



Supplementary planning guidance
Making more homes affordable

July 2023

Contents

1. Introduction	2
2. Context	2
3. Making more homes affordable	3
3.1. Assisted purchase homes	3
3.2. Eligibility for assisted purchase homes	4
3.3. Delivery of assisted purchase homes	4
4. Alternative provision: off-site contribution	6
4.1. Off-site contribution: commuted payments	7
4.2. Off-site contribution: site-swaps	8
5. Viability assessment	8
6. Monitoring and review	9
Appendix 1: Policy H6 - Making more homes affordable	10

About supplementary planning guidance

Supplementary planning guidance is designed to operate under the Island Plan and is complementary but subordinate to it. The Minister for the Environment may publish guidelines and policies (supplementary planning guidance) in respect of: development generally; any class of development; the development of any area of land; or the development of a specified site¹.

Supplementary planning guidance may cover a range of issues, both thematic and site specific, and provides further detail about either policies and proposals in the Island Plan, or other issues relevant to the planning process.

Where relevant, supplementary planning guidance will be taken into account as a material consideration when making planning decisions.

The current supplementary planning guidance is listed and can be viewed online [here](#).

¹ Article 6 of the Planning and Building (Jersey) Law

1. Introduction

This supplementary planning guidance note has been adopted and published in accord with **Proposal 24** of the bridging Island Plan which states that the Minister for the Environment will develop supplementary planning guidance to assist with the interpretation and application of **Policy H6 - Making more homes affordable** (see policy at appendix 1).

The publication of this guidance gives effect to Policy H6 – Making more homes affordable. It is aimed at those involved in the planning and design of development proposals involving the creation of 50 or more new dwellings; and it will assist decision-makers in the determination of planning applications for this form of development where it will be a material consideration.

2. Context

Meeting the needs of the community is at the heart of the planning system in Jersey, and the Island Plan must provide for the orderly, comprehensive and sustainable development of land in a manner that best serves the interests of the community. Central to meeting the needs of our community is ensuring that everyone has a safe and secure place that they can call home.

In Jersey, there are particular challenges around the affordability of housing: in a small island, land has a higher value placed upon it, construction costs can be comparatively high and on-average higher income levels have led to an expensive housing market. As a result, many households cannot afford the cost of housing in Jersey and need assistance to meet their housing needs.

This Island Plan seeks to ensure the need for affordable homes can be met, principally through the use of government-owned land, the rezoning or allocation of land and support for the direct provision of affordable homes delivered through Andium Homes. Not all of these mechanisms are, however, sustainable in the long-term and it has been long recognised that developers of open market homes can, and should, play a more active role in delivering more affordable homes.

The provision of affordable homes as a proportion of open market housing development is a policy mechanism that is customary practice elsewhere. In England, just over 26,000 affordable homes were delivered through this mechanism in 2021-22 and about 11% of overall housing supply². It has already been demonstrated that the use of this policy mechanism could be viable for residential development in Jersey³.

The bridging Island Plan **Policy H6 – making more homes affordable** represents the adoption and application of this approach to Jersey.

This policy introduces the requirement for the island's largest open market housing developments, where they provide 50 or more new homes, to provide at least 15% of the development yield for sale or occupation by islanders eligible for assisted purchase housing.

The policy targets the delivery of homes for people who may exceed the 'traditional' financial eligibility criteria for affordable housing but who nonetheless require some assistance to access the housing market in the island. The homes delivered as a result of this policy will enable additional housing products to be made available to a wider pool of eligible islanders, comprising those who meet the defined criteria, and where the availability of an affordable housing product will enable them to meet their housing need.

² [Live tables on housing supply: indicators of new supply - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/live-tables-on-housing-supply-indicators-of-new-supply)

³ [Viability Assessment for Jersey Infrastructure Levy \(gov.je\)](https://www.gov.je/viability-assessment-for-jersey-infrastructure-levy)

To enable the policy to take effect the purpose of this note is to:

- provide guidance about the type and nature of affordable housing products which might be provided under the terms of this policy; and
- set out how the policy might operate in practice.

3. Making more homes affordable

Development proposals involving the creation of 50 or more new dwellings will only be supported where at least 15% of the development is made available for sale or occupation by islanders eligible for assisted purchase housing.

To assist with the interpretation and application of Policy H6 – Making more homes affordable it is helpful to provide some clarification about what might classify as an ‘assisted purchase home’; who is eligible to access these homes; and how these homes might be delivered.

3.1 Assisted purchase homes

Assisted purchase home ownership schemes support households who cannot afford to purchase a property suitable for their needs in the open market, but who are able to do so with some form of assistance.

Policy H6 – Making more homes affordable is not prescriptive about the type of assisted purchase products or services that might be employed by developers to assist people to purchase their own homes. It is designed to be implemented with flexibility that will allow a developer to identify the right assisted purchase scheme for a given development.

An assisted purchase home ownership scheme could include the following:

- Shared equity purchase: there are various models of shared ownership that can help islanders where they cannot afford all of the deposit and mortgage payments for an open market home, where a share of the property, as a percentage of its full market price, is purchased. This serves to limit the purchase value, making these homes more accessible and affordable to islanders.

The difference in value can be secured as a charge on the property; payment of it can be deferred; or it can be paid as a rent.

There are various examples of this form of ownership that have or are operating in the island including the Jersey Homebuy Intermediate Housing Scheme⁴; and Andium Homebuy⁵.

A more recent example is where the sites rezoned for the provision of affordable homes in the bridging Island Plan must not be sold for more than 70% of the open market first time buyer value equivalent, meaning that a minimum of 30% of the sale value must be secured as a charge on the property that is passed on to each new purchaser, in perpetuity.

- Financial assistance: there are many factors which make owning a home in Jersey more challenging. This includes securing a deposit; the costs of legal/conveyancing fees; and stamp duty.

⁴ [Jersey Homebuy Intermediate Housing - Supplementary Planning Guidance \(gov.je\)](#)

⁵ [Andium Homebuy \(andiumhomes.je\)](#)

The provision of direct or indirect forms of assistance to purchasers can help islanders gain access to home ownership, and these can be considered as forms of assisted purchase.

The Minister for Housing and Communities will provide advice as to whether a proposed approach to assisted purchase is deemed sufficient and appropriate under the terms of Policy H6.

Early engagement, prior to an application being made, with the Strategic Housing and Regeneration team in the Cabinet Office, to enable this assessment to be made, is encouraged.

3.2 Eligibility for assisted purchase housing

To ensure that assisted purchase schemes are specifically targeted at those islanders who need assistance to purchase their own homes, eligibility to access them is determined by the Minister for Housing and Communities. The Minister has developed and published eligibility criteria, which includes an assessment of income limits to determine whether assistance is required to purchase a home that is appropriate to peoples' needs⁶.

This administration of this process is managed by application to the assisted purchase pathway list⁷, currently managed on the Minister's behalf by Andium Homes.

This is not part of the planning process, but the provision of any assisted purchase homes - and their occupation by those who are eligible to do so - will form part of the heads of terms of planning obligations agreements that are entered into for the development of schemes which deliver assisted purchase homes as part of the development yield.

3.3 Delivery of assisted purchase homes

There are a number of issues that need to be considered in relation to the delivery of assisted purchase homes, and these are set out below.

In all cases, development proposals involving the creation of 50 or more new dwellings will only be supported where **at least** 15% of the development is for assisted purchase housing. The provision of a greater proportion of more affordable housing is encouraged.

Where the minimum of level of provision results in a fraction of a unit, the contribution of assisted purchase homes should be rounded-up to provide an additional assisted purchase dwelling on-site.

- Scale of residential development: development density and phasing: Policy H6, and the requirement to provide a proportion of assisted purchase homes, applies to development proposals of 50 or more homes.

Any planning application for a development proposal which falls just below the threshold level of 50 homes will be required to demonstrate that the proposals do not represent an under-utilisation of the site. Development proposals should seek to deliver development at the optimal density for the site, in accord with the policy direction of the bridging Island Plan and adopted density guidance.

It is also recognised that developments of this scale may be brought forward in phases. Where this occurs, and where it involves the development of adjacent land that is in the same ownership at the time of the first application being made, it will be

⁶ [Assisted Home Ownership Schemes Eligibility Criteria policy](#)

⁷ [Assisted Purchase Pathway \(andiumhomes.je\)](#)

treated and assessed as one development site, and a further phase of the original planning application. In such cases, the total number of homes provided across all phases of the development will be aggregated, with the requirements of Policy H6 to deliver at least 15% assisted purchase homes being applied to the total number of homes to be delivered, where the development yield is at or above 50 homes.

The principle of aggregating the yield of homes to be delivered from adjacent development phases is not time-restricted and will be applied to different phases of development even where their delivery may be separated over time.

The phasing and timing of the delivery of assisted purchase homes should be managed under the terms of agreement of a planning obligation agreement and linked to the occupation or transfer of dwellings.

- Size and type of assisted purchase home: The challenge of meeting housing need is not confined to ensuring an adequate supply of homes and making them more affordable. There is a need to ensure that the size and type of housing being delivered is appropriate and meets the community's identified need. Having an appropriate mix of housing tenures, types and sizes is fundamental to creating balanced communities, as it allows for a broad range of people and households to be included within a neighbourhood.

Conversely, having an overconcentration of any single housing type or tenure results in the exclusion of those with different housing needs and the spatial concentration of specific socio-economic groups. Places with an appropriately balanced mix of housing types and sizes also cater to the changing needs of our communities across the generations; enabling individuals and families to stay within their established neighbourhoods or local networks, but to move between different size and types of properties as their housing needs change. This is important in ensuring that the fabric and identity of the island's communities remains strong and resilient, as our demographic profile changes.

Assisted purchase homes should be delivered as an integral part of a residential development scheme and should help meet the size and type of dwellings that are required relative to the island's housing needs. Any planning application for the development of 50 or more homes must make clear, by a schedule and on plans, the extent, location, size and type of assisted purchase homes to be provided.

The provision of assisted purchase homes can only be fully tested through the submission and assessment of detailed planning applications. Where an outline planning application for 50 or more homes is approved, there will be a requirement to address the terms of Policy H6 in the detailed proposal.

The Minister for Housing and Communities will be formally consulted, as part of the formal planning application process for development proposals involving the provision of 50 or more homes, to ensure that the type of assisted homes provided help meet identified needs. Early engagement, with the Housing and Regeneration team in the Cabinet Office, is also encouraged, to ensure that the proposed provision meets needs.

Guidance 3.1

The Minister for Housing and Communities should be consulted about the level and type of assisted purchase homes to be provided.

- Planning obligation agreements: Planning obligation agreements must be used to ensure that assisted purchase homes are delivered as part of residential development schemes of 50 or more homes. They should be used to specify and agree the terms that must be met in order to deliver these homes, making the development acceptable in planning terms, relative to the requirements of Policy H6.

These terms should, at least, include the specific location, number, size and type of assisted purchase homes to be delivered; the phasing of their delivery; and the regulation of their occupation.

Ideally, a draft planning obligation agreement should be prepared and submitted as an integral part of the planning application.

Guidance 3.2

Planning obligation agreements must be used to ensure that assisted purchase homes are delivered as part of residential development schemes of 50 or more homes; that the phasing of their delivery is managed; and that they are occupied by those islanders who are eligible to do so.

4. Alternative provision: off-site contributions

The Minister for the Environment and the Minister for Housing and Communities consider that assisted purchase homes should be provided on-site as part of the delivery of open market homes. This can help ensure the expeditious delivery of homes that meet different housing needs and can help to build sustainable communities.

Policy H6 – Making more homes affordable does, however, contain some flexibility to enable, in exceptional circumstances, assisted purchase homes to be delivered in a variety of ways, where they might not be delivered directly on a site that is the subject of a planning application. In this respect, the policy enables the alternative provision of an ‘off-site contribution’ either in the form of a commuted sum payment; or the delivery of assisted purchase homes on an alternative site that is within the control of the developer.

In certain circumstances, consideration may be given to accepting an off-site contribution in lieu of on-site provision. Such circumstances may include where:

- it can be clearly evidenced that the provision of any affordable housing on-site would not be viable;
- the Minister for Housing and Communities agrees that on-site provision would not be deliverable or practical or best suited to local needs, for example where unaffordable service or management charges would arise from the nature of the proposed development;
- housing need could be better met on an alternative site or through a deal with an affordable housing provider
- there is a dominance of a particular type of housing provision in the immediate area; or
- the Minister for Housing and Communities agrees that the provision of an off-site contribution could enable the delivery of a better assisted purchase outcome.

In these exceptional circumstances the value of the ‘off-site’ delivery of assisted purchase homes should be at a ‘broadly equivalent’ value of the cost of providing at least 15% of the

'original' yield of the development as assisted purchase homes on the site of the 'original' planning application.

As set out in Policy H6, an off-site contribution cannot be used to cross-subsidise homes already subject to an affordable, first-time buyer or other assisted purchase requirement, but may be used to increase the supply of assisted purchase homes on another open market site.

4.1 **Off-site contribution: commuted payment**

An off-site contribution in the form of a commuted payment is a financial contribution made by developers as a replacement for not providing assisted purchase homes on-site.

In those exceptional circumstances where a commuted payment is considered to be acceptable, the value of the contribution should be at a 'broadly equivalent' value of the cost of providing at least 15% of the yield of the development as assisted purchase homes on-site.

The amount to be paid will be the equivalent 'cost to the developer' of providing these homes units on-site and should be payable to an approved affordable housing provider who has agreed to provide the units on the developer's behalf.

A bespoke contribution will be developed for each scheme where the need for a commuted payment arises.

Planning obligation agreements must be used to secure commuted payments and should specify the value and the timescale for paying any commuted sums, and how these funds will be subsequently released to an affordable housing provider. The timing of payments should be made at the same pace as open market dwellings are completed.

There may also be a requirement for the provision of security to act as a guarantee.

The expenditure of any such commuted payments, either individually or pooled, will be managed by the Minister for Housing and Communities to support the delivery and/or procurement of assisted purchase housing elsewhere in the island.

Where the level of contribution sought cannot be agreed through negotiation, the fall-back position is to submit a full open-book economic viability appraisal, which may result in a lower or higher commuted payment contribution.

4.2 **Off-site contribution: site-swaps**

There may be circumstances, as set out above, where the Minister for Housing and Communities considers it acceptable and appropriate to deliver assisted purchase housing on a different site to that where the 'original' planning application is located, on another site which is in the control of the applicant.

A bespoke arrangement will be developed for each scheme where an alternative 'off-site' delivery of assisted purchase homes, on another site, is made.

Planning obligation agreements must be used to secure the delivery of off-site alternative provision of assisted purchase homes and should specify the number, size and type of assisted purchase homes to be delivered on an alternative site; and the timescale for their delivery, relative to the delivery of open market homes on the 'original' planning application site.

Planning obligations carry with the land, and hence the alternative site used to meet the site swap will become charged with the delivery of the relevant number of assisted purchase homes, regardless of whether the site is sold or transferred in the future.

A form of 'grampian' condition may also be considered to ensure that planning permission is secured on the alternative site, before either development commences, or, before first occupation of the homes on the original planning application site.

Guidance 4.1

Planning obligation agreements must be used to secure off-site contributions to enable the delivery of assisted purchase homes, whether by commuted payments or site-swaps.

These terms of any such POA should, at least, include the 'broadly equivalent value' of the contribution and the phasing of its delivery, relative to the delivery of homes on the 'original' site.

5. Viability assessment

Where an applicant/ developer considers that they are unable to meet the policy requirements of Policy H6, they must be prepared to submit an economic viability assessment as necessary and, if required, contribute to any cost of appraisal by independent assessor.

In such circumstances the developer will be required to demonstrate why, in their case, the site-specific circumstances mean that compliance with Policy H6, and the requirement to provide at least 15% of development yield for the provision of assisted purchase homes, is not viable, together with clear bespoke evidence.

In general, outline planning applications with matters reserved are not sufficiently evolved to be able to provide robust information regarding costs and values because matters can change. It is usually only appropriate to assess viability at detailed planning stage.

It is expected that economic viability assessments:

- have due regard to best practice, for example RICS guidance and the RICS Professional Standard⁸;
- will include an executive summary;
- provide a clear account of the extraordinary and site-specific costs or the other very special circumstances which make the scheme unviable;
- provide detailed and bespoke evidence behind all non-standard benchmark assumptions;
- provide all measurements in square metres and be consistent with submitted plans;
- consider different development options which might improve economic viability (for example different mixes of tenure, unit type and size and phasing);
- have a realistic and sound land value, which gives consideration to the total cost of all relevant policy requirements including planning obligations; abnormal costs (for example contaminated land, listed buildings, groundworks, drainage etc.); site-specific infrastructure costs (for example access roads and junctions, drainage systems, green infrastructure, connection to utilities etc.); and professional fees.

In cases where it is demonstrated through a viability study that it will not be possible to meet the minimum requirements of Policy H6, the level of contribution towards the provision of

⁸ [Profession & Standards \(rics.org\)](https://www.rics.org)

assisted purchase housing will need to be individually assessed taking into account the need for other mitigation measures.

Economic viability assessments will be made publicly available along with all information relevant to any planning application, unless justified by exceptional circumstances.

Guidance 4.2

Where required, economic viability assessments must be provided by the applicant, together with funding for their independent review and assessment.

Economic viability assessments should be made publicly available.

6. Monitoring and review

Policy H6 – Making more homes affordable is a new policy which embodies a new approach to the delivery of more affordable homes.

The operation and use of both Policy H6; the provisions in this guidance; and the policy and criteria of the Minister for Housing and Communities will be monitored closely during the plan period. Where necessary, amendment can and will be made to the supporting guidance to enable the most efficacious application of the island plan policy.

The Minister for the Environment, together with the Minister for Housing and Communities, will also further assess the viability of decreasing the threshold to which this policy applies and/or increasing the proportion of contribution that is to be made.

Appendix 1: Policy H6 - Making more homes affordable

Policy H6 - Making more homes affordable

Development proposals involving the creation of 50 or more new dwellings will only be supported where at least 15% of the development is made available for sale or occupation by islanders eligible for assisted purchase housing.

Access and eligibility criteria for such homes will be established and maintained by the Minister for Housing and Communities.

Schemes that are just below the threshold level must demonstrate that the proposals do not represent an under-occupation of the site, having regard to development density levels considered appropriate for the area, or, that a large site is not being brought forward in phases in order to avoid meeting this policy requirement. In any such proven cases, development proposals may be refused, or planning obligation agreements used to ensure that a phased development will make a proportionate contribution.

The proportion of assisted purchase homes shall be provided on the site for which permission is sought, unless one or more of the following circumstances apply:

1. that the provision of the housing product(s) specified by the Minister for Housing and Communities on the site would make that development unviable, and in such cases, the applicant has demonstrated that an appropriate alternative form of discount or financial assistance will be provided as far as possible;
2. that the site is of such a size or nature that the contribution to assisted purchase housing would be maximised in the form of a commuted payment, to support the delivery and/or procurement of assisted purchase housing products elsewhere. A commuted payment will not be accepted where it is intended to cross-subsidise homes already subject to an affordable, first-time buyer or other assisted purchase requirement, but may be used to increase the supply of assisted purchase homes on another open market site;
3. where assisted purchase housing is best provided through the mechanism of a site-swap using sites within the ownership and control of the applicant, which will be secured using a planning obligation agreement.

This policy will be in effect from January 2023, following the development and publication of appropriate assisted purchase products and eligibility criteria, as relevant to the application of this policy.

This policy will be in effect from January 2023, following the development and publication of appropriate assisted purchase products and eligibility criteria, as relevant to the application of this policy. The Minister for the Environment, in consultation with the Minister for Housing and Communities, will periodically review the parameters which apply to the operation of this policy and, should a need for change be identified, will issue further supplementary planning guidance to revise one or more of the following:

- the threshold size of developments to which the policy will apply;
- the proportion of homes to which the policy applies;
- the type and value of first-time housing products which might be applicable;
- the means by which the contribution can be made, including the level of commuted sum tariff;
- the housing gateway band(s) from which the homes are to be allocated