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COUNCIL OF MINISTERS

(130th Meeting)

(Business conducted by electronic mail)1st September 2021**PART A (Non-Exempt)**

All members were present, with the exception of Deputy G.C.U. Guida of St. Lawrence, Minister for Home Affairs, Deputy R.J. Renouf of St. Ouen, Minister for Health and Social Services, Deputy J. H. Young of St. Brelade, Minister for the Environment, Deputy K.C. Lewis of St. Saviour, Minister for Infrastructure, Deputy C.F. Labey of Grouville, Minister for International Development and Deputy S.M. Wickenden of St. Helier, Minister for Children and Education, from whom apologies had been received.

Senator J.A.N Le Fondré, Chief Minister
 Senator L.J. Farnham, Deputy Chief Minister and Minister for Economic Development, Tourism, Sport and Culture
 Senator I.J. Gorst, Minister for External Relations and Financial Services
 Deputy R. Labey of St. Helier, Minister for Housing and Communities
 Deputy J.A. Martin of St. Helier, Minister for Social Security
 Deputy S.J. Pinel of St. Clement, Minister for Treasury and Resources

In attendance -

Connétable R.A. Buchanan of St. Ouen, Assistant Chief Minister
 Deputy R.E. Huelin of St. Peter, Assistant Chief Minister
 P. Bradbury, Head of Ministerial Offices, Office of the Chief Executive
 M.C. Hannigan, Private Secretary to the Minister for Housing and Communities
 K.L. Slack, Clerk to the Council of Ministers

Note: The Minutes of this meeting comprise Part A only.

Housing Policy A1. The Council of Ministers, with reference to Minute No. B2 of its meeting of
 Guidance: 13th July 2021, recalled that the States of Jersey Development Company ('SOJDC')
 housing was due to develop properties on the South Hill site and that, on 22nd July 2021, the
 affordability States Assembly had adopted the Proposition of Senator S.Y. Mézec, entitled
 and the South 'Affordable Homes in the South Hill Development' (P.69/2021 referred). Paragraph
 Hill (c) of the Proposition had requested the Council of Ministers to present a report to the
 development. Assembly, which provided guidance to be used by the SOJDC with the aim of
 maximising the proportion of homes to be designated as for 'affordable purchase',
 whilst maintaining the overall viability of the scheme.

The Council accordingly received and noted a report, entitled 'Housing Policy Guidance: Housing affordability and the South Hill development'. The guidance contained an interim set of draft general principles which would apply in respect of the development at South Hill and were expected to apply to future similar schemes and also a set of specific principles relating to South Hill. The latter provided that in advancing their plans for the site, the SOJDC would –

- ensure that buy-to-let investors were prevented from acquiring units on the development at the initial point of sale;
- take such steps as were necessary to provide that the development and units thereon were structured by way of flying freehold; and
- ensure that a minimum of 15 per cent of the units ultimately constructed were provided for a first-time buyer shared equity scheme, for which the access and eligibility criteria would be established by the Minister for Housing and Communities.

It was noted that Deputy S.J. Pinel of St. Clement, Minister for Treasury and Resources would be writing to the Board of the SOJDC, as the Government's shareholder representative, to give effect to the Housing Policy Guidance, which would apply only to the SOJDC and only in respect of the development at South Hill. The Council recalled that the capital receipt from the sale of the land at South Hill was intended to be reinvested in affordable housing products. As a consequence of the Guidance, the SOJDC would not receive the full market value of those units sold through the shared equity scheme at the point of sale. It was not possible to determine when, or whether, those people that acquired a shared equity property would wish to purchase the retained equity held by the SOJDC and, as a result, the payment to the Government by the SOJDC of *circa* £5.3 million, which equated to the value of the retained equity, was anticipated to be deferred.

Having considered the foregoing, the Council approved the Housing Policy Guidance for presentation to the States Assembly as a report in the Reports series and requested the Clerk to take the necessary action.