STATES OF JERSEY

DRAFT ANNUAL BUSINESS PLAN 2010 (P.117/2009): SECOND AMENDMENT (P.117/2009 Amd.(2)) – COMMENTS

Presented to the States on 21st September 2009
by the Council of Ministers

STATES GREFFE

COMMENTS

The Council of Ministers opposes this amendment on three grounds –

1. the wording of the amendment is too vague to be adopted as a policy;

2. determination of land use policy is a matter for the Minister for Planning and Environment, through the Island Plan; and

3. the proposal, if adopted, would impact significantly on Jersey Property Holdings' ability to meet the States agreed target of achieving £4 million annually from disposal receipts and therefore compromise the funding of the proposed capital programme for 2010 to 2014.

Senator Breckon has requested an amendment to the Business Plan which requires that for a number of specific sites scheduled for disposal in 2010 and thereafter a condition of the sale should be that developers will be required to provide social rented, first-time buyer homes and/or lifetime homes at no cost to the public purse in return for a reduced price for each site.

The States has, for a number of years, progressed various initiatives to provide an appropriate level of affordable housing on the Island. An emerging Island Plan policy is in train, which will require affordable housing from all residential schemes in due course. The planning system is the appropriate mechanism to deliver this along with those rezoned sites coming forward in the Island Plan for affordable/family housing and lifelong housing. Such policy decisions will be determined by affordable housing needs at the time and future need trends identified by the Housing Department.

The Council of Ministers does not consider it to be appropriate for the Business Plan to set the planning requirements for specific sites or to set the tenure of any housing schemes deemed appropriate for those sites. Such details will be finalised via the planning permission for the sites, and will be dependent on the adopted planning policy, the market demands and the housing need trends at the time of the planning application being formulated and submitted.

Comment

- Neither the amendment, nor the covering report, indicates the proportion or quantum of 'properties' that are to be provided back to the public at 'no cost'. The amendment, as presented, infers that 100% of the development would be returned at no cost.

- The amendment refers to a 'reduced price for the site', but does not indicate what level of reduction would be acceptable.

- The amendment does not consider whether the proposals should be 'one off' in respect of these properties only or would apply to future disposals.

- Pine Ridge West Hill, St. Helier is a single residential dwelling and, therefore it is questionable whether the proposed policy is capable of application.

- 46, Rouge Bouillon St Helier is commercial premises and, therefore, the proposed policy does not appear to be capable of application.

- Field S107, La Route de Maufant, St. Saviour has no potential for residential development.

Conclusions

The amendment lacks the clarity necessary to be applied to the identified properties. The outcome of the proposed amendment cannot be determined and hence the precise financial implications cannot be identified. The amendment would, however, have the impact of weakening the States balance sheet and, as a consequence, reduce the level of funding available for investment into the States capital programme.

Financial implications

The States capital programme for 2010-2014 is funded to the extent of £20 million over 5 years only through receipts from the disposal of land and properties that have no operational use, or, where an existing use can be displaced, have a higher alternative use value. Table J proposes properties for 2010 which will be disposed to contribute to the £20 million funding requirement over the next 5 years.

This amendment would reduce significantly the capital receipts generated from the proposed disposals and therefore the funding available to deliver the proposed capital programme for 2010-2014. The consequence of this amendment would be to require projects within the proposed capital programme to be reduced, reprioritised or removed as appropriate.