

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

28th June 2022

Proposition No. P.2022/41

Policy & Resources Committee

The Government Work Plan 2022

AMENDMENT

Proposed by: Deputy V S Oliver
Seconded by: Deputy M A J Helyar

Insert the following proposition immediately after Proposition 1.

“1 A. To incorporate the following action into the Government Work Plan and to direct the Policy & Resources Committee to apply category 1 status to it:

Housing:

Examine the case for developers to make a tariff payment (financial contribution) in lieu of affordable housing contribution equivalent to the value of the land which Policy GP11 would require, to be set aside for affordable housing and to report back to the States by the end of 2022 with proposals, if appropriate, for a system of contributions schedules or standard charges (financial contributions) in lieu, including the identification of any necessary legal provision or changes to land use policy.”

Rule 4(1) information

- a) The proposition contributes to the States’ objectives and policy plans by seeking to facilitate examination of the case for developers to make a tariff payment (financial contribution) in lieu of affordable housing contribution and thus help to meet housing needs, which constitutes a top prioritised Recovery Action in the Government Work Plan.
- b) The propositions have not been the subject of joint working or consultation with any other Committees or stakeholders. However, the topic of tariff payments in lieu of affordable housing contribution has previously been subject of discussion between the Development & Planning Authority, the Committee *for* Employment & Social Security and the Committee *for the* Environment & Infrastructure in responding to the previous

resolution of the States (Resolution 8) concerning Billet d'État No XXVII, dated 18th October 2016.

- c) The propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- d) There are no additional financial implications to the States of carrying the proposal into effect.

Explanatory Note

Island Development Plan (IDP) Policy GP11 requires development proposals involving 20 or more residential units to contribute a proportion of land or units to affordable housing¹ provision. Where the provision of land is not feasible consideration can be given to the provision of completed units on the site and there is also some flexibility to consider off-site provision in exceptional circumstances. There is also flexibility within Policy GP11 to allow the percentage requirement for affordable housing contribution to be reduced where it can be demonstrated that the application of the policy, including all provisions for options, would make the development otherwise unviable.

Whilst the existing policy gives a degree of flexibility it applies only to sites for 20 or more units and can, in some cases, result in the delivery of fewer, or even zero affordable housing units. As at the end of Q1 2022, under the IDP, Policy GP11 has yet to be relevant to a planning proposal and there has therefore been no land or units provided for affordable housing as a proportion of a developable site area as a direct result of this policy.

There is also the perception that the policy requirement to provide land or units may be blocking existing permissions for much needed housing being implemented. There is a pipeline (2-year supply) of permissions for 556 (Q1 2022) general market residential units and potential for between 548-1071 units on sites allocated for housing in the IDP or on sites with an approved Development Framework. Although residential units are under construction there is a significant discrepancy between the number of permissions granted and what is built with only 387 general market units completed between November 2016 and Q1 2022.

While the adopted planning policy GP11 allows for developers' viability to be taken into account there is currently no consideration of viability from the perspective of the affordable housing provider. In relation to particular types of development, it does not make business sense to require certain types of developments to contribute affordable housing on a development site where the amenities or services associated with the particular development would not be suitable for households defined as needing affordable housing e.g., high on-going service charges related to certain developments. In such cases seeking a financial payment in lieu would appear to be the most pragmatic option.

¹ Affordable housing is defined by Section 2(1) of the Land Planning and Development (Planning Covenants) Ordinance, 2011. In general terms, affordable housing is for those households whose needs are not met by, or who cannot afford, accommodation in the private sale or rental market without assistance. It is normally provided through the States of Guernsey or a registered Housing Association.

As part of the IDP debate, the States resolved (Resolution 8) concerning Billet d'État No XXVII, dated 18th October 2016, to direct the Development & Planning Authority, in consultation with the Committee *for* Employment & Social Security and the Committee *for the* Environment & Infrastructure, to examine the case for an alternative requirement for developers to make a tariff payment (financial contribution) in lieu of affordable housing contribution equivalent to the value of the land which Policy GP11 would require to be set aside for affordable housing.

This work stream was paused so that it could consider an updated States Strategic Housing Indicator. However, with the current pressures on the housing market, and the increased priority given to housing supply in this Government Work Plan now is the time to investigate this option which could potentially facilitate the implementation of existing housing permissions whilst still providing for affordable housing.