

STATES OF JERSEY



ISLAND PLAN 2022-25: APPROVAL (P.36/2021) – FORTY-FIRST AMENDMENT (P.36/2021 AMD.(41)) – AMENDMENT

STATES' OWNED LAND

Lodged au Greffe on 28th February 2022
by the Minister for the Environment

STATES GREFFE

ISLAND PLAN 2022-25: APPROVAL (P.36/2021) – FORTY-FIRST
AMENDMENT (P.36/2021 AMD.(41)) – AMENDMENT

PAGE 2, PARAGRAPH (a) –

Replace the words “all of the homes provided on it should be affordable except where the provision of only affordable homes would render the development unviable.” with the words,

“, these shall be for affordable homes unless it has been otherwise approved that the development needs to specifically provide open market homes, particularly where this is required to ensure the viability of public realm and community infrastructure delivery, in line with an approved Government Plan. In such cases, a minimum of 15% should be made available to eligible persons in accordance with “making more homes affordable” policy (HXX), for assisted purchase housing”

MINISTER FOR THE ENVIRONMENT

Note: After this amendment, the amendment of Senator S. Y. Mezec would read as follows –

After the words “the draft Island Plan 2022-25” insert the words “except that –

- (a) within Policy H5, after the words “(0.6 hectares/3.3 vergées)” there should be inserted the following new paragraph –

“Where States of Jersey or States-owned companies’ land is brought forward for the development of new homes, these shall be for affordable homes unless it has been otherwise approved that the development needs to specifically provide open market homes, particularly where this is required to ensure the viability of public realm and community infrastructure delivery, in line with an approved Government Plan. In such cases, a minimum of 15% should be made available to eligible persons in accordance with “making more homes affordable” policy (HXX), for assisted purchase housing”

and the words “on these sites, together with any other government-owned sites or sites to be developed by arms-length bodies, that are brought forward for the provision of affordable homes over the plan period” should be deleted.” and;

- (b) the draft Island Plan 2022-25 should be further amended in such respects as may be necessary consequent upon the adoption of (a).

After the amendment, if amended by this amendment, the main proposition would read as follows –

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

to approve, in accordance with Article 3(1) of the Planning and Building (Jersey) Law 2002, as amended by the Covid-19 (Island Plan) (Jersey) Regulations 2021, the draft Island Plan 2022-25, except that –

- (a) within Policy H5, after the words “(0.6 hectares/3.3 vergées)” there should be inserted the following new paragraph –

“Where States of Jersey or States-owned companies’ land is brought forward for the development of new homes, these shall be for affordable homes unless it has been otherwise approved that the development needs to specifically provide open market homes, particularly where this is required to ensure the viability of public realm and community infrastructure delivery, in line with an approved Government Plan. In such cases, a minimum of 15% should be made available to eligible persons in accordance with “making more homes affordable” policy (HXX), for assisted purchase housing”

and the words “on these sites, together with any other government-owned sites or sites to be developed by arms-length bodies, that are brought forward for the provision of affordable homes over the plan period” should be deleted.” and;

- (b) the draft Island Plan 2022-25 should be further amended in such respects as may be necessary consequent upon the adoption of (a).

REPORT

Minister's Introduction

The objective of P.36/2021 Amd.(41), as lodged by Senator Mézec, is to ensure that, except in extreme circumstances, planning permission would not be granted for homes on States'-owned sites, or sites that are owned by States'-owned bodies, unless they meet the planning guidance definition of "affordable".

The matter of whether it is appropriate to limit the development activity of the States and its States'-owned entities in this way has been the subject of several discussions in the States Assembly over the past year. It is clear that there are some impassioned views in the Assembly in respect of what States'-owned companies can and should be delivering in order to best meet the needs of the community. It is a complex subject - and a vitally important one – which I hold my own views about, and which I have expressed clearly in previous discussions in the Assembly on the matter.

Whilst I completely agree it is appropriate for these discussions to happen, these discussions must be addressed in the right place, which is outside of the Island Plan. I am therefore proposing this amendment which carries the spirit of Amendment 41 to prioritise affordable homes on States' owned land, but ensures that decisions which need to be made in respect of the financing and viability of public realm and infrastructure delivery on States'-owned and States'-owned companies' land are made appropriately, reflective of their individual characteristics and the overall demand for homes and, that this is reflected in a well-managed Government Plan process. This process will enable the Government and the Assembly, through the approval of the Government Plan, to be more responsive to changes and issues that need to be addressed over the plan period.

Context

Amendment 41 was lodged in July 2021, during the draft Bridging Island Plan 12-week consultation and before the Council of Ministers had published guidance in respect of both the Waterfront and South Hill developments, as key States'-owned sites which are expected to gain planning permission and commence work on site during the Bridging Island Plan period. Since July 2021, not only have the Council of Ministers published guidance, underpinning evidence and reasons why introducing overly prescriptive limits on certain States'-owned land would be harmful, but also the Assembly have taken a decision to vote against requiring the Council of Ministers to revise their guidance beyond the level at which it has been established ([P.96/2021](#)).

Amendment 41 is essentially asking the Assembly to consider this again. Not only for the Waterfront and South Hill, but for all States'-owned land where this is to be developed for housing. It also takes this higher than the minimum affordable homes provision which has previously been discussed and seeks to achieve an affordable homes requirement at 100% of developments, subject to viability. This represents a very significant increase in expectation upon States'-owned land and its entities, whilst no material change has occurred which could suggest that the viability and deliverability position will have changed since deciding against P.96/2021, or, that viability and deliverability can be proven on any other site to which an extended requirement would relate. This is important to consider as we now revisit the issue in Amendment 41 to the Bridging Island Plan, and also, to consider what assessment and decision-making

regime should be in place to ensure the best outcome for the community on States' owned land.

To avoid repeating the full, relevant, recent history of this subject, the following propositions, decisions and reports are important to consider when contemplating Amendment 41:

- [P.165/2020: RESIDENTIAL PROPERTIES IN THE WATERFRONT DEVELOPMENT](#)
- [P.72/2021: VOTE OF CENSURE: COUNCIL OF MINISTERS](#)
- [R.100/2021: RESIDENTIAL PROPERTIES IN THE WATERFRONT DEVELOPMENT \(P.165/2020\): INTERIM REPORT](#)
- [R.157/2021: ACTION ON HOUSING – RECENT PROGRESS AND WATERFRONT GUIDANCE](#)
- [P.96/2021: PROVISION OF AFFORDABLE HOUSING GUIDANCE](#)

Minister's position

The need for this proposed approach for States'-owned affordable housing supply to have a less prescriptive, more nuanced approach than that which has been suggested in Amendment 41, is a view shared by the planning inspectors (see [inspectors' report](#) Page 46). The Minister has since been afforded opportunity to consider what a more nuanced approach can look like, which establishes the priority for affordable homes delivery, whilst also providing the necessary flexibility to secure the viability of public realm and infrastructure improvements, with sufficient oversight of the Assembly.

The Minister is legally-bound to present an Island Plan which is capable of ensuring that when land is developed, the development is in accordance with a plan which provides for the orderly, comprehensive and sustainable development of land in a manner which best serves the interests of the community. Housing needs exist across all types and tenures in Jersey, so the land identified to fulfil housing requirements in the Island Plan must be capable of meeting those needs in an appropriately balanced way, and they must also be considered deliverable.

The Minister has set-out his plan to achieve this, which has been tested both publicly, and by way of independent examination. The inspectors have endorsed the overall approach to the plan, including the level and sources of housing supply, which specifically identifies the provision of both affordable and open market housing arising from States'-owned land over a 5-year supply period:

Supply source		Five-year supply estimate 2021-25		Revised five-year supply estimate 2021-25	
		Affordable	Open Market	Affordable	Open Market
Under construction (end 2020)		625	700	625	700
Planning permission (March 2021)		0	700	0	700
Town Capacity	Private sites	0	600	0	600
	Government/approved housing provider sites	425	150	425	150
Windfall (outside of Town)		0	500	0	500
Rezoning - strategic extension sites		150	0	82	0
Rezoning - suburban extension sites		150	0	191	0
Rezoning - rural extension sites		150	0	337	0
Total estimated supply		1,500	2,650	1,660	2,650
		4,150		4,310	

It is, therefore, not a necessity to direct a further amount of housing supply to the defined 'affordable housing' category, where this has already been explicitly provided for in the Bridging Island Plan.

The Minister does fully support the premise that underpins Amendment 41, and shares the view that the development of States'-owned land should be used to meet the community's needs and aspirations, and that this should have a natural focus on the delivery of affordable homes. But it is also important to ensure that this principle is not applied by the Island Plan too prescriptively, but rather in a way that it can ensure the right governance arrangements are in place to test how States' owned land should be developed in order to meet the needs of the community in the best-possible way.

The Minister believes this can be appropriately overseen by the Assembly through the Government Plan process. This process is agreed to be the appropriate vehicle for the management of public finances which must be in the best interests of the community and sustainable wellbeing of the island.

This proposed approach allows the Island Plan to focus on ensuring development proposals can respond to all relevant planning issues which need to be addressed on a given site, without imposing inflexible limits which could otherwise lead to catastrophic viability issues that prevent the development from coming forward altogether.

The Minister has proposed this further amendment to Amendment 41, following also the consideration of a further amendment to Senator Mézec's Amd(25), which seeks to deliver a proportion of all open market homes as affordable homes. Given the clear link between both amendments, it is important to consider them both in the round.

Should the Minister's proposed amendment to Amd(25) be accepted by the Assembly, an appropriate, viable approach to securing a minimum 15% proportion of open market homes will be established. This would apply to **all** open market developments over 50 units, including both the Waterfront and South Hill, therefore making genuine progress

against the aspiration for States'-owned land use to become more targeted to the delivery of specific community needs. Adopting the policy as proposed by the Minister, will be a first important step to establish a principle which can be further reviewed and hopefully increased, following necessary viability testing and further policy design which the Minister for the Environment is wholly committed to undertake to inform the next Island Plan. This will also enable the Minister to consider how such an increased policy requirement can be used to appropriately supplement affordable housing supply in future housing supply calculations.

Conclusion

The Minister has proposed this amendment to Amendment 41 in recognition of:

- agreement that the development of States'-owned land should be used to meet the community's needs and aspirations and that this must have a natural focus on the delivery of affordable homes;
- the identification of the Government Plan as being an appropriate vehicle for the States Assembly to oversee decisions in respect of States'-owned entities who develop land on behalf of the public, ensuring that this represents the best-interests of the community and sustainable wellbeing of the island;
- pending approval of the Assembly, that a further policy will be introduced that will secure a minimum of 15% of large open market developments to be available to islanders using assisted purchase products, as a minimum baseline for the development of States' owned land.

This further amendment proposed recognises the merits of Senator Mézec's suggestion, but also that this needs to be done in a less prescriptive way – a point agreed by the planning inspectors. Accepting Amendment. 41 unamended could otherwise lead to serious consequences for housing delivery, but this amendment to Amd(41) finds a workable alternative, which more clearly ensures that factors taken into consideration for viability are transparently presented and can be properly judged.