

STATES OF JERSEY



ISLAND PLAN 2011: APPROVAL (P.48/2011): AMENDMENTS (P.48/2011 Amds.) – COMMENTS

**Presented to the States on 20th June 2011
by the Minister for Treasury and Resources**

STATES GREFFE

COMMENTS

General

The Treasury and Resources Department has the role of steward for public assets, holding on its balance sheet the majority of public land and building assets. In commenting on the proposed amendments, the Minister has to balance both the wishes of States members to deliver aspirations within the Island Plan and the potential resource implications for public finances.

A number of the amendments tabled understandably have limited information as to the potential financial and manpower implications should they be approved. The detailed implications will not be known until specific proposals are tabled for projects that involve public assets within the context of the Island Plan framework. However, members should consider the following general principles when examining proposed amendments –

(a) The role of the Minister for Treasury and Resources under Standing Order 168

This Standing Order provides for the Minister for Treasury and Resources to act in the stead of the States in respect of certain land transactions on behalf of the public. In so doing, the Minister will need to consider such proposals in the context of a business case that provides the best value to the States, when taking due regard to both financial and non-financial costs and benefits.

Funding consequences of proposals

Capital – the delivery of some of the proposed amendments requires additional funding that is not identified in future capital programmes. Notwithstanding support for aspirational schemes in the Island Plan, approval of an amendment that has a capital funding requirement cannot be delivered unless an appropriate funding source is identified and approved by this Assembly within the Business Plan process.

Revenue – an increase in the public realm through ‘planning gain’ or utilisation of public assets for alternative purposes may require ongoing additional revenue funding for management and maintenance. There may be an ongoing cost to the public for assets that are funded or created by third parties, and any such costs will need to be factored into future budgetary provision.

(b) Impact on States Balance Sheet

The values of the land and building assets held on the States balance sheet reflect their current usage. A change in use will have an impact on the holding value and where this is reduced, for example if a potential development site in public ownership is utilised for public open space, the impairment cost will be reflected in the accounts in the year that the decision is taken.

Investment through the capital programme is supported by anticipated sale receipts from disposals of land and building assets that are deemed surplus to requirement. A decision that extinguishes or greatly reduces the value of such assets may have implications for the future capital programme.

(c) Resource implications

In addition to financial implications, several of the amendments will require officer time to implement. This may place a significant drain on the limited resources of, in particular, Jersey Property Holdings (JPH) and the Law Officers' Department. Where any additional workload cannot be contained within existing 'business as usual' budgets, it may need to be outsourced at an additional cost.

Comments on specific Amendments

Amendment 5 – Healthcare Facilities (Deputy of St. Martin)

The Minister supports the amendment as revised by the Minister for the Environment's further amendment. The amendment and further amendment will assist in the ongoing collaborative work between JPH and the Health and Social Services Department to produce a property strategy for the re-provision of essential healthcare facilities.

Amendment 14 – Snow Hill Car Park Feasibility Study (Deputy A.T. Dupré of St. Clement)

The Minister would echo the Minister for the Environment's comments that such a study should be '... subject to the availability of resources'. A full feasibility study of this size will consume significant costs and officer time, and before embarking on such a venture it must be considered as to whether this is the most appropriate use of scarce resources.

Amendment 15 – Retention of D'Hautrée site as designated for educational use (Minister for Education, Sport and Culture)

The Minister can support this amendment in so far as it clarifies the position that the site will only be considered for housing if and when it is deemed to be surplus to requirements.

In supporting the amendment, the Minister is not agreeing that this, or any other site, be held for a specific future purpose in perpetuity, and expects the relevant occupying department to provide a business case for the retention of a site that has an alternative use value.

Determination as to whether a site is surplus to requirement is a States decision, not solely that of the occupying department. Occupying departments must work with JPH to ensure property assets are used efficiently and effectively and, where appropriate, are freed up for disposal.

It is unclear from the accompanying report why the Minister for Education, Sport and Culture has also sought to similarly change the designation of the Ambulance Station site. For that site to be surplus to requirements the facility will need to be re-provided elsewhere, and any re-location would need to have the support of the relevant operational department.

The Minister does not support Deputy Lewis' amendment to the amendment.

Amendment 19 – Eastern Cycle Area Network (Deputy of Grouville)

The Minister, whilst supporting the aspiration for an eastern cycleway embodied in the amendment, must draw the Assembly's attention to the practical difficulties that may be encountered in its implementation.

Creation of a contiguous cycle route is likely to require the acquisition of many individual parcels of land for which there is no specific funding, and may require the use of compulsory purchase powers where there is an unwilling seller.

Even if funding is obtained through 'planning gain', the administration and conveyancing workload would place considerable strain on the resources of JPH and the Law Officers' Department.

Funding not currently in future budget proposals would be required to create, manage and maintain the cycleway.

The Minister's comments apply equally to the amendment to the amendment by the Deputy of St. Mary.

Amendment 20, Part 5(a) – Review of States-owned land to contribute towards open space provision, particularly in St. Helier (Deputy of St. Mary)

The Minister notes that the Minister for Planning and Environment accepts the principle that the States should consider the use of its own assets of land and property to meet identifiable social needs where it is in the best interest of the community to do so.

Any presumption on creating open space from States-owned land will reduce value of land holding and limit potential receipts, reducing ability to invest in public infrastructure through the capital programme.

The Minister considers that it may be in the best interests of the wider community to seek to maximise return from States-owned land to reinvest into essential service provision. Each proposal will need to be considered on its merits and balance any increase in public open space against foregone receipts.

These comments apply equally to a number of other amendments that propose the use of States-owned land for open space and other uses that do not maximise financial return.

Amendment 24 – Create a scheme to supersede Jersey Homebuy (Senator A. Breckon)

The Minister supports the thrust of the Senator's amendment, as amended by the Minister for Planning and Environment's further amendment. It is essential that a scheme be put in place that would regularise the current arrangements to provide certainty to all parties moving forward.

Amendment 25 – Provision of Community Facilities at Les Galots (Deputy I.J. Gorst of St. Clement)

The Minister supports the amendment to safeguard land for the development of a new headquarters facility for the Jersey Sea Cadets as part of the overall development of this site, and can assure the Assembly that officers of JPH, together with the Harbours Department and other interested parties, are working towards achieving this end.

Amendment 27 – Reinstates 2002 Island Plan Housing Chapter (Deputy S. Power of St. Brelade)

The Minister does not support the amendment, which he considers to be a retrograde step. The development of a strategy for the delivery of affordable homes is a key requirement of this Island Plan.

Amendment 37, Part 1 – Publish guidance in relation to planning gain and planning obligation agreements (Deputy J.A.N. Le Fondré of St. Lawrence)

The Minister supports this amendment that will provide clarity to applicants, including States departments.

Amendment 37, Part 3 – States-owned sites identified in a regeneration zone for development to be subject to a financial appraisal and risk analysis and final approval of the Masterplan by the States Assembly. (Deputy J.A.N. Le Fondré of St. Lawrence)

The Minister supports the Minister for Planning and Environment's comments in so far as the amendment appears to blur the role of the States as landowner with that of the Planning and Environment Department as the Planning authority.

The Minister does support the amendment's requirements for the inclusion of appropriate financial appraisal and risk analysis within Masterplan proposals, and would expect this to be the case within any such documentation presented for consideration.

Amendment 37, Part 5 – Remove Policy H3 from the draft Plan (Deputy J.A.N. Le Fondré of St. Lawrence)

See comment on Amendment 27 from Deputy S. Power of St. Brelade.

Amendment 38 – Access to La Collette 2 (Connétable of St. Helier)

The Minister notes that the Minister for Planning and Environment is willing to accept this amendment and to work with key stakeholders to ensure that considerations of health and safety are proportionate to the extent of risk.

As the States 'landlord', JPH is one of the key stakeholders with a duty of care to ensure the safety of those entering onto public land. The safety of the public is of paramount importance.

Restrictions imposed on the area around the fuel farm must be maintained in accordance with professional advice, irrespective of the wishes of stakeholder groups

and any change to usage of the site must be fully supported by the relevant health and safety authority.

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

Due to the need to consider all amendments, the comment was not approved by the Minister for Treasury and Resources until Friday afternoon.