

Island Plan interim review (1)

Closing submission

Purpose

The purpose of this closing submission is to draw together some of the issues raised during the course of the Examination in Public into the interim review of the 2011 Island Plan to further assist the Inspectors in their deliberations on these matters. It seeks to do this with reference to some of the questions raised by the Inspectors during the Examination.

Consistency with strategic objectives

The Minister has submitted that the proposed changes to the 2011 Island Plan are broadly consistent with the strategic policies of the 2011 Island Plan. The proposed changes are clearly based on the existing spatial strategy of the Plan which seeks to satisfy the Island's development needs largely from within the Built-up Area. The only potential departures from this are based on the exceptional circumstances manifest in the development aspirations of some rural parish communities, which have been considered on a site-specific basis and other forms of strategic development where proposed changes of countryside policy have been proposed to provide a framework for their assessment.

The Minister would contend that the submissions of many others, specifically those proposing the rezoning of others sites to meet the need for affordable homes, seriously challenge the strategic framework of the Plan in a number of ways: principally this relates to the proposed use of greenfield land with adverse implications for countryside character; and the development of a more sustainable pattern of development in the Island.

Supply and demand for homes

The principal method of challenge to the strategy proposed by the Minister to meet the need for affordable homes has been to seek to undermine the credibility of both the assessment of housing demand and the reliability of sources of housing supply. It is considered relevant to note that this has largely been done without the submission of any alternative evidence.

Assessment of demand

The Minister has sought to demonstrate that his approach to the assessment of demand is evidence-based. It is further submitted that perhaps, unlike the UK where local planning authorities are reliant on central government forecasts leading to suggestions of inappropriate levels of supply related to local

circumstances¹, forecasting in Jersey is specific to the Island and is very responsive to local characteristics. It is based on the best practices of statistical modelling and survey techniques that are officially acknowledged and applied in other jurisdictions.

On this basis, the Minister would contend that his assessment of demand is based on the best evidence available to him and is, therefore, as robust as it might be.

It is also worth stating at this point, that the statistical forecasting of housing demand, and the planning response to it, embraces the entire community regardless of their ability to access different parts of the Island's housing market.

Sources of supply

The only evidence that has been provided by others to challenge the proposed levels of housing supply has been to critically reflect on the performance of previous Island Plans, and the States of Jersey as a direct provider of homes and landlord of a significant land asset in the Island, to deliver Category A housing in the past. Even then, the Minister would contend that such evidence is not always entirely reliable.

In the first instance, the policy mechanism of requiring a proportion of affordable homes as part of private housing development, adopted as Policy H3 in the current Island Plan, was repeatedly criticised during the EiP as not having delivered any homes. Whilst in itself correct, this ignores the fact that the policy has never actually been implemented, before the decision to set it aside was made.

Second, reference was made from a number of commentators that little progress has been made since the approval of the 2011 Island Plan in the delivery and approval of affordable homes: this ignores the facts of the matter, as set out in the Residential Land Availability reports produced by the Minister annually to assess housing supply (and thus Plan performance in this respect).

Aside from these matters of fact, the Minister has sought to demonstrate and emphasise the deliverability of the proposals that form his revised housing strategy.

Significantly, nearly 70% of the proposed supply of affordable homes is to be made on States-owned land which provides the government with a direct ability to influence supply. The Housing Minister clearly and strongly set out his intent at the EiP to relentlessly pursue the delivery of affordable homes in response to housing needs and land administered by his department represents an important source of this supply. The Housing Minister confirmed that his intent was backed up by changes in governance and funding which will better enable him to deliver more homes and achieve his objectives.

And on other States-owned land, administered by Jersey Property Holdings, real evidence of progress, represented by live planning applications and extant planning permission for the delivery of affordable homes has been presented, supplemented by clear timescales for the actual release of sites and programmes for the development and the delivery of homes. Evidence of the potential for additional supply from these sources was also referenced at the EiP, even if not relied upon in the revised Plan.

¹ <http://www.rtpi.org.uk/briefing-room/news-releases/2014/january/local-authorities-risk-undersupply-of-housing-by-overreliance-on-government-data/>

The rezoning of private land to deliver affordable homes represents a relatively small source of supply of Category A homes: those sites of strategic significance (under Policy H1) represent approximately 25% of overall Category A supply. Consideration of this source of supply, on a site-specific basis, has demonstrated a clear willingness from landowners, in the case of sites at Samares and Le Quesne Nurseries, to proceed should sites be rezoned. Whilst issues of viability have been raised in relation to both sites at de la Mare Nurseries and Longueville Garden Centre (without reference to specific evidence), the Minister has indicated a willingness to consider the potential expansion of both sites to assist in this respect, provided the environmental implications of so doing can be appropriately managed.

The Minister has also indicated that the proposal to include a policy reference to the potential use of compulsory purchase powers serves to reinforce the intent to deliver much-needed homes.

The Minister does not accept assertions that the Plan will fail to deliver the levels of Category B homes required over the remainder of the Plan period. The Minister's assertion in this respect is made on the basis of the evidence of the past delivery of open market homes; the level of extant planning permission and homes under construction; and the conservative estimates of yield from various sources of supply. It is also considered relevant to note that despite the impact of economic stagnation upon the open housing market since the adoption of the 2011 Island Plan, signs of potential recovery in the local construction industry are evident².

The proposed revisions to the Plan have demonstrated, on the basis of the evidence of supply and demand presented, that there is already built-in to the proposed revisions a degree of flexibility and capacity for change over the remainder of the Plan period represented by an overall surplus of approximately 400 homes (which represents about 13% of overall demand). In terms of the proposed provision of Category A homes, including those proposed under Policy H5 (@ 70 homes), there is a potential surplus of 170 homes (representing 17% of demand). This is considered to be prudent in view of potential changes that might occur within the remainder of the Plan period, which will continue to be monitored and reviewed in future RLAs and Housing Needs Surveys, and which may lead to an increased demand for Category A homes, as acknowledged at the EiP.

It has been suggested, at the Examination, that consideration should be given to the introduction of a reserve list of sites for affordable and open market housing which, in the event of proposed housing sites not being approved; zoned sites not coming forward; or of demand outstripping supply, might provide alternative sources of supply. The Minister does not support this contention principally on the basis that there is no proven supply requirement for a reserve list. Other matters are, however, also germane to consideration of this issue.

The first is that those strategic sites proposed for rezoning are, in the Minister's view having regard to the strategic framework of the existing Plan, the most suitable for the development of affordable homes. The corollary of this is that any other sites are not considered, by the Minister, to be as good in planning terms. Second, the land parcels proposed for rezoning by landowners do not necessarily represent what might otherwise be termed 'the best of the rest'. In the event that the Minister wanted to prepare a reserve list of sites he may identify others that

² <http://www.gov.je/News/2014/pages/BusinessTendencyDec2013.aspx>

have not been put forward for consideration as part of this EiP. It is, however, acknowledged that they, at least, have landowners who are willing for them to be considered for the development of affordable homes.

Third, any increase in the potential proportion of homes to be delivered by the rezoning of countryside will only serve to undermine and dilute the essential focus of the Plan which is the regeneration of the Island's urban environment.

The fourth point is a practical one. The principal purpose of this interim review is to meet the pressing need for affordable homes given the intention to set aside the unimplemented policy mechanism that would otherwise have delivered them (Policy H3). The Minister seeks to ensure that his revised housing strategy is adopted before the summer recess of 2014. This leaves little time for any further definitive rezoning proposals to be properly considered and formally consulted upon: any reserve list would thus remain to properly considered, for formal rezoning, in the form of what would amount to another interim review of the Island Plan which could only follow in 2015 and beyond.

Truly affordable homes

The Minister would contend that the new definition of Category A housing is better targeted at those people who are most in housing need. It is evidence based derived from assessments of affordability. It is also realistic and deliverable, and the sites proposed for this purpose are, on the basis of assessment, considered to be economically viable.

The Minister has sought to demonstrate that the planning system can seek to deliver a sufficient number of affordable homes to meet the forecast demand. Working with the Housing Gateway, the Minister has also sought to demonstrate that these homes can be appropriately allocated to meet the prevailing demands of tenure based on existing evidence: on this basis the proposed tenure split of 80% social rent and 20% affordable homes for purchase is considered appropriate.

The Minister is of the view that there is a need to treat all rezoned sites consistently to ensure overall levels of appropriate provision between tenure types. As has been presented in evidence to the Examination, however, there is potential for change in tenure following first occupation: this will be a matter for the Housing Gateway, relative to an assessment of latest need.

It is considered relevant to note that there are other mechanisms that sit outside of the planning system which can provide access to affordable homes for purchase in Jersey, as set out in appendix 1.

Meeting specific housing needs

Some concern was raised at the EiP about the Plan's response to the specific housing needs of certain cohorts of the Island's community including those in the unqualified sector and the elderly.

As stated at the Examination and above, the Plan forecasts the demand for homes from all sectors of the Island's community and seeks to respond to this level of need. Unqualified housing provision is made as part of Category B provision within the Plan and the RLA and HNS report on levels of supply and specific types of demand within this category.

Whilst not the subject of this interim review, it was also stated that existing Island Plan policies related to the provision of key worker accommodation seek to ensure that new homes for workers in sectors such as tourism and agriculture meet certain

basic standards dependent upon whether the accommodation is permanent or temporary in nature. It is evident and acknowledged that this does not address matters related to the housing conditions for existing key worker accommodation, which cannot be regulated by the planning system. It is relevant to note, however, that work is actively being pursued to address wider issues of housing policy and regulation through the newly created Strategic Housing Unit (see appendix 2).

It is commonly understood that Jersey as elsewhere needs to respond to the challenges presented by an ageing society. There were, however, divergent views expressed at the EiP as to what the response of the planning system should be. It is also perhaps worth stating that the evidence for the form and extent of any such response is also currently unclear and/or unsubstantiated.

The Minister would contend that he has already sought, to some extent, to respond to the physical demands of an ageing society by ensuring that all new homes built in Jersey since 2007 meet local lifetime homes standards. This ensures that new residential accommodation remains habitable and capable of adaptation thus facilitating its occupation for as long as possible by ageing residents.

The question remains about how else government should respond. The Health and Social Services Department recognises that there is greater community benefit, in terms of cost and efficacy of care, for packages of support to be delivered to elderly people in their homes and the new Health Strategy is based on this.

The notion of providing some form of clustered community specifically for elderly residents, where homes are perhaps smaller and within easy reach of local services, is a popular one, particularly amongst the Island's parochial authorities, where there is a desire to ensure older members of a community can stay in that community. Many Parishes already provide for this, even if the degree of shelteredness or care/support is either very limited or non-existent. And the Plan facilitates further provision of this sort being made where it is in the BUA. There are examples of private sector provision having already been made at Tabor Park (St Brelade), Avalon (St Clement), L'Hermitage (St Peter) and now at Langtry Gardens, St Saviour (on a re-zoned site specifically for this purpose).

Evidence for the current supply of homes specifically for over-55s is good, as reported in the RLA and the Minister remains to be convinced, on the basis of evidence, of the need to specifically zone further land for this purpose particularly when the Housing Minister has advised that the Housing Gateway can be used in a flexible way where there is a desire to provide homes for those in real housing need who are also over 55.

Beyond the matter of homes that are specifically designed, marketed and/or allocated to elderly residents, it is also relevant to note that the RLA, at the start of 2013, indicated that out of a total number of commitments for 3,000 homes, over 2,000 of those homes are for one- and two-bed units of accommodation. If and when these homes are built they will accord with lifetime homes standards and will thus provide considerable opportunity in the open market for people to downsize: this is an aspiration commonly expressed as part of the justification to provide homes for the elderly.

Housing in rural centres

The Minister requested that the Inspectors advise him of their view of the adequacy of the justification provided by the parishes of St Ouen and St Martin to continue to pursue the zoning of land adjacent to their respective villages to meet specific

local housing aspirations. The Minister will clearly wish to have close regard to the Inspectors deliberations and would wish them to comment upon the willingness of the parishes to contribute towards overall housing requirements, whilst at the same time meeting local needs; the evidence of local need; and the extent to which these proposals have been adequately scrutinised and justified within their own communities.

It is, of course, acknowledged that there still remains a political risk in relation to the rezoning element of the Minister's revised housing strategy. There is, however, clear support from the Council of Ministers for this approach and, it is suggested, there has to be a political recognition that if the policy mechanism that the States have already approved (in the form of Policy H3) is to be set aside, a pragmatic alternative is required. The States would otherwise be failing in its strategic objective of meeting the Island's housing need. It is considered that the Minister's proposed revisions are pragmatic and robust and will deliver truly affordable homes: this directly addresses concerns previously expressed by members in relation to previous rezoning proposals.

Review of countryside policies

The inclusion of a review of policies affecting the countryside - namely NE6 relating to the Coastal National Park and NE7 for the Green Zone - was somewhat opportunistic and, in the absence of the need for a review of housing policy leading to a review of the Plan, would likely have been dealt with by supplementary planning guidance in between plan reviews. The Minister contends, however, that a review of the interpretation and subsequent application of policy, particularly that relating to the CNP, was required in light of issues that had arisen in its use since adoption in 2011. The Minister wished to make it clear that despite the general presumption against development in the countryside that it was unreasonable to prevent all forms of development here and that greater clarity about the nature and extent of potentially permissible exceptions was required.

Evidence on the need for review of policy and/or whether this has resulted in something that is better and clearer was a matter of some debate at the Examination. The Minister would be pleased to receive the Inspectors' views on the evident tensions between various sectoral interests concerning the need for more or less policy and guidance; the use of objective parameters of assessment versus more subjective tests; and the extent to which the proposed changes to the policies affect the objectives for the respective areas.

The Minister also wished to respond to the potential requirements for strategic forms of development in the countryside, particularly in the west of the Island and the Examination heard evidence in this respect. The Minister would wish to receive the views of the Inspectors about the adequacy of the Minister's proposed policy response in this respect.

Policy GD2: Demolition

The Minister has set out his justification for the removal of Policy GD2 from the 2011 Island Plan and indicated his intention to supplement existing planning guidance to ensure that an assessment of the desirability of retaining existing structures, and their embodied energy, remains a consideration in the planning process. The extent to which this can be objectively and easily tested and assessed

was presented as a particular challenge and one which, in the view of the Minister, is disproportionate to the efficacy of the policy. Further evidence was submitted in support of this contention.

Engagement

The Minister has also commented, as have others, on the extent to which the process of reviewing an Island Plan, or parts of it, truly engages the population on whose behalf it is prepared. Several participants have commented on the challenges of accessing documentation and others on the extent of time available for comment.

The level of representation for sites which have emerged through the consultation process has been limited which, given the nature of some of them and the general acute level of awareness of planning issues in Jersey, is surprising.

This, however, needs to be balanced with what appears to be general support of the ability of Islanders to engage in a process of round-table discussion on matters of importance that is independently and expertly facilitated.

Taken together, these concerns suggest that consideration needs to be given to some form of review of the process of plan-making and the Minister has asked the Inspectors to comment on the EiP process itself. This will be supplemented by other work that is being undertaken separately to review how the department engages generally with the people it serves.

Notwithstanding the challenges presented by the process of reviewing the Island Plan the Minister expresses his thanks to those who have provided their views and to those who have also given of their time to attend the Examination.

The Minister also wishes to once again, thank the Inspectors, Mr Shepley and Mr Langton, along with the Programme Officer, Mrs Wilson for their forbearance and the exemplary manner in which they have conducted the Examination.

Department of the Environment

23 January 2014

Appendix 1: Jersey housing products

Criteria	Social Rental	Jersey Home buy (original)	Deferred Payment	Deposit loan Scheme	2013 Re-zoned Sites
Residentially Qualified	Yes	Yes	Yes	Yes	Yes
First time Buyer only	No - can own property in exceptional circumstances	Yes	No - can own property in exceptional circumstances	Yes	No
Qualify if have shared transfer property (e.g. flat)?	No - can own property in exceptional circumstances	Yes	No - can own property in exceptional circumstances	Yes	Yes
Size of home	Variable	3 bedroom	Variable	Variable	Variable
Value of home	n/a	£260,000 for a 3 bed house	Variable - independent valuation at first time buyer market prices	£171,000 - 1 bed £262,000 - 2 bed £410,000 - 3 Bed	Lower Quartile Prices
Deposit level	n/a	10%	Variable on lender requirements	5% household and 15% deposit loan	10%
Children	Yes if under 50	Minimum 1 child living with principal	Depending upon size of unit	Depending upon size of unit	Depending upon size of unit
Age of applicant	Minimum over 18 with young with young children or over 50	Related to eligibility for mortgage	Related to eligibility for mortgage	Related to eligibility for mortgage	Related to eligibility for mortgage
Financial qualification	Low incomes - max £40,000 household income	Household Income £40-60,000	Financial means test. Up to 25% discount available on property value	Household income levels £32,-£75,000	Median Income levels
Other qualification criteria	Disabled or homeless	n/a	Current social tenant or on gateway	n/a	n/a
Parish Links	Can be accommodated through Gateway criteria				
Allocation	Through Gateway				

Appendix 2: Strategic Housing Unit objectives

Relevant Extracts dealing with the policy development and projects included in the 2014 Business Plan Objectives of the Strategic Housing Unit

2. Objective/Action	3. Key Performance Indicators	4. Target
Strategic Housing Unit		
Develop Draft Cross-Tenure Housing Strategy (for debate in 2015)	<ul style="list-style-type: none"> • Background papers completed • Consultation paper ready for Ministerial Review 	<ul style="list-style-type: none"> • End Q2 2014 • End Q4 2014
Develop R&P dealing with the regulation of the Social Housing Sector	<ul style="list-style-type: none"> • Lodge R&P 	<ul style="list-style-type: none"> • Feb 2014
Produce "pathway" document outlining policies to secure good quality private rental accommodation, including working with Public Health Department	<ul style="list-style-type: none"> • Present draft Report for Ministerial Review 	<ul style="list-style-type: none"> • End 2014
Introduce scheme for the protection of the rental deposits of private sector tenants, and other mechanisms to improve landlord and tenant relations	<ul style="list-style-type: none"> • Lodge Regulations on Rental Deposits • Lodge Orders introducing Condition Reports 	<ul style="list-style-type: none"> • Q2 2014 • Q2 2014
Draft legal framework for affordable housing sales	<ul style="list-style-type: none"> • Detailed Policy Paper prepared for Ministerial Sign Off • Drafting Instructions completed and supplied to Law Draftsman 	<ul style="list-style-type: none"> • End Q3 2014 • End Q4 2014
Review Housing Gateway evidence base for tenure demands, including affordable housing for purchase	<ul style="list-style-type: none"> • Introduce new IT system • Report on improvements in the Gateway evidence base 	<ul style="list-style-type: none"> • January 2014 • Q3 2014

Notes:

In addition to the above items being led by the Strategic Housing Unit, they will participate in a range of other initiatives relevant to Housing, for example:

- The incorporation of the Housing Department
- The Island Plan Review Process being led by the Environment Department;
- Work around barriers to the timely supply of housing being undertaken by the Economics Unit in 2014
- Working with Health and Social Services, other Departments, and social housing providers to secure a housing mix appropriate for an ageing society and which supports long term health policies