

23.01.17

8 Deputy S.Y. Mézec of the Minister for the Environment regarding adoption of policy HX into the Bridging Island Plan (OQ.5/2023):

Further to Policy H6 in the Bridging Island Plan, which requires the Government periodically to review the parameters set on requirements for private developers to provide a proportion of the homes they build as affordable housing, will the Minister advise when the next review will take place and whether he intends to increase the proportion of affordable homes delivered by the private sector and, if so, when?

Deputy J. Renouf of St. Brelade (The Minister for the Environment):

I thank the Deputy for his question, which gives me an early opportunity to update the Assembly on a matter relating to supplementary planning guidance. This policy to which the Deputy refers, which seeks to deliver 15 per cent of the development renewals for sale or occupation by Islanders eligible for assisted housing purchase on residential development schemes of 50 or more dwellings has yet to take effect. Policy H6 of the Bridging Island Plan states that this policy will operate from January 2023. No applications falling within the scope of this policy have yet been determined. I am working closely with the Minister for Housing and Communities to develop operational guidance to support developers and planners in the application of this policy. This will be released shortly to enable the policy to come into force in an effective manner. In terms of the other part of the Deputy's question, I think that it is appropriate for the policy to be operational for a period of time, which might be for at least 12 months, to see how it is working before the operation of the policy and its parameters are reviewed.

4.8.1 Deputy S.Y. Mézec:

Does the Minister consider that 15 per cent of homes built in developments of over 50 homes to be adequate?

Deputy J. Renouf:

I think it is impossible to say. When this policy was introduced it was a compromise between the desire to see more affordable homes delivered by the private sector and there were attempts to have a higher figure. The feeling was, and I was not in the Assembly, but my understanding is that the view taken was that to do so would hamstring the development industry and reduce profitability to the extent that sites may not be brought forward at all for development, which would be counterproductive.

[11:45]

It seems to me that having settled on a policy the sensible thing to do would be to see how it plays out, to see whether it meets the objectives that were set for it and to review at that point.

4.8.2 The Connétable of St. Brelade:

Would the Minister please remind Ministers of his definition of affordable, given that it is rather a grey area?

Deputy J. Renouf:

That is one of the things that has to be developed in order for the policy to come into effect. One of the consequences of this policy is to increase the supply of affordable housing, therefore, it will be appropriate to refine, potentially, the definitions of what is affordable homes and to develop

products that might feed into that for people to access. That is the work that has to be done before this policy can become operational. I think that has to be work in progress that is done as part of the delivery of the guidance.

4.8.3 The Connétable of St. Brelade:

I thank the Minister. Would he be able to give a more accurate timeline on this and that there is a good reason to be asking that question because surely developers need to have that information so they can progress their various plans?

Deputy J. Renouf:

I am aware that a draft of the guidance was completed just before Christmas, so I would expect that to be progressed very quickly. But, as I say, it requires consultation with the Minister for Housing and Communities and his team to make sure that this is a joined-up policy and that the planning and housing objectives work together to deliver houses and housing products in terms of funding that achieve the aims that we are attempting to achieve with this policy.

4.8.4 Deputy M.R. Scott:

On the basis of the principle that it is important not only to see if your ducks will swim in a row but if they will swim in a pond, I wonder if the Minister has considered an independent review of what might be discouraging developers from pursuing developments of affordable housing, rather than just proposing as a solution that they are told how they might apply better.

Deputy J. Renouf:

I am not sure that we have evidence that this policy is opposed by developers. It was brought forward in the Assembly as a compromise, as I say, and it was felt that it was supported or would gain enough support for it to work. The development of guidance around this will of course involve discussions with industries to make sure that it meets those objectives. I think what I would resist is yet another review. I think this is part of the normal process of developing guidance within the Island Plan framework and I am very comfortable that that process will deliver something that works for the Island.

4.8.5 Deputy M.R. Scott:

Would the Minister accept that customer service in this area is vital and that it may be worth examining it?

Deputy J. Renouf:

I am not quite sure what the Deputy means by customer service in the sense that if it refers to dealing with all people with an interest in this, then of course that is something that we would routinely do. Customer service in terms of the people who will buy the houses is something that feels like it is further down the line and not really a matter for me to comment on at the moment.

4.8.6 Deputy R.J. Ward:

Is the Minister aware that the policy says a minimum of 15 per cent? Can I assume that the policy has therefore now become only 15 per cent or would the Minister push for more than 15 per cent, given the desperate need on this Island for affordable housing?

Deputy J. Renouf:

I think that is something that we will discuss with developers but the aim we have to have here is we need developers to bring projects forward. They need to know that they can do that in a manner that delivers the profit that they expect. I think we have to strike that balance and 15 per cent was set as a threshold figure. It certainly is within the bounds of possibility for developers to bring forward more. I would hope and encourage that they might. But there is no point in them doing that if it affects the viability of the scheme to such an extent that it is no longer worth them doing it. It is a difficult balance to be struck. The Assembly has chosen that figure as its minimum and I think we should see how it plays out.

4.8.7 Deputy R.J. Ward:

I think it is an interesting interaction between the word “threshold” and “minimum” there but we will pursue it a little more. Is it not the case that given the desperate need for affordable housing and the fact that we are in a very fixed market on this Island, that leaving this to a supposedly free market is what has failed this Island for years? What is needed is the Minister and his colleagues to step in to take control of the situation and, if need be, take the land themselves and develop affordable housing for the residents of Jersey who so desperately need it before we have the biggest brain-drain in our history.

Deputy J. Renouf:

I think we are straying in quite a slightly broader direction there. What I would say is that this is a policy that develops private sector open-market sites for affordable homes. We already have, through social housing providers, a very large programme of development of new houses for rent in the affordability sector. This is an additional policy. It is a policy which has proved powerful in the U.K. where up to 10 per cent of all affordable homes were delivered for ... no, sorry, 47 per cent, I think, of all affordable homes were delivered through this mechanism in the years 2017 and 2018. We know that this mechanism can work with a threshold of about the figure that we have. It is an additional measure. It is additional on top of what Andium are providing through their social housing programme. I would reject the alarmism.

4.8.8 Deputy M. Tadier:

It may have been answered implicitly by the Minister but does he support the policy in broad terms of having a fixed amount, let us say 15 per cent or somewhere around that, of affordable homes for eligible private sector development?

Deputy J. Renouf:

Yes, I do.

4.8.9 Deputy M. Tadier:

I think it may have been touched on by Deputy Ward’s question but does he accept that the 15 per cent is a necessary condition for those eligible applications and not a sufficient one for the application to be passed? That were an application to come to, for example, the Planning Applications Panel or indeed the officers or the Minister for approval, which only met the minimum requirements for any of the minimum requirements, it may well be seen holistically as not being suitable in terms of its aspiration and, therefore, does he accept that the message that should go out is 15 per cent is not a target but a minimum threshold which we would welcome being exceeded for successful applications?

Deputy J. Renouf:

I think in straying into the territory of planning applications the question is a slightly different one, in that any determination on a planning application is going to have regard to far more than just the question of the threshold for affordable housing. It is exceptionally difficult to say in the abstract whether a minimum threshold would be the single reason why you return meeting a minimum threshold would be a reason for turning down something, turning down an application. I think that involves conjecture upon conjecture and I do not really feel it is very helpful to go there.

4.8.10 Deputy G.P. Southern:

Given the recent answers given by the Minister, does he not consider that many people out there, many voters will be listening to his words and saying this does not sound like the Minister for the Environment, this sounds like the Minister for Development? Is that not the case?

Deputy J. Renouf:

I doubt that is the case because I have been quite clear in saying that we are trying to strike a balance here. It is a new policy, a new policy needs to have time to bed in. A new policy might have unintended consequences and I hope it will be a huge success, as I have intimated in an earlier answer. It has been successful elsewhere. It seems to me that we should be prudent in applying that policy and particularly because of the danger of unintended consequences, which might mean that fewer sites came forward for development than would otherwise be the case. Getting that balance right is important. It is a complex issue which is judged case by case by Planning and by the relevant determiner of planning applications. I look forward to seeing how it plays out over the next year or so and I very much hope that we are able to report on a successful policy, which we might well want to tweak in the light of experience in a year or so's time.

4.8.11 Deputy G.P. Southern:

Can the Minister confirm that that means no action for at least a year?

Deputy J. Renouf:

No, because, as I have already said, we are bringing forward a guidance which will enable this policy to take effect; that is the next stage in developing Policy H6. We will have it in place, hopefully, within a few short weeks and we will then see how it happens. The concept of allowing something to have some development and to experience it before we have a review is one which I would hope the Assembly would endorse. We are not going to put something into effect and then say after a month or so: "Oh, my word, we are going to change it."

4.8.12 Deputy S.Y. Mézec:

The Minister briefly alluded there that it may be a couple of weeks before the further guidance on this is provided so that it can take effect. Can he, therefore, confirm by what date he thinks this policy will take effect? Does he share with me a concern that I have constantly seeing proposals spoken of in the media and elsewhere for new developments of housing that do not appear to state in them that they are taking this policy into account as part of their plans? Would he also want to put a message out to those developers that this policy is imminent and they need to be prepared for it and not seek to think that they can subvert it by getting an application in quickly?

Deputy J. Renouf:

Certainly I would be very happy to remind developers that this policy is coming in very short order. The question of when a date will be fixed, well that is a little tricky. Obviously today at some point in this sitting we will be talking about a different piece of supplementary planning guidance, depending

on the outcome of that the workload will change. We have 13 separate pieces of supplementary planning guidance mandated by the Island Plan. We have a sequence for delivering them. The States may choose to change that sequence but at the moment, as I say, it is already in draft form, it depends upon further consultation with the Minister for Housing and Communities and I hope to bring it forward in very short order.