

PARISH OF ST PETER

PUBLIC MEETING, PARISH HALL 7.30PM 22 MARCH 2016

FIRST TIME BUYER (FTB) AFFORDABLE IN PERPETUITY HOMES

On the stage:

Constable John Refault, Chairman

Ian Gallichan, Chief Executive, Andium Homes

Jennie Holley, Constable's Advisory Group Member, FTB project

Carl Mavity, Commercial Director, Andium Homes

David Ogilvie, Facilitator, Director of Resilience Development Company

Kevin Pilley, Director of Planning Policy, Environment Department

Julia Quenault, Procureur, Parish of St Peter

Paul Scally, Solicitor, legal adviser to St Peter

John Welsh, Member, Constable's Advisory Group, FTB project

Apologies:

Jennie Colontoni, Member, Constable's Advisory Group FTB project

Eric Le Ruez, Member, Constable's Advisory Group FTB project

In the Hall:

Over 100 parishioners and others with parish links and an interest in the project.

These meeting notes consist of the Constable's speech with contributions from others on the stage, followed by questions and answers.

WELCOME FROM THE CONSTABLE

Welcome to you all for taking time to be briefed on the First Time Buyer Homes Affordable in perpetuity progress.

Firstly, this is an **information-delivering meeting** with the opportunity for you to ask questions of the project group and is **Not a decision making Assembly**.

I anticipate that this could be a challenging meeting where diverse views will be strongly made and held and it is for this very reason that I have called this meeting to allow all points of view to be freely expressed. The one thing that I will ask of you is that we all respect everyone's right to their opinions no matter how extreme they may be in our view.

The meeting will be **in two parts**, the first being the report on process and progress then we will move into the second part where we will share with you **all the sites that have been offered** and then we will have questions and discussion.

The outcome from tonight's meeting will inform the Project Group on what and how we bring this project to a Parish Assembly in April.

PROJECT TEAM

The project group members are: **Jennie Holley**, who has acquired considerable understanding of the Island Plan, recently retired from the position as Rates Assessor for St Peter and been a superb recorder of progress and outcomes of all the project meetings,

Eric Le Ruez currently a Rates Assessor for St Peter and previous Chief Officer of the States' Housing Department and latterly the States' Property Holdings Department until his retirement.

John Welsh is well known to most parishioners for his dedication to St Peter's Football Club especially the Youth Football Academy and his commitment to services to our Parish and Parishioners.

Jennie Colontoni who holds a senior position in the intellectual property business and was a member of the original Parish Homes Committee.

And finally myself **Constable St Peter**, former Chief Fire Officer in Aviation Rescue and Firefighting, on retirement I became a self-employed property valuer and negotiator, then on becoming elected to the post of Constable of St Peter served as Vice Chairman of the Public Accounts Committee, States Treasury, with political responsibility for the States Property Holdings department; States nominated Director on the Waterfront Enterprise Board; Assistant Minister Health and Social Services and Housing; Assistant Minister in Treasury where I currently fulfill the obligation as the States Shareholder in all the States owned entities such as Andium Homes, Jersey Post, Jersey Telecom, Ports of Jersey etc while at the same time focusing on the safety, needs and improving the quality and value of the Parish assets and facilities for all parishioners be they young, through family life or into retirement.

We were all assisted in the project planning by **David Ogilvie** a professional project facilitator and **Lee Newall** who populated the project plan.

PROJECT ADVISORS

Joining us this evening are our **Parish Lawyer Paul Scally of Le Gallais and Luce** a legal expert in Conveyancing of all property matters with considerable experience in similar States-led schemes such as La Providence and many others.

Kevin Pilley, Director of Planning Policy who has consummate knowledge of the Island Plan and has assisted us in the processes required before an application can be made for any rezoning under the Island Plan.

Ian Gallichan, Chief Executive Officer from Andium Homes, formerly Chief Officer of States Housing department who have offered their professional services and advice for this project.

I both **welcome and thank all who have engaged** in the project to date and all of you who show interest in this potentially important project for the parish and parishioners of St Peter.

THE ST PETER FIRST TIME BUYER AFFORDABLE IN PERPETUITY PROJECT

Following on from completion of the project to provide lifelong homes initiated by my predecessor, Tom du Feu, on being returned to this my third term of office, I advised parishioners that one of my objectives in this term of office was to explore the viability and, if possible, the delivery of a housing project for first time buyers that would always remain affordable for future buyers in perpetuity.

Many first time buyer developments have been delivered across the island with the objective of providing first homes for young jersey people and their families. Most have failed to remain affordable as when the houses were finally sold they transacted at full market value taking them out of the reach of many young families.

A later iteration was to develop the deferred payment scheme, where owners would purchase a percentage of the property with the deferred payment being made on its ultimate sale or change of ownership. This also only offers the first owner the advantage of an affordable home.

Julia Quenault, Parish Procureur explained:

“This St Peter project differs in that the Parish will hold a bond of 25% of the value of each property in perpetuity retained in a Parish Trust. This will mean that for the sake of

simplicity, a home with a retail sale value of £400K would require the purchaser to acquire a mortgage of 75% that being £300K with the bond retaining the balance of £100K as a second charge on the property. The Bond is expressed as a percentage to ensure that the reduced price to subsequent purchaser or purchasers remains in proportion. For example, a first home in Ville Du Bocage cost in the region of £8,000 in 1973 and if this scheme were in place then with a 25% bond retained but expressed as a cash sum of £2000, a purchaser today would only acquire a cost reduction of that £2,000 parish held bond”.

The aim is not to make a profit for the parish out of the parishioners. There will be some costs to the parish but these will all be covered by the sale of the houses.

As well as filling in a form to express their interest in the parish scheme, applicants were also asked to go through the portal of the Affordable Housing Gateway (AHG), which allocates homes not just for social rental but for purchase too. By offering homes for purchase, the parish would be easing the burden of demand on social rental housing, which is one of the reasons why Andium have offered to help us.

Jon Welsh spoke about his involvement and the sites:

“Being Parish born and bred I wanted to be part of the scheme to provide homes for the next generation. Tough decisions have to be made if houses are to be built on fields. A total of fourteen sites have been offered to the Parish for consideration as possible locations for the development of First Time Buyer Homes on a joint venture basis. The joint venture requires the landowner to put in his land at no initial cost to the parish and the parish securing development funding. Initial enquiries have been made with potential fund providers, which include the States Treasury, Andium Homes and a high street retail bank. The actual fund provider will be selected only when and if we have a viable parish-supported project to go forward with. The actual amount of development funding will be dependent on the site or sites selected and the number of units to be constructed, with all borrowings to be repaid on the sale of the homes”.

Jennie Holley gave an account of the consultation process to date:

“We saw early on, when the project was first suggested, that it was vital to ask parishioners what they thought of a scheme like this and providing there was a positive reaction, to get their ideas on how it could be achieved.

So far, the consultation has taken the form of parish meetings, media releases and interviews (on radio, TV and in the JEP), articles in the parish magazine, workshops, and a drop-in display at the parish hall with facilities for parishioners, or anyone else for that matter, to comment.

Timeline of consultation:

January 2015 – The Constable’s Advisory Group met for the first time.

February 2015. The Constable discussed his ideas for a FTB scheme with members of the various parish committees. Also in February last year, information was obtained from the Social Security Department, which administers the Affordable Housing Gateway, about how St Peter might fit in with that. (The Affordable Housing Gateway is an allocation system so that Andium Homes, and the various housing trusts and charities can have a centralised list and islanders don’t have to put their name down with lots of different agencies if they want accommodation).

In March 2015, adverts appeared in the Evening Post inviting young people with a connection to the Parish to fill in a form saying that they would be interested in buying a home. The media picked up on the adverts and there were interviews and a newspaper article in which the Constable explained his idea.

The next month (**April 2015**) he issued a media release that was given plenty of coverage, saying that there had been a good response to the ad and making it clear that people who had already bought a flat on flying freehold or share transfer might be eligible, as well as clear-cut first time buyers. He also mentioned that a number of landowners had come forward on seeing the ad, offering sites for development and that these would be looked at with advice from the Planning Department. The Constable also stressed that a Parish Assembly would need to approve a scheme if it looked possible financially – that's if somewhere suitable could be found to build the houses.

June 2015 - The first informal Village Plan workshop was organised for the evening of Tuesday 16 June 2015 and advertised a few days before in the Gazette section of the JEP. About 20 people turned up at the Parish Hall. The Constable explained his plans for the scheme and there were questions and comments.

August 2015 On the advice of Planning officers a major consultation event with parishioners was organised for 22 August 2015 – that was a Saturday. The format was based on the “Future St Helier” workshops that had been held in May but concentrated on housing rather than all the other issues that they talked about at the St Helier workshops. We had a morning session for invitees and an afternoon drop-in session that was open to everyone.

The people at the **morning session** were drawn from a diverse range of parishioners as well as those from outside the parish who might have an interest, as an example, the President of the Farmers' Union was there. Parishioners who had served as Adjoints at elections and in the Honorary Police were invited, along with Rates Assessors, members of the Roads Committee, Roads Inspectors and officials of clubs, associations and the Community Centre; so we felt we'd asked a good cross section of people who had an obvious interest in the parish. Out of 40 invitees, 20 attended, along with the Constable's advisory group and a Planning Officer. The session was run by David Ogilvie, the facilitator who had done the Future St Helier exercise.

The focus of the event was a sort of vision statement:

“By 2018 we hope to enable the Parish of St Peter and up to 40 families with a parish link to own a share of the current and future value of the property they call home. To achieve this up to 40 new homes will be built on a new site or sites in St Peter. The actual site or sites will be determined as our plans progress”.

Those who came along were invited to say what was important to them if that vision were to be realised. If it was, what would need to happen so that the issues that were important to parishioners could be taken care of. Discussions centered around the village and rural environment, travel and transport and the community identity.

The **afternoon session** was advertised in a notice in the JEP Gazette on 18 August and 19 people came along. All the maps and plans from the morning session were on display along with lists of the views expressed, and we were there to explain and answer questions. Printed postcards were supplied for people to write their comments either there and then or to send in afterwards, or they could write to an e-mail address.

As you can imagine, we came away from those sessions with a lot of material and a range of opinions that had been expressed. To make sense of it all we broke it down into groups of things that were seen as important and how they could be addressed. We also looked at what types of parishioners had interests in which areas, a sort of stakeholder analysis if you like, and thought about how their positions could be accommodated. To help us with all that, we were grateful to have guidance not only from David Ogilvie, who ran the event on the day, but also from Lee Newell, an expert in communications and project management, who helped us for nothing while he was on a sabbatical from work.

From the end of August last year up to now – all the flip-chart notes, summaries, maps and aerial photos that had been used at the Saturday event have been left on display in the Committee Room at the Parish Hall for anyone who wants to have a look at them. Visitors to the display are invited to leave comments and suggestions if they like, with the special printed cards available. Publicity about the display and an invitation to comment by card or e-mail was given in the autumn edition of the Parish Magazine.

Speaking of the **Parish Magazine** (Les Clefs), it does have quite a wide circulation. It comes out four times a year and is delivered by Jersey Post to over 2,000 households in the parish. There are copies to pick up in the parish hall and elsewhere. The Constable has written about the first time buyers' scheme in every edition since spring last year, explaining the ideas behind it and giving updates on the consultation process. There was a special article in the autumn issue from the editor of the magazine, reporting on the August workshop and inviting readers to have their say on a Village Plan and telling them how to get their views taken into consideration.

Outcome of the parish consultation so far

Coming out of the consultation process seems to be a general acceptance of the idea of FTB housing in the parish but **location** was the single most important worry that was mentioned over and over again. Other recurring themes were protection of the village environment and open space, along with the avoidance of sprawl by keeping development within or alongside existing built-up areas. Big concerns were the cost, increases in traffic, and the pressure on facilities such as schools. Some people believe that there's already enough development in the parish and that the initiative to provide FTB housing should come centrally from the States.

Another piece of consultation on housing from the states

Just to finish with, I think it's important to mention another bit of consultation that's just been published, not done by St Peter but by the States' Statistics Unit with the data collected as part of last summer's Annual Social Survey. It's a sample survey of households but the results are weighted and grossed up, in line with the census, to be representative of the whole island. It's called "**Jersey's Future Housing Needs**" and covers the period from now to 2018. It asked the households surveyed if they wanted to move house in the next three years and, if so, to what sort of accommodation. The results showed that there was less of a demand for **social** housing than 3 years ago, but for would-be home owners, taking flats and houses together, there was a much bigger shortfall of nearly 1,400 homes for people who wanted to buy. Just looking at 2 and 3 bedroom **houses**, not flats, there were 710 fewer homes available than individuals or families wanting to buy that sort of property.

The study also applied some tests of **affordability** and the rather depressing result was that over half the aspiring homeowners wouldn't be able to afford to buy the type of

home they wanted anyway, based on four times their current income and a house in the least expensive quarter of the market. That's the gap that we want to close for young people in St Peter".

Some of the 97 applicants that we have so far have been through the AHG which has limits on income for social rental homes but the parish would use its own criteria for allocating houses to buy. Applications would not be entertained from people who could afford to buy on the open market. Each case would be assessed on its own merits: not just on income but on family circumstances and needs, and their links to St Peter.

On the advice of Kevin Pilley the project group looked not just at the fields that had been offered by landowners but also other sites that might be suitable. Only one brownfield site was apparent, and that was in an isolated position far from the existing built-up area (BUA) and amenities, and would have been too expensive to connect to necessary utilities, so was not considered viable.

Kevin Pilley spoke about planning principles:

"I was asked to help with information on planning issues. The key tool against which to assess proposals is the Island Plan which sets out planning policies for a 10-year period. The current plan runs from 2011 to 2020 and makes provision for some 4,000 new homes, of which 3,000 would be on the open market (category B housing) and the other 1,000 would be affordable homes (category A) for social rental or purchase. If the parish were to make a proposal it would be assessed against the Island Plan on 2 major factors: firstly, the need for homes and secondly, it would test the proposed location against the policies in the Plan. Those policies favour development in existing BUAs of town and the other urban parishes of St Saviour, St Clement and St Brelade. Some development may be allowed in rural parishes within villages, where there is provision for access to transport, schools, shops and other services. The advice given to parishes is that if they want to provide homes, they have to show the need and assess the site to fit in with the Island Plan strategy. So I advised St Peter to look at sites within the BUA, and if there were none, to look at other land that was already developed, and if none of that was available, only then to assess green field sites that were best located in relation to the BUA".

Ian Gallichan outlined Andium's potential involvement:

"Andium has offered its services and assistance to all the parishes. It has carried out a £250 million refurbishment programme on social housing and purchase and has expertise in developing new homes. As a not-for-profit organization, given a reasonable price for land as a starting point, it should be possible to develop new homes for £310,000".

David Ogilvie spoke about the consultation event in August 2015

"Having been in Jersey for 12 years but I live in St Lawrence so I am independent and can choose with whom I work. Last August's workshop focused on what's important, why it's important and what needs to change. The top 3 of these issues were selected. The process was open and transparent and listened to the parishioners".

Paul Scally spoke about FTB schemes and financing them

"As a specialist in property law I have had experience of schemes for FTBs in Trinity and St Brelade with systems of shared ownership and deferred payment. The aim is to keep costs down now and in the future".

THE SITES

Copies of an extract from the Island Plan proposals map were passed around the audience with potential sites for homes shown in blue (Figure 1). The dotted lines around the airport represented the noise zones in which development was limited. It was regretted that the plan was small and difficult to read and a larger scale location map would be needed if a site was brought to a Parish Assembly for approval. **Kevin Pilley** pointed out that the BUA of St Peter's village was tightly defined, with a secondary area near the Rugby Club. All the potential sites were outside the BUA and in the Green Zone, in which there was a general presumption against building new homes. This meant that a planning application would be contrary to policy and would have a much higher hurdle to clear than one for the BUA. There would have to be a very strong case based on need and a justification of the location. The August workshop had identified lots of issues that were important if there was to be development, such as impact on the landscape, loss of agricultural land and the effect on the character of the village. The views of parishioners would be very important and they would be able to comment on an application if one was submitted. If the application was for a green field site it would represent a departure from the Island Plan so the decision-making route to determine its success would be different to an ordinary application for the BUA. The Environment Minister would instigate a Planning Inquiry and appoint an Inspector to hear the arguments for and against in public. The Planning Inspector would make a recommendation to the Minister who would then decide.

The Constable invited questions from the floor:

Q 1. Can you say how many units of accommodation there would be on each site?

The Constable replied that capacity had not yet been determined but would depend on the size of the field(s) selected and the approval of a Parish Assembly. An initial desk-top exercise without the need for detailed plans would give a good approximation of the number of homes on a particular field. He stressed that no sites would go forward without parishioners' agreement.

Q 2. If the scheme goes ahead, are there plans for extra transport such as buses?

The Constable said that the parish was well aware of current constrictions in traffic flow, such as at Beaumont filter-in-turn and he was in discussion with the Department for Infrastructure and Liberty Bus to provide more buses and alter routes to generate and accommodate demand. He considered there was much scope for improvement to make the bus service more attractive, particularly for commuters, and take cars off the road. More bus shelters for example led to increased bus use and he was working to provide more of these in St Peter currently. New ones could be included as a planning obligation for the FTB scheme.

Q 3. The questioner pointed out that the majority of people attending the meeting with an interest in the projected homes were young and might want to have children. Were there any plans to expand the school?

The Constable replied that there were no such plans at the moment but there was an island-wide plan from Education to expand capacity, partly by increasing class sizes. From a situation a few years ago when there had been excess capacity in primary schools, immigration had increased demand for places over supply.

Q 4. Once a field was identified, what would be the timescale for the development?

Kevin Pilley replied that the normal time for processing a planning application was 3 months but a Planning Inquiry would take 3 to 6 months.

The Constable said that he hoped to deliver the homes before the end of his term of office in 2018 and would try to have a planning application in by the third quarter of 2016.

Q 5. At what stage of the project would the homes be allocated?

The Constable said that no decision had yet been made but he would prefer to allocate them before construction work began. It might be necessary to take a small deposit to secure allocations. For those who had not yet applied, forms were available at the back of the hall, along with applications for the AHG and details of the Andium deferred payment scheme for their homes. Response cards for the consultation were also there, and all feedback would be welcome, whether positive or negative.

Ian Gallichan said that Andium preferred the deferred payment scheme to one of shared ownership, which could be problematical. Andium had sold 150 homes on the deferred payment basis. It represented a second charge on the property after the mortgage provider's and could be up to 25% of the value. When the property was sold on, it could be offered to the next purchaser.

Q 6. Would there be an opportunity for purchasers to release the 25% that was the parish's share and buy it out?

The Constable said that that was not the intention.

Q 7. With shared ownership, would there be a problem if the occupier wanted to make improvements to the property, such as an extension or loft conversion?

The Constable said there would be no problem as the parish would retain the same percentage of the value, whatever it was. He was mindful that the value could go down or up depending on whether owners neglected or improved their homes.

Q 8. Would there be the same restriction on purchasers if the property was sold on? Would they need to have parish connections as well as the original purchaser?

The Constable said that it would be difficult to control and Paul Scally said the experience of St Brelade suggested that such a stipulation would be too restrictive. Banks might be unwilling to lend money on a property with restricted onward marketability so St Brelade had decided not to impose such conditions.

The Constable said that an enquiry to the Law Draughtsman in December 2015 about a change in the law to facilitate shared ownership was in the pipeline but unlikely to be progressed for another year or so.

Q 9. Was it the case that all the potential sites shown as blue areas on the map would not be compliant with the Island Plan as they were fields in the Green Zone?

The Constable replied that that was so. Only one brownfield site had been identified, and even if it were available, it would be precluded from consideration by its distant location and lack of services.

Q10. Would that be a factor in considering the most northerly site on the plan? (Field 448 on La Route des Hêtres)

The Constable replied that the position of that field, surrounded by farmland, with no services and nowhere near the BUA or shops would indeed rule it out. The cost of connecting sewers and other main services would be a major determinant of financial viability for any site. He would come back to a Parish Assembly with one, two or possibly three sites. Parishioners and would-be home owners should watch out for notices in the JEP Gazette about the forthcoming Assembly hopefully in mid-April.

Q 11. Are you still looking for sites?

The Constable said yes, even if they were not directly offered to the parish. There were thought to be very few where landowners would be willing to sell at a reasonable price.

David Ogilvie noted that the potential sites were not known at the workshop event in August 2015 but noted that the comments on location made at the current meeting were similar to the views on what was important that had been expressed at the workshop. The mood of the meeting was also similar, with a positive interest in the provision of homes.

Q 12. As the sites marked on blue were all against the policy of the Island Plan, what were the chances of success in getting around it?

Kevin Pilley said that all the sites did challenge the Island Plan so it was for the Minister to decide. The scheme had to be justifiable on grounds of need that was not being met from other sources of housing supply in the island. The location would have to fit in with the BUA and infrastructure as well as being accessible to pedestrians and road traffic and not adversely impact on the character of the village and countryside. Once parishioners had been consulted, it was up to the parish to make a case.

Q 13. If, say, 30 units could be constructed at a cost of £310,000 each, would that be the final selling price or would the cost of service connections be on top of that?

John Welsh confirmed that that price would cover everything, including services.

Q 14. For families with children, raising the necessary deposit could be a problem. How much would it be?

Paul Scally said that the purchase price would be discounted by the 25% parish share so that 10% of the remainder would be needed. He would bring sample figures to the Parish Assembly.

Q 15. What level of finish would be provided on the homes?

The Constable replied that the homes would be complete. He had visited the new homes being built by Andium at Belle Vue and been very impressed by the standard. Kitchens were installed but no floor coverings.

Ian Gallichan offered to arrange an open-day at Belle Vue so that Andium could show what can be built for the price. It could be organised pending the result of the Parish Assembly.

The Constable thanked all for attending, with a gratifyingly large turnout. He hoped that the Assembly would be similarly well attended by parishioners.

The meeting ended at 9.10pm.

Notes compiled by JH 25 March 2016

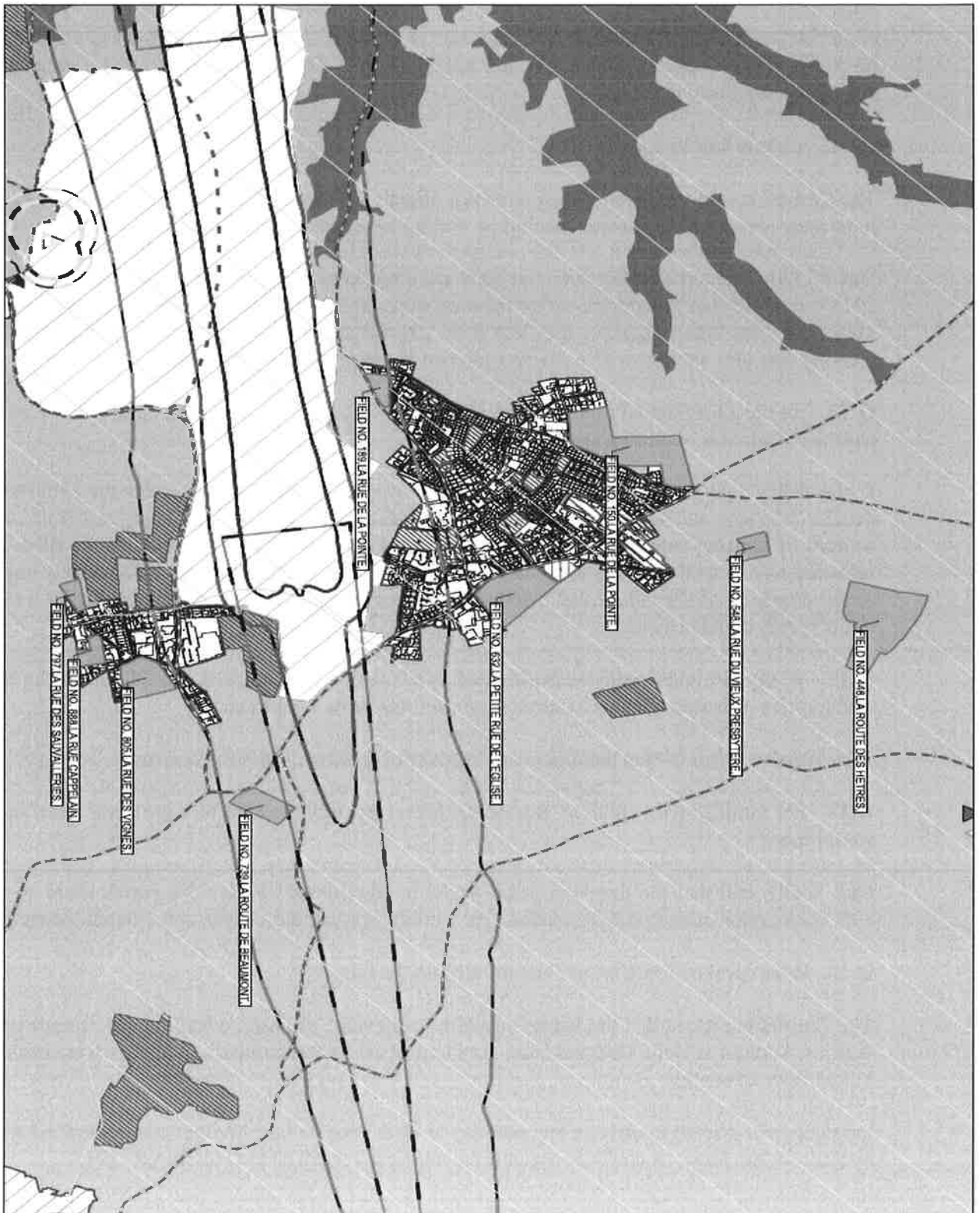


Fig 1. Location of potential sites for FTB development in St Peter.
Please note that field 632 is located on La Grande Route de St Pierre and not Petite Rue de l'Eglise.

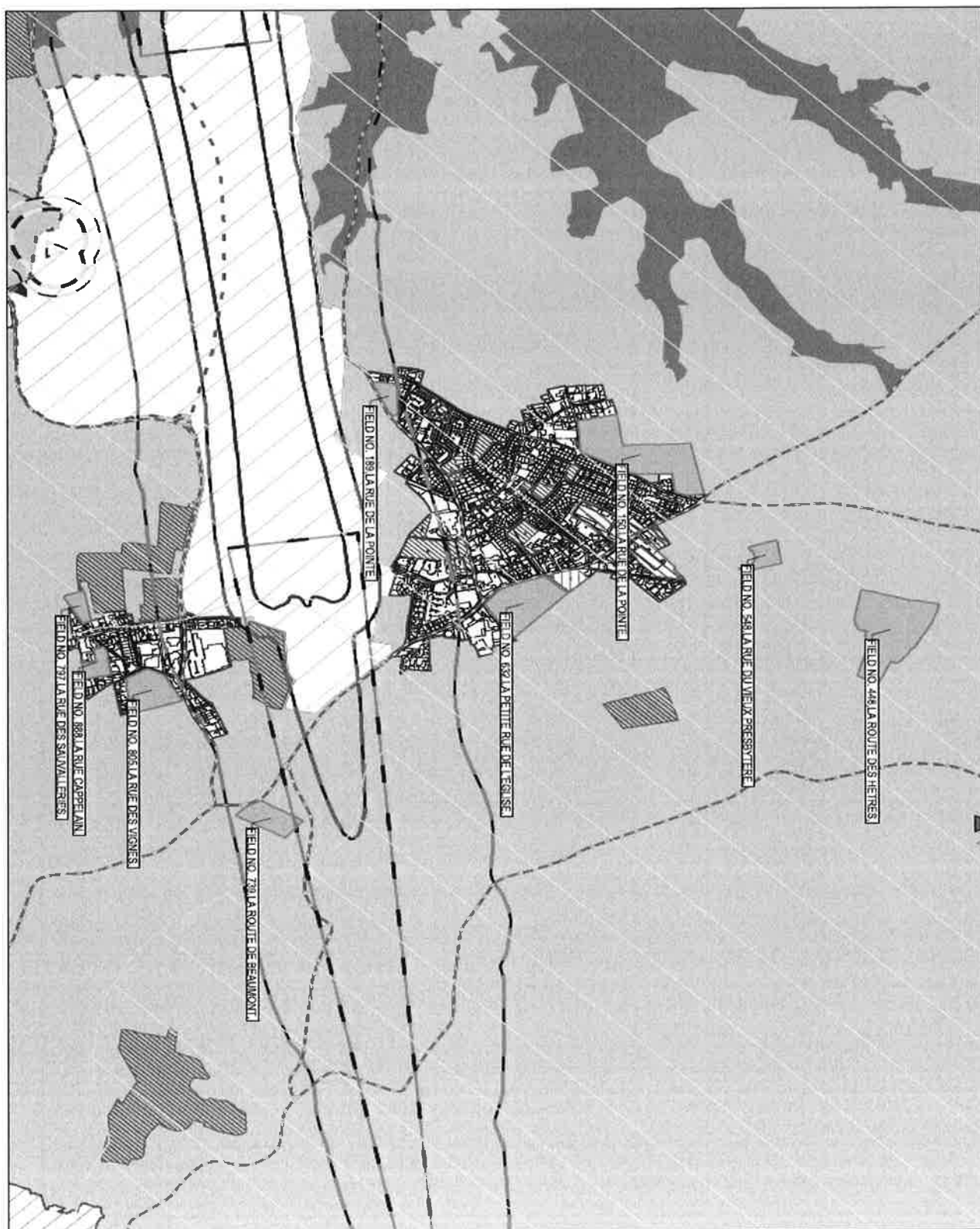


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