

Submission from The Jersey Chamber of Commerce

The Jersey Chamber of Commerce wish to express the concerns from many members within the Agriculture and Hospitality sectors and indeed those from many other sectors, who provide the valued asset of staff accommodation to their workforce in Jersey.

Despite assurances given by both by the Minister of the Environment and the Environment, Housing and Infrastructure Panel, to write to and engage with key stakeholders, the Jersey Chamber were not written to or engaged in any consultation. As the largest business organisation in Jersey, representing some 560 organisations, employing 27,000 staff - nearly half of the working population of the island, it is clear these regulations will affect many businesses within our membership and are disappointed to have not been consulted. It is possible that both the Department and Scrutiny view these regulations as not impacting businesses, although it is clear that staff accommodation, both now and in the future is likely to be an important share of the rental market.

The principles of the law sitting behind these regulations, are of course well-meaning and are rightly enabling a raising the standards for rental accommodation and in protecting vulnerable tenants, which is very much a positive move.

However, one must question the fee charging aspect, yet again increasing the costs to businesses and without explaining how the level of these charges have been arrived at. Whilst understanding the thinking about standards and tenant protection, Chamber are concerned about the charges or the increased bureaucracy for businesses that will be created by them.

The application charge at £50.00 is a further burden of increased cost on industry. One business has expressed their concern with their own situation. They currently have 10 units of purpose-built accommodation and very modern accommodation with 5 more underway. That would be £750 for the application and even if they were to achieve four-star status, they would then pay 50% of the £200 per unit per year fee, effectively a tax at £1500 per year.

At a time when attracting staff into the agriculture and hospitality industry is increasingly difficult and attracting EU workers to return to service industries already under immense pressure, we have a Government proposing to raise the cost of operating in these sectors. It is interesting to note that no reflection has been given to adjust the small allowance given to employers for staff accommodation, provided in the Jersey Employment Law standing at just £82.12 per week, very much under that of the rental market rate and already set for the next twelve months, upon the recommendations of the Employment Forum.

Naturally, Chamber would encourage everyone in the various industries with rented staff accommodation to be part of the existing Rent Safe Scheme and Chamber sees the value of having such protection for tenants across the entire rental market, but are concerned that the proposed charges will impose extra costs at the most difficult of times for the very industries providing valuable assets of accommodation outside of the rental market.

With some hospitality groups having large numbers of staff accommodation units (upwards of 50) achieving four-star status would still incur a £5000 additional cost per year, which would simply have to be another cost absorbed by the business. It is also fair to say that said sectors will have budgets and published price structures already set for 2020, meaning implementing such costs in March 2020 would leave businesses no room to recoup such imposed costs.

For many in the industries we have outlined, investing in and providing accommodation is a key factor in attracting staff, to provide the services and products Jersey as an island enjoys. At a point where encouraging businesses to provide staff accommodation as a sensible measure in a shortage of costly rented housing, in the midst of a recruitment crisis and at a point of Brexit or the unknown effects of such, is ill-timed and punitive against the very sectors under the greatest challenge.