to what is going on here. I have to say, I was not sure if I was going to say this, but I have to say, the first words that were spoken to us from the consultant when we went up to the first presentation at the Société, was that: "The Government was elected on a mandate to end the hospital project. I took on the consultancy after that." I go back to what I said at the beginning when I stood up today. I believe that we were elected on much, much, much more than that. I have said before this Einsteinian quote of the theory determines what we observe. We have to be very careful that that is not what we are doing here. This is not a step back. It is not an intrusion. It is not trying to put a blockage; I do not believe. I think what it will do is produce evidence. I say to Deputy Farnham, he has to be prepared, as we all do, that it might produce the evidence that you want. If it does not produce the evidence that we want ... part of me sort of hopes it does not so we can all come back here and say: "Do you know what, this is going to work? We know the cost, we know what we are going to get, let us crack on with it." Then I can stand here and say: "Come on, get on with it. Let us move quicker." But at the moment we are not certain. There are genuine uncertainties. As a St. Helier Deputy, I am pleased to see the acceptance of the Constable of St. Helier's amendment, however we have not discussed that with any new project as to what will happen to roads and traffic and transport, if it is a 2-site option, for example. Those comparisons need to be made because if you are going to have staff moving from one site to another, they are very likely to be driving from

place to place and it may increase traffic again. So those residents who live in that area are going to have another set of concerns thrown at them. They have been promised: “It is the end, do not worry, we will not have a superhighway, we will not do this damage to the bowls club, we will not do the damage to the park.” Great, but it might come with another set. It is that lack of transparency that caused many of the problems in the first project. If we have learnt nothing from that we are going to go back to square one again. I would say the objection to this ... I honestly do not understand as much as, say, if this project has the clarity, the depth and the certainty that we are being told it has it should hold up to this form of scrutiny, it should hold up to this form of analysis and then it should come back to this Assembly and gave us a much richer set of data and information and future ideas that we can make an informed decision. Then we can go and knock-on people’s doors and say: “By the way, the reason I supported this is for this reason, this reason, this reason, this reason, here is the data, here is the information, we have been through the process.” Then we will not have that huge gap, that chasm between ideas that we have had so far. I would ask Members to carefully consider what this might provide for us. If we do this properly it will give us a proper analysis and it will not determine the outcome before we start. That is why I am happy to support this proposition, which is not me deciding as to what is the best project so far. I want to know so that I can speak to the constituents in my constituency and say, “The reason I made this as your representative, this decision, is for these reasons.” At the moment I cannot sit down and say: “Oh, this is a better project for these reasons” because I do not know what that is. I think many of us are in that position. I urge Members, please do not dismiss this out of hand, whatever side of that argument that you have been on. Look at it carefully and think about what might be achieved from this and what might lead to a better decision-making process in this Assembly because, let us be honest, we all want to just get on with this now. We do not want to be talking about a hospital in the next election, whenever that may be. Thank you, that is my piece.

**Deputy G.P. Southern of St. Helier South:**

May I lift the *défaut* on Deputy Alves?

**The Bailiff:**

Yes, the *défaut* is raised on Deputy Alves.

**Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter:**

May I also raise the *défaut* on Deputy Ozouf?

**The Bailiff:**

Yes, the *défaut* is raised on Deputy Ozouf.

**2.1.2 Deputy M.R. Ferey of St. Saviour:**

Last week Deputy Rose Binet and I had the pleasure of spending some time with the Chief of Police primarily to talk about mental health issues in Jersey. Of course, while the Chief of Police is completely non-political, he pointed us towards a podcast which I urge Members, if I send the link round, to have a listen to. It is a half an hour podcast, and it is titled “Too big to succeed”. This story is about a bridge in California and if we substitute “bridge” for “hospital” and listen to the podcast you will see just how much sense it makes. The story is that there was an earthquake in California, not an uncommon event, and this particular bridge linked 2 great communities, 2 big cities, and unfortunately it was built on fairly soft foundations, so it was damaged and unusable. The inhabitants of both of these communities were hugely inconvenienced by having to take an extremely long way round, in some cases to get to work, to visit friends or family in the other city. The question was: do we repair the existing bridge, or do we rebuild in another location? They took 25 years and billions of dollars to get to the eventual result. The biggest obstacle in their decision-making was the political process because just when they were at the point of making a decision, in his election campaign, Arnold Schwarzenegger, as the Governor of California, suddenly said: “We just do not want a new

bridge, we want a world-class bridge, something to rival the Golden Gate” and the whole process got turned into another turmoil and pushed back once again. If you do listen to the podcast it is so interesting because there is a professor from Holland who looks at big projects around the world and finds out why they fail. There is a common theme why they fail; big projects. If you listen to the podcast you will see one of the main reasons why they fail. Interestingly, the solution for this particular bridge, when it did come into being, was to repair and to improve it aesthetically. In some ways, Arnold Schwarzenegger did get a little bit of what he wanted because he was a more pleasing to looking bridge, but the 2 communities just wanted a functional bridge. Actually, when they arrived at the solution it was driven by groups in the community who came together who just explained why it was completely interrupting their lives so badly. I would say, in conclusion, to reject this proposition. No more delays, let us give the public of Jersey what they need.

### **2.1.3 Connétable P.B. Le Sueur of Trinity:**

I was not intending to speak in this debate, but I reflected overnight and felt I should at least put on record why I will be supporting the Constable of St. Helier and Deputy Farnham. I admit that I come as a supporter of the single-site hospital. This will come as no surprise as I was part of the political oversight group in the previous Assembly. However, now there appears to be 3 options: proceed with the already approved scheme with or without the superhighway, or the current Government’s embryonic proposal on an assurance that: “Trust me, it will be okay”. I will be failing in my responsibility to Islanders if I did not pursue the level of detail required to make a reasonable judgment based on comparable appraisal of the options. It is claimed by some that figures required to make those comparisons possible did not exist in the single-site option. Well, fine. It cannot be beyond the wit of man to produce some educated assessments for the purposes of comparisons. If this proposal fails all the work of the last Assembly and the millions of pounds of public money will count for nothing. If that is proved to be the right decision, then fine. But we need to see the evidence, something that the current review document falls well short on. This proposal simply asks us to put before the Assembly unbiased, clinical, financial and timescale comparisons between the options; a document which compares apples with apples so that we can make properly informed decisions, not kneejerk reactions. I will leave it there.

[10:00]

### **2.1.4 Deputy R. Binet of Grouville and St. Martin:**

Having listened carefully to the debate I can fully understand why Members are looking to be provided with tangible facts in order to be able to come to an informed decision about the construction of new hospital facilities. However, I do not believe Deputy Farnham’s proposition, further complicated by Constable Crowcroft’s amendment, is the way to achieve this. It is simply impossible to complete the necessary consultation process design and costing for a 2-site hospital, including staffing, within 69 working days from 2nd January. I cannot comprehend why Deputy Farnham has stipulated such a timeframe. I would ask if he could explain his reasoning for this in his summing up.

### **2.1.5 Deputy M. Tadier of St. Brelade:**

I was able to follow the debate forensically yesterday. It is remarkable what little distraction you have when you are sat next to your livestream. I was reminded - it may seem not immediately relevant but it is to the debate - of a trip I took a couple of years ago to Shetland which, as we might know, is the northern-most part of the British Isles, and we are the southern-most. It was not Northern Ireland, I am afraid, but it was a different part of the British Isles, nonetheless. I remember going there and seeing these small horses that they have for the first time, and they are remarkable little creatures. If I may be allowed to perhaps embellish on my experience. I remember seeing one of these small horses in the field bouncing a little tennis ball on its nose, and I thought: “That is remarkable, is it not?” I was fascinated by it. I spent quite a lot of time looking at it and thought:



“Oh, I might like one of those myself” until I went out the next day and it was still balancing the ball on its nose and the day after, and I became slightly less impressed by it. I think unfortunately we have a lot of those little horses in this Assembly. They are called one-trick ponies. Because they go round ... when you first see them you say: “Oh, that is remarkable, I want one of those” and then after a couple of weeks, let alone 4 years down the line, you realise you are stuck with these little horses and that little trick that they were able to convince you was so amazing was quite boring. Then you have to deal with of course what happens at the other end of the horse, which is not quite as interesting, and you have to deal with it for the next 4 years. There is a more serious point, because in this case ...

**The Bailiff:**

I was in fact wondering if there was a more serious point. [Laughter]

**Deputy M. Tadier:**

I know that the Assembly is of high intelligence across the board, it is probably one of the most diverse Assemblies we have had in many ways, so I do not need to tell them that I am talking about a one-trick pony, which is what I saw in Shetland. I need not have gone to Shetland to see that. I need only have waited a couple of years for the election cycle. It is even the case in this Assembly, when I have tried to talk to some new Members just not even about politics but just say: “How are you doing? How are you settling in?” they only want to talk to me about the new hospital. “We have to get this new hospital built in this place” and then you dig below the surface. The reason I make that analogy of course is because it is not just for 4 years that we have to deal with this, it is for the lifetime of the whole project. As colleagues said, I listened to Deputy Mézec’s speech, and he is quite right when he said there are lots of people who will give you an opinion. You could probably find as many opinions about where the hospital or the hospitals should go, because we are being told ... and this is the other interesting part, the proponents of the new scheme, which I am neither for nor against, I want to see the facts and be able to compare them, option for option. They cannot even agree on whether it is a 2 or 3-site hospital. I mean one of the first speeches we had yesterday was saying the 2/3-site hospital. That is not a great start, is it? Is it 2 or is it 3? Or maybe it is going to be 3/4 by the time we get into it. These are the levels of details we are looking at. While it is quite correct that everyone might have an opinion about what the perfect solution is and the perfect solution does not exist, it is easy to build a coalition against something, but it is not very easy to build a coalition for. I think therefore that the analogy of the bridge that Deputy Ferey came up with is not the correct one. We cannot even build a road to the hospital in Jersey let alone a bridge. I do not think that the amendment of the Constable of St. Helier in any way complicates this. I think it is a welcome amendment. It has been accepted and it has been accepted by the mover of this proposition. Great, let us have that, let us look at the full costs that we have there. As far as I am concerned, this proposition ... the reason that the bridge analysis does not work, I think, is because Deputy Ferey quite rightly talked about taking the community with us. That is exactly what we do not have at the moment. We have a completely divided community when it comes to the issue of the hospital. It was correct that it was a big election issue, but it was a big election issue where nobody gave a clear steer about what they wanted. They told us what they did not want, and they did tell us they were fed up with Government. It is not the previous Government or the previous Assembly that is holding this up. It is the current Government that has come in and said: “We have a project which was shovel ready.” I want to know, and I think this is a question that does need to be looked at potentially by P.A.C. (Public Accounts Committee), is who put the stop on getting the finance sorted. As soon as that decision was made by the previous Assembly the decision should have been taken to get the money sorted, to lock that low interest rate in and to get the project started. This idea that somehow we are going to have a better project but a smaller project to provide a world-class solution for the needs of the Island divided over 3 or 4 sites, which are 20 per cent more expensive in the long term to run, and we do not have those long-term running costs, I think comes back to the point that Deputy

Mézec made that this is a political solution being pushed by a political government, and that is fine. A Government who has managed to get a majority in the election for their party and they are pushing through whatever policies they want; that is fine. But I do not think they have the mandate for it, among the public, and I, as a Member of the Assembly, like anyone in this Assembly, should be saying: "I want to see both schemes compared like for like" and, as Deputy Ward said a moment ago, it may well be that we end up going with the Better Way project. Who knows? It may well be that we go with that hospital because that is the best when we have compared all the factors taken into account. But it is only once we have compared those 2, when it comes back to the Assembly, that we can all go to our constituents, whichever way they feel about the hospital, and some may be simply: "Just get it done please." When I hear constituents certainly who are older resigned to the fact that they are never going to see the hospital, they say: "It is never going to be built in my lifetime" I am thinking: "Well, let us see what we can do about that." The way we take people along is by comparing apples with apples, have the hard figures there, so that once the hard figures have been analysed, we can build a hospital for the community, which is going to be providing care. Then we can talk about what is in the hospital, not simply about where the hospitals go.

### **2.1.6 Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter:**

I am pleased to stand after Deputy Tadier and his illustrative story of the greatness of Shetland ponies, as I am sure you appreciate. This, Sir, I do not think is your first hospital debate nor the first one that you have presided over. Unfortunately, nor is it mine. I say that because it is often instructive to understand how we have arrived at where we find ourselves today because much has been said about that. In some respects, this is a difficult debate for me because in every other single hospital debate. I have voted to continue because I accept that the hospital facilities that we currently provide healthcare services in need to be renewed. We need new hospital facilities and we have had a number of reports which have quite clearly stated that. But we also, and this has been part of Deputy Farnham's argument, acknowledge that the work that the new Health Ministry has undertaken, in light of the review of hospital services, need transformation of how we provide those services. While there is a connection between building and services, they are also discrete and need to be dealt with in that manner. In the Chief Minister's 100-day plan, she was very clear that a review of the current hospital proposal needed to be undertaken. While of course Deputy Ward is right, that Islanders have many priorities that they have talked to candidates about during the election. It is hardly, in my experience, accurate to suggest that the hospital was not an important point of conversation on the majority of doors and in the minds of the majority of Islanders. They were indeed confused about how we had got to the point of supporting a proposed hospital of an extremely large cost of £800 million. They were frustrated at the £800 million. Let alone what became apparent during the course of the review and the course of advice from expert officials about what that particular hospital would cost now. The Constable of St. Helier is right, it is important that we deal with the issues and not the person or people involved. I want to step back and do exactly that. It is fair to congratulate Deputy Farnham - then Senator Farnham - for chairing a hospital group that managed to deliver a planning application on a hospital and that that application was approved. That had not been delivered prior to that point. We know how that happened. There was a change to the Island Plan that allowed the independent inspector to recognise the democratic position of this Assembly and therefore accept that a hospital could be given planning permission on that site. But we know during the last 4 years the Government spent at least 2 of those, if not more, dealing with COVID. It was that COVID time that ultimately led to delays in progressing the Our Hospital Project in the timely manner that some would have wished. But if we review the start of this year, it was apparent to, I think, all that there were economic difficulties across Europe, there were supply line difficulties and there was an energy crisis. Most of which can be traced back to the war in Ukraine. That of course led to high levels of inflation. No matter how much wishful thinking we might now have, the current proposed and agreed hospital is not deliverable within the budget envelope, nor the finance model that had been previously agreed. I think that Deputy Farnham in his opening comments accepted that. He came up with many

ideas about how those hurdles could be got over. I am grateful that the chair of the Scrutiny Review Panel also accepted that and accepted for the - I think first time I have heard it - that there is no ideal hospital site. The Government was criticised by one speaker earlier, that the Treasury Department, in their view, should have gone to the market to take a bond to deliver the hospital at Overdale.

[10:15]

That despite having a contract price and any certainty. That would have put unnecessary risk on to the taxpayer. But that same speaker will remember the last Assembly gave permission for the Government to take a £500 million bond to repay pension debts. It was also apparent to me prior to the election that there was no longer, because of changing interest rates, a pressing need to pay off that pension debt. It would have been far more sensible to have retained that borrowing and to have allowed flexibility in the use of that borrowing to an incoming Government. But the previous decision-makers did not accept that, they wished to repay the pension debt and, therefore, that flexibility was taken away from the incoming Government. The economic situation has changed dramatically from the time that the previous Assembly agreed that the hospital at Overdale could be delivered, as I say, within that envelope of £800 million - that most Islanders that I spoke to in the election found unacceptable anyway - nor could it be funded in the way that it had been previously considered. It would have been wrong for this Government to have done anything other than do the review that the Chief Minister outlined in her 100-day plan, and that review has been undertaken with expert advice from an individual who has built hospitals in various situations. That, I think, is something, and the words of Deputy Bailhache that this Assembly - by rejecting this proposition and later this week by supporting the amendment to the Government Plan - should say to the Minister for Infrastructure that this is an expert report that suggests - and from all of that expert experience - that savings can be made and the hospital can be delivered in a way which largely mitigates the risk of one site with one major developer; and I will come back to that as well. I think, if I cast my mind back, if I can ask you to do the same, you remember a similar debate in 2018 when I was roundly criticised by the incoming Government - and we now have a new Constable in St. John but it is worth referring to the comments of his predecessor - accused me of not being able to organise a drinks party in a distillery. **[Laughter]** You have never been to a Gorst party but those that know me best would doubt that greatly. In actual fact they often told me they do not need anything more to drink. After that chastisement was the alluring image that the individual had first-hand information that a hospital could be constructed by a firm resident in a country to the south of us for £90 million. On that alluring promise the incoming Assembly in 2018, because there was no planning permission in place, changed tack entirely. If that is the situation that we were to find ourselves in today I would not be voting against Deputy Farnham, but it is not. We have an expert with decades of experience of building hospitals who has looked at what is currently on the table and because of the changing economic situation has said there are many ways that you can deliver excellent healthcare facilities to Islanders, which the Government is committed to doing, and you can save money and get it back within and below the envelope. But, most importantly, in these difficult economic times you can deliver those healthcare facilities in tranches and in stages. That is critically important because it mitigates the risk of going for one side and one developer where overheads are excessive, and risk is not mitigatable. The reason I say that is because we know that the work that was done with the previously preferred design and delivery partner - and I hope that Deputy Farnham will confirm this when he sums up - they were not able to deliver a contract price within a reasonable budget. We know that in the current economic climate fixed-cost contracts for major projects are virtually now undeliverable, unless the client is prepared to accept that the risk will fall with them. The whole reason that clients have moved to fixed-term contracts is so that you can share the risk between the developer, those providing the contracts and those for whom the service or building is being provided. But because of high inflation, because of the ongoing war in Ukraine and all of the other known factors, it is not possible. The alternative is that this Assembly presses on with the hospital at Overdale, and I do not detract from anything that others have said. We will not be able to deliver it within the contract price. It will be

around £115 million more, and that is what it was a couple of months ago; it will be even more now. The whole reason of going initially with a large developer of mitigating the risk has now gone out of the window; that risk would sit with taxpayers. I do not believe for a minute that this Assembly nor Islanders would wish me to sign any contract or take on any funding or borrowing mechanism which had open-ended unmitigatable risk sitting in the lap of the taxpayer. We all know about capital projects which have got out of control and gone over budget. We just could walk into the Royal Square and ask that question of any Islander and they would mention one off the top of their head. If we continue and if we say no to the Minister for Infrastructure, do not do the extra work that is required, then we know that that is where we would be. I am running out of time. I just want to deal with the road issue, the current hospital planning permission requires that road and yet now Deputy Farnham is asking us to go off and do a piece of work which does not have planning permission; that cannot make sense. It is irrational, it has got to be the wrong way to go. Also, comments have been made about the purchase of Kensington Place. You will see from the amendment that there is a valuation of £60 million; we will be asking Members to support that. What Deputy Farnham is asking for is not deliverable in the timeframe. It does not mean that that project is totally off the table. What it does mean is that Members are asking the Minister for Infrastructure to go away and do the work that is in the report, it says eminently feasible and is deliverable for less.

### **2.1.7 Connétable M.K. Jackson of St. Brelade:**

Like some States Members, and it has been alluded to earlier, I have sat through debates over the implementation of large projects. I have sat through rescindment motions, and I refer to the construction of our Energy from Waste plant, which was completed on mine and then Deputy Lewis' watch in 2010. We got caught up by global events and the culprit was a massive change in interest rates, which meant the project cost an additional £5 million. I am making the point that once again we have no control and never will have any control over global events, and this is exactly the situation we have at this time. The Farnham iteration, if I may call it that, of our hospital is no longer affordable, from the point of view of not only borrowing the funds that are originally proposed but also from the point of view that those sums as proposed will no longer, due to global events, allow us to deliver the hospital as we wish. I sat through the former Deputy Labey's rescindment of the Gloucester Street proposals in 2018 and this was a brilliant theatrical performance but, in my view, was misdirected. I am sure that there are several Members here today who regret supporting that proposition; it certainly cost the Island dear. Deputy Ferey made some very good points earlier; we are not good at managing large projects. I am keen, like I believe most Islanders, that we need to move on in a way that will see a hospital built without further delay. Deputy Farnham is absolutely right in that costs should be examined but we have already examined every detail in inordinate depths, we just cannot keep going over the same ground. The public are sick and tired of it. The Scrutiny Panel, of which I am a member, is also right in that costs are not clear. I would add that while the panel is dominated by a certain party but as an independent Member, and with due respect to my colleagues on the panel, I have no obligation to toe the party line so I may not join them in their voting direction. We are all quite rightly risk-averse but there comes a time when we have to make a business judgment, and this is exactly where we are now. The previous proposals failed because Deputy Farnham failed to read the room. He failed to appreciate the impact of the proposed highway to the hospital in the sky is what it seemed like. He failed to appreciate that there was a need to get spades in the ground before the elections with the result that we find ourselves in the present situation. My inclination is that the proposal from Government is the right way to go. It may have to be a piecemeal project to make it affordable but at least that will make it achievable. Dealing with the project in bitesize chunks is the way to deal with this in an island where we just cannot bring in large amounts of labour and accommodate them to the detriment of local people. Let us build this structure with on-Island construction firms with local labour. I urge Members not to let this wrecking proposition have traction and delay and give Jersey the possibility of delivering this hospital without further procrastination. The Chief Minister will know that I have been sceptical about moving away

from the former proposals but having seen the report I am convinced we have to go in the direction proposed by the Government and I, therefore, cannot support this proposition.

### **2.1.8 Deputy T.A. Coles of St. Helier South:**

I want to start by quoting Leslie Neilsen, if I may, in the fact that when asked with reference to the hospital he said: "It is a tall, white building over there, but we do not have time for this right now." It is true, the hospital is simply a building. We have got plenty of buildings and many buildings can be used for many things. In fact, part of our current hospital is formerly a prison, so it shows how buildings can be adapted and changed and so can plans. The important thing to remember on this though is for a hospital it is what goes on inside the building that is important, the clinical staff, the equipment that is provided, the maintenance and continuing maintenance of these buildings. We talk about the number of sites, and I have been thinking about this as well. Presently I believe we already have more than 5 sites when you take in the General Hospital, Overdale, the 2 sites at St. Saviour's Hospital, being Clinique Pinel and Orchard House. You then have Five Oaks which has our hospital purchasing site plus the sterile cleaning unit, and also a site in St. Peter for the catering to be provided. We are already covering on multiple sites. Why have we not got the costings of maintaining all these sites? Why are there no facilities management costs? Why are there no staffing costs? Why is there no information and details about how much money we can either save or be spending more if we were going to one site or 2 sites? It is considerably about lack of detail. Then when I look at the report that was produced for this, and I counted up the non-committal verbs which are in that document; there is 267 non-committal verbs of "might", "should", "could", "may", "possibly". But there are only 156 affirmative verbs of "will". Is that report in itself very committal in telling us that we will save money? The simple answer is we do not know. Because it might be the fact that, yes, we will save £150 million in building a hospital but it might cost us £5 million, £10 million more to maintain these sites over a single site. In fact, all those savings we can make to building will be eaten up within 10 years. Where are the savings?

[10:30]

Then we are going to start spending more money which may restrict the facilities, and the further services that we want to produce in these one, 2, 3, 4 sites will be reduced because we cannot afford them. The requirement from Deputy Farnham's proposition here will provide us some more clarity and some more detail, that to make sure that not only can we fund the building itself, but we can fund the services which are run within these buildings. I am not committed to either. I would like to see what saves the Island the most money, not just in the short term in building but in the long term so we supply the services a hospital requires.

### **2.1.9 Connétable M. Labey of Grouville:**

I would like to impart the views of my electorate in the Parish of Grouville. I was met on many occasions on the doorstep by individuals asking the same question. They asked me: "What do you think about the hospital project?" I turned it back, I said: "What do you think?" They were angry, they were frustrated, and many said betrayed, they felt betrayed by a Chamber that would spend so much money on consultants. That money is not water under Deputy Malcolm Ferey's bridge, but it could have paid for so much more in our society. It could have paid for perhaps a new mental health facility. It could have paid for perhaps a new oncology unit. It could have reduced our health waiting lists and it could have done a great deal more good. They wanted a review into the hospital project, and they wanted somebody to take on this mantle and take it forward and have a new look at it. I have got every faith in Deputy Tom Binet and his department. That gentleman turned farming around on its head, he turned it from a cottage industry into an industry fit for the 21st century, and I have every faith in him, and I am going to oppose this.

### **2.1.10 Deputy M.B. Andrews of St. Helier North:**

During the election I was in a position where already there were 2 hospital selection sites that I wanted, and they were rejected in prior processes that we had gone through with previous Assemblies. Now we are in this position 10 years on and yet again we are going to go through a potential fourth process. One of my concerns has been in terms of our legislature and the turnaround that we have seen in terms of the amount of politicians that have been leaving the Assembly and the amount of new politicians that are coming into the Assembly. Okay, there is a new directive this time and of course we have seen the report that was released a couple of months ago to us as Members. We did have a look at the report and of course there was not a clear enough appraisal of the operational costs. I think this is a concern that I do have. However, it also must be noted when I did ask a written question, the coupon on the bond for the hospital is 4.62 per cent on 24th October, again, the coupon rate will change. It is in a market and, again, it is becoming very expensive, and that is the big concern that I do have because we have continued to delay, delay, delay. Of course, when we are going to be looking at the 3 or 4 options that we do have in terms of the operational costs, in terms of the hospital sites that will have to be operating for Islanders, it is also going to be very costly outside of the borrowing, whatever the borrowing will be when we do go to market. I think that is also something that has not been mentioned, it has not been articulated. Because so far, I think, yes, most of the electorate have been very dissatisfied with Overdale and rightly so. I understand in terms of the height and the complexities and also in terms of what is in place within the building itself. But I have to say I do understand why many Members have been sitting on the fence because it is very difficult to make this decision because moving forward, we have already depleted stocks over £100 million in terms of the government's expenditure and now we are being asked to expend even more. We have already spent £43 million in the last 3 years on consultants and, potentially, we are going to do that once again and, potentially, even more. I think we do need to be very decisive moving forward and I do believe that it is probably best that we do go ahead with the proposed option that Deputy Tom Binet is proposing. The reason being is because I do view that the public do support this and I have to be listening to my electorate, and I think that is a really important thing. I have been in dialogue with members of my electorate, and I think as well with the climate changing so rapidly since June has made it very difficult. I think had we gone to the market in June, yes, we could have agreed a borrowing that had been at a low interest rate and it would have been very cheap in the longer term in, say, 20 or 30-years' time. But the case is if we go to market now it is going to be very expensive and it means that as a Government, we would have to be looking at potential tax proposals, we would also be having to look at how we are going to be depleting our stocks in terms of the Government and also when we need to be looking at the departments that we are running. Where would the cutbacks be made, and they would have to be very extensive cutbacks as well? But I will have to also reinforce to Members that, yes, there is potential that the 3-site option could, potentially, be more expensive as well, and I think that is really important that we are honest and frank about that. Because let us not just say it is going to be cheaper, it might be more expensive. It is important, as a Member of a legislature, I took my affirmation and I have to be very clear and articulate that message for all fellow Members to hear and also for my electorate.

#### **2.1.11 Deputy K.L. Moore:**

I think this debate is very healthy and it is really positive to see and to understand that Members of this Assembly want information, they want to take an evidence-based decision. I think that is a healthy indicator for Islanders. They can have confidence in this Assembly and its approach, which is, I am afraid to say, a distinct difference from the last Assembly. But of course, if we consider the format of the last Government, out of the 21 Members of that Government the public only returned 6 of them to this Assembly, which I think shows what they thought of their actions, activities and the results of 4 years of their Government. But I do not wish to look back too much in this debate, but I do think, as we need to progress forwards, it is important to consider how we got here slightly. The rescindment vote has been described already this morning as something that was full of triumphant hyperbole that swayed the Assembly of the time, yet it had very little substance to it, and it certainly

did not have the facts that this Assembly are looking for. That decision by the Assembly was then followed by a report that was not delivered by an expert, which is what this Government has produced to the Assembly, it was written by a States Member and that has been referred to. Then there was the site selection process and the public felt huge disquiet at the 5 sites that were proposed and brought forward. Sadly, although an amendment to that site selection process was debated, the debate was then closed, and I think that was quite a sad moment for democracy that we did not have a proper debate on that. Indeed, the Assembly just progressed down a road that it was being pushed along on the basis of very little fact, if any, and no evidence whatsoever. It took the previous Government over 3 years to get to an outline business case. They published their outline business case and report in July 2021. I think that is really important for Members to remember and to hold in their minds as they consider what is being asked of the Government today. Because albeit it is right to ask for evidence and for information, it has to be in an ordered fashion, and it has to be practical and achievable and not too costly. We have already spent a vast amount of money getting to this stage, and Deputy Ward is absolutely right, the public have many worries and many concerns, and they want to see a Government that is using public money wisely and delivering future facilities, not only for us all today but for future generations as well. That means having a sustainable, pragmatic approach to spending public money in particular on major projects. When I stood for election, I made it very clear that I did not want to plunge Islanders into unnecessary debt that would impact upon future generations and our ability to fund our existing services and, in particular, our education and our healthcare services, which are absolutely critical to the running of our dear Island. The Overdale project has been suggested may be shovel-ready but, as the Minister for Treasury and Resources reminded us, it is simply unaffordable and unachievable in the current economic circumstances. As Deputy Bailhache said, it would be wrong to continue spending without the commitment of the Assembly, and so that is what we want to do. We briefed Scrutiny some time ago now and explained that we wanted to go to the Assembly to give Scrutiny proper time to scrutinise and then for the Assembly to be able to vote on the direction of travel, to have your authority as an Assembly so that we could continue with a hospital project, a hospital project that is pragmatic, achievable, affordable and appropriate for our Island's needs as we go forward. Then we would be able to continue to spend on further information and evidence and consultants, as will be required over time. But we wanted to have the endorsement of this Assembly before progressing to that stage, and I am afraid that is exactly where we would be put in a compromised position if the Assembly were to adopt Deputy Farnham's proposition today. I urge Members to support the current direction of travel to enable us to move forward and deliver a sustainable, appropriate and affordable solution but not to tie the hands by supporting Deputy Farnham today.

#### **2.1.12 Deputy C.D. Curtis of St. Helier Central:**

It is a central facet of the Council of Ministers' arguments that we need to reassess the hospital plans due to the funding model. The original funding model would no longer apply. I am surprised by this. Does the Treasury Department not consider and plan for investment market volatility over long-term borrowing? Is there a lack of forward planning? Also, it has been suggested that the new plans will be less expensive but with a reduced budget; does that mean we will not get all the services required? The parity of mental health services, for instance, so many uncertainties remain. My main point is this, I want to remind Members what we are voting for, not whether the Overdale site is best or the new multi-site plan. What we need to decide is whether we have sufficient information to decide which is best. I do not have sufficient information about the new plans and, therefore, I will be supporting the proposition.

#### **2.1.13 Deputy S.G. Luce of Grouville and St. Martin:**

Members, I hope, will be familiar with the phrase that goes along the lines of do not fix something that is not broken. For generations Islanders have used the General Hospital and Gloucester Street, The Parade, Kensington Place on that site and they have used it as a general hospital and got very

used to Overdale being the recuperation and recovery site for some outpatients. But for the last 4 years we have had a Government determined to break that and to fix something that was not broken and to my mind that was extremely unfortunate.

[10:45]

To plagiarise that phrase that I started with, rather than not fixing something that is not broken, I would urge Members this morning not to waste any more time and money trying to fix something which is irrevocably broken. The plans for Overdale, the business plan for Overdale approved by the last Assembly cannot be built. That plan is now broken; we need to consign it to where it needs to be. We need to reject this proposition and move on.

#### **2.1.14 Deputy R.S. Kovacs of St. Saviour:**

I want to state that on doorsteps people were mainly arguing the delay in starting the hospital and not having even a brick put on the ground. But they were not arguing as much the cost as much as the wasted money and the time until now, and they just wanted to get it done already. Deputy Ferey was suggesting refurbishment on the site. At the same time Deputy Tom Binet said in the P.A.C. hearing that it was going to be a completely new build on the current site. It seems that not even the Government is consistent with what they are saying. Another thing to mention, the additional services that Deputy Barbara Ward and Deputy Howell spoke about that had been missing in the existing plans are likely to be provided in a reduced-size project with a reduced budget. As Deputy Feltham mentioned, the Treasury Green Book guidance states that: "When appraising options, the existing projects should be compared to other options, even if it considered to be not viable." I find it interesting that Deputy Gorst completely ignored Deputy Feltham's comments about the Treasury Green Book. I was expecting him to try and prove it wrong. Related to the timing to produce an outline business case that should be doable, as the Government has said that where possible they will reuse the previous work. To come back to the recent review, the consultant used to do the review has confirmed that all he was hired for was to look at affordability of the project, nothing else, and that is what he did. The Government also confirmed they have not assessed the further cost of running a multiple-site hospital and the clinical cost of this and they are big worries, and the cost of this is a great one as well. The operational cost ongoing and after is still a big part of that cost and that is being ignored. I had on the streets also a consultation during the pop-up stands in town, a member of the health staff from the front line saying they have not been consulted in this review, just some of their managers, but they are not the ones dealing with the day-to-day work in the hospital but them. They find the multiple sites would be bringing much more hassle and much more cost and not considering the review report. Therefore, for all these lack of details in the Government review, I will support Deputy Farnham's proposition.

#### **The Bailiff:**

Thank you very much, Deputy. Does any other Member wish to speak on the proposition? If no other Member wishes to speak, then I close the debate and call upon Deputy Farnham to respond.

#### **2.1.15 Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter:**

Can I of course start by thanking all Members who have spoken in this important debate? I think I will just pick up on the last speaker, who is absolutely quite right about the mood on the doorstep. Because we have heard a lot of rhetoric about what was said on the doorstep and of course it is easy for us to say what we heard on the doorstep. We can, if we want to, make it up as we go along. But of course there is some innuendo that if you are to go to a doorstep and say: "What do you think of that awful hospital expensive plan of Deputy Farnham's and it is all awful and we should stop it?" people are often going to agree with you. Of course, when I knocked on the doors it was generally lots of other important issues, mainly providing housing for our young people and the concerns about the increase coming up in the cost of living. When the hospital was brought up 9 times out of 10 it



was to say: "Will you all just please get on and build it?" The Constable of St. Peter will testify to that because he and I did a number of doors together and that was it, getting on with it. Just for the record, I did not shy away from the hospital campaign during my campaign, as the Chief Minister and other Members in the district that I stood in, and we had a very, very strong field of candidates in that district. At every opportunity and in my manifesto, I promised to continue the work and to deliver a hospital on time and within budget, and I still got elected. Saying otherwise, saying that the Chief Minister, and others have, who did poll exceptionally well, and I congratulate her for that, that I got elected on the back of stopping the hospital I think is not entirely true. Deputy Binet said that this proposition, if accepted, would add another layer of financial information and additional running costs, and that is simply not correct. The Government have all of the information, if not all of the information, most of the information to be able to do this work because they are using the same cost consultants who are very good. I am not just suggesting they do more work on their scheme, on their proposition for a multi-site hospital, I am suggesting that they take this opportunity to do some more work on the Overdale project. The Overdale project presented a function or a brief, which was carefully constructed. Of course, it is not a perfect document, there is more work to do. When big projects like this are put together the work is always evolving. It also produced a good outline business case and I know some Members have tried to say it was not that good, Scrutiny had some negative things to say about it but also, if I remember rightly, the Scrutiny review also said some positive things about it. It was a good outline business case, and it was as far as we could go with the information we had at the time. Bear in mind we got to and completed R.I.B.A. (Royal Institute of British Architects) stage 3 and that is the 8 stages of a build that is followed in a project. Item 3 is where we are now with planning position, R.I.B.A. stage 4, which is where the Government should be going next, which was the technical design and all of the detail, that is finalising the detail of the layout of the hospital, exactly what is going inside it, what services are going to go where. We have had a lot of talk and, I am afraid to say, misinformation about the new hospital omitting certain things because it is completely up to this new Government and the Minister for Health and Social Services and the Health Department what goes into the hospital and where they put it. The hospital is designed to be flexible to do just so. This talk of things missing - and there is one exception to that, which I will come to in a minute - is quite frankly not helpful. Because that hospital is built, and it is big enough to put whatever we want and more into it. I have to say Deputy Barbara Ward and Deputy Howell, who I have a great deal of respect for both of them and their medical knowledge; Deputy Ward nursed my dad at the end of his life and I know he would want me to thank you for doing that. But on one breath we are being told that the Overdale Hospital is far too big and in another breath we are told it is too small to contain all of the services we need. **[Approbation]** Somebody is in approval with me over there, I am not sure who is stamping their foot but it nice to hear it now and again. Yet the proposal for the multi-site option is 10,000 square metres approximately smaller than Overdale. How are we going to get all of these services that are missing into a far smaller estate? That is just one of the questions and that is one of the questions that I would like to be answered in the questions I ask. For example, rehabilitation, the previous political oversight group for the hospital, in which some Members here remain, were absolutely clear with the team at Health that rehabilitation was to be included in the canvas. At that time one of the 4 wards was to be dedicated for that purpose and of course, as I have said before, whether that goes in or not or wherever it goes, whether it be Overdale or in a multi-site solution, would be entirely up to the Government and the Health team and the Minister who are putting it together. Of course, that information that has been perpetuated by certain Members, by the lobbying group and they are quite entitled to give their opinions but that is, quite frankly, what they are. Unfortunately, that information being continuously put out there, the continuous discrediting of the Overdale scheme has, I think, caused concern and alarm among Islanders, especially the older members of our community who say this cannot be right, we cannot fill it, it is not based on fact. It is based on the perceptions of some people. I know the sort of hospital I would rather be treated in; I would rather be treated in a hospital that is designed and advised by clinicians and medical professionals, not one that is designed by politicians and lobby

groups. The Government saying this simply cannot be done is utter nonsense in the timescale. I too have spoken to officers; I still do speak to officers and former colleagues, and I seek guidance and advice and I seek clarities when it is necessary. Every officer I have spoken to who has worked on the project thinks it is doable within the timescale because most of the information we need exists. I do not expect a forensic line-by-line comparison. A good fairly high-level comparison would suffice because that is what this Assembly needs to point in the direction. You never know if the comparisons come out strongly in favour on all aspects of what the Government is proposing now; I might well change my mind, but I doubt that will happen. Because we see in front of us some ideas that are completely unevidenced and completely speculative and even by doing the simplest of calculations it is pretty clear that the multi-site option is going to cost more to build and to run than the Overdale site. But of course, once again, we have to be careful because we find ourselves in danger of putting money before health and before people's lives. I will touch on some of the speeches if I may. Deputy Barbara Ward also said that Overdale is a wonderful site and has served us all well. Of course, it is, it is a wonderful site and that is part of the reason why it was selected, because of its location and the fact that it is not a new hospital going up there, it is an extension to an existing hospital that we were planning. Again, some of the services she rightly alludes to and all the services that Deputy Howell and Deputy Ward mentioned as not being present we must have; that must be part of the new hospital. It has to be part of it and there is space to do that when we get to the R.I.B.A. stage 4 and the final design stages. Of course, there is one exception and that is a hydrotherapy pool. We did say to the hospital team they must find space for the hydrotherapy pool on the hospital campus, but they did not get around to doing it, so that is a challenge I will throw back to the new Government, but I agree we should have a hydrotherapy pool there. But of course, there was an argument at the time around the care model and the care model would be putting more facilities such as that into the community.

[11:00]

The pushback from health professionals was that it does not have to be on the hospital campus; that could be somewhere else in the Island, perhaps somewhere different. I want to talk briefly about the concern of some Ministers and Members that the Overdale project was lacking some information, especially in relation to workforce management. That is entirely incorrect, the Constable of St. John has brought that up and of course in fairness to him he did bring that up regularly during the scrutiny process. We were always clear at that stage, and I have had a separate conversation with the Minister for Health and Social Services at a meeting we had recently at Maritime House, and she might remember when she asked me the question about this. I said it is impossible really to put a workforce management structure in place at this stage because we are not sure of the final interior design and layout of the hospital. We are not sure of the healthcare model, which I think is currently being evolved by the Minister right now. We are not positive of the healthcare model we are going to have. It is almost impossible to put a staffing structure in place. Over the life of any new hospital the staffing structures will evolve and change but we always worked on the premise that a single site would be far more productive, financially advantageous and clinically advantageous to operate. That is the premise that I have always worked on, that the new hospital group has always worked on with single site versus multi-site. I do not think anybody can argue with that, but we still need to do the comparison, even clinicians have said it is much easier for us to work on a single site. One clinician said: "If I worked on a single site and did not have to travel, I could perhaps do one or 2 more operational procedures in a day." That has got to be a massive boost to the productivity of a hospital. Of course, I mentioned Northern Ireland where Deputy Binet and the team went to and of course while I know they are having their difficulties, Members will also know if they look at appendix 2 and they look at the 5 hospitals that were visited, I think 2 were acute, one was cancer-based, and 2 others specialised in other areas. They have a multi-site hospital infrastructure in Northern Ireland and although the distances are far greater the principles are the same. When you have surgeons and staff having to travel between hospitals you are not going to get as good an outcome. If Members do

take a look at the dossier that I put out there and the research that has been done, that is behind some of the staffing challenges they are having, the fact that staff are having to travel between hospitals, which is causing difficulty. The principles are the same, although the distances are much smaller. Deputy Gardiner wanted to know why I changed my position on the road, well I have not necessarily changed my position on the road. I never really had a position on the road. I was going to make some quip about a U-turn but that was probably a bit too much. The new hospital group did not say: "We would like a new road, let us put a new road in." We were advised, following consultation on traffic and planning, that a new road would be necessary to provide uninterrupted 24/7 access to the hospital and it was not felt that the current Overdale road was able to do that because of some of the very tight turns which could cause problems with larger vehicles meeting. I smile at the use of the word superhighway. If you want to see a superhighway, go to the United States or China, they have got some great superhighways; we have got a 2-lane road. The current road is 2-lane, the new road is 2-lane, superhighway is a rather cynical, but I must say effective term used by the opposition because it certainly seems to have worked. I said if there was a change in the views of planners, if Overdale could be achieved without such changes to the road, then I will support that. I will support whatever is achievable to deliver the right hospital solution. But I thank the Constable for his amendment, and I do not think it complicates the proposition because we sort of know now the road and not just the Overdale road but the other changes to the road networks and the acquisition of land cost. We know that they have got all those figures now, so there is no extra work that exists. We are just quite rightly asking to show an option with and without and if we can do it without it will save us a considerable sum of money, not £40 million that some people think the Overdale road is going to cost. The Overdale road, I think, out of all of the cost of land acquisition and highway changes is £18 million at the last count, so I hope that is clear. Deputy Feltham, who is always concise, brought us back on track, as did other Members, about what we were really talking about here and that is the level of detail needed to proceed. Deputy Ozouf and other Members questioned why we did not take the borrowing out at the time, and I would have preferred to do that, and indeed we did push the Treasury to do it. I do remember having a number of conversations with the Treasurer. But we could not borrow for a project that did not have planning permission, was the advice received. We would not get the right bond rate and it would be harder to achieve. The advice from Treasury and officers was to wait until we got planning permission to do that. That is the advice, I am not sure that I agreed with that but that was the advice we received from the Treasurer of the States. Of course, planning consent was due to be sought and obtained in quarter 3 of 2021 but because of delays to the process, usually political delays, which is the want of such a project, we had a delay of up to 4 months. Because, on an amendment of the Constable of St. Helier, we had to come back and approve the access and then there were further requests from Scrutiny, which ultimately led to planning permission not being obtained until early June of this year, which of course, essentially, pushed it all into the new Government. In relation to the design and a delivery partner, again, a number of Members - I think Deputy Gorst specifically - talked about this and said it was impossible to deliver for the £804.5 million with the current design and delivery partner. We were acutely aware of that. When we left office and I think the Constable of Trinity should remember this, there was somewhere between a £30 million and £40 million difference. The design and delivery partner was coming in at about £840 million at that time. We had said to officials, no, we were pushing hard, and we were negotiating as hard as we could to get the price within the amount approved by the States. With the current delivery partner, I think that is right, that would have proved impossible but there were other options. There are other delivery partners that wanted to talk to us and right now I agree. The hospital could not be delivered now for the £804.5 million because time has moved on. We are seeing impacts from seismic geopolitical circumstances around the world, not least Brexit and COVID but of course European strife and other issues. One thing for sure is that every day that goes on the price will only go one way and that is up. That is one of the reasons why I am asking for a tight deadline, a realistic deadline but a tight deadline because I think every day is important. Every day we wait and procrastinate and delay the price is going up for whatever we do; that is the rationale for that and that

is a reason why we did not seek to borrow at that time. Deputy Bailhache, when he started speaking I thought this is going to be quite a good speech and I was pleased that he recognised, and I hope the Chief Minister and the Council of Ministers recognise, that whatever the outcome of this request for more information, it is not and nor should it be a signal as to whether this Assembly is giving the green light to the Government to go on and cancel the Overdale project and go with solely their own option. The multi-site solution, Deputy Bailhache, a former Bailiff and Presiding Officer on many occasions, would know the Assembly has to agree that on a different occasion, and that is a debate I think we are going to have. But there are 2 things that prompted me to lodge this proposition and those were comments by Ministers, and I think possibly the Chief Minister, but I could stand corrected, and Deputy Ozouf raised it; he questioned the process about the previous approval by the States if they could not be met. Of course, the amendment, amendment 20 to the Government Plan, asks the Assembly to spend, I think, £40 million or £50 million more and now acquiring Kensington Place for £16 million and spending, I do not know, another £28 million to £30 million on consultancy work to work up new designs. It is suggested that should the States agree to that amendment then we are giving the green light to proceed with the multi-site scheme without of course having come back and cleared up, as Deputy Bailhache rightly pointed out, we have got States approval to cancel the Overdale scheme. I was extremely disappointed to be accused of political mischief because, while I do like a bit of political mischief now and again, this is a very important issue. We are talking about building a hospital, providing the best health facilities for Island. We are talking about the lives of Islanders. Deputy Luce, I think, probably surprised me the most when he said basically if it is not broke do not fix it. How can he possibly say or think that our current health infrastructure, our hospital, is not broken? It is broken and I will come to that a little bit later. Summing up, finally, our hospital is an essential investment into the lives and health of all Islanders. Members will know full well that our existing hospital is deteriorating rapidly and the longer we delay in delivering a new hospital the more this will impact upon our running costs; the standard of care, urgent recruitment of medical professionals and the retention of our existing and valued professional and clinical colleagues. I would like to remind Members on the back of Deputy Luce's comment that our existing hospital has cramped wards, corridors doubling up as bed and linen stores, buckets catching rainwater, creaking drainage and sewerage systems, different departments are bolted on to the ends of buildings and an overall confusing and at times undignified patient experience. We have a maternity unit, and I know work is being done on parts of that, described as having the level of facilities found in some developing countries, completely lacking peaceful and private surroundings for mothers and their new babies to bond. That is something I experienced with the birth of my grandson very recently and while the staff are brilliant, the surroundings were certainly difficult.

[11:15]

There is also a distinct lack of any meaningful or usable outside space to help patients recover or visitors reflect. Of course, this does not take away from the remarkable job our health colleagues undertake 365 days a year, who can only continue to patch up and mend this hospital under 2026 before the costs of doing so accelerate at an exponential rate. We cannot wait until 2032 for a remedy. We need to get on with it. Unlike the U.K., Northern Ireland, and other larger countries, we cannot travel to different specialist hospitals in neighbouring towns and cities. This means our hospital needs to be many things in one place. The Our Hospital Project at Overdale presented an approved vision of a modern fit-for-purpose single-site hospital, which meets the current and future needs of patients, clinicians, and healthcare staff and visitors. It is a hospital where clinical adjacencies have been thoroughly thought through based on the experience and expertise of our doctors and our nurses and the staff who will work in the new hospital. It will bring together for the first time a general hospital, an acute hospital, an ambulatory or day-patient hospital. Separate facilities for women and children and maternity care. A mental health facility, health facilities on site for adults and children and a knowledge and a training centre. There is no mention of knowledge or training centres in the multi-site option and so many Members have mentioned that is really key to retaining staff. The

Overdale site was planned to provide a modern energy centre to provide power in the most environmentally sustainable way, again not mentioned in the multi-site solution. So let us just talk very briefly about that multi-site solution, because a number of Members have also mentioned they are not sure about how many sites it will include. I can say we have Gloucester Street, we have Kensington Place, we have Quennevais, so that is 3 sites. We have Overdale, we are up to 4 sites. Deputy Binet has talked about the jury still being out on what happens with mental health facilities, so that could be a fifth site. What about an educational and learning centre, where are we going to put that? How are we going to power our new hospitals, our new health facilities as they are now being called, with a commitment to our carbon neutrality programme? The hospital at Overdale had a modern energy centre to provide power in the most environmentally sustainable way included in the programme. Where are we going to put maintenance and catering? So, I am up to about 8 sites. At Overdale, there will be more operating theatres, despite what some Members have said, a far-greater patient capacity. More single ensuite rooms available to all patients, 75 per cent of the inpatient beds will be located in single ensuite rooms. Proper staff well-being areas all set in carefully landscaped gardens and open spaces to provide an elevated and peaceful light-filled and healing environment with far-reaching sea views across our wonderful view across the bay and the Island, for recovery and work and reflection. This will help us attract the very best healthcare professionals well into the future. This is not about 6-star world-class gold-plated, all the other ways this hospital is being described. I have never said it is going to be a world-class hospital, although Islanders do deserve a world-class hospital. In the recent conference a member of the public stood up and said: "We do not need a world-class hospital." A surgeon stood up shortly after and said: "I have come to work in Jersey from London and I want to help create a world-class health service for the Island." But this Overdale project by no means is gold-plated. If we wanted to do that, we could spend billions of pounds, one only has to travel to Scandinavia and certain countries around the world to find examples of hospitals that are well beyond our reach. But this is a good hospital we could build. So before we abandon all of this potential, and I am comforted by Deputy Bailhache's words and I hope the other Ministers and it is the Chief Minister's understanding that to abandon Overdale, they would have to come back to this Assembly to do that. But before we abandon all of this, surely, we have a duty, this Assembly has a heavy responsibility to ensure that we know and understand all of the comparisons with what is being proposed. To summarise, I would like to reiterate that what I am asking for today is for the Government to report back by 20th March, which I think they can do, bearing in mind this is not a forensic line-by-line, like-for-like comparison we are asking for, we are asking for a good, albeit high-level, overview, but a good overview with the information that is at hand and the time that the cost consultants and the Treasury team and all the staff have between now and 20th March to come back to give this Assembly a meaningful comparison. Because it is going to need that comparison before we can debate and agree on whether we take Overdale off the table. I cannot believe this Assembly would do that without wanting to know what the new hospital is going to cost. I am certain the new multi-site hospital, which will be a compromise on what we could have, and what we have now, and what we have always done, we have always bolted things on and we have made do with things in Jersey, and we have a real opportunity to do something better than that for Islanders. So I am asking for a direct like-for-like financial analysis of the multi-site option and the approved Overdale project, and that includes, not only providing more information on the multi-site scheme, but also drilling down a bit deeper now we are approaching the next stage of Overdale, into some information that the previous Overdale scheme does not have, it means find a bit more information out about that as well. More importantly than money is understanding the clinical implications and I am asking for a direct like-for-like clinical and medical analysis of the multi-site option and the approved Overdale project. I am asking for the Minister for Treasury and Resources to come back with some different funding options, which take into account the challenges we are facing, short-term economic challenges we are facing, and perhaps taking into account that our reserves may well be doing better in periods of high interest and we might be earning more money on our reserves. I understand that high interest rates will also lead to perhaps several hundred million

more pounds worth of tax revenues in the years ahead, so that all needs to be taken into account and balanced against this decision. As I said, when I presented the proposition, request for extra information about public projects, especially those of such major importance to our community, are an established part of our democracy. They are an expected part of the process for which I have been criticised quite heavily by some Members for having the cheek to bring this proposition to ask for more information. All Ministers and Members and civil servants know that it is part of our process. Questions and clarifications in the public interest are or should always be factored into Government decision-making. The Government must be properly held to account by this Assembly, especially in matters of such great public importance and especially in matters that require great investment by public funds. I urge Members, with all my heart and goodwill, to support this essential request for more information and I commend the proposition to the Assembly.

**The Bailiff:**

Do you ask for the *appel*?

**Deputy S.G. Luce:**

A point of clarification please?

**The Bailiff:**

Are you prepared to give way for a point of clarification, Deputy?

**Deputy L.J. Farnham:**

No, I will go straight to the *appel*.

**The Bailiff:**

The *appel* is called for. I invite Members to return to their seats. The vote is on P.109 as amended. I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The proposition has been defeated.

<b>POUR: 15</b>		<b>CONTRE: 32</b>		<b>ABSTAIN: 0</b>
Connétable of St. Helier		Connétable of St. Brelade		
Connétable of St. Lawrence		Connétable of St. Peter		
Connétable of Trinity		Connétable of St. John		
Connétable of St. Martin		Connétable of Grouville		
Deputy G..P. Southern		Connétable of St. Ouen		
Deputy M. Tadier		Connétable of St. Mary		
Deputy R.J. Ward		Connétable of St. Saviour		
Deputy C.S. Alves		Deputy C.F. Labey		
Deputy L.J Farnham		Deputy S.G. Luce		
Deputy S.Y. Mézec		Deputy L.M.C. Doublet		
Deputy T.A. Coles		Deputy K.F. Morel		
Deputy B.B.S.V.M. Porée		Deputy M.R. Le Hegarat		
Deputy C.D. Curtis		Deputy S.M. Ahier		
Deputy L.V. Feltham		Deputy I. Gardiner		
Deputy R.S. Kovacs		Deputy I.J. Gorst		
		Deputy K.L. Moore		
		Deputy P.F.C. Ozouf		
		Deputy P.M. Bailhache		

		Deputy D.J. Warr		
		Deputy H.M. Miles		
		Deputy M.R. Scott		
		Deputy J. Renouf		
		Deputy R.E. Binet		
		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy A.F. Curtis		
		Deputy B. Ward		
		Deputy K.M. Wilson		
		Deputy L.K.F Stephenson		
		Deputy M.B. Andrews		

### **3. Proposed Government Plan 2023-2026 (P.97/2022)**

**The Bailiff:**

The next item of Public Business is the proposed Government Plan 2023-2026, P.97, lodged by the Council of Ministers. The main respondents will be the chair of the Scrutiny Liaison Committee. I think the first thing to do is to establish which of the amendments have been accepted. Minister, are you accepting any of the amendments?

**Deputy K.L. Moore:**

Yes, we are accepting the first amendment, amendment 9, amendment 10, amendment 15, amendment 17, and amendment 25.

**The Bailiff:**

Amendment 15 will be accepted as amended presumably?

**Deputy K.L. Moore:**

That is correct. Deputy Ward has accepted our amendment of his amendment.

**The Bailiff:**

Do Members agree that we can take the proposition as amended by those amendments? Very well. I ask the Greffier to read the proposition.

**The Greffier of the States:**

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 the estimate of income in 2023 for impôts duty on tobacco shall be amended to £19,483,000 to reflect an increase in tobacco duty on hand-rolling tobacco of 16.8 per cent, on cigars of 18.4 per cent, and other tobacco products of 15.4 per cent, and in Summary Table 1, (i) total States income from stamp duty and land transfer tax shall be amended in accordance with the following table with sum total rows updated accordingly. For stamp duty the 2023 estimate shall be £51,000, in 2024 £51,376, in 2025 £53,442, in 2026 £56,187. Land transfer tax in 2023 £6,887, in 2024

£7,155, in 2025 £7,397, and in 2026 £7,718; (ii) the total income arising from future tax measures should be reduced in each of the years 2024 to 2026 by £3,063,000 with sum total rows updated accordingly and references to land transfer tax (L.T.T.) should be amended to land transaction tax (L.T.T.), (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.

[11:30]

(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 5(i) the line for Infrastructure, Housing and Environment should be deleted and replaced with 2 new lines as follows: Infrastructure income £22,950,000, expenditure £68,201,000, head of expenditure £45,251,000, Environment income £8,227,000, expenditure £18,481,000, head of expenditure £10,254,000. In Summary Table 5(i) the line for Department for the Economy should be deleted and replaced with 2 new lines as follows: Economic Development, Tourism, Sport and Culture, expenditure of £32,526,000, head of expenditure £32,526,000, Financial Services, expenditure of £7,738,000 and head of expenditure is £7,738,000. In Summary Table 5(i) to allocate funds to enable the extension of the provision of travel for individuals accompanying patients travelling out of the island to receive treatment arranged by the Health and Community Services Department, such funding to be informed by a review of the process by which travel is provided and purchased for travel, in order to ensure the provision is patient centred and the best value for money is being achieved: (i) the Head of Expenditure for Health and Community Services should be increased by £350,000 with funding to be allocated from the COVID-19 response Head of Expenditure in Summary Table 5(i) and made available for use by the Minister for Infrastructure should it be required in excess of existing funding to extend the Avanchi 18 bus scheme to one all full-time students who are 19 years and older to include students in full-time education undertaking higher education at Highlands College, colleges and universities in the U.K. or abroad, and (ii) all trainees and apprentices who access education through Highlands College and/or who receive funding from the Skills Jersey Trackers scheme; (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 (i) after the words "and Enveloped Property Transactions Tax ('E.P.T.T.')" on page 33, there shall be inserted the words "To support the Island's housing needs, Ministers are also proposing an exemption to the higher rate for property developers who purchase and develop residential property for resale, in the course of their trade; (ii) on page 46 an additional bullet point shall be added to the list under the heading "Objectives of the Value for Money Programme", with the following text inserted: "The Council of Ministers will continually seek to identify opportunities for



joint working with Guernsey which could generate improved value for money through collaboration, whether through revenue savings or more effective services.”

### **3.1 Deputy K.L. Moore (The Chief Minister):**

Following the Assembly’s approval of our Common Strategic Policy at the last sitting, I am delighted to be proposing the Government Plan. The next important part of our 4-year programme for Government. In adopting the Common Strategic Policy, we have now set our principles and our priorities for this term of Government and we have already shown our determination to deliver on the changes that Islanders want to see. We are making good progress. I believe we are on the right path. But there is more to do and more to deliver. Given the extent of the challenges that we face, there is no time to waste. The Government Plan builds further on our work so far to putting Jersey back on track and to taking the action that is needed to protect our future. The Government Plan supports the ambitions of Islanders investing in public services, reducing our debt, and keeping taxes down. Importantly, the plan delivers balanced budgets, ensures we are spending within our means, and maintaining sustainable public finances for the long term. Our plan reflects a Government and an Assembly that is on the side of hard-working Islanders, helping individuals and their families through these turbulent and difficult global economic times. For reasons outside of our control, the Government Plan has been delivered under a reduced and a tight timetable, a 10-week lodging period as opposed to the usual 12. Regrettably giving less time for scrutiny and for the preparation of amendments. Unusually, it has also, for this 4-year, largely run in parallel with the Strategic Plan process, putting more pressures on all of us in this Assembly and on our officials, both in Government and in the States Greffe. I therefore wish to acknowledge the work undertaken by Scrutiny Panels and their officers, my Ministers and our officials, by the Greffe team, and of course by Members themselves, for all playing their respective roles in preparing for this debate. As always, the quality of the Government Plan is enhanced by the scrutiny and the legislative process. As a Government, we have approached amendments openly with the default position of trying to accommodate them where we can, including by proposing further amendments to amendments in order to reach consensus. There are of course some amendments which the Council of Ministers do not feel able to accept or to amend. We look forward to those debates and the amendments to explaining our position and our reasons, and of course for committing to implementing the final decisions of the Assembly. This is a Government Plan, which invests in the future of our Island community. It builds on the mini-Budget passed in September, which reduced the tax burden on the majority of Islanders, those paying tax at the marginal rate, giving targeted support for those Islanders who need help with the rising cost of living. That mini-Budget set the fiscal tone for this Government, which is continued in this plan and will guide us through to 2026. The tone we have set is to ensure that Islanders keep more of their own money, that we give targeted support in challenging times, and that we invest in our key public services to make the improvements that they are both desperately needed, and that Islanders have made clear that they want to see. So, this plan commits £141 million of capital investment in 2023 and a £363 million capital programme over the 4 years of the plan. That will deliver improvements to our public realm, notably a refurbished and updated Opera House, which currently stands as a monument of shame in Gloucester Street for a lack of vision and investment, and a new therapeutic children’s home will also be delivered. This Government Plan brings total spending on delivering services to Islanders to £996 million next year. We will be spending £248 million on our health services, that is an additional £22 million on last year. We will be investing nearly £180 million in our education and children’s services, again an increase of £22 million. Social Security spending will be £131 million, giving support to Islanders who need it through social benefits and long-term care, helping some of the most vulnerable members of our community and those who fall on hard times. This of course incorporates and builds on the measures taken in the mini-Budget where we have already doubled the Community Costs Bonus, doubled winter fuel payments, and uprated income support payments. In total, the Government Plan will invest £61 million of additional money in key public services during the next year. Not only in health and

education, but we are spending more on the fire and rescue services and the States police and of course their fine services are very much at the forefront of our minds this week as we watched them conduct, not one, but 2 major incidents, and respond to them. We will ensure that our front-line emergency services can continue to provide the first-class services we have become used to. We know that many of our public services need to improve dramatically and urgently. That turnaround is now in motion, particularly in health, and will be supported by the necessary resources. This is coupled with a determination to deliver on the underlying housing and skills challenges that we face as a community and an economy, and which we have also prioritised for improvement elsewhere in the government programme. That is why the plan includes again the £10 million set aside for assisted home purchase schemes. The difference in this plan is that we intend to use that money actively to support first-time buyers over the term of this Government. The spending set out in this Government Plan clearly needs to be supported by the appropriate revenue-raising proposals. We have achieved this while reducing the burden for many taxpayers. The Government Plan reiterates the personal income tax threshold increases agreed in the mini-Budget representing tax cuts for around 90 per cent of taxpayers. We are freezing duty on road fuel in order to help with the increases we are all seeing in the cost of living and freezing alcohol duty to give support to the hospitality sector. Tobacco duties will increase above inflation in accordance with Deputy Andrews' amendment. Vehicle emissions duties will increase most for the high-polluting vehicles. A new higher rate of stamp duty will come into effect for those purchasing residential property other than that for use as their own main residence, with variance possible in this respect depending on how the Assembly votes on the amendments before it. As Members are aware, we are also currently reviewing our high-value resident criteria. Work will be completed by the end of this year to ensure that in future we are more discerning and have a scheme that delivers more income from a smaller number of residents. In the meantime, the Government Plan increases contributions where possible within the existing rules of the current high-value residency scheme. It maintains the principles of our tax policy that have kept us successful, being low, broad, simple, and fair. This is a plan which puts the needs of Islanders first and supports hard-working individuals and their families, reducing the burden on them, while seeking more from those who have more to give. The last Government increased both actual and forecast public debt by more than other Governments in our Island history, going from £250 million to proposed £1.7 billion in one term of office. Some of this borrowing was necessary, other was not. This Government Plan starts to bring our debt down, firstly by repaying the COVID borrowing in full by the end of this year. Many countries throughout the world will be repaying the debts incurred during the pandemic for a whole generation and I am pleased that Jersey is paying theirs off already. The debt of £756 million, which was planned for financing the new hospital, is reduced to £90 million by this plan. Some borrowing in addition to this will of course be required for our new healthcare facilities, but I am confident that the extent of the burden on Islanders can be reduced well below the existing figure.

[11:45]

Borrowing can be a tool for delivering improvements to the public realm and public infrastructure projects. But we must not forget the root of our success as a stable, well-run, and financially prudent jurisdiction. This is a hard-earned reputation, which will not be assisted by runaway levels of debt. It is important that some control was exercised and under this Government and this Minister for Treasury and Resources, prudence and value for money are back in play. This takes me to the ongoing valleys of our States funds, the Strategic Reserve currently holds over £1 billion and is forecast to have a value of just over £1.1 billion by the end of this plan. The Social Security Reserve Fund currently holds £1.9 billion, which is forecast to increase to £2.3 billion by the end of the plan. In total, the value of States funds stands at £3.2 billion in 2023 and we forecast that to increase to £3.8 billion by 2026. While we must all recognise that these are forecasts in uncertain times, Islanders can nevertheless be reassured by these healthy figures and the ongoing sound management of our investment assets over the long term, which set Jersey aside as a jurisdiction of stability. Our

policy of cutting taxes for the majority of Islanders, investing in public services, and starting to deliver on health, education, and housing, will only be possible on an ongoing basis if we deliver value for money for Islanders. That is why all Ministers are committed to delivering value for money in our public services, striving for continuous improvement, delivering tangible efficiencies, and improving productivity. It is a programme that aims to deliver £40 million of efficiencies by 2026. That is £40 million in a budget that will soon reach over £1 billion. This is money, which we can reinvest where it is needed most. This Government Plan will provide the foundation to deal with our challenges and ensure our ongoing prosperity. It is a plan which gives us stability, flexibility, and durability. By maintaining a strong economy and sound finances, we can move forward with our policy focus on housing, skills, the cost of living, and improving our public services. The focus must now be on delivery for Islanders, and I look forward to our debates and I move the proposition.

**The Bailiff:**

Thank you very much, Chief Minister. Is the proposition seconded? **[Seconded]** Very well. There are a number of amendments still for debate.

**3.2 Proposed Government Plan 2023-2026 (P.97/2022): twenty-sixth amendment (P.97/2022 Amd (26)) - Rent-a-room tax relief**

**The Bailiff:**

The first listed in the running order is the twenty-sixth amendment, Rent-a-room tax relief, lodged by the Council of Ministers itself, therefore the main respondent will be the Minister for Treasury and Resources. I ask the Greffier to read that amendment.

**The Greffier of the States:**

Page 2, paragraph (a). After the words “Article 9(2)(a) of the Law” insert the words “, 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.” Page 2, paragraph (e). After the words “of the Report” insert the words “, except that in summary table 5(ii), the Head of Expenditure for the Community Fund should be reduced by £330,000”. Page 2, paragraph (i). 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”.

**Deputy R.J. Ward:**

Can I just ask before we start, is there a need to declare if somebody is a Member who rents a room because they could be financially beneficial to them? I do not, but there you go, thank you.

**The Bailiff:**

I am not sure there is direct pecuniary advantage for anyone in passing the proposition. It is a proposed way forward and I am not sure it is necessary to make a declaration. There would be an exemption from income tax I suppose if individuals elected to rent out a room, but I am not entirely sure that ...

**Deputy R.J. Ward:**

Sorry, it is just if this is passed and it may be, may not, people could be voting for if they are renting out a room would be voting directly for a tax exemption for themselves. I just wondered if there needs to be a declaration of interest, that is all. Thank you. If there is not then that is fair enough, it was just a question that was asked of me, thank you.

**The Bailiff:**

My instinct is that there does not need to be a declaration at this point, but if Members wish to indicate an interest it is always open for Members to do so. Yes, Chief Minister.

**Deputy K.L. Moore:**

It is my understanding that Deputy Rob Ward would be proposing an amendment to this.

**The Bailiff:**

No, the way it would work, Chief Minister, is that the Government amendment is proposed, it is seconded, and then Deputy Ward's amendment to the amendment is dealt with. So it is the Government amendment that is taken first. Are you proposing that on the Government's part, Chief Minister?

**Deputy K.L. Moore:**

Yes, and the Minister for Treasury and Resources will speak on it.

**3.2.1 Deputy I.J. Gorst (The Minister for Treasury and Resources - rapporteur):**

Sorry about that, I should have been a little bit quicker pressing my button. I do not believe I need to speak for long on this amendment. It is quite straightforward; it says what it does on the tin. It gives relief to those who are renting out a room on the first £10,000 of that rental income. It really has been proposed by a fellow Member of the Assembly. I am not sure whether I could have called it Barbara's Rent-a-Room, but that has too many connotations, but Deputy Barbara Ward made this proposal and on investigation by my officials it was found that it was reasonably straightforward to do and it of course has the added benefit at a time of a housing crisis and a recruitment crisis that it creates a further opportunity for those who might have spare rooms to support the rest of the Island in renting out those spare rooms. It seeks of course to put a ceiling on so that the rental can be reasonable. We also hope that by this measure it might mean that some of these Islanders who are currently having to live on sofas, and I think the term is sofa-surfing, that this might create an opportunity and a market for those to be in a bedroom and have more certainty and get back on to their feet in an appropriate manner. So, we hope that it will do those things. The other potential positive out of this as well is we know that some older members of our community have not felt able to downsize for all of the reasons that we know. I am one of those individuals that do not believe older members of our community should be forced to downsize, but no doubt we will be having that debate in due course with the Minister for Housing and Communities. But what this does is mean that they can, for all sorts of positive reasons, and that is not just the financial reasons, rent their room and help in regard to having other occupants or people in their rooms. We all know of the positive good that interaction between generations and a sense of rhythm and engagement with other humans. We see only in the recently published survey that there are some in our community that are struggling with loneliness. So, there are a number of really positive benefits that this simple tax change might make and I commend it to the Assembly.

**The Bailiff:**

Thank you very much. Is it seconded? **[Seconded]**

**3.3 Proposed Government Plan 2023-2026 (P.97/2022): twenty-sixth amendment (P.97/2022 Amd (26)) - amendment (P.97/2022 Amd (26).Amd) - Rent-a-room tax relief**

**The Bailiff:**

There is an amendment lodged by Deputy Ward and I ask the Greffier to read the amendment to that amendment.

**The Greffier of the States:**

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)”. 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.”

**The Bailiff:**

The main responder will be the Minister for the Environment.

**3.3.1 Deputy R.J. Ward:**

First of all, I make the point I would intend to take this vote in 2 parts, because this is a 2-part amendment and I believe from my inquiries to the Greffier that I can do that, and I thank them for those conversations because I massively overcomplicated them. But thank you for the answers. This amendment is not about whether the money being allocated is the best use of taxpayer money or not, that is for the main debate. This is about adding standards and security to the proposed scheme. This amendment seeks to include the scheme in the coverage of the Rental Dwellings Law and to add a process of safeguarding to the rental of rooms in a private home. Safeguarding is an issue that is incredibly important in public service. It is also incredibly important in a home that somebody lives in, particularly if you are renting a room in someone else’s home. Because you are sharing a kitchen, a bathroom perhaps, and you have access to the main residence itself. One of the issues with this is it seems to have had no scrutiny and no consultation as to how this scheme will work and where it will work. To introduce and use taxpayer money in this way concerns me. So, I spoke to a number of people during my drop-in constituency drop-ins, which are really, really useful, and to groups that we have contact with all of the time. So, I have an email that I am going to draw from, but I am not going to say where it is from because some of the groups that deal with vulnerable groups do not want to be named in the political arena, but want to have their views expressed, so as a representative we act as a vehicle for those. So, I just want to read some of these. So, this is firstly: “I worry that this is a genuine attempt, if this is a genuine attempt to ease the housing crisis, it is only papering over the cracks and cannot be seen as a long-term positive response. It feels like it is encouraging increasing sofa-surfing within the Island providing people with the opportunity to make money from this.” Separately: “Having been a lodger myself in houses belonging to others, there is rarely a sense of genuine belonging and of security because you are aware it is not your home and always having to live to someone else’s standards, lifestyle, routines, et cetera. In my experience, it can be worked as a short-term favour for a friend of a family member but it is much more complicated when strangers are involved. When there is a genuine balance of power in the housing, within the rights of all parties covered in the law and legal documents, it allows both landlord and the tenants to flourish. With lodging in a room, there is often an imbalance in power. There is usually little to protect the tenant from eviction, poor behaviour by landlords, or poor standard accommodation, and

so it constitutes an insecure housing solution. I will say that again; an insecure housing solution. Which would be considered homelessness by many definitions.” I think that is a very important point. We are using a taxpayer fund to create a situation which is in no way secure, long term, or a real solution to the housing crisis. I will come on to that a bit later. There was also little to protect the homeowner should the tenant become abusive or difficult, leaving them open to huge problems that may be made worse if the homeowner is in any way vulnerable.

[12:00]

The talk of older members of our community renting homes concerns me without safeguarding and without protections in place. There needs to be more thinking around the safeguarding protection for both parties before this is actively encouraged by Government. Another concern is that the quality of accommodation that will be provided, and I notice that in the *J.E.P. (Jersey Evening Post)* this week the Jersey Landlords Association openly saying they are almost bragging about their members are committed to achieving the minimum standards of accommodation. This was a comment made to me that I wrote down. This is the other comment: “We are already in a disgraceful situation where much of the rental housing stock is substandard and would not meet the basic levels of quality and safety. An unregulated scheme like this will likely provide lower standards of accommodation than is already available. That is not okay, especially given the news around mould and the deaths in rental accommodation coming from the U.K.” One of the real concerns I have here is, unless we include a standard of accommodation, those who are desperate, those who are, as one was saying is sofa-surfing, will take accommodation because it is all that is left to them. Then they will not be considered at risk from homelessness anymore and that support and that help that may have been there will be gone. Now we would have got rid of some of the figures, but we would have got rid of them with inadequate accommodation. I note that from a question from Deputy Kovacs some time ago there are 607 rooms that are being rented on the Island already, which I will stand to be corrected, but I am sure I am right, would be included, could be included in this scheme. Now, if half of them are included in this scheme with one or 2 rooms and take the full £2,000 tax break that is already double the amount of money that is put into the cost of this. But we will come back to that in the main debate I think when we look at money. Another concern that was raised, and this was the wording of it, that a tax break that benefits homeowners with spare rooms by any measure that would disproportionately benefit the wealthiest in our Island who already enjoy really favourable taxation. I am not sure how that sits about giving the cost-of-living crisis that many people are struggling with. The final thing that was sent to me: “I believe that this needs much more careful thought and scrutiny - certainly needs scrutiny - and with the voice of potential homeowners and lodgers heard to understand the issue before this scheme is rolled out.” So that is why I have come forward to say we need to amend this scheme to put in safeguards. You would not go into a restaurant and just because it only has 2 or 3 tables say: “Do not worry about the hygiene standards, it has only got 2 or 3 tables, we do not have to worry about them.” Subsequently, you would not say, just because it is one room that is being let or 2, that the standards of accommodation are not important. They are. One of the arguments that will be used I am sure is that when people rent out their own homes they tend to be of better standard. Well, let us hope so. But government policy cannot be built upon we hope that is the case and here is some money to encourage it. It simply does not work. You are dealing with people’s lives. One of the issues around not including this in any standardisation is that we do not know, and it is not clear from this scheme, as who is being targeted. We talk about government action being targeted, but who will this be targeted to? Would it be those early just leaving home at the age of 18, 19, 20, in their mid-20s? Would it be older members of our community who simply do not have the money to pay for rental accommodation if they lose their accommodation? Will it be those with single parents who might be really struggling to find somewhere to live and so therefore live in one room in somebody else’s home? If that is the case, then having a child in the house entirely changes the need for safeguarding. You would not put a child into school without safeguarding things in place. Every single member of any school community that has access to

children will have a D.B.S. (Disclosure and Barring Service) check and quite rightly they should. Because they need to be safe around our children. This is not about scaremongering; this is about preparing for the worst so that it never happens. Unless government policy does that, government policy and governance is failing our people. So, this is one of the issues that we need to address in this situation. Now, I want to talk about, for example, perhaps another issue that might come up is that this happens with language students who come over in the summer, for example, and this will be an opportunity for those. I believe that if you take a language student into your house you also need to have a D.B.S. check so that there is a safeguard on board so that those young people coming into your home are considered to be safe. With this scheme, as it stands, with no detail, there is nothing to ensure that happens. There is nothing to ensure that either the tenant or the landlord is not on the sex offenders register, for example. Now I am not judging in that way, and I know that is a complex issue. However, and I mention in my report, and there are consequences to this if you go through these laws and my stint on Home Affairs, I have become very familiar with the details of these laws. I mention in my report that one of the things that can happen on the sex offenders register is that a warrant can be issued to search that person's home. If you are renting in that home or you are the landlord of somebody who is on that register, you become subject to that search and you may not even know about it. Now, for transparency, if you are renting your home, we cannot put people in that situation and then support it financially by Government. I want Members to really consider ... I am not going to go on for too long, I did say to Deputy Gorst if he does not, neither will I. So, one of the things I really want Members to consider is the safety around this scheme. Is it right that the one or 2 rooms being let is not included in the standards of rental dwellings that we have? Is it right that there is no safeguarding in place for one or 2 rooms being rented in a home? Because at the moment we cannot see it in this scheme. That is the issue that I have with this. The debate as to whether it is the right use of taxpayer money, we will do that on the main debate, let us have that discussion later on. So, I will say this, and I put this in the report at the end, the final mechanism for applying the safeguards from this amendment is the responsibility of Government as they finalise the rent-a-room scheme. This is a necessary approach and gives an opportunity to ensure public money is not being spent with unwanted consequences. So, I leave it at that at the moment and I will listen to Members' comments as we go through the debate on this amendment. I am slightly disappointed it was not accepted by Government because this is a constructive amendment to say this protects standards and protects people as they move into a rent-a-room scheme. I hope Members can consider it really carefully, really sensibly, and across this Assembly, because of the scheme itself and what it might mean for the future of our people trying to find accommodation in this Island. With that I move the amendment to the amendment.

**The Bailiff:**

Thank you very much, Deputy. Is the amendment to the amendment seconded? **[Seconded]**

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

May I declare an interest, which I should have done earlier? I have lodgers in my own property, which may be caught by the amendment, the principal amendment. It is on my declarations of interest but also, I think the amendment to the amendment is also such that all properties would be caught. So just out of an abundance of caution I am declaring an interest and others may well be in the same situation who could be affected.

**The Bailiff:**

It is only if they are within the scheme of course, because the amendment to the amendment only applies to properties within the scheme. There is no scheme at the present time, which is why I made the direction I gave. But it is perfectly proper for you to make that declaration, so thank you very much. Does any Member wish to speak on the amendment to the amendment?

### **3.3.2 Deputy J. Renouf of St. Brelade:**

I am sorry to have to speak against this amendment because I can see where Deputy Ward is coming from. But in my view the approach he has adopted is too simplistic and insensitive to the complexities of the situation. For me, the situation we have with rent-a-rooms is all about proportionality. The clear intent of the scheme we are proposing is to quickly bring into play more rooms for rent at a time of significant housing shortage. We are trying to encourage rent-a-room. By giving a modest tax break, we hope to offer an incentive to those people who have unused rooms in their homes to consider taking on a tenant. The tax relief scheme is intended to provide extra accommodation, relieving the shortage of accommodation for seasonal workers. It is intended to enable homeowners to retain extra income at a time when some households are struggling. It is intended to ease overall accommodation issues by encouraging better use of existing housing stock, for example in homes where children have grown up and moved away. We know from the census that we have a significant number of under-utilised bedrooms in properties. It is targeted at foreign students and seasonal workers and others in those kind of categories where we know we do have some demand. So, I want to look at the wording of the amendment because it is important to understand what is being requested of the Assembly here. Remember, the amendment seeks to bring properties that benefit from this tax relief within the scope of the Public Health and Safety (Rented Dwellings) Law 2018. One of the problems is the effect of this amendment would be to achieve the exact opposite of what is intended by the tax relief scheme. It would discourage people from bringing forward a room for rent and might also persuade people who are currently renting rooms to stop doing so. So let me examine why I think that is the case. Currently, the renting of a room in your own home is not covered by the 2018 law unless it involves 3 or more rooms. That is for good reasons. It would impose onerous conditions in terms of regulatory requirements on a sector of the market where it has already been determined that they are not appropriate, and it is a sector of the market that has been functioning for a long period of time. It would also bring private homes within the scope of inspection by Environmental Health officers. Renting a room inside your own living accommodation is not the same as renting out whole units of accommodation. Regulation should respect this difference and be proportionate to the risks. It is much less likely that accommodation within a house will be substantially lower in quality than it is for the homeowners themselves. We are attempting to strike a balance. But there are other, bigger, more fundamental problems with this amendment. There are anomalies caused by the wording. It says: "The scheme will be covered by the Public Health and Safety (Rented Dwellings) (Jersey) Law 2018, which would apply to all rooms included in the scheme." The implications of this wording are significant. The amendment will only bring into the scope of the 2018 law those rooms that are covered by the Government's proposed tax incentive. In other words, those that qualify for the exemption from tax of income up to £10,000. However, it would not apply to any other rental arrangement involving the renting of a room within a person's main residence, for example if the rental income is greater than £10,000, in other words above the tax break threshold. Or if the person letting out is not a taxpayer at all. That is made pretty clear in the report, which says: "This amendment seeks to extend the coverage of the law to all rooms within the proposed scheme." That is the tax relief scheme. So, this amendment would create the highly anomalous situation whereby the qualification for tax relief would determine whether or not the room being let fell within the scope of the 2018 law. Rooms could move in and out of the scope of that law as the owner's tax status changed. That is what the amendment says. It is also worth mentioning that this amendment requires changes to the primary law. Primary law amendments cannot be done at speed, as we know; they require States Assembly approval and Royal Assent from the Privy Council. The practical effect of this amendment would in all likelihood be to delay the tax relief for a year. But I would add something else. In the new year, I hope to bring forward regulations under the 2018 law that will create a scheme for the licensing of private rented dwellings. I do aim to tackle standards in rented dwellings. It is something that I know the Deputy has long supported.

[12:15]



I am doing that because I believe that there is a well-evidenced problem and a proportionate way of dealing with it. This amendment fails both those tests. In my view, it is regulatory overreach. The Deputy said that if we go to a restaurant and it is one table or 2 tables we would expect the same standards as a restaurant with lots of tables. Yes, we would. But I think the metaphor is incorrect. The comparison I would draw is between going to a restaurant and going to eat in someone's home. We would not expect the same standards of inspection if we go for dinner in somebody's house. The Deputy has indicated his desire to take the amendment in 2 parts, so I will move on to discuss the second part of the amendment, which is the reference to the sexual offender's register. It says: "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 Law and to also apply to the Domestic Abuse (Jersey) Law when this comes into force." I think the problem this creates is similar to the one I identified with the part of the amendment that refers to the 2018 private rented dwellings law. I am told that the current disclosure arrangements in the Sex Offenders Law are not sufficiently wide to allow for vetting of prospective tenants or landlords in this way. But even if that law worked for this purpose, this amendment would again create a highly anomalous and very complex situation. It would mean that 2 parties, landlord and tenant, would acquire rights to information about each other based on one party's tax position as it applies to the rental income. To give an example, if the tenant asks to see whether the landlord is on the sex offenders register, they will need to first find out whether the landlord is in the sub-£10,000 category of rental income. If the landlord is earning over this amount, then they would not have the right to inquire. If the landlord is not paying tax at all then they would also not have to disclose this information. What happens when their tax status changes? It is a recipe for chaos. In conclusion, I understand why the Deputy has brought this amendment, it is reasonable to ask the question as to whether we should extend the 2018 law to include rent-a-room. But to me the answer is we should not extend the law in this way. The implications of doing so would create numerous perverse outcomes, chief among them to significantly shrink the number of rooms available in this category. It would also create a shifting set of requirements for landlords depending on their tax status. It is not properly thought through. However, I am happy to commit to keep this segment of the rental market under review and I will happily engage with Deputy Ward, his colleagues, or any other Member of the Assembly, if they become aware of problems with the way rent-a-room works after we introduce this tax relief and act accordingly, if the evidence supports that. But that should be done through a properly thought-through proposition to amend the primary law. Not through an amendment to a budget measure, which leads to all sorts of unintended consequences, which I have outlined. Therefore, I cannot support the amendment and I urge Members to vote against it.

### **3.3.3 Deputy M. Tadier:**

I am pleased to follow my St. Brelade Minister. If there are unintended consequences that will arise out of this scheme, it is from the Government's own proposition, not from Deputy Ward's amendment. I am not going to talk about the main proposition, but I think we do need to allude to it, because I see this amendment as very much being a safety net and what Deputy Ward is seeking to do here is that he has identified some very serious potential problems with what the Government is trying to do. So, at the moment, it is obviously a transaction, effectively a free market transaction, between a homeowner who lives in that home presumably and has a spare room or more than one spare room, who wants to rent that room out. Now of course we can look at whether incentives are necessary; that will be for the main proposition. I would say that there is already an incentive to do that. It is called getting money for your room that is currently empty and that is the incentive and then you pay your tax on that money. But the Government for some reason think that they have money to give away to people who already own their own properties. The unintended consequences if they do exist is and are rather the creation of an even more precarious housing situation and individuals who otherwise would have rights, and this should be of interest to Deputy Ferey, who I know will have come across so many housing issues in his time as Citizens Advice head, because

housing issues were one of the big proportions of the work that Citizens Advice did and still do deal with. They are one of the big elements that I, as a constituency Deputy over the last 14 years have dealt with, not just for St. Brelade, but across the Island. I know that when you get an email or a phone call or a message on social media from somebody, or you get tagged in a post, which says: "This is terrible, we have been given one month's notice and we have to leave." The initial instinct is for one to go to the Residential Tenancy Law, which I almost know inside out, and tell people: "You know, they cannot let you do that because your landlord has to give you 3 months' notice." In some cases that reassures them, but often it is the case, you realise, that they fall through the cracks, they do not have an ordinary tenancy. They might be in the unqualified sector in a lodging house or they might be indeed in this precarious living situation where they are just renting a room, which they might have been renting for years, but they could be given absolutely no notice whatsoever and that is perfectly legal. This Government wants to encourage that precarious situation to continue. What Deputy Ward and I think we are saying is that, if that is genuinely the desired policy of this Government and those in the Assembly who attempted to vote for this particular policy, then there at least need to be safeguards in there. That is your responsibility as a Government, not ours, to make sure that you get it right. It is the Assembly's job to make sure that, if they are putting these propositions forward, because somebody has approached them and said: "Would this not be a good idea" or I have got a line in my manifesto which says that this is a good idea on paper, what are the unintended consequences? That is what we are always asked: what about the unintended consequences? We know what the unintended consequences of an unamended proposition like this are. It creates more uncertainty, more precarity, and more potential poverty in the housing market. This puts a safeguard in to say that this is the difference, Deputy Renouf, Minister, is that it is fine maybe to wash your hands of this and say we want proportionality, when it is simply a transaction between homeowner and subtenant, they are not even real tenants, they do not have the full status of a tenant, a lodger. It is fine if a lodger and a private individual want to come to an agreement and they go into that with their eyes open. But when the Government of the day decides it wants to have some skin in the game and it wants to influence a particular policy by giving a particular section of our society a tax break, that is the difference. Government becomes complicit and it becomes liable, if not financially, certainly ethically. That is the difference. In the same way that if Government wants to have a drive to get more people cycling, they need to make sure that people can cycle safely. It is not simply a case of spending lots of money saying: "Go out, buy a bike, and cycle", if all of the cycle paths do not exist or if they are so dangerous that people cannot do it safely. Government has an ethical responsibility to deliver its policies in an achievable but also in a thought-out way. The reason that the analogy of Deputy Renouf is not correct about saying it is like going to somebody's house to eat, is the difference is you do not charge somebody to come to your house to have a meal. I hope that is not the case if ever I get invited to Deputy Renouf's house for a meal in the very nice area of La Moye. I am not sure, I will not hold my breath to get the invitation, but I certainly would not expect to take my wallet there for the privilege and I certainly, if ever I reciprocated, would not expect him to pay for the privilege of coming to my house for a meal. But this is what the Government is doing. If you follow that analogy, if that is the correct analogy, if for example there were not enough restaurants in Jersey - I do not envisage a situation where that ever would be the case - but if we had a dearth of restaurants, maybe a bit like in Cuba where it is the case that people, I am told, eat in each other's homes and they encourage people to provide restaurants in their own homes, and somebody says: "You can come and get lobster from a couple of doors down from Deputy Renouf, There is a lovely little fisherman [I will not embarrass him] who catches lobsters, and I am sure he could rustle you up, or certainly his wife could rustle you up a nice lobster thermidor, if ever you wanted it." That would be fine. Then the bill comes out and says: "That will be £25 please, Deputy Tadier." At that point I would expect there would be some health and safety involved in it, I would expect that if there was effectively a renegade restaurant that opened up in Petit Port where this individual started making quite a lot of money. But it would be completely proportionate for the Economic Development Department and the Minister for Health and Social Services and the Minister

for the Environment to say: “Hang on a minute, what we have here is not somebody just inviting opening homes to their friends to eat, he has a little racket that he is running here and he needs to be covered, they need to be covered, by basic health and safety law.” That is the analogy that we should be looking at. If Government wants to get involved in giving people tax breaks, so first of all they need to explain why they are doing that and whether it is proportionate. They at least need to be covered. To simply say it is okay because it is only foreign students and seasonal workers, they are not real humans, they are not good enough to be covered by health and safety that we would expect to treat real humans with. Now I do not think there is any demand out there. If you go to St. Brelade College, do they have any problem finding beds for their foreign students? I do not think they do. They have advertising campaigns that they use and it is seasonal workers. What this is about however, it is about creating a solution, an interim stopgap solution for creating an even more 2-tiered society. If we want to become like the likes of Qatar, which is very much in the news at the moment, which relies on paying low wages to an underclass in their society who do not have the same rights as other individuals, and the Government is going to say this is the policy we want to pursue, at least do it properly. This amendment is definitely a safety net and a seatbelt in what is possibly a bad policy to pursue anyway.

#### **3.3.4 Deputy P.F.C. Ozouf:**

I made the declaration on a precautionary basis, but I do not believe that I would be covered by the plan and, in any event, I would say that I would not do so. I also should declare that, prior to being elected, I was involved in setting up a recruitment agency and that experience, a not-for-profit, may well just be relevant to the comments just made by Deputy Tadier. During the election, it was very clear that there were a number of issues coming across the doorsteps from our Island community, a housing crisis, a recruitment crisis, and what we have had in the last debate, the health service issues. Having had a friend in hospital in the last few days, I am aware of just how acute the problems are in relation to staff and some of the difficulties of the hard-working members of the health service in finding accommodation. To have brought seasonal workers, and I do find it quite unfortunate that Deputy Tadier seems to be casting some sort of implication that there is something pejorative about seasonal workers, all the seasonal workers that I know are absolutely people who are skilled people and all the rest of it. To try and ...

#### **Deputy M. Tadier:**

Can I challenge ...

Deputy P.F.C. Ozouf:

I do not give way.

#### **Deputy M. Tadier:**

I think that is a point of order

#### **Deputy P.F.C. Ozouf:**

I do not give way.

#### **The Bailiff:**

We do not really have an exchange. If you have a point of order, or a point of clarification, by all means stand and ask for that and I will make a ruling on it, Deputy, but we do not stand up and talk across others.

#### **Deputy M. Tadier:**

That is why I asked for a point of order.

**The Bailiff:**

I did not hear you. What point of order do you have?

**Deputy M. Tadier:**

I think that the Deputy is misleading the Assembly and also imputing false motives on the basis that I never said ... he knows full well I never said those in a pejorative ...

**The Bailiff:**

That is not a point of order, Deputy. I mean you said what you said, Deputy Ozouf says what he thought there to be implied into that, but I am not sure that is imputing an improper motive on any part, and so therefore I do not rule that is something on which I should make a ruling under Standing Orders. But you have clearly made your point that you did not say and did not intend to say those things.

[12:30]

**Deputy M. Tadier:**

Can I seek further clarification? I get the ruling. If a Member says that a Member has said something they did not say and clearly that there are different gradations of that where it could be more egregious than others - I am not suggesting this is that example - at what point would the Chair intervene and say: "That is clearly something that the Deputy did not say"?

**The Bailiff:**

Well, I have on occasion done so, as you might recall, Deputy. There have been occasions when I thought that a speech has been misstated by a Member speaking and I have said so. In those circumstances, if it is clear in my mind that that has happened, then I might make an observation and ask the speaker to clarify if that is what they were saying.

**Deputy M. Tadier:**

Could I test you on that and could I ask whether you thought I said that there was anything pejorative about ... was there anything in what I said that was denigrating seasonal workers, that I said that I do not think they have value?

**The Bailiff:**

Because the matter has passed, I do not propose to give any kind of ruling or decision on that and hopefully Members will always conduct themselves in a way which does not certainly intentionally mischaracterise, which would be wrong, but is careful about how it characterises what other people say or might have said, and I make that with no criticism. Deputy Millar, do you have a point that you wanted to make?

**Deputy E. Millar of St. John, St. Lawrence and Trinity:**

No, Sir.

**The Bailiff:**

Please carry on, Deputy.

**Deputy P.F.C. Ozouf:**

I am grateful. I apologise to Deputy Tadier, I was going on to say that he used the words "a right little racket" in relation to his observations of the scheme that was being put and his criticism of Deputy Renouf. Those were the words that he used but I am sure that he did not mean to cast any aspersion on it, he was just using the words that he repeated. What the Minister for the Environment is asking and representing in this Assembly is that we should not put in place a cumbersome, an

impossible-to-deliver set of regulations in order to try and deal with what is the best intentions of trying to deal with the issues that I started referring to, which is a recruitment crisis and a housing crisis. The way that recruitment issues now work, as Members will be aware, is that in getting a work permit you have to have somewhere specific in order to allow that work permit to be processed by the Customs and Immigration Department in order for that person to be brought to Jersey. It needs to be a specific unit of accommodation. As many Members will be aware, which is the reason why I did what I did previously, there was simply an impossibility for bringing valued and much-needed staff across all sectors, including seasonal workers, to Jersey, which is why we have seen sadly so many restaurants and hotels and other organisations failing. There are some that have shut with restricted opening hours, et cetera. We are dealing with a crisis. I call to mind the words that an enemy of a good plan is the dream of a perfect plan. As the Minister has said, he will be keeping under review, as we know that there are standards of accommodation which is going to be the subject of many Members' concerns, he has undertaken to the Assembly to keep the standards of accommodation under review, and I certainly am very glad that he says that. What this scheme, if allowed without the amendment by Deputy Ward, which is impossible to deliver, as has been advanced by the Minister, is going to hopefully enable other people to consider opening up their rooms that they have in ... and again I regret to say, Deputy Tadier in his observations was making it almost a negative, if you are a homeowner. We know that there are issues. Every Member of this Assembly knows that there are issues in the housing market, downsizers, as the Minister for Treasury and Resources said, that could do with a push to stay in their own home. There are people that need encouragement. If we are using an opportunity of a budgetary measure to encourage people to think about that, then we should do so, but it should be done so in the ability of not the perfect plan that would, in an ideal situation, mean that every single piece of accommodation would be able to be checked and verified, et cetera. But we are in a crisis, and we can get on, and allowing more rooms to be available will give consumers of rooms more choice, so where they are only able to find some scrappy accommodation at a very high price has been thoughtfully also thought of in this amendment by the Treasury and the Council of Ministers because it is limited in terms of its costs. It is very carefully thought through. I am hoping that a result of this amendment, the proposition going forward, and I congratulate Deputy Barbara Ward in coming forward with the idea. It was done by Chancellor George Osborne in the U.K. a number of years ago and as I understand it was very successful in doing so. I am looking forward to the fact that we are going to have an increase of supply of rooms available in quality homes, which is going to help our community in this cost-of-living crisis. It is going to give people some company and some confidence. I understand what Deputy Ward is trying to do but he is trying to get perfection when we need to just get on with it. Actions not words are what this Government stands for. Actions not words. Let us get on with it, let us listen carefully to the observations that the Deputy says, quite right about quality accommodation, but let us get on with it and let us try and send out the clear message that we are going to have more rooms available for these much-needed workers of quality and giving people a hand up in relation to the cost-of-living crisis that we have. I ask Members, with regret, to vote against the Deputy's well-intentioned amendment that is just not possible to deal with it. I hope those observations are helpful.

#### **The Bailiff:**

Before I call upon the next speaker, I should tell Members, as Members will recall, that we agreed to take an hour for luncheon during the course of this week's debate rather than the usual hour-and-a-half and therefore I propose to explore the adjournment at 1.00 p.m. as opposed to 12.45 p.m. so Members can factor that into their thinking as to when they might speak.

#### **3.3.5 Deputy E. Millar:**

I would just like to make one point. What I heard Deputy Tadier say was that this amendment was treating people as subhuman and at the very least creating some kind of second-class citizen. I do

not know where members of Reform went to university but where I went to university it is absolutely commonplace for students and people who have recently left university to take rooms in other people's homes. I have done so myself more than once; it is an entirely established practice. Can I just say again, because I find it very distracting to listen to this debate, right through Deputy Renouf's comments, through Deputy Ozouf's comments, all I can hear is constant griping and grumbling from Reform. Everybody sits quietly and listens to them, and it would be really nice if they could show everybody else the same courtesy instead of mocking and scoffing and chatting among themselves because I consider it is disrespectful and discourteous. **[Approbation]** But I do not consider that this amendment in any way creates any form of second-class citizen, it simply provides accommodation for those who may need it on a short term or a slightly longer-term basis.

### **The Bailiff:**

What I would observe is that obviously within the parameters of Standing Orders, anyone is able to participate in a debate and say whatever it is they believe to be relevant, as I say, subject to Standing Orders. When another Member is speaking, the Presiding Officer has always accepted that there will be some measure of background discussion because quite often that is an important part of people understanding the position and discussing where it is going forward. However, what it must not do is to reach such a level that intrudes upon other Members' ability to hear or the Speaker's ability to communicate. Therefore, I am sure Members will understand that if that happens I would expect anyone who is suffering a difficulty with hearing the speech or difficulty delivering it because they are distracted by a level of background noise to alert the Chair because it may be that my tolerance of these things, having been a judge for a long time now, is greater than those of other Members, so if I just make that observation. I am certainly not making any observation about any particular group or any particular Member who may be speaking or not, but it is just to indicate that is where I think we are able to deal with this in terms of debate.

### **3.3.6 Deputy M.R. Scott of St. Brelade:**

The original amendment by the Ministers I sort of welcome because there is a serious labour crisis across all sectors of the economy and anything that might be done to help there, I think many businesses will appreciate, particularly in hospitality. Whether this is going to have much effect, I remain a little bit sceptical because I kind of think that if people are going to bring people into their homes, sometimes that is really out of need. I am sure if certain measures are taken that continue to see our economy shrink, that need might be more widespread and people may well want to bring in lodgers anyway. However, when it comes to Deputy Ward's amendment, I would just point out we are talking about lodgers, so basically people who share much of the living space of the person who is offering the room. So basically, the question is: is that living space of sufficient quality? So, you are basically saying to people, well, if you are offering a bit of a ... sorry, I should not say "hole". I am sure there is a better word which could be more parliamentary, but the word does not quite come to my mind. But if it is a hovel or something like that, well that is that person's own home, and indeed the person who has a choice in terms of where to lodge will see that, will be able to appraise that. So, I am not inclined to support the amendment, I am mildly inclined to support the general amendment of the Council of Ministers but if that is the best you can do, well, heaven help us all.

### **3.3.7 Deputy S.Y. Mézec of St. Helier South:**

The Minister for the Environment described this amendment as not properly thought through, which I have to say was extremely ironic because the original amendment itself is back of a fag packet-type stuff. It is something that has come about from a quick, perhaps well-meaning suggestion, from a Member without further consultation or consideration to it. It is about giving a tax break which will disproportionately have the benefit felt by people who are already doing this. It is an amount of money that will go into the pockets of people who will do nothing, change no behaviour and that, I am afraid, is that. For those who will perhaps feel an incentivisation to start renting rooms out as a

result of it will do so with no extra supports, no extra advice, no extra marketing campaign to explain to them the rules that currently exist for how they ought to take part in this. It is badly thought out, it is not well targeted, and it is money which will disproportionately go to people for no change of behaviour whatsoever. It is a bad policy, in my view. What Deputy Ward has sought to do with his amendment is to try to put in some form of standards into it to say that if you are going to rely on this form of housing, the form of housing in our society which is least regulated and least secure that, if that is part of the strategy, there ought to be some more consideration as to what we can do to improve those standards of housing and expose these people who will live there to less risk, to make sure that more of those homes will be safe to live in and that those who will live in those homes will hopefully be taken care of by landlords who have greater expertise and understandings of what their obligations are. Part of the reason why that is so important is because, as is admitted by the Government with this policy, the people who will largely live in these homes will be people who are not from Jersey, people who in our society have the least agency when it comes to standing up for themselves, being able to have their rights applied, and in many instances understanding the language in which their rights are written in. That is the intention behind this, it is to try to protect people and that is considered by the Minister for the Environment to be not worth doing. I regret that, I think that is completely the wrong attitude here. His argument that raising standards will reduce supply, good grief, let us just abolish all standards then if we want an absolute proliferation of supply then. It is a free marketeer attitude taking such an extreme point, in my view. It is just utterly unbelievable that people can think that way, in my view.

[12:45]

I sincerely hope that the Assembly will back Deputy Ward's amendment and require the Government to do some thinking before it goes ahead with this and offering to lose revenue through a tax cut to be disproportionately felt by people who will be doing nothing more than what they are currently doing and to incentivise more rooms to be put out there for rent without any expectation that further standards be followed so that the people who live there will be safe. It just beggars' belief that we are even debating this frankly or to have been incorporated into the original amendment anyway but there we are.

### **3.3.8 Connétable A.S. Crowcroft of St. Helier:**

Two questions come to mind: first of all is the status of people who put out a room on Airbnb. I am curious to know whether this amendment will affect them and the tax that they pay, assuming they declare their Airbnb activities. But of more concern to me, having run a language school for 10 years, is the potential impact of this amendment on the host families of the Island's language schools because I know it is a difficult business to get families willing to host students. It is normally in the summer when they might want to get away. I know that these families do pay tax, they declare this income on their tax form, and presumably they would be caught by this provision that the Government is suggesting but whether they would still want to rent out their rooms to language schools if they had to meet the provisions of the amendment, I am not sure, that is why I raise the question.

### **3.3.9 Deputy K.L. Moore:**

I simply rise to remind Members exactly why this amendment has been brought and who it is aiming to assist. Yes, of course, as others have said, it is aiming to help provide some form of accommodation for those who are currently struggling to find it, also accommodation that does help to bring our community together by people living alongside local people. I do not see any shame in that. I myself have been a lodger and lived alongside other people and found a great welcome that has benefited my experience at that particular time. There is also another group that this is designed to help, and that is those people who are struggling with the cost of living, those working people who contribute to Island life, who pay their taxes, yet are feeling the pinch perhaps because their mortgage

repayments have just risen by a large amount. So, this was a simple measure designed to help out and support people, 2 different groups of people, but consequentially at a difficult time in our history. It is not something that is unusual. The amendment itself highlights and identifies other jurisdictions, namely the United Kingdom, the Republic of Ireland and Guernsey, where there are similar measures in place because they are pragmatic, and they are simple to achieve. If I could speak just on the particular point of young people attending summer schools, that is also identified in the Government amendment because there are D.B.S. checks in place for young people living as lodgers in another's home. So of course, that will remain in place because safeguarding is important but equally so is meeting the needs of our community and ensuring that everyone has access to housing. I will not rehearse the detail that the Minister for the Environment went into. I think he made that extremely clear in his eloquent speech, but I do hope that Members will understand the position that is in place here. We understand the intention of Deputy Rob Ward in bringing his amendment, but we urge the Assembly to vote against it and to support the initial amendment, amendment 26.

### **3.3.10 Deputy G.P. Southern:**

I just wanted to ask the Ministers what conversations have been had with representatives of temporary workers in, for example, hospitality, et cetera, what conversations have gone on over this particular change?

### **3.3.11 Deputy M.R. Ferey:**

Reference was made earlier to one of my previous roles as chief executive of Citizens Advice and of course, we did see lots of people who had issues with their housing, with their conditions. I remember a time before the Residential Tenancy Law, and I am sure other Members will remember that time as well, but we find ourselves in a situation where we are behind where we need to be. Our legislation is behind where we need to be, so this original proposition goes some way towards fixing that problem. Now, if you go back to the Residential Tenancy Law, and remember that it was brought in on an incremental basis, it was not brought in all at once because it was recognised there was a need for change and that landlords and tenants needed to catch up, and the best way to do that was to bring the legislation in incrementally to allow all of those things to happen. We find ourselves in a much better place now than we were 8 or 9 years ago but Deputy Rob Ward's proposition would delay the process that we need to put in place right now to resolve so many of the issues that the Island is facing because once we cure the housing problem in any way that we can, all the other problems that we are currently experiencing will start to also be resolved. So, I would say at the moment we can do that, we can fix this retrospectively, we can make further improvements, but it will take time. So let us put in place something now, something tangible, something real, and let us make sure that if there are further changes to be made we can do that through the proper channels and with proper consultation. So, I would urge Members to reject the amendment to the amendment at this time.

### **3.3.12 Deputy I.J. Gorst:**

Sometimes I am surprised at the turns that debates take; I suppose I should not be really. I want to pick up on points that other speakers have made. I do think that the mover of the amendment is seeking a legitimate way to safeguard to what is being proposed but I must confess to being surprised by the comments of his party leader who in his comments was largely against the underlying provision full stop and spoke very much against having a scheme or this scheme at all. I think that just bears remembering by Members when they come to this vote that the actual position is that my colleagues here appear to be, from their comments, against the scheme full stop; they do not support it. Ministers think that the actual scheme is worthwhile. Officials in Revenue Jersey have considered it, they have sought to limit it, while at the same time creating the benefits that we have, and other Ministers have outlined. The reason that the amendment does not work in practice is for all of those reasons that the Minister for the Environment has just articulated and do not need me to go over them again in breach of Standing Orders. In answer to the Constable of St. Helier, he is right, there



probably is an open question about whether everyone that makes income from Airbnb appropriately declares it. I know friends that do. If it is an entire house of course, it is outwith the scheme and so is not covered; however, if it is a rented room that Airbnb covers then, yes, it would be. Coming back together with what the Constable said about language schools and what Deputy Tadier said about language schools in his new constituency. My understanding of course is that language schools have lobbied for some period of time Revenue Jersey about possible tax incentives to enhance and increase the number of rooms available. I do think that the language schools add great value to our community and of course to communities across the globe, that link created as others come to our Island community and learn English or French, I think does give lasting value, and therefore there is a call to do it. This is a scheme that my officials have been working on together with others that were not able to get over the line in time for this budget, but we will be bringing them forward in due course. They might not have had a full 12 weeks of conversations, but I know that I have in meetings with representatives of the Hospitality Association spoken about this scheme and the others. I think we can work on the assumption that there have also been conversations with the tax professionals. I know that that has happened and that they will also have had wider conversations as well. So, unfortunately, I cannot support the amendment because it is not deliverable; it would have exactly the countereffect of what the scheme is trying to encourage. To some extent it is slightly disappointing at the last States sitting we had my colleagues, who I greatly respect for their driving forward the issues of the housing crisis and seeking to raise the profile, we had them at the last States Assembly encouraging Members to vote against the population of the Rent Control Tribunal so that has now gone back for further work. I fear that we are about to do the same if we accept this amendment. These actions may only be small steps, but they are small steps in the right direction, I believe, and Ministers believe as well, so I ask Members not to support the amendment.

**The Bailiff:**

I think this is an appropriate time to comment if the adjournment is proposed.

**LUNCHEON ADJOURNMENT PROPOSED**

**The Bailiff:**

The adjournment is proposed. The Assembly will reconvene at 2.00 p.m.

[12:57]

**LUNCHEON ADJOURNMENT**

[14:02]

**The Bailiff:**

Very well, we resume the debate on the amendment to the amendment.

**3.3.13 Deputy H. Miles of St. Brelade:**

I would like to address some of the issues that have been raised around the safeguarding issues that Deputy Ward's amendment to the amendment raises. The Government takes the safeguarding of children and adults very seriously and we already have processes and procedures in place to ensure that people who are in regulated activity with children and vulnerable adults can be assessed using the D.B.S., that is the Disclosure and Barring Service system, which has been extended to Jersey through the Safeguarding Vulnerable Groups Act. This already applies to host families used by language schools where relevant members of the household over the age of 18 are eligible for vetting. The Sex Offenders (Jersey) Law 2010 provides for, among other things, the establishment of arrangements to deal with sex offenders, so a person who in Jersey is convicted of a relevant offence becomes subject to notification requirements outlined in the law upon conviction. This means that that person must notify an authorised officer of their home address and any change in their home address. An authorised officer is usually a police officer, although it could be another States

employee, for example, a probation officer or a social worker. In practice, this will usually be a member of the States of Jersey Police Offender Management Unit. Under the law the Chief Police Officer also has the power to supply information to a person in Jersey who in the opinion of the Chief Police Officer needs information to prevent, detect, investigate or prosecute an offence. In practice, if there was a particular concern about the living arrangements of a sex offender in Jersey, the appointed officer within the Offender Management Unit would take the necessary action to safeguard vulnerable people. The current law does not allow a tenant or a landlord to check whether either party is subject to notification arrangements under that law. Any change to the law as a result of the wording of this amendment to the amendment would create a really odd situation whereby information will be exchanged on the basis of the financial situations of the parties, as opposed to their risk. Arguably, a Government Plan amendment to what is essentially a tax provision is not the best way for this to be considered given it concerns the release of sensitive personal data. The purpose of the Council of Ministers' amendment is to take the tax from room rental. This amendment to the amendment complicates that position unnecessarily. We already have good systems in place to safeguard children and vulnerable adults through the D.B.S. system. Finally, I would also suggest that having a lodger is not a new or a novel concept; indeed, many currently do and pay tax on the income received. I am not aware that the present situation gives rise to any undue safeguarding concerns in our community. I will be rejecting this amendment.

#### **3.3.14 Deputy C.D. Curtis:**

It is stated that this amendment brought by the Council of Ministers would ease overall accommodation issues. However, the housing that is required for our essential staff, that is G.P.s (general practitioners), nurses, teachers and emergency workers, is not lodging rooms. They are not looking for a room to rent, they are looking for independent accommodation that is a house or a flat, so let us not conflate the issue of lack of housing for our essential workers with the supply of rooms for lodgers. This is about rooms for some seasonal workers and possibly some students. As for safety and security, there is no good reason why rooms for lodgers should not be covered by public health regulations. I have in the past taken in foreign students; it was no hardship to have the house checked for safety and no hardship to undergo police checks. I cannot see why there would be any difficulty in extending safety checks to lodgers and landlords. I urge Members to support Deputy Ward's amendment and therefore ensure that this scheme of tax breaks will result in more rooms for lodgers and that these rooms will be safe, both for landlord and lodger.

#### **The Bailiff:**

Does any other Member wish to speak on the amendment to the amendment? If no other Member wishes to speak, then I close the debate and call upon Deputy Ward to respond.

#### **3.3.15 Deputy R.J. Ward:**

I thank Members for their contributions. There is quite a lot to talk about. I cannot see the Constable of St. Helier; perhaps he is listening next door. I hope so because I want to address one really important point of maybe convincing some that will not vote for the amendment to the amendment. The amendment to the amendment is not about the taxation, it is about the safety and safeguarding. I will say it again: it is not about the taxation; it is about the safety and safeguarding. That comes in the main debate. If you do not think this is the right use of tax, the main debate is the place to talk about that. Unfortunately, yet again, we seem to have conflated the 2 and not talked about the amendment to the amendment. So let us go back to that, let us talk about that issue, let us talk about this amendment. Deputy Renouf, I find it unfortunate at times, it has happened a number of times, he referred to my proposition as "simplistic". I think it was "insensitive", I am not sure, if I am honest, I cannot read my own writing again. I really need to work on this. I wish I had have listened at school. He talked about proportionality. How is it proportional to have an entirely unregulated tax break for so-called accommodation that people need so desperately? How is that proportional?

It simply is not. I am troubled that a Minister for the Environment who to some extent drives the Rental Dwellings Law, he says that it will discourage people by raising standards. That is entirely the wrong way round. We should be raising standards to encourage people to be part of those standards in housing on this Island. If we do not do that as a Government and as an Assembly, we are failing in our duty of care and that is what the main issue around this is for me. It is very difficult to pick up the points because they were so all over the place really. In terms of the other point from the Minister for the Environment - and perhaps I should not take these in order, I should do them in different places - in terms of the speed of any primary legislation, without being cynical I would not be surprised if things were delayed because most things that we have brought forward have been delayed: classifications of functions of government have not happened, designated lanes has not happened. The comments paper to this was late, and the reason given for the comments paper being late is there are a lot of amendments. This is the Government Plan, this is not as many amendments I think as the last Government Plan, so you should be on top of your remit and be putting things in on time. The reason things have been late is because they are failing to be prioritised. Then we have this situation that a number of people mentioned about the housing crisis but at the same time we seem to be talking about - and I cannot remember who it was now; I think it was Deputy Ozouf but I might be wrong - he talked about a recruitment and housing crisis; this would be an opportunity to recruit and bring more people to the Island to live in these rented rooms. Well, that is not going to deal with the housing crisis that we have on this Island right now, the people who are living here now and have nowhere to stay. The majority of, I would say too many people, my family, other families that I know whose children are at home because they cannot afford the accommodation that they want, which is a flat or a one-bedroom or a studio because of the massively unregulated market we have here and the ridiculously high prices that are unaffordable. The notion from the Chief Minister that one of the things that this can do is if people are struggling with their mortgage you can rent a room out. It is almost Dickensian. Who would a box room go to, Tiny Tim? What are we talking about there? That is not a solution to the housing crisis, it is not a solution to the cost-of-living crisis. It is a small Elastoplast over a huge gaping wound but not only is this an Elastoplast, it is an Elastoplast that is not safe to put on the wound because it is infected with a lack of control over its production. I may have extended my analogy a bit too much there, to be honest. So we cannot both in one and the same time - and there is a word for it; it will come to me in a moment - have this situation where we say: "This is a great scheme, have rooms in people's homes so that when people want to come over and work and workers ..." and Deputy Catherine Curtis was absolutely right, we will not attract essential workers by saying to them: "Come to Jersey, you can rent a room in someone's house" doctor, teacher, nurse, healthcare worker that we so essentially need: "Do not expect to get a flat, do not expect to get a studio but we have got a scheme where you can rent a room in someone's house. It is entirely unregulated so you have got to hope for the best and if you do not like it, you can shop around for a while. The person you are giving your money to will not be paying any tax on it, but do not worry, that is going to work absolutely fabulously for us." That is a poorly thought out, poorly applied scheme that will not work and will not solve the problems for this Island. I cannot believe the Government do not see that. I cannot believe we are sat here believing that is a way forward in a housing crisis on such a wealthy Island. I think what we are forgetting here is something called privilege. I am privileged, I recognise my own privilege. I have a home, I do not have to worry about it at the moment. My daughter has a home to be in but if what we are going to do as a Government is say to people: "If you do not have that privilege you will just make do and it will be unregulated" is not the right thing to do and we need to recognise that. When we talked about second class, I am afraid one has to say that if we are going to have one set of rules for one group of people and then one set of rules for another who perhaps will be immigrant workers into this Island or people who are here temporarily and say that: "The housing that you are living in, it is not regulated and there are tax breaks for the people doing it", I am afraid that is a different group, that is a different class, and we need to recognise that that is the system we are setting up and is that what we want to do? So, to get back to the safety in terms of the Airbnb, I believe the Rental Dwellings Act applies

if it is 30 days or more, so if it is below 30 days it does not include in the Rental Dwellings Act anyway. So Airbnb, if you are there for more than 30 days renting out an Airbnb, perhaps it does need a standard because you are living there for a long time, so I think that was a red herring. I really hope, and I make a plea to the Assembly, if I am stood here and I make a point that is valid, please listen to it, because that is a valid point over the Airbnb situation. Regards the students coming across, the language students, people are renting out already, so what we are about to do is give a tax break to those people who are already renting out their homes. Okay, that might be a great idea but that is the scheme that we are talking about afterwards. This amendment is talking about the safety.

[14:15]

What we have is a situation where we say: “When foreign students come over to learn language, the people that they are living with have to be D.B.S. checked.” They have to be D.B.S. checked to be safe. I totally agree; I am D.B.S. checked. For going to school and reading with the lovely children at Springfield I have been D.B.S. checked before I do that each week, quite rightly. I absolutely accept that. What we are saying in this scheme that if you are not one of those language students, you are somebody living on the Island who might be vulnerable and cannot find anywhere else to live, there will not be a D.B.S. check necessarily. It is not necessary. That is a double standard and that is why this scheme is poorly thought through. Now let us get into this argument that comes next which is: “But we will do something now and we will do more about it later on.” Sorry, we are talking about homes, people’s homes and housing, and how are we going to monitor that? We do not monitor rooms; we do not inspect rooms. I put in a written question, and I do not know where it has gone, probably just answered late, about how many rooms have been inspected under the Rental Dwellings Law, and I fully expect the answer to be zero. So, there is no inspection of those rooms, we do not know what they are like. We are not doing anything now. Will we do anything into the future? Well, we may well be but are we going to wait until there is a problem? This is an opportunity as you want to start a scheme to say we will build in safeguards, and we will build in standards. If that means that people will not rent their rooms out, they should not be renting substandard accommodation in their homes for people to live in. By opposing this amendment, we are tacitly accepting that that can happen but that is okay because we might do something about it in the future. When we talk about action and not words, that is not action, that is words. That is not even words, it is ... I do not know what it is. Deputy Miles, the notification requirements, I understand that; I agree. Does this mean ... and here we are. If this was a proposition, I would have called for a reference back because we have no idea how this is going to work and I think I would have won the reference back because this is exactly the example from Deputy Miles was well brought up ... if somebody is on the register and they have an officer, will they be informed that they are about to become a landlord and take a lodger or will they not? We simply do not know. There is no requirement in this rent-a-room scheme to do that. So, there are glaring errors, there are glaring gaps in the provision in this scheme. This amendment tries to address some of those glaring gaps. The Rental Dwellings Law that exists will need an amendment to it which can then be applied. Deputy Tadier, the word “precarious” is really important, and I thank Deputy Tadier for using that word. You are not under the Rental Dwellings Act, you do not get 3-months’ notice. You are in a home with somebody, it is not your home, you are renting a room. There is a relationship to be had there. Do you get on with your landlord? Are you behaving appropriately? Have they suddenly decided: “We do not want you anymore”? It is insecure accommodation, and insecure accommodation does not solve homelessness, it does not solve our housing crisis. It does something with numbers and statistics and we might sit here in our privileged positions and think we have done something about that: “There you go, you can go and rent a room off of somebody” and we will give them a tax break, so that is okay, everyone is happy. That, I say to the Minister for the Environment, is simplistic, that is wrong. That is why this needs at the very least an amendment that says apply the Rental Dwelling Law to these accommodations and have some safeguarding built in. It is up to the Government to decide how they are going to safeguard. Is it D.B.S. checks? Is it a register of the people renting out? Is it a change

to the law that says you are going to give some form of notice? Again, as Deputy Curtis said, and she is absolutely right, when you have rented something out it is a really difficult situation to be in. It is not easy both for the landlord and the tenant because it can go wrong very quickly, as was mentioned in the emails I have got. There has been no consultation with the groups that deal with people. There has been no consultation with church groups. We are so desperately in need of the work of church groups at the moment and I talk as somebody who is not a church-goer. Well, I know every single leader of faith effectively in my constituency and I am seeing the work they are doing for genuinely good reasons and other charities that are dealing with it. We were outside drinking soup earlier ... and money for shelter who are working so hard. Have they been consulted with over a rent-a-room scheme and the safety? Have any of our groups been? The answer is no because it has not gone under any scrutiny. This is a simplistic idea thrown into the mix with a solution that will not come up with what we think it is, with no safeguards and no safety for those people who may be involved in this. It creates vulnerability, it creates a precarious existence, and it creates an uncertainty for people who are trying to find somewhere to live. In addition to that, it takes them off of the risk of homelessness register and it means they will not get the help that they need. Now I will finish, I have rented places to live, rooms, when I was in London. I remember a wonderful place in Walthamstow, that wonderful bastion of culture, Walthamstow, which was effectively a kitchen with a bed in it. I remember one night coming home - not that I partake of alcohol obviously, I am a pure soul - and falling asleep and leaving the cooker on, it was electric, waking up in the middle of the night and thinking: "I am seriously ill, I have got a massive temperature" and it was simply because I had gently cooked myself on 220 degrees for 6 hours that night. I cannot stand in this Assembly and say to anybody else that I want them to live in any form of accommodation, anything like that, because I would not do it myself. I recognise my privilege and I am going to use my privilege to say to this Assembly, please, build in some safeguards, do something about it now and do not let this horse bolt out of its stable and run away with itself and we make mistakes that we could end on. So with that, I propose the amendment to the amendment and ask for the *appel*.

**The Bailiff:**

Are you taking it in 2 parts, Deputy?

**Deputy R.J. Ward:**

Yes, please.

**The Bailiff:**

Well, the first vote then is on part 1 of the amendment to the amendment. I invite Members to return to their seats, and I ask the Greffier to open the voting. I ask Members to cast their votes. If Members have had the opportunity of doing so, then I ask the Greffier to close the voting. Part 1 has been defeated.

<b>POUR: 14</b>		<b>CONTRE: 29</b>		<b>ABSTAIN: 0</b>
Connétable of Trinity		Connétable of St. Lawrence		
Connétable of St. Martin		Connétable of St. Brelade		
Connétable of Grouville		Connétable of St. Peter		
Deputy G.P. Southern		Connétable of St. John		
Deputy M. Tadier		Connétable of St. Ouen		
Deputy M.R. Le Hegarat		Connétable of St. Mary		
Deputy R.J. Ward		Connétable of St. Saviour		
Deputy C.S. Alves		Deputy C.F. Labey		
Deputy S.Y. Mézec		Deputy S.G. Luce		
Deputy T.A. Coles		Deputy L.M.C. Doublet		
Deputy C.D. Curtis		Deputy K.F. Morel		

Deputy L.V. Feltham		Deputy S.M. Ahier		
Deputy R.S. Kovacs		Deputy I. Gardiner		
Deputy M.B. Andrews		Deputy I.J. Gorst		
		Deputy K.L. Moore		
		Deputy P.M. Bailhache		
		Deputy D.J. Warr		
		Deputy H.M. Miles		
		Deputy M.R. Scott		
		Deputy J. Renouf		
		Deputy R.E. Binet		
		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy A.F. Curtis		
		Deputy B. Ward		
		Deputy K.M. Wilson		
		Deputy L.K.F Stephenson		

**The Bailiff:**

Now the vote is on part 2 of the amendment to the amendment and I ask the Greffier to open that voting and Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting.

<b>POUR: 13</b>		<b>CONTRE: 29</b>		<b>ABSTAIN: 0</b>
Connétable of Trinity		Connétable of St. Lawrence		
Deputy G..P. Southern		Connétable of St. Brelade		
Deputy M. Tadier		Connétable of St. Peter		
Deputy M.R. Le Hegarat		Connétable of St. Martin		
Deputy R.J. Ward		Connétable of St. John		
Deputy C.S. Alves		Connétable of Grouville		
Deputy S.Y. Mézec		Connétable of St. Ouen		
Deputy T.A. Coles		Connétable of St. Mary		
Deputy C.D. Curtis		Deputy C.F. Labey		
Deputy L.V. Feltham		Deputy S.G. Luce		
Deputy R.S. Kovacs		Deputy L.M.C. Doublet		
Deputy K.M. Wilson		Deputy K.F. Morel		
Deputy M.B. Andrews		Deputy S.M. Ahier		
		Deputy I. Gardiner		
		Deputy I.J. Gorst		
		Deputy K.L. Moore		
		Deputy P.M. Bailhache		
		Deputy D.J. Warr		
		Deputy H.M. Miles		
		Deputy M.R. Scott		
		Deputy J. Renouf		
		Deputy R.E. Binet		

		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy A.F. Curtis		
		Deputy B. Ward		
		Deputy L.K.F Stephenson		

**Deputy R.J. Ward:**

Could we have the 29, please?

**The Deputy Greffier of the States:**

The 29 contre: the Connétables of St. Lawrence, St. Brelade, St. Peter, St. Martin, St. John, Grouville, St. Ouen and St. Mary and Deputies Labey, Luce, Doublet, Ahier, Gardiner, Gorst, Moore, Warr, Scott, Renouf, Millar, Howell, Ferey, Alex Curtis, Barbara Ward, Stephenson and in the chat, Deputies Rose Binet, Bailhache, Miles, Tom Binet and Morel.

**3.4 Proposed Government Plan 2023-2026 (P.97/2022): twenty-sixth amendment (P.97/2022 (Amd.26)) - Rent-a-room tax relief - resumption**

**The Bailiff:**

Very well, we now move on to the debate on the twenty-sixth amendment proper. Does any Member wish to speak on the twenty-sixth amendment?

**3.4.1 Deputy S.Y. Mézec:**

This amendment should be opposed because it is badly thought through, badly targeted, and even if successful in its own terms will see a greater number of people living in homes without the safeguards that were attempted to be put in place by the previous amendment. There is a very curious line in the report to this proposition under the financial and manpower implications. It says: “The proposed measure is estimated to cost approximately £330,000. This estimate does not consider any behavioural changes prompted by the amendment.” Well, I thought the whole point of this amendment was to prompt behavioural changes. If that is to be taken as read, then what we are debating is £330,000 being given as a tax cut to people for doing nothing differently to what they are currently doing. If we want to promote more homeowners with spare bedroom capacity in their homes to rent them out, this is a terrible way of doing that because there already exists an incentive for people to rent out rooms in their homes, it is the money they will make from doing it. That will be the case whether or not this amendment is adopted. If it is adopted though, those who are already doing this will get a tax break for doing absolutely nothing. If we were to take £330,000 out of the Community Fund, which is where it is proposed this will come from, to incentivise more people to rent out rooms in their homes, a much better use of that money would be to put some form of campaign together to help educate homeowners with spare rooms in their homes about what their rights and responsibilities would be if they were to rent those homes out to assist many of them perhaps in feeling a bit more comfortable about doing so and knowing that they are able to do so in accordance with all the rules and know what they have got to do to make sure that their tenants are safe. That would be a much better use of this money than simply to allow people who are already making money to keep a little bit extra from it. That would be a way of ensuring that those who we may want to incentivise to rent those homes out have a greater capacity to do so, understand what the rules are, and can do so safely and appropriately. On the basis that this is extremely badly targeted and that the figures we are provided do not even take into account the intention of what this

amendment stands for, we should say: “No, thank you” and ask the Government to go back and consider something more credible than this badly thought through amendment.

### **3.4.2 Deputy B. Ward of St. Clement:**

I wish to extend my thanks to the Council of Ministers for this amendment and in particular Deputies Warr and Gorst for listening and taking on board my suggestion when I approached them. I brought it to them because I feel that this is going to be a helpful addition with our housing provision and situation that we find ourselves in. The reasons behind why I brought this rent-a-room tax relief scheme in, when I was canvassing, meeting a number of people, there were one or 2 that were telling me their story about they had fallen on hard times and they were living in their car and something had to be done, they could not afford to go and lease an expensive flat if they could find one, so I kept that in mind.

[14:30]

Also, it was about the increasing numbers of homelessness that we have in Jersey. That is increasing and we cannot be building more and more lodging houses, so it is about providing better accommodation, maybe on a smaller scale as a rent-a-room, to try and help these people. So, I did some research and found that in the U.K. this rent-a-room scheme has been running for a long time very successfully. Again, it is not to replace flats or give people some lower standard of living in any way but it is to be in a more homely environment, maybe to take some time out, maybe on short term or maybe a longer-term residency, but just to take some time out where it is warm, it is safe, they can carry on with their jobs, they can get a bath or a shower without having to go to other people’s places, just to be able to dress smartly, be clean and carry on with their work. It was also to provide accommodation for temporary and seasonal workers as an extra option. It is not a replacement, it is as an extra option because it may not fulfil what they want. I feel that something could be done. I am delighted and want to thank the Council of Ministers for bringing this amendment and to have this debate. I urge you to support this amendment. Thank you very much for listening.

### **3.4.3 Deputy M. Tadier:**

At least I congratulate Deputy Barbara Ward for getting one of her policies through the Assembly so early and getting the ear of the Council of Ministers. I know that if I or one of my party colleagues had brought something similar to this with so many unintended consequences or unknowns in it - and that is before we even look at the figures - it would quite rightly be kicked back. I would respect that decision but that is not the realpolitik of this Assembly, as we know. I have decided to speak early on because I want to hear the thoughts of the representative of the Jersey Community Relations Trust in this Assembly. So, Deputy Doublet, as I understand, is still the representative of the Jersey Community Relations Trust, and I will say why I mention them and her in this particular part of the debate. It is because I do not believe for one moment that the main ... not the beneficiaries because the beneficiaries are going to be the homeowners themselves who are getting this tax break, as Deputy Mézec has said, without necessarily any change in any behaviour, but most of the people I think who rent rooms in Jersey are from a very diverse cross-section of society. They are not students. This idea that it is going to be a few foreign labourers and some students ... and I am to an extent a student of history. I know that when big projects have happened in Jersey like the construction of St. Catherine’s it was necessary to build some kind of accommodation enclave in that part of the Island while still keeping the labourers who were, I think in that case, largely of Irish descent away from the good ladies of St. Mary, as I heard former Deputy Le Hérisier saying in one of his speeches this week at the Société about Pierre Le Sueur. It is going to be lots of different people, many people who already live in Jersey, possibly with qualifications, possibly without, and it is also going to be people who have come out of very difficult family situations. It could be that they have broken up with a partner over COVID or they are dealing with financial consequences, it could be that they live



in a domestic abuse situation and that they are trying to get away from a violent partner and the shelters are full. It could be either gender, it could be a man or a woman who is suffering from domestic abuse and all the shelters are empty, and they find themselves in a situation where they are put in to become a lodger. The difference of course now is that this is the Government's preferred stopgap solution: "Rent a room out, take in a lodger and everything will be grand, and we will give you a nice little tax break on the back of that." Even if that were a good idea, I certainly cannot do that in all good conscience without the safeguards being in place. Much was made by the Minister for Home Affairs, Deputy Miles, about the fact that if you are a sex offender and you are going to change address you have to let them know. But if you are a sex offender who is renting a room out to somebody you do not need to let anyone know that, so your daughter or one of your family who has just come out of an abusive relationship could be moving into accommodation with a sex offender. The Ministers might say: "But that already happens now." Well, if that happens now that needs to be sorted, but you do not want Government then endorsing a scheme which is likely to continue behaviour where that precarity and that risk is already inherent. I do not want to be alarmist about this because we know that many people can and do have good experiences either renting a room out to lodgers or being a lodger themselves. In the earlier part of the debate the Minister for Social Security said have none of Reform ever been to university and lived in accommodation. Well, let us look at that type of accommodation and is that necessarily what we would recommend. First of all, let us remember Jersey does not have a university. Most of our students go away to study, some study on-Island at Highlands. They are not going to be lodgers; they will be living with their families while they are over here. They do not even qualify for adulthood until they are 25 when it comes to the social security system, although they do for tax of course. So that is one red herring we need to scotch. This is not to accommodate students. E.F.L. (English as a foreign language) students coming over to learn English for 2, 3 weeks at a time, that is not an issue, those are not the people we are talking about. We are talking about people who come to the Island to work, and it could be in any level of job, it could be quite a high-level job, and no doubt they will all be valuable jobs that perform an important function for our community. The Government is sending out the message that in good old Jersey, which is known beyond these shores as being a finance centre - let us leave it at that, but it is known as being very prosperous - it is known to attract multi-millionaires and billionaires, some of whom end up in our court system, some of whom end up getting their offices raided, is also saying to poor immigrants: "Come and work in Jersey and you can live in somebody's back room", a hovel I think it was called by one of my colleagues in St. Brelade: "You can rent a room out in a hovel and that is okay because the Government will give you a tax break for renting a room out in your hovel." Not my words, the words of Deputy Scott. So, I am a little bit uncomfortable about sending that message about Jersey's reputation around the world saying that is what we want. Here is an idea; why do we not say, because we might be continuing the 2(1)(e) scheme, the nomenclature changes all the time, but we let very rich people who have no links to the Island to come and live over here, to skip the housing queue and to pay a lot less tax than most people would in terms of the actual rates. Why do we not rent them a room? Why do we not say: "You can only come to Jersey if you rent a room possibly in a hovel or maybe in somebody's more salubrious mansion, but you can only rent a room there." Now, let us look at the students. I went to university as a student, and I was in halls of residence. It was purpose built. Then I moved into a house-share situation which would have been covered by any housing regulation that there was in the time in the U.K. in Sheffield. I lived in France, working in a precarious situation. I lived probably in illegal accommodation where it was 2 bunk beds in an attic in a hotel without any windows. It is fine, I survived, I was 19 years old. I probably lacked a little bit of vitamin D but I got it when I went out a couple of days a week on the mountains and got some sun when I was not too tired to do that from the 12-hour shifts. So, I know about that. You put up with it when you are young. I also lived in various places when I was teaching abroad. When I was a student in Berlin I did actually take a lodging with an elderly lady. She was a young pensioner and lucky for me she did not speak any English. That was a situation I was quite happy with. But fast forward a few years to when I went

to Réunion to teach after graduation, the first piece of accommodation I was offered - and it was arranged through the university where I was teaching - was a one bedroom with a curtain around the toilet in the kitchen and there were cockroaches in there. I realised after a week it was not really a great situation, I was not a student anymore, I was going to be teaching in university as an assistant, albeit not as a qualified teacher. When I spoke to my employers about that they were completely mortified, they said: "This is terrible, we were acting in good faith here, this is somebody that we formed a link with." They were embarrassed and I managed to find still a modest but a self-contained unit, and I was comfortable with that. This Government is putting out a message and they have absolutely no idea what the consequences are for this message that they are putting out. They cannot simply say because this situation already exists that it is fine to continue it because as soon as they put in this tax break, they are endorsing this scheme and they are endorsing all the problems that go with it. I am not going to ask for a reference back because I know how the maths work in this Assembly, but I know that reading between the lines of what Deputy Ferey said, yes, it was the previous Government's idea to make this incremental, but we are still waiting. We are still waiting for the whole of the accommodation sector to be done properly. Once all of those safeguards have been put in, yes, absolutely, let us look at this scheme, but I do not even think the maths add up. If you look at £5.2 million of lodging income, the income tax generated is £455,000, that is even less than 10 per cent, and we have been told that of course you can take off hot meals for that. It seems that most people are claiming that they provide hot meals, even if it is just one bowl of porridge every week, that would qualify for them. There is no checks and balances done in the Tax Department as to whether anyone is actually providing hot meals. That is perhaps why the figure is somewhat lower. So, I think there are definitely some alarm bells here. I also want to know, and I do reiterate that challenge to Deputy Doublet, how does this affect vulnerable women, vulnerable men, adults, how does this affect immigrant workers who come into our community, who are taking up rooms, and is this the preferred policy of Government that she is comfortable with and that the likes of the Jersey Community Relations Trust and perhaps other groups like Women in Politics and the Diversity Forum is happy to promulgate on behalf of the Government of which she is a part.

#### **3.4.4 Deputy R.J. Ward:**

This is not a solution to the housing crisis. This will not solve our housing crisis. This will not address our housing crisis. This will offer unregulated accommodation, not safe, no safeguards, and we do not know who to. So let us do some figures, shall we; £330,000 is the figure given, the guesstimate, and wow is it a guesstimate. If there are 607 places being rented according to the answer to Deputy Kovacs' question and they all claim the £2,000 tax relief over £10,000, so if we say 20 per cent of it they will be paying, that would be £1.2 million. Let us half that number and say only half qualify, that is £600,000, way above the £330,000. If the census is correct, where there are 857 rooms being rented, times that by 2,000 you get £1.74 million. If you half that, let us halve it, that is £850,000. So, the figures brought by Government are inaccurate and incorrect. Imagine if one of us Reform Back-Benchers brought that as an Assembly proposition. We would be laughed out of the States and we would be told: "You have not done your work, you have not added it up properly, it is not correct, it is not actionable." But in this case, it can be because this is ill-thought-through and all it has got is a majority. It does not have rights behind it, it does not have the right drivers, it will not have the right outcomes, it will not have the right solutions to the problems that we have, but it has a vote behind it. This is poorly thought-through and poorly applied to our Island and it will create problems. It is not targeted. We do not know who this is targeting. It might be migrant workers, it might be people who are coming here to work in central services. You would not come here if you were a teacher to rent out a room, particularly if you have got a family. You would not come here as a doctor to rent out a room. You would want proper accommodation, you would want a flat to live in so that you can have some space and get away and have that down time.

[14:45]

Because this is a wealthy Island; we are a foremost economy in the world, but we are at a point for housing to say that we will encourage you with a tax break just to rent one of your rooms out to anyone, particularly if they fall on hard times. It is Dickensian: “You have fallen on hard times. I know somebody who can rent you a room cheap. It is okay, it is cheap because they do not pay any tax on it. You have no rights, they can ask you to leave whenever they want, but be nice, keep your nose clean and, you never know, you might find somewhere else later on.” I do not know what the answer to that is, perhaps it is called: “Bless you, Gov, and have a lovely day” because that is where we are heading. What is the next step, the workhouse? We will not call it that, we will think up a clever name for it; the value for money house perhaps. There is a suggestion; this is the value for money house, the housing crisis response house, because that is where we are heading and this is not a solution to the problems that we have. This is not a solution for the educated, skilled, working people - young people in particular I have to say - of this Island who are desperate for a flat and somewhere decent to live and who are leaving the Island in droves. Look at the census figures that have just come out. They do not want a room in somebody’s house somewhere in the middle of nowhere with no rights because we have a generation come through who know their rights. Finally, because I have said enough, there is no monitoring of this system. There is absolutely no monitoring so you will not find out whether it is working or not, you will not find out about the risks involved because people will walk away and do nothing about it because they have nobody’s support and they have no law behind them. We have rejected that just now. There is no data being collected. There will be no data for you to analyse later on, it will just be tax data. I have been thinking about it, perhaps I should say to my daughter: “I tell you what, I am going to charge you £9,999 a year this year, I can get off my tax relief, we will split it halfway, you have got somewhere to live.” I would not do that because I think that is corrupt but there are ways to use this tax incentive as well, which will be inappropriate. In terms of incrementally wearing away at people’s rights in their homes, incrementally wearing away of the expectations of people to have somewhere decent to live, incrementally wearing away of the safety of young people and children on this Island - we have already got rid of putting children first, it is now putting I do not know what first - and incrementally losing sight of the genuine problems that we have for gestures, for photo opportunities and for headlines. That needs to stop, particularly when the Government talks about action and it is doing nothing. This is not going to solve the problem. If you think this is going to solve the problem take a walk with me and let us go and look at some of the places that are there for rent if somebody is looking for their first place to live, because if you have not got £15,000 a year to pay in rent alone then you are not going to get anywhere, and it is an absolute market out there which people will lose to. So, this is a misplaced, misthought-through proposition and it needs to be rejected. If we vote for this, we send the wrong signals at the wrong time for the wrong reasons and we need to stop doing that.

### **3.4.5 Deputy M.R. Scott:**

I am always so grateful when Deputy Tadier gives an account of the immigrant experience. It is always so good to hear someone like him describing it to me, somebody who is mixed race, descended from many people who have actually had to and found themselves going to different countries looking for work, ending up living there because they needed it. Not so long ago, maybe it is a few years ago, probably before Brexit, I came across a young man who clearly was from somewhere else who was just walking around in my area, which I admit is a relatively well-off area in the Island, and he was looking for rooms to stay in. I thought that was very kind of motivated by him, but I also recognised something of that immigrant’s experience of the way it is when you come from somewhere else and a different culture and that is really what you do, you go around asking: “Do you have rooms?” That is often how people find them. I do not know whether this particular individual did find one but that is really what he did. He had a choice, I mean, he could have gone into any house that he did find and decide whether it is a hovel or not. I do not really see personally that we have got to that point where we are forcing workers into hovels as such because, if anything, we are

just so desperate to see them in so many places. I commend the fact that the Government is trying to do something for the tourism industry. I do fear this is a bit of a sop. I totally agree with Deputy Mézec that there are some sort of things that could be done if you are going to try and have people rent out rooms. There are things you need to overcome. You have people who want their privacy, you have people who have a fear of strangers, and so it is questionable whether giving people this tax break is really going to change those behaviours. But I do not find it particularly useful to be hearing this sort of emotive language about how we are treating immigrants in this particular context. I do think it is more: are you really going to produce a result, are you spending money well, what investigation have you really done? I do think it would have been useful to have shared some of this research about this particular measure in the U.K. how useful it really had been, what sort of results did it produce in terms of providing extra, was it really that good an incentive or would these things have happened anyway. So I remain concerned because I do not really feel that I have not really had the opportunity myself to discuss this at length with people in the tourism industry: “Is this what you think is the solution?” I suspect they will be wanting a lot more. I will carry on listening to this debate but I really do hope you come up with something better.

#### **3.4.6 Deputy L.M.C. Doublet of St. Saviour:**

Deputy Tadier made some references and asked for some thoughts, and I am happy to share my thoughts. Some of the groups that the Deputy mentions have not expressed views to me so I can only speak for myself at this point. I will admit I have struggled with some parts of this and, as an Assistant Minister, I do have access to the Ministers that I work for and I did question the Minister for Home Affairs on this and I did push back and I did challenge. I think it is right that I did so; I am not somebody who will just go along with propositions, I will ask questions in line with my beliefs and the things that I value. Of course, many things that Reform Jersey brings forward I do support if they are in line with my personal views and beliefs. But this particular one I do not think it makes things any worse, and I think there are vulnerabilities on both sides. I think refocusing on the fact that this is about tax, it is not about some of the things that have been raised. Nevertheless, I think some important points have been raised by speakers in this debate. I hope those points will be listened to and that vulnerabilities that have been exposed and raised will be considered going forwards. Some of those concerns I share because nobody wants people living in conditions where they do not feel safe. I do feel that there is a level of personal responsibility whereby if you are going to view potential lodgings, if you do not feel safe or you do not feel that it is appropriate, do not go and live there. I know it is not always that simple because sometimes people are struggling to find accommodation but, as a Government, there is a level of intervention that we have to decide that we are going to take. What I did have concerns around was the Sex Offenders Law and the vulnerability on that side of somebody who might be renting a room out who has family and has a child in the house. I think again refocusing back to the purpose of the amendment, which is to put money back in the pockets of people who need to rent rooms out, I can empathise with that. Sometimes we need to remember and sometimes we forget that there are vulnerabilities in levels of need at all different levels of society, and even if you own a home, certainly in the economic context that we are in now, you can be somebody who is really struggling. People who might be thinking they need to rent out a room could be those middle Jersey families, and again I can really empathise with that. It might be single parents. The ability to rent a room tax free might be just the incentive that somebody needs to take that step and perhaps say to an abusive partner: “Please leave” and know that they could actually support themselves by renting out a room in their house. I think there is a lot of nuance to this debate, again a lot of nuance that was raised by the amendment to the amendment. It is important that we have had this debate but I am going to support this because I see, regardless of the concerns which I do not think can be tackled in this debate today but I think should be tackled, I do think we should support it because it will target those kind of middle Jersey people who just need that little bit extra at the moment with mortgage rates as they are. There are some people really, really struggling so I urge people to support this please.

### **3.4.7 Deputy E. Millar:**

I would just like to correct something that Deputy Tadier said which was that the Council of Ministers are not interested in anything that Reform has got to say. That is clearly not true because Deputy Mézec's proposition at the start of the year about the living wage, we have sat down, we have discussed with Deputy Mézec and we have brought forward in conjunction and collaboration with him a proposition for the living wage to be reviewed and legislation brought forward next year. So to say that we are not interested in anything Reform has to say I think is something of an overstatement. I absolutely endorse what Deputy Doublet has just said. This is not about oppressing or making vulnerable people even more vulnerable. This is simply a tax. It is allowing a tax relief for people who are already renting a room or wishing to rent a room. It is as if it is a new thing; it is as if we are just hearing it for the first time. It has existed since at least 1996 because that is when I came to the Island and people were living in lodgings then, because people come with non-qualified status, and they are not necessarily poor immigrants or people who are working in the fields or in hotels, they are people here on non-qualified status living in lodgings who work in banks and retail and in hairdressers and in dentistry and all across the Island. All of these people are contributing to the economy and the work and infrastructure of this Island. They all need accommodation and nobody is suggesting that this is a solution. It is not a solution; it is just something there that might help. It is another step to help people find accommodation. Yes, maybe you would like your child to go and have their own flat or studio right from the start, but very many of us start independent living, living in lodgings, whether it is a student or somebody who is newly qualified. It is almost like a rite of passage; you live in a house share or in a lodging and then you go and move into your studio or your own flat or whatever. This is how things were always done; I do not see why it should change now. I absolutely agree things need to be changed about lodgings. I remember coming here and being told horror stories about poor lodgings and poor landlords, about young women who work in banks waking up on a Sunday morning to find their landlord sitting in their lounge because he could. Things like that are not acceptable and poor landlords and poor quality accommodation must be addressed. But these are existing very long-term issues and this proposition is not intended to address any of that. That is a completely separate matter and there is more than enough time for Members to address that in due course, which I am sure the Minister for Housing and Communities and Minister for the Environment have very clearly on their radars now.

[15:00]

### **3.4.8 Deputy L. Stephenson of St. Mary, St. Ouen and St. Peter:**

I am pleased to follow Deputy Millar because my notes start with the same; lodging is nothing new, in fact it has been going on for many, many hundreds of years and I think Deputy Ward talked about it being Dickensian. Well, certainly in Victorian times, yes, it was very much a tradition. White collar workers, I believe, who travelled into cities to work lived with families who were struggling to afford their homes, so helped them to pay for it by renting out rooms, and I believe it was very, very successful. Jersey also has a long history of Islanders renting out their rooms, whether that is to workers, temporary workers or longer students, and also let us remember in the heyday of the Battle of Flowers and tourism when hotels were full Islanders would open their doors to tourists to help facilitate for the Island. I speak as someone who has been a lodger, not in Jersey but up in Newcastle in a family home, and very much enjoyed being part of the community rather than shut away in a box while I was studying up there. I would like to take the opportunity to thank Deputy Ward for acting on one of her election ideas and promises and going away and doing that research. I had similar conversations about this and included it in my manifesto, and I will admit I was not quick enough to act on it and Deputy Ward got there first, and I think she should be praised for that. But also, so should the Treasury and Government for listening as well and engaging; I think that is a really good example of the collaboration that we keep hearing so much about. Having included that as part of my manifesto it does mean that I did discuss this with constituents as I was knocking on

doors, and there were people who said: “I am not sure about lodging and people in my home” and I appreciate that and lodging and being a lodger is not something for everybody, and it may not be appropriate for everybody as well. I appreciate that. But there were many people who recognised the benefits of it around their own cost of living and empty rooms. I spoke to downsizers who talked about the challenges financially of downsizing and not feeling that they had the incentive to do so, but they were considering this idea of renting out rooms. I also spoke to representatives of the hospitality industry who have been looking at all sorts of options for housing workers, and although we did not go into great depth at the time, it was certainly welcomed by them. Deputy Tadier did question St. Brelade’s College and the need for it. I would just like to point Members to a letter sent to the Corporate Services Scrutiny Panel, I believe, in August by the college calling for exactly this. Another example I would also give from personal experience with friends I know over the years, we talk about what instances these kind of rooms may be needed. Well, Durrell and the zoo is a really good example of where very well-trained students and staff come over to work in a specialist area that really gives a great deal to our community and our hospitality industry. I know that these kind of lodging rooms are used by those kind of staff an awful lot. Deputy Gorst I think summed it up really well when he said that this is not going to solve everything overnight. It is a simple small step which can contribute to a large-scale problem that we are all very much aware of. It is about using what we have more effectively. It is about housing people in the community. For me, I have been really saddened in the past when proposals have come forward about housing people, particularly in ideas like: “Let us put them all in portacabins in a certain area together.” For me, having people obviously in safe and the right kind of accommodation but in the community, living as part of Jersey, is really important. I would very much prefer that to a block of temporary accommodation for temporary workers that then maybe does not become temporary, it stays there for a long time and is regarded as an area for perhaps second-class citizens. I have to say that I think some Members are making this debate about something which it is not and trying to make this Government out to be uncaring. I think that is completely wrong and is taking this in the wrong direction. Much has been made about the need to tackle the housing crisis, and that is absolutely right. When the Government, or anybody, comes forward with something that can be a piece of that puzzle, which can start making a difference quite quickly, let us get on and support it. Finally, I would just like to say that I would like to see the Government go a step further and not just focus on the tax side of it but actively encourage it responsibly in other ways too, and to promote this tax relief and hopefully we can rekindle some of those days where we did have higher numbers of lodgers in Jersey, and it can make a difference in the appropriate areas where it really is needed.

#### **3.4.9 Deputy L.V. Feltham of St. Helier Central:**

I am finding myself trying to do a bit of a cost-benefit analysis on the proposal ahead of us. I think if this was a standalone proposition, as some of my other colleagues have said, I think the Government would find it very difficult to be supporting it. There is no evidence that a tax break of - I have calculated in my head - a maximum of £2,000 would entice more people to have people come and live in their homes. We do not have any evidence to support that. Also, as Deputy Millar and Deputy Stephenson have already said, people do already have lodgers and there is no evidence before us to show that this type of incentive is going to increase the numbers of rooms available. I also find myself questioning in this housing market, where we have lots of families living in cramped accommodation that is potentially too small for their needs, the logic of incentivising people to stay in homes that are potentially too large for them and providing a government subsidy to enable them to do that. That is where I stand, and I will say I am a family of 3 and we live in a very small 2-bedroom flat. Every day I see families in our blocks of flats that do not have a garden and living in accommodation that lots of people would feel would be too small for their families. I am questioning the logic. But also, if I look at this objectively, and if it was a standalone proposition, I think what we would be doing is we would be saying: “Where are you taking the money from?” Is there more benefit to giving this tax allowance? Are we going to get more out of spending the money in this

way than where we were going to spend the money originally? I would be keen to hear from the Assistant Minister with responsibility for charities about this because where the Government is going to be taking this funding from is of course the community fund. We do not know how much money it is going to be. It is saying it is in the region of £300,000. But in 2023 the community fund estimated budget is £1 million. That is quite a significant chunk out of that fund. The purpose of the fund, although it says a more detailed plan will be given to us in the future, the purpose of that fund is to enable charitable and voluntary sector organisations outside of the Government to improve their physical infrastructure. So, would we get more value out of leaving that money in that fund rather than using it for this purpose? I was with Deputy Ward when he received feedback from the organisations that he spoke to about their concerns about Government incentivising this kind of activity. I can vouch for every single word he said. Again, going back to the Assistant Minister with responsibility for charities, I would like to understand what consultation Government has done to allay the fears that those charitable organisations have brought to us. But also, to find out whether actually the benefit of this scheme outweighs the benefit of the funding in the community fund. I will leave it there.

#### **3.4.10 Deputy M.R. Le Hegarat of St. Helier North:**

I spent much of my working life in and out of various premises and I have some real concerns about the lack of ensuring that these properties will be suitable for purpose. I was going to speak initially with the amendment to the amendment but chose not to. But I have some real concerns. We are incentivising people potentially to rent out rooms without knowing the state of those rooms to be rented. That can be a disproportionate range; it is frightening. In a way, taking aside all of the concerns that were brought forward by Deputy Rob Ward in relation to the safeguarding issues, I have real concerns about us as an Assembly giving money when we do not know whether those facilities are going to be suitable. If you think about Andium Homes, we expect them to provide accommodation at a suitable level. The Minister for the Environment did not see that this was an issue. The legislation will come. For me, it should be the legislation first. We should have proper controls and I fully accept, as people say, that people are already lodging. But those that are already lodging, those individuals are not getting incentives for that room or rooms to be used. I have some real concerns. I do not feel that I will be able to support this without some of these things being put into place. I think it is a good proposition that Deputy Barbara Ward has brought forward because it is good to be able to utilise what we have already in the housing stock, if you like. But without some regulation on the state of the accommodation, I think we cannot rubber stamp something to give an incentive when we have no control over the facility which is going to be provided. That, for me, is a critical point and I cannot support it.

#### **3.4.11 Deputy I. Gardiner of St. Helier North:**

I agree with Deputy Ward, Deputy Le Hegarat and others who raised the concern about the safety, about the standards of the rental dwellings. Saying this, I am not sure if the Deputies remember, we had at least 2 debates about public health and safety rented dwellings minimum standards and licences in the previous Assembly. At the previous Assembly I was one of the few ones who opposed this in my first vote, not because I did not want licences, not because I did not want minimum standards, and if you go back to the Hansard, one of the things that I raised during that debate was that 2 and less lodgers would not be included in the licensing scheme. So, the people who are having one or 2 lodgers will not need to be registered, will not be needed to be inspected. This was my main objection when I objected the first time. I also remind Members who were in the previous Assembly and who supported, and I supported, that in the second reading we agreed that one or 2 lodgers will be excluded from the licensing scheme, including Deputy Ward and others. We voted for, we lost, but we have excluded 2 lodgers. I still have these concerns and I do believe when we will be debating the rented dwellings licensing scheme this is the right place to bring amendments and to have a proper debate about the safety.

[15:15]

What we have in front of us today is the tax scheme. This is really important. We will have a debate about the safety and I would like to have a conversation if one or 2 lodgers should be included in this debate. We need to take a pragmatic approach. We cannot solve everything immediately. Would this resolve the housing crisis? No. Would it help the cost of living for some of the families? Yes. Would it help to accommodate students, seasonal workers, people who come to do some short period of work here? Yes. Would it help people who are now in the hotels to be in the rooms and maybe get accommodation? Yes. We do not have, unfortunately, immediately to give everyone independent living. I wish we would. But we would not have it today. What we do need to do, and this is something for Deputy Barbara Ward and the Ministers, we are trying to create this puzzle. We create the jigsaw puzzle, and it is one step forward, and other issues should be addressed. They are important but this is not for this debate and this is important to do this separation, and I urge Members to support the amendment.

#### **3.4.12 Deputy P.F.C. Ozouf:**

Very briefly, I apologise for not being in the Assembly before. I was on a conference call with E.U. (European Union) Commissioner Sinkevičius about fishing. I will come to why that was important. He asked me to express his condolences for the events of Jersey, and particularly the fishing issue. He was impressed by the community coming together on these tragic events. Deputy Feltham asked about evidence. No Member of this Assembly has any evidence of the future and she said she does not have evidence. But the report of the Council of Ministers says that there are underoccupied properties across Jersey. There is evidence of schemes in both the United Kingdom, the Republic of Ireland, which are in the report, which show that in other places such schemes have worked. I just wanted to say, in speaking for less than 2 minutes, we need to send out a clear message in this debate that we are going to support a widening and an increased amount of rooms available to workers in Jersey. There is a shortage; every Member knows that. If this is a nudge, if this is a clear message that we support it then let us make this tax arrangement in place and all of the concerns that Members have raised, which I heard Deputy Doublet and Deputy Stephenson so eloquently say, that there is a lot of work that can be done ... the Minister for Housing and Communities has said he understands the concerns. These can be also done in the coming months about improving standards. What this will do I hope is that it will increase the amount of rooms available, it will provide that nudge, this clear message from his Assembly, not a silver bullet that deals with everything but a clear indication that we welcome and that the Government welcomes people renting out their rooms and will be incentivising to do so. That is what will make a difference and we need to support this amendment to send that message out. I hope those observations are a clear message of, yes, let us support it.

#### **3.4.13 Deputy M.R. Ferey:**

Just in relation to the question that Deputy Feltham raised earlier in relation to the community fund. The detailed arrangements for the community fund still need to be worked up in 2023, but reducing the amount provided obviously reduces the amounts that could be paid out. It is expected that the remaining amount in 2023 would be sufficient. In future years there will still be a £1.7 million allocation of money that has never previously been put in place. What is critical is that this is properly judged choice to the fund; but this proposal while maintaining public finances, rather than leaving a hole in public finances or reducing the reserve, and consequently the ability to react to the economic uncertainty.

#### **The Bailiff:**

Does any other Member wish to speak? If no other Member wishes to speak then I close the debate and call upon Deputy Gorst.



### **3.4.14 Deputy I.J. Gorst:**

We are going to have a lovely long week, are we not? This is really I think, as others have explained, a simple tax measure which gives tax relief to Islanders who are renting a room. Some Islanders are already renting a room and it will be a small step in encouraging other Islanders to rent a room. There can be, I believe, benefits from that, benefits to those who are, as I said at the start, currently sofa-surfing because more rooms can be available. Surely that is a positive thing. Being accommodated in a room is better than being accommodated on a sofa. It is a while since I have been accommodated on a sofa but my experience has always been it is better to be in a room and have some privacy. **[Laughter]** I think I ought to be careful; I did not intend it to be meant quite like that. Also, for those who do not wish to downsize, I do take a different view from Deputy Feltham that we should not force people to downsize if they have worked hard all their lives, but we should encourage them if they have got spare capacity in their accommodation to rent it out to those who at this time have no accommodation. We do all know about the housing crisis and I hope during the course of this debate, because there are a number of small measures that are going to have positive benefit to Islanders who find themselves in housing stress now - they are not the be-all and end-all, they are not a silver bullet or a magic Christmas wand, but they are small steps - and I really do hope that we can find a way of coming together, that there does not need to be a political divide but that we can take some small actions during the course of this Government Plan to start to alleviate and make decisions which will help Islanders that are suffering. Of course, there is the added benefit, as others have said, about keeping money in Islanders' pockets for those who will be able to benefit from this tax relief. I do not think that some of the commentary that has been made about a tax relief equate to a scheme. We see other countries who have got tax reliefs, we see that they work there, and this is a straightforward proposal. Because of the various uncertainties around current taxpayers where that income is recorded, for some it will be in schedule A, because some are already benefiting from some tax reliefs, it is not possible to do the straightforward calculation without seeing how taxpayers behave in the way that Deputy Ward suggested the amounts in the amendment were inappropriate. They are not. Treasury have provided the numbers that they are able to provide based on current tax returns and based on census information and I think it is a good use of this amount of money, as Deputy Ferey has just said. The allocation of money that this will be coming from, that community fund, there is a lot more work still to be undertaken in 2023 and there are substantial amounts during the course of the 4 years of the Government Plan that will be put to that very positive effect. So rather than shooting this amendment and proposal down because it is not, as I say, the silver bullet, I hope that Members will see it for what it is; a small step in supporting Islanders, whether that is in increasing capacity for better accommodation than they might currently be experiencing, and I make no comment on that accommodation that they are currently experiencing but this will bring better accommodation into the market for all of the reasons that we have said. It will help Islanders who might be continuing to suffer with the cost-of-living crisis, and we know that many are, particularly those who are homeowners and have got mortgages, and this added income will be welcomed by them. So in that spirit, as a step forward I ask Members to support the amendment. Thank you.

### **Deputy L.J. Farnham:**

Can I ask a point of clarification?

### **The Bailiff:**

Do you give way for a point of clarification, Minister?

### **Deputy I.J. Gorst:**

Indeed.

**Deputy L.J. Farnham:**

Apologies if I missed it earlier in the day. Is there already in place a 25 per cent allowance on rents received for rooms rented in households or did I just misunderstand that at some stage during the debate?

**Deputy I.J. Gorst:**

No, but I think Deputy Farnham might be alluding to the different treatment that some who are renting out, dependant on the type of accommodation, might receive. Some might already be making declarations under schedule A, and there are various allowances that you can offset against schedule A income. There are other people who might be running lodging houses, and there are some ... perhaps I should have said this in my comments, the Constable of St. Helier alluded to this, that there are some people - and I make no comment on this - who for all sorts of reasons are renting out rooms and not declaring it to my department. This will alleviate that need. They will be able to make those declarations and receive rent relief. That will of course then in due course feed into better data so that this Assembly can make better decisions about the statutes that it wants to put in place.

**The Bailiff:**

Do you call for the *appel*?

**Deputy I.J. Gorst:**

Indeed I do.

**The Bailiff:**

The *appel* is called for. I invite Members to return to their seats. The vote is on the twenty-sixth amendment. I ask the Greffier to open the voting and Members to vote. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. I can announce that the amendment has been adopted.

<b>POUR: 32</b>		<b>CONTRE: 15</b>		<b>ABSTAIN: 0</b>
Connétable of St. Helier		Connétable of St. Brelade		
Connétable of St. Lawrence		Connétable of Trinity		
Connétable of St. Peter		Deputy G..P. Southern		
Connétable of St. Martin		Deputy M. Tadier		
Connétable of St. John		Deputy M.R. Le Hegarat		
Connétable of Grouville		Deputy R.J. Ward		
Connétable of St. Ouen		Deputy C.S. Alves		
Connétable of St. Mary		Deputy L.J Farnham		
Connétable of St. Saviour		Deputy S.Y. Mézec		
Deputy C.F. Labey		Deputy T.A. Coles		
Deputy S.G. Luce		Deputy B.B.S.V.M. Porée		
Deputy L.M.C. Doublet		Deputy C.D. Curtis		
Deputy K.F. Morel		Deputy L.V. Feltham		
Deputy S.M. Ahier		Deputy R.S. Kovacs		
Deputy I. Gardiner		Deputy M.B. Andrews		
Deputy I.J. Gorst				
Deputy K.L. Moore				
Deputy P.F.C. Ozouf				
Deputy P.M. Bailhache				
Deputy D.J. Warr				
Deputy H.M. Miles				

Deputy M.R. Scott				
Deputy J. Renouf				
Deputy R.E. Binet				
Deputy M.E. Millar				
Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy A.F. Curtis				
Deputy B. Ward				
Deputy K.M. Wilson				
Deputy L.K.F Stephenson				

**The Bailiff:**

I have had a note from the Chair of P.P.C. (Privileges and Procedures Committee) that she would like to discuss future business with Members now, and I have indicated now would be an appropriate time.

**Connétable K. Shenton-Stone of St. Martin:**

Yes, I would like to address the Assembly with regards the order of business and suggest that we make a provision to stay late on Thursday and Friday evening this week. We will be unable to stay late tomorrow, Wednesday, due to the vigil taking place. To have a chance of getting through the Order Paper in an ideal world we should stay late tonight but I appreciate people having children and other caring duties and the difficulty in making short-term arrangements. I would, therefore, like to propose that we stay late on Thursday until approximately 7.00 p.m. and with a short break at 5.00 p.m. and that we also make a provision to stay late on Friday.

**The Bailiff:**

Is that in principle seconded? [**Seconded**] Does any Member wish to speak on those arrangements?

**Connétable D. Johnson of St. Mary:**

Simply that my parish has an Assembly on the evening of Thursday, and I might not be able to sustain the whole time here.

**Connétable R. Honeycombe of St. Ouen:**

St. Ouen have the same, they have a municipal meeting at 8.00 p.m. for 80-odd people which I will have to attend.

**The Bailiff:**

Well, the proposition is only that it goes until 7.00 p.m. so one would have the opportunity then, if that is passed, to make a meeting at 8.00 p.m. I would hope, Connétable. Does any other Member wish to speak?

[15:30]

**Deputy P.F.C. Ozouf:**

I just wondered, we have time-limited speeches, would the P.P.C. Chair perhaps give some consideration to limiting the time that people speak. I think it is 15 minutes or less. If you cannot make your point across in a shorter period of time, given the amount of Members to speak, maybe we can just limit the time. Maybe the P.P.C. chair can consider that.

**The Bailiff:**

That is something the chair of P.P.C. may wish to take into consideration and may wish to consult with Members and may wish to tell us tomorrow morning whether or not it will move from 15 to 10 minutes. In any event, that is a matter for the chair of P.P.C.

**Deputy M.B. Andrews:**

This is also, sorry, in relation to another matter. Just under Standing Order 32 I have just made an amendment to an amendment ...

**The Bailiff:**

At the moment we are debating the order of future business and there is a proposition which is are people going to sit late until 7.00 p.m. on Thursday evening and agree in principle to sit late without a time fixed Friday evening.

**Connétable R.P. Vibert of St. Peter:**

Just to say that I also have a Parish Assembly starting at 7.00 p.m. on Thursday.

**The Bailiff:**

Having noted that, it is within the Assembly to vote for and against it.

**Deputy M.R. Le Hagarat:**

I wonder whether to take a feel as to whether people could actually stay until 7.00 p.m. tonight. I know that might be short notice for some but it is just a thought.

**The Bailiff:**

Well, I think it is for me to be flexible in terms of what propositions are before the Assembly when we are dealing with future business. You wish to speak again, Chair?

**The Connétable of St. Martin:**

Bearing in mind all the Parish Assemblies that seem to be going on, on Thursday evening could I change it to 6.30 p.m.?

**The Bailiff:**

It is entirely a matter for you as to what proposition you wish to put before the Assembly, Connétable.

**The Connétable of St. Martin:**

Taking on board Deputy Ozouf's ... it is not a decision for me on my own to make for a 10-minute speech restriction so I will take ...

**The Bailiff:**

It is not a decision, but it is a proposition you can take having consulted with the Assembly.

**Deputy L.M.C. Doublet:**

May I suggest that Members consider this overnight rather than spending time debating now and that we decide first thing in the morning. **[Approbation]**

**Deputy M.R. Scott:**

I was just going to support Deputy Le Hagarat that at least we might ask if people do object to staying until 7.00 p.m. tonight because that sort of precedes this next discussion, so just let us discuss that first.

**The Bailiff:**

It is a matter for you of course, chair of P.P.C. It seems to me that it may be that Members will want to have the opportunity of considering what the possibilities are overnight in terms of what you have currently proposed, and that Deputy Doublet's suggestion might have merit. Provided Members understand that the Assembly may resolve to sit on Thursday night and may resolve to sit on Friday night that is the thinking that can be done overnight, and you could renew your proposition tomorrow morning first thing.

**The Connétable of St. Martin:**

I am more than happy to do that, Sir, and if people could email me this evening to let me know how they feel and they will be voting tomorrow, that would be helpful.

**The Bailiff:**

Do you want Members to take a sort of a straw poll as to about shortening speeches for a period?

**The Connétable of St. Martin:**

I am more than happy about that, yes, yes.

**The Bailiff:**

The other thing was, did you want Members to indicate whether they might be prepared to sit late tonight?

**The Connétable of St. Martin:**

I would be very pleased, Sir, to have that. Thank you.

**The Bailiff:**

Without committing on the basis ... sorry, Connétable.

**The Connétable of St. Helier:**

I just wanted to make a contribution, Sir. My view is that if we are going to sit late, then an hour and a half is not going to make a lot of difference and we need to be prepared to sit late. If we do not want to come back next week we are going to have to accept, I think, that Friday evening may be a late night. I do not think we should put a limit on Friday if we want to finish the business.

**The Bailiff:**

No limit has been placed on Friday at the moment, the limit has only been placed on Thursday but I think that is very much up in the air and can be considered by Members overnight and if views can be expressed to the chair of P.P.C. in due course.

**Deputy R.J. Ward:**

I will just say extending the day is never a good idea, that is when bad decision are made. We decided and we voted on 3-week sittings and the consequences of that is we may have to come back next week and we cannot deny that. I think it is a really unhealthy approach to this Assembly to just say we will just extend it and get through the business. Perhaps the next stage of that is for people to stand up at the beginning of their speeches and say: "Can we indicate whether you are voting against it or if it is possibly worth speaking at all and let us end the debate entirely?" I think we need to be considering sitting next week so that we are all here at appropriate times and if people have families - I do not have to worry about that but I know other people do - then they can be there during normal times. I think it is a real problem, Sir, at this late minute to be saying we will extend the day now and we will extend it on Thursday and Friday, let us sit on Saturday, let us sit on Sunday. This was a product of 3-week sittings, so we cannot now start swapping everything around simply to extend that.

**The Bailiff:**

The fact is that the chair of P.P.C. will come back tomorrow, having consulted more broadly.

**Deputy R.S. Kovacs:**

What I want to say is I disagree with Deputy Ward because I would prefer to stay longer Thursday and Friday than to come back next week. But I cannot change on short notice my plan for childcare, my parents are just landing now, so today for sure I will not be able to extend.

**Deputy A. Curtis of St. Clement:**

Can I ask that the chair of P.P.C. consider looking broadly with Members at starting earlier as well, if she is to speak to people tonight?

**The Bailiff:**

I think you got a fair idea from the Assembly, unless you wish to ask for an indication as to sitting late tonight, chair of P.P.C., that is entirely up to you.

**The Connétable of St. Martin:**

I think it would be quite useful to have a straw poll of who would like to stay late tonight and I also have to say that I do disagree with Deputy Ward because historically the States has always sat late, whether we were in a 2-week cycle or a 3-week cycle.

**The Bailiff:**

Indeed, the Assembly has done so, whether that is a good idea of course is a matter for debate between Members. But there is no proposition, so there is no reason to argue at the moment. There is no proposition before the Assembly. It may be helpful though of an indication, could Members who are able and would be prepared to sit late tonight, please stand? Very well, thank you very much. I think that is as strong an indication as you are going to get and there are a lot of people who are not going to be able to stay tonight. Very well. If you will reconstitute the questions first thing tomorrow morning. Thank you very much indeed. We continue in that case. Deputy Andrews, you had a matter to raise with the Assembly.

**Deputy M.B. Andrews:**

Yes, Sir. I just wanted to mention to you, Sir, that the eighth amendment that I brought forward to the Assembly, I have made an amendment to that amendment due to there being an administrative error that I picked up on a couple of days ago. I have just gone through the process to lodge that once again. I just need approval under Order 32.

**The Bailiff:**

Right. You have lodged, I think, a replacement amendment to the amendment that you had in somewhat different terms presumably. Is it an amendment to your amendment?

**Deputy M.B. Andrews:**

Yes.

**The Bailiff:**

In which case if it has gone in today, which I did approve because it was in due form, it requires the permission of the Assembly both to table it because it requires the suspension of the Standing Order which requires 2 clear days' notice and then it requires the leave of the Assembly to take it in its due time. Have Members seen the changed amendment?

**Deputy M.B. Andrews:**

I am not too sure if it has been circulated.

**The Bailiff:**

In which case it is quite ...

**Deputy M.B. Andrews:**

Yes, it has been ...

**The Bailiff:**

I am told by the Deputy Greffier that it has been circulated. When do you wish to make that proposition?

**Deputy M.B. Andrews:**

Yes, I can make it now.

**The Bailiff:**

If you wish to make the proposition then the proposition, effectively, it will be the same because Members are either going to be prepared to take it or they are not.

**Deputy M.B. Andrews:**

Yes.

**The Bailiff:**

But technically it is in 2 parts, firstly, to lodge it and have it placed on the list and then for Members to agree to take it. You will need to explain to Members what the position and concern is, if you would like to do that now.

**Deputy M.B. Andrews:**

Yes. Essentially what has happened is I placed an instruction to increase stamp duty rates, however, on the instruction that I gave unfortunately what has happened is there has been an increase on the market prices on immovable property, so that needs to be rectified and hence that is what I look to address, Sir, to make it clear for Members.

**The Bailiff:**

This is the eighth amendment, is it?

**Deputy M.B. Andrews:**

Eighth amendment, Sir, indeed.

**The Bailiff:**

Because it seems to me to be a single issue, although 2 different Standing Orders, I will take this as a single decision on the part of the Assembly. The proposition then is to allow the Deputy to put in amendment to the amendment and for it to be taken in due time when the amendment comes to be called, is that correct?

**Deputy M.B. Andrews:**

Yes.

**The Bailiff:**

Is that proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? All those in favour kindly show. Very well. You appear to be voting against your own proposition. **[Laughter]**

**3.5 Proposed Government Plan 2023-2026 (P.97/2022): second amendment (P.97/2022 Amd.(2)) - Stamp Duty of buy to let investments, second homes and holiday homes**

**The Bailiff:**

We move on now, the next amendment listed in the running order is the second amendment, stamp duty to buy to let investments, second homes and holiday homes lodged by Deputy Andrews. The main respondent is the Minister for Treasury and Resources and I ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

Page 2, Paragraph (a) - After the words "Article 9(2)(a) of the Law" insert the words - " , except that the 2023 estimate for Stamp Duty shall be increased by £240,000 and the 2023 estimate for Land Transfer Tax (L.T.T.) shall be increased by £160,000, by increasing Stamp Duty for buy to let investments, second homes and holiday homes at 4 percentage points above the normal rate for residential property". Page 2, Paragraph (c) - After the words "Article 9(2)(b) of the Law" insert the words - " , except that a transfer of £2 million from the Consolidated Fund to the Dwelling Houses Loan Fund should be included for 2023 and subsequent years". Page 2, Paragraph (e) - After the words "to the Report" insert the words - " , except that the General Reserve expenditure should be reduced by £1,597,000".

**The Bailiff:**

Deputy, do you accept the amendment of Deputy Kovacs?

**Deputy M.B. Andrews:**

No, I do not, Sir.

**The Bailiff:**

In which case, Deputy, please make your proposition.

**3.5.1 Deputy M.B. Andrews:**

Members, I have brought forward this amendment to the Government Plan. We all are very much aware of Jersey's housing crisis and we are very much aware of the distortion that we see in the market in both rental and purchasing terms. It is very difficult for those who are renting because what we do see is demand-pull inflation. There is a finite supply, there is a lack of private capital investment and what that is doing is that is pushing up rental accommodation but also it is pushing up house prices too. It is making it more steep; it is making it more difficult for our young generation to enter home ownership. Essentially, a stamp duty surcharge, it is a demand side constraint. We still want to see people investing in the housing market because it is very important that we do maintain a private rental supply. However, what we do not want to be doing is we do not want to be exacerbating our problems. We also have to be supporting those who are perpetual renters. It is so important that we support them, and we have to be the enabler; that is a firm belief that I do hold. The Government has to provide a provision. A 4 per cent stamp duty surcharge is going to go a long way because a 3 per cent stamp duty surcharge is relatively diminutive. However, I think a 4 per cent stamp duty surcharge is going to allow us to generate slightly more revenue but also, we will be able to repurpose the stamp duty surcharges toward first-time buyers. I think it is very important to mention the ring-fencing into the Dwelling Houses Loan Fund. This is demonstrating where the money is coming from. I think that has to be very clear because often it is mentioned when politicians come forward with ideas, where are you generating the source of funding? I am showing where I am generating the source of funding. I think that if you want to be taking this seriously then Members surely have to be backing this amendment. There is going to be a considerable amount of income being generated and this is additional income. Already what we do see is surcharges will be going into the Consolidated Fund but the additional surcharges will be ring-fenced and repurposed. I think this is the main point here that we have to be mentioning. Because in the past what we have seen is, for instance, a housing scheme in 2013, there was about 51 households that were supported but, again,



there was a budget allocation that was set aside. Once the funding was exhausted, what happened? Nothing continued. However, what I am looking to do here is I am looking to provide a level of continuity. As a legislative Assembly, in 4 years' time what we might see is considerable change, a new directive but at least we can have something in place for our young generation to enter home ownership. I think that is really important. This is why I am bringing forward this amendment to the Assembly. Because, again, political decisions sometimes will take a new directive. By having something already established what we will be able to do is we will be able to support many Islanders. It has to be said there has been some previous work done, previous Corporate Services Panel from the last term. They proposed £5 million to be transferred from the Consolidated Fund into the Dwelling Houses Loan Fund.

[15:45]

Unfortunately, that time the Assembly rejected it. However, I think since that time things have got worse. Even since the last election many people are mentioning about housing but even in this election I think many people thought that there is no going back, the problem is that much more exacerbated. It is becoming so much more difficult, for instance, to meet banking criteria because when you are looking, for instance, at some of the people who are investing in the housing market they are able to afford a loan-to-value buy-to-let mortgage of, say, 25 per cent. They are demonstrating, okay, their level of capital savings that they have. Is a 4 per cent surcharge on top of what they are able to already afford much more that they are not able to afford? No, absolutely not. Also, what needs to be understood is when there is partial market failure, governments have to act and this Government has not been acting and it needs to respond and respond quickly. Because if we do not what we will be seeing is demand-pull inflation continue and house prices will go higher and higher and higher and it will be the younger generation who, again, are in jobs within our economy, mainly in financial services and also in a couple of other sectors, where maybe there is a possibility that they may be in a position to enter home ownership. But the majority of sectors that we have are relatively low-wage economy sectors and also with the high rents that many households are having to pay out. Many households are in a position of negative savings, they expend more than they generate in income and that cannot be the case. We have got to do something and we have got to provide a provision. We have to help people. Because if we do not help people today, what message does that send for people of Jersey? You have a Government that is not willing to support you. You have a Government that is not willing to take action. The U.K. have a number of home ownership schemes on the open market and we do not. All we have is a home-buyer scheme that Andium run and also a shared-equity scheme that J.D.C. (Jersey Development Company) provide, and both providers do a fantastic job. But what I am saying, as a legislative Assembly, we can do so much more and it can start today.

**The Bailiff:**

Thank you very much. Is the amendment seconded? **[Seconded]**

**3.6 Proposed Government Plan 2023-2026 (P.97/2022): Second Amendment (P.97/2022 Amd.(2)) - amendment (P.97/2022 Amd.(2).Amd) - Stamp Duty of buy to let investments, second homes and holiday homes**

**The Bailiff:**

Very well. Then there is now an amendment to the amendment lodged by Deputy Kovacs and I ask the Greffier to read that amendment to the amendment.

**The Deputy Greffier of the States:**

Page 2, for the words "4 percentage points" substitute the words "10 percentage points".

### **3.6.1 Deputy R.S. Kovacs:**

While raising additional revenue, which is up to about £50 million, this proposed measure to set the stamp duty higher rate at 10 per cent on those residential properties not permanently lived in by the owner also has the key aim of changing purchase habits. This will alleviate the continuing demand for second properties during the housing crisis we are facing and make more homes available to buy to be lived in in a more tangible and quicker way than 3 per cent or 4 per cent increase would manage to achieve. There is evidence that suggests the demand for and purchase of buy-to-let properties by investors is contributing to higher property prices and also to the availability of affordable properties for first-time buyers. The intention behind this amendment is to deter the purchase of properties which are not intended to be the purchaser's main residence by a substantive increase in stamp duty on such properties. There is evidence from different jurisdictions that introducing the higher stamp duty on certain types of property purchases has had the desired effect. A further point for consideration is that increasing the purchasing rate by first-time buyers will free up the rental property they would otherwise have occupied. This suggests that setting the higher rate at 10 per cent will aid the rental market. This will also end up reducing the strain on social housing as what is now sold by Andium through assisted purchasing schemes would still be rented. The big difference of supply and demand within home ownership, social housing and private rental is clear, as shown in the results of the Jersey Opinion and Lifestyle Survey 2019-2021, from which it is noticeable that over the 3-year period the largest deficit of supply and demand lies within the owner/occupier category at a different of -1,830. The figures presented in the report show there is a great deal of those who are not owner/occupiers buying up residential property. It is certain that they will not be first-time buyers, with many being cash or money-ready buyers. However, this cash-to-buy injection and money ready in their accounts from those with significant funds is denying access to those who wish to get a foot on the property ladder. That is why the purchasers not buying property as their main residence should be disincentivised to assist future owner/occupiers and first-time buyers. I believe we should not be supporting the few to the detriment of the many. I say "many" as I really believe we could benefit the many who are seeking their own home if we start taking measures to discourage those who do not need residential property to live in from buying. While it may be a good investment for some, it has created both shortages and barriers for others who aspire to own their own home and create a housing availability stress that really does exist for too many people in our community. That could be easily seen last year and several times before when over 60 prospective home buyers were queuing from as early as 2.00 p.m. on a Friday for the sale starting 9.00 a.m. on the Saturday for the development in Bath Street. Directors of a mortgage establishment and the C.E.O. (chief executive officer) of the building development have said that it is not the first time that Islanders had queued for buying a property and that it was a very clear indication of the level of demand. I think it is a reflection of the lack of supply in the market and the strong demand that is out there. Jersey is not alone in having a dysfunctional housing market and such increase in taxing investment housing is not unprecedented as the Council of Ministers has said. Other jurisdictions struggling with availability are having a similar tax too. I have noted recently that there have been similar issues brought before the council in North Yorkshire, England. The area encompasses places like Whitby, Scarborough, Filey, all coastal towns attractive to visitors but more important for the purposes of this debate attractive for people to own second or holiday properties. This has priced many local residents out of their own housing market, especially those who are under 40 years of age. They, like many of our locals looking to own a home, have a family, are educated and working hard in the local community but either cannot afford to buy or cannot find suitable homes available because investors and outside buyers have made the market unavailable or unaffordable for them to buy their own homes. The North Yorkshire County Council have not only recognised they have this problem but, more importantly, are taking actions to do something tangible about it. I wish to quote from the council's press release published on 16th November 2022 regarding support for council tax premium on second homes and Members can also check it on their website if they wish, [northyorks.gov.uk](http://northyorks.gov.uk).

Quoting from there: “Support for council tax premium on second homes. Senior figures from the housing sector have given their support to a landmark decision to place a council tax premium on second homes and help tackle a ‘chronic shortage’ of affordable housing that is undermining North Yorkshire’s communities. Members have today - 16th November - backed plans to introduce a 100 per cent premium for council tax bills on second homes in the county within the next 2 years. The new scheme will effectively double council tax bills for second homeowners, and means that North Yorkshire is one of the first areas in the country to progress with adopting the Government’s new measures. The proposals are ultimately aimed at bringing second homes back into use for local communities after many people have been priced out of the housing market in some of North Yorkshire’s most desirable locations. It is also expected that the decision to introduce the premium will provide a multi-million-pound boost to finance key council priorities, including a central aim to use the funding to help introduce more housing in areas particularly affected by the affordability crisis. The National Housing Federation’s chief executive voiced her support for the move to help tackle the issue of second home ownership, which is particularly prevalent in North Yorkshire’s vast rural areas and seaside towns. She said: ‘I am pleased to see decisive action being taken to address the housing crisis in North Yorkshire. There is a chronic shortage of truly affordable homes in rural areas, and where people cannot afford to live, they cannot afford to work, which ultimately damages rural growth and productivity. I am glad to see that the revenue raised from these measures will be directed to providing the homes that communities sorely need’.” From the same quotation: “Analysis has shown that the introduction of a 100 per cent premium on council tax bills for second homes in North Yorkshire could generate in excess of £14 million a year in additional revenue. The Council leader welcomed the decision by today’s meeting of the full council to pursue the council tax premium on second homes, which he claimed is a ‘critical tool’ in helping provide more affordable housing. He said: ‘Today’s decision by the full council is a major step forward to helping tackle what has been such a long-running issue that has affected communities across North Yorkshire. It is heartening to have support from leading organisations involved in the housing sector, and the importance of trying to provide more housing for local communities should never be overlooked. To ensure people can live in the places they want to is vital to ensure that these communities remain sustainable for the future, and the council tax premium is a critical tool in achieving that.’ Members at the full council meeting have also backed proposals to maintain a zero per cent discount on second homes that is already applied by North Yorkshire’s district and borough authorities. The plans would introduce a zero per cent discount for properties that are unoccupied or undergoing major repairs or structural alterations. The proposals will also see the continuation of a sliding scale of council tax premiums from April next year on properties that have been left empty or unfurnished for between 2 and 10 years. A lack of affordable housing across North Yorkshire has been a long-running issue, accentuated in many of the county’s rural and coastal locations that are among the most desirable places to live in the country. There is a high demand for second homes, increases in mortgage rates have not changed that and it continues to increase the strain on an already limited housing stock. According to the National Housing Federation, there are 8,199 second homes in North Yorkshire, the highest number in the Yorkshire and Humber region.” North Yorkshire having a total population of about 824,000. Going back and comparing with what Jersey has 6,610 properties that declared rental income in 2020 for a population of about 103,000. From those sort of properties, as per the answer tabled to my Written Question 253, 4,760 declared one property for rental and 1,850 declared multiple properties for rental. This also includes 680 non-resident owners declaring rental income in Jersey. By way of a brief explanation of what I have just read, council tax in North Yorkshire is similar with our Parish or Island rates. The England properties are taxing 8 bands with different amounts depending on the property value. The new tax on second properties represents increases of up to 8,000 per year ongoing for the whole period you own the second property. I believe this demonstrates that we are not alone with facing issues relating to availability of affordable housing, but others are making courageous decisions to solve this issue as their analysis shows it is going to achieve what it is aimed to. I have looked at the details containing the comments of the Council of

Ministers and, to say the least, some of the information is confusing without a clear source or calculation of figures shown, based mainly on assumptions and excuses but not much on clear facts or evidence. I have already questioned the accuracy of some figures and I was surprised to see that the Minister was not aware where those figures correcting mine are coming from and how exactly those additional figures have been calculated. Without any officers helping with any research on my reports, I verified and questioned the data and information received to make sure on the source accuracy of available data and that I fully understand it. It is logical to assume the Minister would do the same, especially if those figures are coming to modify something.

**The Bailiff:**

Can you pause a moment, I just want to check if we are quorate? Yes, please continue, Deputy.

**Deputy R.S. Kovacs:**

I would think in a housing crisis we would have more interest in listening to the debate, and I really hope everybody is outside hearing what I am talking about. Having said that, if there is 20, 100 or 200 difference in the figures, it does not make much difference and it does not get away from the very real issue here and that is that for many people housing in Jersey is not readily available, is not easily affordable, does not give much choice or security. Therefore, what I am proposing will give time and make more properties available to those who cannot buy presently, who are renting hoping and wanting to buy. I would just like to repeat a quote from the North Yorkshire Council's publication by the C.E.O. of the National Housing Federation: "I am pleased to see decisive action being taken to address the housing crisis in North Yorkshire. There is a chronic shortage of truly affordable homes in rural areas, and where people cannot afford to live, they cannot afford to work, which ultimately damages rural growth and productivity."

[16:00]

Please keep that in mind. I hope Members will take note of this because it reflects what is happening in real life and not just on spreadsheets. Does the Council of Ministers really know or can put a price on how much damage our broken and dysfunctional housing situation has on our children, on every family fighting something sometimes most of their life to get on the property ladder, to live in a property they find suitable and fit. The Council of Ministers seem to have a spreadsheet, questionable estimates and a list of excuses for everything. Do they have one for this? Do they know the real value and life cost our children pay for living in inappropriate conditions not suitable to their needs, not occasionally but every day living in stressful situations. Then we wonder why so many problems appear in our community. We also keep on saying we are putting children first in our community so I would highlight that includes where they live. I do not think I have to remind Members again about the case with a child's life taken too early by living in a mouldy environment. I have experienced that intensively myself as well in my previous accommodations and do not wish it on anyone. The COVID restrictions, the lockdown, made us realise even more how important the place we live in and call home is but also to have access to the security of a long-term suitable home. This is what my proposal is about, bringing those who live here back into a housing market to which they are otherwise queuing for way too long, to a housing market where there is hope, aspirations and opportunities, where they are not pushed aside by those with more money that see this as an investment opportunity or even not having a connection with the Island or both. I am saying let us give those who cannot otherwise afford or access the property ladder some glimmer of hope and show that we really want to solve this housing crisis. What I am proposing with the 10 per cent increase in the stamp duty or investment properties is an important step forward that although would not cure will improve visibly our housing availability. All this while raising enough revenue to support the people wanting to own their home with evidence that there would be minimal negative impact on the rental market, if at all. Neither the 3 per cent increase, as currently proposed by the Council of Ministers, nor the 4 per cent, as proposed by Deputy Andrews, will have a tangible or

quick enough effect on buyers who can afford to purchase a second property for leisure and/or investment purposes, especially if they have money ready and are not reliant on a loan. Therefore, I am proposing this amendment to the amendment.

**The Bailiff:**

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

**3.6.2 Deputy I.J. Gorst:**

Let us start the amendment by being clear, there was perhaps an indication in the mover of this amendment and in the earlier amendment that no action was being taken. The Government has proposed an action which arose out of the previous Corporate Services Scrutiny Panel that a supplementary or increased stamp duty should be investigated, reviewed and proposed. This Government Plan, this finance law proposes action. The Corporate Services Scrutiny Panel produced their review during the course of 2021 and they looked at actions that had been taken elsewhere, primarily of course, I think, across the United Kingdom where they have a similar tax levy on second homes. We have drafted legislation which makes this proposal non-bureaucratic. But in 2021 we had - I think it is appropriate to use the term - a housing market that was accelerating and could be described as out of control and unaffordable. Therefore, it was absolutely right for the Revenue Jersey section of my department to go away and do the work that the Corporate Services Scrutiny Panel had asked to be done. But not only was there a dramatically rising housing market, there was a tremendous number of ...

**The Bailiff:**

Excuse me. Deputy, you cannot move in front of a speaking Member of the Assembly. We will leave you there for the moment, but it is not appropriate. Please carry on.

**Deputy I.J. Gorst:**

There was a dramatic number of transactions during that year. If we look at the stamp duty income we can see that that took place. That continued throughout the whole of 2021 and into the very early part of 2022. As with much of this Government Plan, the economic circumstances and the backdrop to the Government Plan has itself changed dramatically. The latest set of statistics show a very changed housing market. I had, during the course of the last 10 days, at least 2 experts in the Jersey housing market attend upon me and talk about the experiences over the last 2 Fridays. I do not wish to tread on to your territory but in the course of 6 months we have gone from a Royal Court attendance on a Friday afternoon being standing room only to now virtually no one transacting properties. We have seen a complete change. We all understand that that change is driven by high levels of inflation, higher levels of interest and the cost-of-living crisis and uncertainty. Does that cause the Government to stop from continuing with this stamp duty? No, it does not. But it should cause every Member to carefully consider unintended consequences of a 10 per cent hike in this stamp duty because if we look across the United Kingdom, and we will come to this argument, various of the countries that make up that United Kingdom have either 3 per cent or 4 per cent additional stamp duty. That is a debate that we will have in due course. They do not have 10 per cent but I listened very carefully to the mover of the proposition with her commentary about North Yorkshire. A very beautiful part of the world. In North Yorkshire the proposer of the amendment extolled the virtue of flexibility in the council tax regime. I am not sure whether I notice glints in the eye of my colleagues opposite, who are the custodians of Jersey's equivalent, although equivalent is doing a lot of heavy lifting there because the Parish rating system, to my mind, is far superior than the council tax regime in the United Kingdom for all sorts of reasons, but I will leave them to spend their 15 minutes extolling the virtues of the Jersey Parish rating system. Not least of which is that if you disagree with the quarts that you have been allocated you can pop up to your Parish Hall and you can have a conversation with the

individual that has done the assessing and you can fully understand how they have arrived at that decision. Direct democracy I think it is called elsewhere in the world and we tamper with it at our peril. Having said that, there is no doubt in my mind that the rating system can be used to encourage certain behaviours, particularly in the property market. I hope that the Constables have listened carefully and do indeed go away and work with colleague Ministers, as I know they are doing, with the work that the Minister for Housing and Communities has been undertaking around empty properties. We see in the appendix to the Minister's empty property review exactly that suggestion that in due course rates could be amended in the way that the proposer is mentioning. We are not quite there yet. We know that there are not transactions in the housing market, we know that the economic advice in the review that Ministers and Revenue Jersey undertook before proposing the higher rate of stamp duty was quite a finely balanced decision because there are 2 policy aims that one is trying to achieve. Firstly, one is trying to encourage first-time buyers and a greater level of property ownership. So, making a second home slightly more expensive could deliver changes in the actions of some Islanders. Equally, one is seeking to carefully ensure that one does not intervene so much in that market that rents increase simply in line with the added stamp duty or above and beyond because the number of properties in the rental market is constrained dramatically or drastically. That is why I understand entirely why the mover of the proposition has moved this proposition but rather than any evidence being presented, and from the market intelligence gathered from what is happening today and what will be happening on Friday in the Royal Court. I really do urge Members to consider extremely carefully the unintended consequences of increased rents arising out of a 10 per cent higher stamp duty rate and I ask Members to reject this amendment so that we can have a debate about the 4 per cent and of course then where that money should be allocated to. Whether it should be allocated to the Housing Loan Fund or the Consolidated Fund, but we will come to that point. In the current market conditions, I think by accepting, if we were to do so, this amendment, we could not guarantee that there would not be - and in fact the evidence and advice provided from the current market conditions - untold consequences into the rental market. Those individuals who are already suffering from rental stress, and we hear again as my colleague said in front, sighing to my right, strange to say that, but we cannot get away from the fact of the conditions that the Jersey housing market is encountering right now. To vote for 10 per cent additional stamp duty I have no doubt that it would do just that, it would push rents up and that is one of the balancing policy decisions that this measure is not intended to do. It is intended to carefully and gently change actions but not at the expense of renters in our community. We know, do we not, in the housing regulations 12 per cent of Islanders are not allowed to buy. Are they the 12 per cent of Islanders that we are prepared to see their rents increase even further when they are already suffering difficulty, not to mention all of the others as well. I do not think it is.

[16:15]

I think it is a balance that we are seeking with this policy proposal and for me the balance really should all be about whether it is 3 per cent or 4 per cent, and I will come to that point in due course. But most certainly not this 10 per cent. Thank you very much.

### **3.6.3 The Connétable of St. Mary:**

Again, I have some sympathy with the mover of the original amendment here in that we should be discouraging somehow certainly holiday homes and second homes. I do differentiate them as against buy to let. I think there is possibly a loophole for such people. I myself bought my first house and then found I could afford to retain it and let it, albeit to my in-laws. I will not go there, though. **[Laughter]** It does open the possibility or advertise the fact that people might try and seek to get around it by originally living in it themselves and then subsequently letting it. I take on board what Deputy Gorst said about not wanting to discourage the letting market or even serve to increase rent as a result. My main concern relates to the so-called holiday homes and second homes. I first saw a query of how many there are and how on earth did they come into being in the first place. I do not

see additional stamp duty as being the appropriate way of deterring them. I would rather borrow a phrase from the U.K. legislation where - in different circumstances admittedly - they seek to tax people who have accommodation available for their use. Now, a holiday home is not empty because it has furniture in, but it is available for the owner's use. In U.K. terms, it is used where a former resident of the U.K. leaves the U.K., seeks to retain a property and comes back occasionally. Under those circumstances if he falls foul of the accommodation available for use provision he will be taxed on his worldwide income in the U.K. I am not suggesting anything as drastic as that but I think we could borrow the phrase of accommodation available for use by adapting it to apply a notional rent that would be applied to such a property if it were let. That would mean that the Exchequer, and I do mean the Exchequer rather than the local Parish Hall, although that would meet my own Parish's costs because rates are relatively small, and I think that if people who own such properties were burdened with the idea of having to pay tax on a notional rent or something of that order that would be sufficient to deter them, it may even encourage them to sell. That is the route I would like the Council of Ministers to go down in the future. But, for the reasons I have stated, I am afraid I cannot support the original amendment or the amendment to the amendment.

#### **3.6.4 Deputy S.Y. Mézec:**

He has just left the room but Deputy Gorst did make reference to me apparently sighing when he was speaking, and I should perhaps correct him and say it was more of a gasp. A gasp because I was so shocked, taken aback and delighted to hear his deep concern for the plight of Jersey's renters. What a drastic change in previous positions and I look forward to counting on his vote on future measures to improve conditions for renters, seeing as I have never been able to count upon it before this proposition. I, of course, completely disagree with the conclusion he reaches that this amendment would somehow lead to those pressures that he believes will put further upward pressure on rent. The whole point of this amendment is to help turn more renters into homeowners so that those people, instead of paying an extortionate part of their monthly income into the pockets of somebody who already owns multiple properties, instead pay it into their own property so that they can get the security that comes with that and the ability to then rely on that property later in life to move on in life too. That is the whole point of this proposition and some of the points that are made in the comments to this about it leading to a restriction on the supply of rental homes I simply find bizarre. Those homes do not disappear into thin air, they exist, they will either be lived in by an investor who will put up with the surcharge or by an owner/occupier, and they themselves will then no longer need to live in the rental sector. It is about providing for a better distribution of the homes that we already have so that people are paying into their own futures and not into the investment funds of other people. The reason that I think Deputy Kovacs has gone for a 10 per cent surcharge instead of a 3 per cent is because too many of us look at that 3 per cent and simply regard it as measly. It is such a low number that we are simply not convinced that it will have the impact that is suggested. It appears to be the bare minimum rather than an actual concerted drive to treat our housing crisis for what it is, a crisis, and one that needs drastic action and not tinkering, which is ultimately what the 3 per cent surcharge is. It is so hot in here it is almost worth putting up with the noise that the fans create. It really is quite uncomfortable with the heat we are experiencing in the Chamber at the moment. I do not have much more to say on that from what I have just said, that a 10 per cent surcharge shows a genuine drive towards trying to put off large investors from sweeping in and buying up properties rather than providing those opportunities primarily for first-time buyers or, at the very least, owner/occupiers so that we can get a better distribution of the homes that we have in Jersey. A 3 per cent surcharge surely is measly. I will be wholeheartedly supporting this amendment from Deputy Kovacs.

#### **3.6.5 Deputy M.R. Scott:**

Listening to this debate so far makes me realise that that I would not believe that I was discussing a budget. We seem to be talking and, indeed, arguing about a number of political experiments. It has

already happened and also the nature of evidence. Now I know we want to hurry up this debate and I suspect that Deputy Kovacs' colleagues in Reform will be giving their support, as you might expect them to in a number of speeches. I would like to point out what one of her colleagues did mention in the context of another amendment. It was the words "cost-benefit analysis". It is quite difficult to do when you have a political experiment and when Deputy Kovacs was describing a number of councils that have made a decision thinking: "Oh, let us do this. Let us do this to solve the problem." We heard an awful lot of what they said they thought that the result would be but not too much about the actual figures, the "okay, so what really happened" partly because these are political experiments. When the Minister for Treasury and Resources has talked about unintended consequences I sympathise. There has been much history where at different times people have actually sought to bring in political experiments with a cost on populations. But more importantly - well, perhaps not so importantly but still it is important - a cost to the taxpayer. I just would like to remind people that we are talking about the Government Plan, we are talking about a budget and we talking about consequences for the population. As the Constable of St. Mary has said, this affects all homes. We are not really making the distinction between rental homes and holiday homes. So I do have some sympathy with the Council of Ministers' position about unintended consequences. I accept the intention but I also believe, and this may be because I have a different background to many, that when you look at these ideas you do need to produce some figures, some cost analysis and have a clear understanding of risk.

**The Bailiff:**

Thank you very much, Deputy. Does any other Member wish to speak on the amendment to the amendment. If no other Member wishes to speak then I close the debate and call upon Deputy Kovacs to respond.

**3.6.6 Deputy R.S. Kovacs:**

I want to thank everyone for the contribution. I would have thought it would have been more than that. As I said, ashamed to see so little interest in the housing crisis. It has all been noted and I will respond in general terms to the points raised as some also mentioned the Council of Ministers' comments. My amendment is seeking a substantial increase as there is an immediate need to have residential properties available on the market for people wishing to purchase a home to live in. A 10 per cent higher rate would be more likely to have a more visible and quicker effect on the purchasing habits of investors to reduce the numbers of properties being bought for investment or leisure and free up residential properties for the ones needing to go on the property ladder and own their own homes. The Council of Ministers assume it is going to work and is going to negatively affect the rental market but still they are the ones saying in paragraph 19 of their comments: "At this stage it is not possible to forecast the impact that such a measure would have on the housing market. At worst the surcharge could drastically reduce the number of available rental properties, limiting supply in the face of increasing demand, while affordability constraints leave properties vacant as owner/occupiers struggle to get on the housing ladder." Then in paragraph 4 more catastrophic assumptions with not a single factor of evidence saying: "The effect of this amendment would further distort Jersey's housing market to such an extent it is not possible to quantify the impact." As I said, this is an assumption and always looking at the worst and not wanting to see the potential of this to improve the housing issue we have, especially when there are facts and evidence showing that. The way I see this going so far, both with this amendment and in general, in what is proposed from Back-Benchers, it would be good to see the Government putting the same level of effort in finding collaborative solutions as they put in finding excuses and the public will benefit much more. You do not have to take my word for it that it is going to work. Deputy Gorst said no evidence has been presented for my case, although please look at the Council of Ministers' comments and show me how much evidence is there and how much is assumptions. Let us then look at the facts and figures, evidence-based data and statements and information from other jurisdictions trying to sort similar



issues or from our local real estate lawyer, conveyancer, and mortgage adviser that I have been speaking to. Facts. People are waiting on a few occasions overnight to buy their first home when a developer releases available residential properties to purchase for a fear of losing out. There are 6,610 second or multiple residential property owners renting out as per the 2020 tax returns, as was responded to my written question. 4,768 or more are second properties, 1,850 are multiple properties from which 680 are non-residents owning and renting in Jersey. My data chart on numbers of properties sold in the last 4 years was provided with exact source and clear calculation of where each figure is coming from and also clicking the link you could see what is included and what is not. The Council of Ministers has amended this data saying mine is incomplete without providing the source or explaining how did they come up with the additional figures. Even after questioning the exact process of the calculation that I had done on my own aggregated figures, this is has not been provided in detail making the accuracy of the data questionable. Let us say we are sure that it is accurate. What the Council of Ministers are saying with the new figures on property sold as an example is that in 2021 from 2,316 total properties sold only 382 were first-time buyers with 261 more than I said before which includes share transfers. The remaining of almost 1,000 - 934 - out of those properties are being bought by investors. If we assume the extra difference of 261 first-time buyers were all bought with a loan, my figures in the initial chart still stand by percentage, showing that out of the remainder about 800 would have purchased without a registered loan. I will repeat the figures for clarity. From about 2,300 properties sold, about 380 were first-time buyers, 1,900 bought by investors and about 40 per cent of those, which is about 800, were residential housing bought without a registered loan.

[16:30]

Is it only me seeing this as really wrong, as an extremely unfair distribution? Are we really going to continue to allow investors to keep on taking advantage of this economic crisis and more to reduce availability of housing for people needing a long-term home to remain here than to continue to cry: “We do not have sufficient housing so let us just continue to build until we sink this Island and satisfy the needs of investors first”? That is the solution the Council of Ministers seek. A similar thing with unclarity in the accuracy of the figures estimated by the Council of Ministers is on their financial revenue from their 3 per cent on this. It was already changed once for being wrong since submitted initially and Treasury could not apply the same economic analysis after my 10 per cent. Therefore we have to take theirs as good but when I applied their general model to calculate mine without implication of the changed behaviour that they could not address, they said that mine is not possible to quantify potential revenue. I would say this shows double standards like in other occasions too. North Yorkshire recognised less than a month ago that there is an urgent issue with the availability of affordable housing for first homes for locals to buy to live in and they acted on it, doubling their current tax on second properties, or even more, having 8 bands of tax on this, meaning it could go up to £8,000 per year ongoing tax on second properties. They had the support of leading organisations in the housing sector on this as they understood that only measures like this would manage to bring back enough available residential properties for local people to buy to live in without having to rely as much on additional build. Based on the model calculated by the Council of Ministers for their 3 per cent increase my amendment could raise up to £50 million in revenue that could be used to support those first-time buyers through better first-time buyer support schemes and shared equity programmes. The main purpose of the amendment, though, is to change the behaviour and the revenue raised is a welcome and useful plus. As said, the Treasury was not able to calculate this estimate more accurately for me to include the standing model that considers the change in buying behaviour with the increase with the 10 per cent in stamp duty. Even so, there is a very clear fact this will raise above their almost £5 million estimated for their 3 per cent while increasing the availability of housing for first time owners to live in. They say the rental market will lose out. I say the opposite. The only example that the rental market would be affected given by the Council of Ministers was the article in the *Jersey Evening Post* from a director of an estate agency. If you read

the article, even in there the author is contradicting himself, but there is also the aspect of an opinion coming from someone with vested interest, who would lose out if the prices are going down, as they earn based on commission from the selling price. One simple factual example to show that is not the case, to cause more gap in the rental market from this, is let us say 2,000 households buy a home to live in, 2,000 properties that they were renting before become available for renting, so no loss at all in numbers, is there? On the argument that there is more deficit on the renting properties register category I will highlight some more facts which contradict. First of all, this differentiation in rental housing categorisation, different for registered workers, does not make sense to me or to many. It seems discriminatory. I understand the qual's needed for buying a property, as space is limited and priority has to be given to locals first, which is part of my amendment's intention too. But the differentiation into registered accommodation or with qual's is mainly based on lower quality and standards and sometimes even lower safety. That is what makes it discriminatory. That is not just me saying it, although that is my experience as well, but there is the feedback received from almost everyone that rented registered accommodation and has seen the comparison with the qual's property. Believe me, I have been long enough involved in the community to receive a great deal of such feedback. This is something that definitely needs looking into quite soon, but that will be for another discussion. Let us go back to the facts contradicting that this amendment will deepen the hole in the registered properties available for rent. Firstly, if the Government says the rent-a-room scheme and action on vacant properties is going to be as successful as they say, the rental market would be in surplus already, is it not? The 600 estimated deficit in this register rental category was forecasted in the Housing Needs Assessment for 2019-2021 based on the net inward migration of about 1,000 per year with additional increase of about 100 each year. This estimate was done in 2018-2019 before leaving the impact of Brexit and COVID, before working permits and visas and when Jersey population was estimated at almost 108,000. Statistics Jersey has confirmed that in their modelling this has not been considered. We know that since then, Jersey population is estimated at about 5,000 less than that, at about 103,000 now. Immigration has reduced massively, as an example from that I know about 1,000 Romanians have left since then and many others, including Jersey-born as well. The estimate in Jersey Future Housing Needs Assessment 2019-2021 shows the forecast was done in 2018 as follows: "On their current immigration trend, which were then at about 1,000 immigrants per year, there is a potential shortfall of around 600 units of registered accommodation." I continue to quote: "The previous round of this survey relating to 2015-2018 recorded a potential surplus of registered accommodation. The latest potential shortfall has been possibly largely different by recent levels of migration." However, we will see just bit further than the real estate lawyers and conveyancers have another explanation for this as well in respect of the net migration, the conclusion from the same housing needs assessment states: "Potential surpluses and shortfalls in the qualified tenants of accommodation are impacted less by the level of net inward migration during the next 3 years than registered accommodation. A level of net inward migration of around 500-plus people per year results in a potential net nil provision of registered accommodation over the next 3 years. A level of net inward migration of around 700-plus people per year results in a potential shortfall of almost 300 registered accommodation units over the next 3 years. So we see that the lower level of migration brings lower need for registered accommodation. The reality on the ground nowadays in respect of migration is the vast majority of the people still coming are, as said, at the much lower number. The majority of these are on working visas and on temporary contracts. They are usually brought into either the farming or hospitality industry, where the majority as well have staff accommodation, especially in farming, already sorted when coming as registered worker or they are also coming as a key licence worker in health or education, which then has access to qualified accommodation to rent or even buy under that category, if it is to remain longer or one can afford. Another fact is that it is in the power of the Minister for Housing and Communities to change the housing category and make more availability in that situation. Conditions and changes to housing categories are specified in the Control of Housing and Work Law, which I quote from: "(1) An owner of a unit of dwelling accommodation may apply to the Minister to change the housing category of

the unit of dwelling accommodation or to specify or vary the conditions relating to the housing category of the unit of dwelling accommodation. The Minister may, of his or her own motion, or following the application under the paragraph (1), make a determination relating to any of the following: (a) a change in the categorisation of a unit of dwelling accommodation; (b) specification or a variation of the conditions relating to the housing category of a unit of dwelling accommodation.” So, we can see the Minister for Housing and Communities can change that, if he wishes to. I also have another fact, evidence, statement from a conveyancer: “The reduction of the registered type accommodation is in big parts due to many lodging houses being purchased by local developers and the change of use applied from lodging houses to residential and being sold off to purchase as individual units, mainly still bought by investors. The Population Office would hold the figures on how many housing obligations have been granted. Our organisation has dealt with many in the last 3 years, which is a huge number of clients no longer available to registered card holders. From speaking with a few real estate lawyers and conveyancers, there are many other firms dealing with the same work. This would explain much better why there are no properties for registered hospitality workers, for example. I agree here with Deputy Barbara Ward when saying: we cannot keep building lodging houses, but we can stop giving the existing ones to investors. Another important fact from the same report, Jersey Future Housing Needs Assessment, states: “There is a potential shortfall of around 1,930 units in the owner-occupier sector.” The reality is this number has increased. I will give you the examples to see that figures do not lie. In response to Written Question 264/2022, the Minister for Housing and Communities has indicated that although it is not possible to identify the total number of homes across the Island that are currently available to purchase as of Friday, 11th November, there were 1,995 active applications on the Assisted Purchase Pathway. It was confirmed that as of that date, only 18 properties were available for purchase from Andium. He has also indicated that the average waiting time in the scheme, based on 2022 sales, are up to 4 years 8 months, dependant on the type of property. There are 2,000 on the queue list, 18 properties available, to wait for almost 5 years. A response to a separate Written Question 284/2022, has indicated that Andium Homes anticipates that by April 2026 1,121 homes will be developed for their use. This is lower than the current active application. They have confirmed that only one-third of those will be affordable housing, total for both rental and selling. The J.D.C. Horizon development has confirmed that already about 50 per cent of their flats have been bought by investors and buy-to-let. How would we know, they say, if this is successful and who is buying for what purpose? The previous Assembly has approved before for a digital register to be put in place. The Control of Housing and Working Law 2012 updated ... and for some reason that is still overdue, and the data could have been collected by law to make a more informed decision, but it is still not collected at the level needed. The data would show for all units of dwelling accommodation the housing category and the purpose of use for each unit. I believe it is time to put that in practice. Then I was glad to see that P.102/2022, the Draft Finance Law for the Budget in the Government Plan states under the amendments to the stamp duty that now by law the buyer has to declare in a statement if the dwelling required is to be used as their main residence or for what other use. The Stamp Duty Law will also provide that it is an offence for a person to make a statement they know to be false or misleading. The penalty is imprisonment for 6 months, a fine not exceeding level 3 on the standard scale, £3,000 about, or both. In addition to that, there is also available for comparison the related data collected from the estate agents, mortgage providers, conveyancers and what is collected at the Treasury through the land transactions tax and the judicial Greffe from court transactions. At the same time, in paragraph 15, the Council of Ministers comments, there is mention that it is not possible to quantify the total number of transactions with which alone is associated across stamp duty and land transaction tax. I will say that is wrong. Data is collected and available for this as well. This was confirmed to me by real estate lawyers based on what details they report when housing purchasing takes place. Any registered loan on freehold housing purchase goes through courts so the judicial Greffe or public registry will hold the data. For shared transfer properties sold there is a tax form to complete. This captures whether you are a first-time buyer or a buy to let and includes the property price and stamp duty payable.

When you take a loan when buying a share transfer property, you need to pay the land transaction tax on the loan using the creating of security interests section of the form given. This also captures whether you are a first-time buyer or a buy to let. It includes the loan amount and the stamp duty payable. From conversations with Treasury, they do hold this data. “Mortgage rates are going up, so nobody is buying any more” was another comment. Even the Minister for Housing and Communities does not believe this. As he is stating in the Scrutiny hearing with the Environment, Housing and Infrastructure Panel at the end of October the following, when he was questioned about mortgage interest going up impacting further building, I quote: “So that is a problem, but, as I say, it is a problem that is happening now. I am not quite sure that we, as a Government, can do much about that. It is just the reality of the market. Thankfully, we appear to have a more secure leader in the Conservative Party membership and the markets have reacted in a positive way to that. Therefore, interest rates appear not to be going north as they seem to be going literally 3 or 4 weeks ago. Things seem to have stabilised a little bit on that.” Statement from another conveyancer: “This has had some impact, the mortgage rate. However, where interest rates have risen, property prices have fallen. The market is still very steady. The Bank of England intervened in time. In fact, interest rates are showing to be slowly falling.” A similar response has been received on asking mortgage advisers about mortgage interest impact on volume of property sold.

[16:45]

They said it was a bit of an initial shock, with the sudden increase in interest, but it is stabilising and the market continues to be steady and people are still buying residential properties. In the last 2 weeks I have also seen 3 of my friends purchasing their home. Specialists working in real estate and linked industries say they see the market steady as well. Investors continue to buy. They have seen about half of the share transfer properties bought being for buy to let and the lease can continue. There is also evidence that suggests the demand for and purchase of buy-to-let properties by investors is contributing to higher property prices and also to the availability of affordable properties for first-time buyers. The ridiculous prices we have today on the housing market are also due to this continuous demand from investors to buy. As they have the money, they bite into a big portion of what would otherwise be available for first-time buyers. This then goes in creating gap in availability for first-time buyers, increasing that demand and the waiting list in this category as well, and increases in high housing prices across the board. The ones that suffer from all this are still the ones trying to get on the property ladder. They are the ones we should be supporting and creating availability for. This amendment, in effect, also has the potential to bring housing prices down. In the same Scrutiny hearing mentioned above, the Minister for Housing and Communities responding on a question about buy-to-let purchasing impact on the market also recognises that the home is now seen as a commodity. I would add to that that investors make it be seen that way, but I want to read the exact words from the Minister: “Obviously if you have cash-purchased it, that is something else, but the point being is that it has been seen as an opportunity, as an alternative investment. In some ways it is a philosophical thought that I have had, which is the sad fact that the home is no longer seen as a home. Homes are seen as something of a commodity that you buy and sell, which is a philosophical point I would make.” I want to highlight this. Tax advantages, wage increases and increasing rent subsidies have failed to address the very real issue of availability, affordability and security. Money alone will not sort out our housing problems. That is why incremental steps are required. This proposal is one of many that can be taken to work towards improved housing conditions. Residential accommodation is seen by some as being an asset instead of people’s homes. Some States policies have not only encouraged but incentivised investors to buy into the market and purchase properties with guaranteed rental yields, underwritten by the States rental policy and extraordinary capital growth, the latter linked to well above inflation increases in property values. A 3 per cent or 4 per cent increase in stamp duty is not sufficient for investors to not see residential properties as attractive to purchase, especially if they have funds available. We can see from the previous data that about 30 to 40 per cent of purchases in the last few years did not use a registered

loan when buying. With 10 per cent increase in stamp duty, it is more likely that this type of purchase will slow down enough to have the desired effect for owner-occupiers and first-time buyers. In the future, if objective evidence can be brought to the Assembly showing that there are sufficient affordable residential properties available for owner-occupier and first-time buyers then this high rate for buy-to-let investment properties, second homes and holiday homes could be reviewed. Nothing stops us to change it if we have evidence at any point that we have housing available but not bought by anyone; no rocket science there. But at the moment we see the opposite. This trend needs fixing as soon as possible. Currently we do not have sufficient housing for the Jersey residents wishing to purchase an affordable home. Therefore, my proposed amendment needs to be applied quickly ahead of any further proposed reviews on stamp duties to help these residents while also raising more revenue which can be used to support first-time buyers better and quicker to own their home. My proposition is about putting an element of protection around our existing housing stock and building it into future supply. All the facts and evidence presented show it would not affect greatly any housing market, if at all, other than the intended investors' pool. Analyses also show this will make best use of the stock we have for the local population. The best thing is that this amendment will also raise enough revenue to support the people wanting to own their own homes while making the needed homes more available to them. I therefore maintain my amendment and call for the *appel*, thank you.

**The Bailiff:**

The *appel* is called for. I invite Members to return to their seats. I ask the Greffier to open the voting. The vote is on the amendment to the second amendment. I invite Members to vote. If Members have had the opportunity of casting their votes then I ask the Greffier to close the voting. The amendment has been defeated.

<b>POUR: 11</b>		<b>CONTRE: 34</b>		<b>ABSTAIN: 0</b>
Connétable of St. Helier		Connétable of St. Brelade		
Deputy G..P. Southern		Connétable of Trinity		
Deputy L.M.C. Doublet		Connétable of St. Peter		
Deputy R.J. Ward		Connétable of St. Martin		
Deputy C.S. Alves		Connétable of St. John		
Deputy S.Y. Mézec		Connétable of Grouville		
Deputy T.A. Coles		Connétable of St. Ouen		
Deputy B.B.S.V.M. Porée		Connétable of St. Mary		
Deputy C.D. Curtis		Connétable of St. Saviour		
Deputy L.V. Feltham		Deputy C.F. Labey		
Deputy R.S. Kovacs		Deputy S.G. Luce		
		Deputy K.F. Morel		
		Deputy M.R. Le Hegarat		
		Deputy S.M. Ahier		
		Deputy I. Gardiner		
		Deputy I.J. Gorst		
		Deputy L.J Farnham		
		Deputy K.L. Moore		
		Deputy P.F.C. Ozouf		
		Deputy P.M. Bailhache		
		Deputy D.J. Warr		
		Deputy H.M. Miles		
		Deputy M.R. Scott		

		Deputy J. Renouf		
		Deputy R.E. Binet		
		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy A.F. Curtis		
		Deputy B. Ward		
		Deputy K.M. Wilson		
		Deputy L.K.F Stephenson		
		Deputy M.B. Andrews		

### **3.7 Proposed Government Plan 2023-2026 (P.97/2022): second amendment (P.97/2022 Amd.(2)) - Stamp Duty of buy to let investments, second homes and holiday homes - resumption**

#### **The Bailiff:**

We now return to debate on the second amendment. Does any Member wish to speak on the second amendment? Deputy Ward.

#### **3.7.1 Deputy D. Warr of St. Helier South:**

I was interested listening to Deputy Kovacs' speech a moment ago. There is one thing I want to clarify and clear up about transactions. I want to make sure we get some facts across here. She talked about the queue of buyers, was the term she used, for Merchant Quarter through Le Masurier. I noticed on the date that happened, that was on 30th September 2020 when there was a queue, I am very conscious of that. However, a second release on 1st October 2022 did not see a queue. In fact, they struggled to sell any of the properties at all. The change in the market conditions right there is a clear example of the issues we are dealing with today. The housing market is at a turning point. At the start of this year the market could simply not keep pace with demand. This coupled with record low interest rates for a sustained period meant that intervention into the buy to let and second homes market was well-justified. Last year action was taken to prevent the creation of new share transfer properties. Right away this meant that foreign investment into the market was stopped in its tracks for all new properties being built. This year the commitment has been made to introduce the 3 per cent surcharge on buy to let and second homes. These measures together help ensure that as many properties as possible are available to Islanders to buy as their own home. However, the market is changing. Due to Bank of England base rate increases, the cost of borrowing has sky-rocketed and is expected to increase further. This, in itself, will be acting as a major deterrent for buy-to-let investors. This is in the case of where finance is required, where the costs of borrowing will outstrip the potential return. On the one hand this could be seen as great news for prospective home buyers. More homes will be available for them to purchase. However, on the other hand, what about those who need to live in private rental properties? Whether some like it or not, the rental market is an essential pillar in Jersey's housing market. It provides homes for those who are not eligible for or wanting social housing but are not in a position to purchase their own home. Indeed, for a number of people renting a home is a choice they actively make to suit their own needs. It is therefore right that we continue to enable a market that is varied and can give people that choice. We already know the demand is higher than supply in the rental market, making more affordable homes available for purchase may relieve some of this pressure, but it will not go away. The introduction of a stamp duty surcharge already committed to at 3 per cent will need to be carefully monitored. The good news is we can switch that on and switch that off depending on how the market reacts next year. I see absolutely no reason why pushing this higher to 4 per cent, we have heard 10 per cent, which has

been defeated, as has been proposed by both Deputies Andrews and Kovacs, will do the housing any justice right now. Again, I wish to thank both Deputy Andrews and Deputy Kovacs for both of their well-intentioned amendments. Unfortunately, and for very good reason, I am unable to support their amendments for the reasons I have explained. Those are set out in the Council of Ministers published comments.

### **3.7.2 Deputy S.Y. Mézec:**

To have on record that if you cannot have 10 per cent at this stage then 4 per cent is certainly better than 3 per cent. I would want to vote for that at this stage. Could the Deputy proposing this amendment confirm whether he will be taking the amendment in parts? There are different parts that relate to different elements, one of which is still valid, even if the other one is not accepted. He is nodding his head. In his closing, he may wish to elaborate, so Members know what options they have before them.

### **The Bailiff:**

When Deputy Andrews responds, he will be in a position to indicate how he wishes to take the proposition. I will then have to consider whether it can be taken in that way. Does any other Member wish to speak?

### **3.7.3 Deputy J. Renouf:**

Briefly, if I may, I want to make the case for why I am against 4 per cent. To make the case for why I am against a 4 per cent surcharge I need to explain why I support a 3 per cent surcharge. My belief is that we do have a structural problem in the housing market. I agree with Deputy Andrews and Deputy Kovacs that our housing market favours investment buyers. The lack of a capital gains tax or a second home sales tax means that we have seen buy-to-let investors outbid homeowners. It is clear that homeownership has declined in Jersey and the recent market has been dominated by investors. We need to tackle that. There are those who say that the market will be self-correcting. We have rising interest rates in a market that is softening sharply. If you look at the Jersey housing markets over the last 30 odd years, the gap between average wages and house prices has continually widened. Crucially, even when the market has corrected, we have never closed the gap between house prices and earnings. The affordability gap keeps widening. This is why, I believe, we have a structural problem in the housing market and why we should increase buy-to-let stamp duty even in a softening market. So why then only 3 per cent, why not 4 per cent? Because my view is we should be cautious. There are those who find caution maddening. I do not. I would tie this to a bigger point. We need to find a middle way. I find no shame in that. This Government is committed to evidence-based decision-making. We weigh the options carefully. We are mindful of unintended consequences. We would rather take one solid step on to reasonably solid ground than an unstable leap into the unknown. Let us stick to 3 per cent. As Deputy Warr says, we can always vary that in the future if it is needed. For now, 3 per cent strikes the right balance.

### **3.7.4 Deputy I.J. Gorst:**

I want to make a comment, not on the 3 or 4 per cent as others have done, but on the proposal to reduce the General Reserve. Members will be aware that economic uncertainty will continue in 2023. There is flexibility in this Government Plan given by the General Reserve and the proposer proposes to take money from that General Reserve and hypothecate it for housing purposes. As Members will be aware there is already £10 million hypothecated for the Minister for Housing and Communities to bring forward the scheme I know the Deputy wants to be brought forward, as he said in his opening comments. Therefore, on that basis, that it removes flexibility for unforeseen circumstances and worsening economic conditions in 2023, I cannot support it either.

### **The Bailiff:**

Does any other Member wish to speak on the amendment? No other Member wishes to speak then I close the debate and call upon Deputy Andrews to respond.

[17:00]

### **3.7.5 Deputy M.B. Andrews:**

Thank you to all of those Members who have contributed in this debate. When I proposed this amendment, I was given figures in relation to the Consolidated Fund and also the General Reserve. There is an inaccurate figure in relation to the Consolidated Fund figure of £2 million. It is going to be £5 million. That is going to be generated from a 4 per cent statutory surcharge, I was later informed, only once I had lodged the amendment. Also, in relation to the General Reserve, it was £1.6 million in terms of the General Reserve transferred to the Consolidated Fund. That would have been factored in at a £3 million increase. That needs to be mentioned, so Members are fully aware. It is also important to mention that Jersey is a low tax jurisdiction. It means that when we are looking at other jurisdictions, we have to be looking at the different dynamics that there are between, say, Scotland, Wales and the U.K. where there are Stamp Duty surcharges that are applied. For instance, if we are to be looking at personal incomes in Jersey, especially in relation to net incomes, net incomes are generally going to be higher. That means income savings are also going to be increased. That means that the ability to invest is quicker. This is one of the problems that we have. There are market incentives in housing. When we are looking at mark-ups, when we are looking at the profit that is going to be generated, it is pretty substantial in many cases. Compare that to other remits of investment in our economy where it is going to be relatively low. This is one of the problems. We need to be looking at the statistical data. We need to be looking at the amount of rental income that is also taxable as well. That is provided by Statistics Jersey. That is also a concern. We speak about diversification in our economy, but it is not going to happen, because we are not a market incentive economy. Where market incentives lie is in housing. That is the biggest problem that we have. What we do see is continued prices going up and up and up. Deputy Renouf makes a good point and I also alluded to it earlier, in terms of the wages in our labour market they have remained pretty stagnant. What you have seen is market prices going up. As I mentioned before, when we are looking at the banks, they have to be reassured that people have the capability of fulfilling those debt obligations. If there are any concerns, then it means that Islanders will not be able to obtain any form of borrowing from domestic banks. That in itself is becoming an issue. So, we need to do something and hence a demand-side constraint to 4 per cent. Some may say this could lead to unintended consequences. A 1 per cent increase when somebody is able to afford a loan-to-value mortgage of 25 per cent. Come on, that is illogical, let us not be silly here, use a bit of intelligence. That is all I am asking, and vote to support me, because I am bringing something forward and I am an independent and I probably know I will be losing this debate, but you know what, I am doing what I believe in and that is the important thing. Because a 4 per cent stamp duty surcharge is going to provide a constraint in the housing market. That 1 per cent is going to make a huge difference, it really will. I think the 10 per cent even more so. But, again, I had concerns in terms of there potentially being some unintended consequences. But also, by increasing a stamp duty surcharge to 4 per cent, it also means that we can assess empirical evidence. We could do that with 3 per cent too. But with 4 per cent it will also allow us to see trends in one-bedroom access, 2-bedroom access, and 3-bedroom access. Where are people going to be investing in second-home ownership? Because we also have to recognise as well, the lower the stamp duty surcharge is in terms of costings, that is where you are going to see people invest in the housing market. But there is also another thing as well, and I think it is also important to mention this. We do need to see people investing in the private rental sector. Also, we have to take into account that landlords do have maintenance costs, so it does mean that some of their income will be accumulated capital, it will be reinvested to maintain their housing stock. I think there may be some concerns that have maybe not been mentioned in this debate, but I think it is really important



that, yes, I am bringing forward this proposal, but also I am being impartial, I am looking at the broader picture in terms of, yes, there are some wider aspects that have to be looked into. That has been something that I have definitely taken into consideration. I also would like to mention as well the £10 million that is made available for the first-time buyer scheme. What is going to happen once that is exhausted? I am bringing forward a suggestive idea where we are going to have a continued revenue stream that is also going to allow for some level of planned expenditure too. That is the reason why I have done this. Because it does not matter, even if there is a change of sovereignty, even if we do see at the next election half of the Assembly change and there is a new directive, at least we have something in place to assist first-time buyers. I think there have been elements of the States Assembly that have been concerned about the short-term reactions in the market in terms of increasing interest rates. Also, therefore, there will be private sector debt obligations that will be increasing. But we have to be looking more at the longer term as well. This is not just a reaction to the next year or 2. We have to be looking at a more sustainable economy. Also, it has been mentioned by the Fiscal Policy Panel that Jersey's housing market is so distorted that it is a major reason for why we have an undersupply of labour as well. Because I think there are many young Islanders who would like to seek home ownership in Jersey but they cannot afford to do it. Because we do not have a provision in place that is going to be a sustainable provision instead of just short-term £10 million, it is expended, and that is it, it is gone. We are repeating history. Look at the 2013 scheme, 51 households were assisted. There was about £3 million that was allocated in terms of the budget at that time. Now 10 years on, how many of those Members in the legislature then are here now? Because look, there is a new era, shall we say. But one of the problems is, because there is a lack of continuity, that means we are going over old ground once again and that needs to change. We do need to be coming into this Assembly with a directive, a vision, and I certainly set out my vision, my manifesto, I was very clear, and I was very explicit in my policies. I am setting out what I have said I was going to do. So my electorate will know this is me. I have not come into this Assembly to be quiet. I have come in to change things because I am very proud to be representing St. Helier North. Also, I am very proud to be doing something for the young generation because they have not been listened to and it is about time they are listened to. So, thank you.

**The Bailiff:**

Have you given any thoughts to whether you wish to take these individually?

**Deputy M.B. Andrews:**

I will take them individually.

**The Bailiff:**

Do you call for the *appel*?

**Deputy M.B. Andrews:**

I call for the *appel*, yes.

**The Bailiff:**

I invite Members to return to their seats. The first vote is on the first part of the amendment. I ask the Greffier to open the voting and Members to cast their votes. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The first part has been defeated.

<b>POUR: 16</b>		<b>CONTRE: 29</b>		<b>ABSTAIN: 0</b>
Connétable of St. Helier		Connétable of St. Brelade		
Connétable of St. Martin		Connétable of Trinity		
Connétable of Grouville		Connétable of St. Peter		
Deputy G..P. Southern		Connétable of St. John		
Deputy L.M.C. Doublet		Connétable of St. Ouen		

Deputy M.R. Le Hegarat		Connétable of St. Mary		
Deputy R.J. Ward		Connétable of St. Saviour		
Deputy C.S. Alves		Deputy C.F. Labey		
Deputy S.Y. Mézec		Deputy S.G. Luce		
Deputy T.A. Coles		Deputy K.F. Morel		
Deputy B.B.S.V.M. Porée		Deputy S.M. Ahier		
Deputy C.D. Curtis		Deputy I. Gardiner		
Deputy L.V. Feltham		Deputy I.J. Gorst		
Deputy R.S. Kovacs		Deputy L.J Farnham		
Deputy A.F. Curtis		Deputy K.L. Moore		
Deputy M.B. Andrews		Deputy P.F.C. Ozouf		
		Deputy P.M. Bailhache		
		Deputy D.J. Warr		
		Deputy H.M. Miles		
		Deputy M.R. Scott		
		Deputy J. Renouf		
		Deputy R.E. Binet		
		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy B. Ward		
		Deputy K.M. Wilson		
		Deputy L.K.F Stephenson		

**The Bailiff:**

We now come to the second part and I ask the Greffier to open the voting and Members to cast their votes. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The second part has been defeated.

Connétable of St. Helier		Connétable of St. Brelade		
Deputy M.B. Andrews		Connétable of Trinity		
		Connétable of St. Peter		
		Connétable of St. Martin		
		Connétable of St. John		
		Connétable of Grouville		
		Connétable of St. Ouen		
		Connétable of St. Mary		
		Connétable of St. Saviour		
		Deputy G..P. Southern		
		Deputy C.F. Labey		
		Deputy S.G. Luce		
		Deputy K.F. Morel		
		Deputy M.R. Le Hegarat		
		Deputy S.M. Ahier		
		Deputy R.J. Ward		
		Deputy C.S. Alves		

	Deputy I. Gardiner		
	Deputy I.J. Gorst		
	Deputy L.J Farnham		
	Deputy K.L. Moore		
	Deputy S.Y. Mézec		
	Deputy P.F.C. Ozouf		
	Deputy P.M. Bailhache		
	Deputy T.A. Coles		
	Deputy B.B.S.V.M. Porée		
	Deputy D.J. Warr		
	Deputy H.M. Miles		
	Deputy M.R. Scott		
	Deputy J. Renouf		
	Deputy C.D. Curtis		
	Deputy L.V. Feltham		
	Deputy R.E. Binet		
	Deputy M.E. Millar		
	Deputy A. Howell		
	Deputy T.J.A. Binet		
	Deputy M.R. Ferey		
	Deputy R.S. Kovacs		
	Deputy A.F. Curtis		
	Deputy B. Ward		
	Deputy K.M. Wilson		
	Deputy L.K.F Stephenson		

**The Bailiff:**

Lastly, the third part of the amendment and I ask the Greffier to open the voting and Members to cast their votes. If Members have had the opportunity of casting their votes, then I ask the Greffier to close the voting. The third part has been defeated.

<b>POUR: 2</b>		<b>CONTRE: 42</b>		<b>ABSTAIN: 0</b>
Connétable of St. Helier		Connétable of St. Brelade		
Deputy M.B. Andrews		Connétable of Trinity		
		Connétable of St. Peter		
		Connétable of St. Martin		
		Connétable of St. John		
		Connétable of Grouville		
		Connétable of St. Ouen		
		Connétable of St. Mary		
		Connétable of St. Saviour		
		Deputy G..P. Southern		
		Deputy C.F. Labey		
		Deputy S.G. Luce		
		Deputy L.M.C. Doublet		
		Deputy K.F. Morel		
		Deputy M.R. Le Hegarat		

	Deputy S.M. Ahier		
	Deputy R.J. Ward		
	Deputy C.S. Alves		
	Deputy I. Gardiner		
	Deputy I.J. Gorst		
	Deputy L.J Farnham		
	Deputy K.L. Moore		
	Deputy S.Y. Mézec		
	Deputy P.F.C. Ozouf		
	Deputy P.M. Bailhache		
	Deputy T.A. Coles		
	Deputy B.B.S.V.M. Porée		
	Deputy D.J. Warr		
	Deputy H.M. Miles		
	Deputy M.R. Scott		
	Deputy J. Renouf		
	Deputy C.D. Curtis		
	Deputy L.V. Feltham		
	Deputy M.E. Millar		
	Deputy A. Howell		
	Deputy T.J.A. Binet		
	Deputy M.R. Ferey		
	Deputy R.S. Kovacs		
	Deputy A.F. Curtis		
	Deputy B. Ward		
	Deputy K.M. Wilson		
	Deputy L.K.F Stephenson		

### **3.8 Proposed Government Plan 2023-2026 (P.97/2022): twentieth amendment (P.97/2022 Amd.(20)) - Hospital Funding**

#### **The Bailiff:**

The next amendment to be dealt with is amendment 20, Hospital Funding, lodged by the Council of Ministers. I ask the Greffier to read the amendment.

#### **The Deputy Greffier of the States:**

(1) Page 2, paragraph (b) - After the words “those revised approvals” insert the words “, except that (i) To refer to their Act of 7th October 2021, in which they approved the funding of Our Hospital through borrowing (external financing), and to agree that such approval extends to the funding of ongoing work on the development of future healthcare facilities during 2023; and (ii) in Summary Table 2, the “Borrowing for Our Hospital” should be renamed “Borrowing for Healthcare facilities”, and the maximum amount which may be borrowed for these purposes be set at £90,071,000, with the change to approval in Summary Table 2 amended to £-665,929,000 with the figure in each of the columns headed 2023, 2024, 2025 and 2026 in Summary Table 2 to be amended accordingly to reflect this change”. (2) Page 2, paragraph (c). After the words “of the Law” insert the words “, except that, in Summary Table 3, the transfer from the Strategic Reserve to the Consolidated Fund should be amended as follows (i) The transfer for Hospital capital should be amended to £51,500,000 for 2023 and zero in all future years; and (ii) The transfer for Hospital borrowing should be amended to

£4,200,000 in each of 2023 and 2024, £3,900,000 in 2025 and £3,500,000 in 2026”. (3) Page 2, paragraph (d). After the words “to the Report” insert the words “, except that in Summary Table 4 (i) the Total Project Approval for Our Hospital shall be amended to £77,116,000 with the Change amended to £-727,384,000; and (ii) the following row shall be added to the end of the table: Healthcare facilities with sponsoring department H.C.S. (Health and Community Services), supplying department I.H.E. (Infrastructure, Housing and Environment), none in previous approval, total project approval £60,360,000 and change of the same amount. (4) Page 2, paragraph (e). After the words “of the Report” insert the words “, except that (i) in Summary Table 5(i), the Head of Expenditure for Our Hospital Financing Costs should be deleted and replaced with the following “Healthcare facilities financing costs, no income, expenditure £4,200,000, and Head of Expenditure of the same amount. (ii) in Summary Table 5(ii), the Head of Expenditure for Our Hospital should be deleted and replaced with the following “Healthcare facilities sponsoring department H.C.S., supplying department I.H.E., 2023 estimate £51,500,000. (5) Page 2, paragraph (i). Designate the existing paragraph as new paragraph (j) and insert the following paragraph as paragraph (i), “to refer to their act of 7th October 2021, in which they agreed to amend the Strategic Reserve Fund policy, so as to allow the Fund to be used to support the delivery of Our Hospital and to agree that the policy should be amended to allow the Fund to also be used to support the ongoing work on the development of future healthcare facilities proposed to be undertaken during 2023 and the borrowing costs for such work. (6) Page 2, paragraph (i). After the words “Appendix 3 to the Report” insert the words “, except that page 69 shall be amended accordingly to reflect the ongoing work on the development of future healthcare facilities during 2023,”.

[17:15]

### **3.8.1 Deputy K.L. Moore (The Chief Minister):**

We have spent a good part of the day, and I should really start by congratulating the Deputy Greffier for introducing the amendment. We have spent a lot of the day debating the hospital and we are grateful to the Assembly for rejecting the proposition that was brought to them by Deputy Farnham. I think that is a good indication of the sentiment of the Assembly, therefore I do not feel the need to speak at length on this amendment. This amendment simply reflects the change of approach in relation to the hospital and sets the budget accordingly. Because of course until now the Government Plan included the spending programme that was proposed by the previous Government and, in our view, saddled us with an unaffordable, unachievable, and inappropriate direction of travel for our healthcare facilities to treat Islanders. This Government proposes to resolve that by producing a pragmatic, achievable, deliverable, and appropriate healthcare solution that not only will begin during this term of our Government, but also will allow us to focus on creating a stable workforce within our critical services of both healthcare and education and ensuring that we can afford to do so and find also the space to provide homes for those keyworkers so that they can enjoy a decent quality of life while working in the Island, delivering those services. I propose the amendment.

### **The Bailiff:**

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

### **3.8.2 Deputy M.R. Scott:**

I am sure none of us want to reopen this debate on the hospital again. I just want to say that in supporting this amendment I want to make it clear that I am not endorsing the proposal yet of turning the former site of Les Quennevais School into a permanent healthcare facility. It is something that I am in discussion with, with the Minister for Infrastructure. It is possible that I may bring a proposition to ask the States Assembly just to consider this point.

### **3.8.3 Deputy S.Y. Mézec:**

The amendment we have before us is strange. We are not in a position, as an Assembly, of having already resolved one way or another on what the fate of the agreed hospital plan is to be and whether this alternative that is suggested replace that. We are not at that point at the moment. The resolutions that have been passed by the Assembly, albeit in its previous term of office, constitutionally still stand. That is what the official position of the States is until the States has passed an alternative resolution to officially adopt an alternative proposition. That we have not done yet. In conducting the scrutiny work, looking at this amendment, we have identified, helpfully from the Chief Minister, that there will be a 2-step process here and that there will be a proposition which comes to the Assembly to seek that formal approval, and that is right and proper, if that is the mandate that the Government seeks to get from the Assembly. It feels difficult then to be faced with this amendment, which does look like a *fait accompli* to that eventual proposition, when it comes to this Assembly, by changing in the Government Plan funding that will be made available from an agreed resolution to one which helps facilitate a resolution which has not been agreed. That is certainly not ideal. What we have been provided through the report that was produced earlier this year, R.154, was not a business case for an alternative hospital project and was not intended to be, and which does raise very significant questions about what funding parameters will need to be set for an alternative project and how they compare to the one that has already been agreed by this Assembly, which I think regrettably the Assembly has chosen not to further examine in rejecting Deputy Farnham's proposition earlier today. So there is still great uncertainty on all of that, and yet we are asked to approve inserting lines into the Government Plan, which refer to - and if I can get that up on my screen - allocating funding for what Deputy Scott has just referred to with the Les Quennevais alterations. That is referenced here, whether we agree in principle with that or not, to referring to the sites on Kensington Place as well. If that is to be part of this, then that appears to be what we are agreeing. I think this topsyturvy way of doing it is very far from ideal, and I am not particularly convinced that setting spending parameters which are ultimately at a lower level of spending than what was in the unamended Government Plan is necessary at all. That, if anything, it is tying our hands behind our back in an unhelpful way when we have not reached that final resolution. So, I think I can feel comfortable at least voting against this amendment because it does not stop the Government getting on with the work that it says it wants to do. It just maintains what is the current resolution of this Assembly that, as it stands, the one site Overdale solution is the one that is officially still the preferred option of the States until we have said otherwise. This amendment, I do not think, is reconciled with that fact, so I will vote against it.

### **3.8.4 Deputy L.J. Farnham:**

I will be brief, but I just wanted ... I am sure Members do realise that this amendment removes all of the borrowing permissions for Overdale which again, like Deputy Mézec and that has been outlined in the comments of the Scrutiny Panel, is rather unusual considering that a clear rescindment to the propositions previously we have had, have not yet been adopted. It is sort of, if you like, pre-empting what the Assembly will do, which following the vote which simply asked for more evidence, and during the course of debates since then we have heard Ministers time and time again saying they are an evidence-based Government, yet they have rejected calls for more evidence on the most important project arguably we are dealing with here today. But £16 million of what the States is being asked to approve today is for the purchase of Kensington Place. I think it was Deputy Howell that mentioned the 14 homes that have been earmarked for demolition to make way for Overdale, if that was to go ahead. Of course, Kensington Place on its own will cost the Island 106 homes. £7 million at Les Quennevais, I think that was what we were going to spend anyway on Les Quennevais but perhaps the Government is now thinking that Les Quennevais could be a more permanent solution, again reducing the potential for Les Quennevais for homes and other useful civic or Parish purposes. £28 million for consultants, and I call them consultants because all the work that we did on the design for Overdale was always called consultants. To be clear, this Government, after criticising the last

Government heavily for spending too much money on the preparation and the design work and getting planning permission for Overdale, are now asking for another £28 million to reset the clock. I cannot support that. I am sure the Assembly will, however. I just want for the record to be clear, this amendment will put £28 million into the pockets of consultants who will be asked to start again with elements of the design process, which I think is rather pre-emptive and premature, considering we have not even rescinded the previous decisions yet.

### **3.8.5 The Connétable of St. Helier:**

In a similar vein to the previous speaker, I need to explain to the Assembly why I cannot support this allocation of funding. The previous Our Hospital Project, as Members will know by now, and I know that Deputy Farnham has the scars on his back from my 3 amendments to his proposals for the new hospital at Overdale, I sought ultimately unsuccessfully to persuade the Government of the day that we did not need to dig up large swathes of St. Helier, particularly facing a climate change emergency where we are supposed to be changing the way we travel. We did not need to do that, and we can just get on with the hospital. I know that those amendments are one reason - the Deputy has already referred to it today - why it took longer than it was supposed to to get planning permission for the Overdale project. However, having lost those 3 battles I then voted for the funding of the new hospital because I realised that I had no choice but to do that. The difference today is that I am being asked to vote for funding for I do not know what. There is no proposal on the table. So I find it very difficult to sign a blank cheque to this Government to say: "Spend it how you like." Who knows, they might even want to spend the money on yet more abortive legal work bringing compulsory purchase legislation against my Parish. I cannot possibly vote for that. That is the reason why I will not be supporting this proposal today.

### **3.8.6 The Connétable of St. Brelade:**

Just a point regarding the healthcare facility at Les Quennevais and the £7 million mentioned there. I would like in the summing up whether that could be clarified. Is that part of the original £15 million spend or is it the remaining of the spend on there to come up to £15 million because it was quite clear at the outset that the spend was going to be £15 million and no more.

#### **The Bailiff:**

We have reached that part of the day when Standing Orders require me to ask of the Assembly whether they wish to adjourn until tomorrow morning or alternatively to continue until this matter is over. In order for Members to consider I wonder if people could indicate if they still wish to speak on this amendment. Or the adjournment is proposed in that case.

#### **Deputy L.J. Farnham:**

If there are no Members wishing to speak perhaps ...

#### **The Bailiff:**

I think it will be helpful so people can understand. Could Members indicate if they still wish to speak on this amendment? It appears that no one wishes to speak so the only speech would be from the ... Deputy Tom Binet wishes to speak.

#### **Deputy T. Binet:**

I would certainly like to speak.

#### **The Bailiff:**

Yes, very well, Minister. That is understood. The Chief Minister. So, there will be 2 more speeches at least. The adjournment is proposed. Is that seconded? [**Seconded**] Does any Member wish to speak on the adjournment? No, in which case the Assembly stands adjourned until 9.30 a.m. tomorrow morning.

**ADJOURNMENT**

[17:29]