

## ARUP- Building and Development Control Committee

### LAND USE PLAN REVIEW -HOUSING STRATEGY

#### Executive Summary

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In recent years, Alderney's population has been characterised as ageing and transient with the number of families with children on the Island halving between 2001 and 2013 and relatively high immigration and emigration. In response to a declining population, which is placing strain the sustainable operation of the Island, the States of Alderney (SoA) is seeking to increase the population.

Housing has a fundamental role in creating a sustainable island. There needs to be the right number, type and quality of housing to meet the needs of existing and future residents. This Housing Strategy explores the existing challenges within Alderney's housing market and identifies a series of recommendations to address them around the following themes.

#### Who Needs Housing on Alderney

Different groups of people need different types of housing, and this need may change over time. This includes for the different life stages of residents and the variety of housing needed to support businesses and wealth creators attracted to the Island. 'Housing need' therefore refers to the housing that is required to create and maintain a sustainable and diverse population. It refers to both the absolute number of houses and the type, characteristics and mix of houses including size, tenure, typology and affordability.

Existing data and discussions with stakeholders indicate that not everyone in Alderney is living in a home which meets their needs and that there may be a lack of homes to support incoming businesses etc. A better understanding of future housing needs is also required. Based on existing data and discussions with stakeholders specific housing needs have been identified for first time buyers, homes for families, homes for older people, professional service workers and temporary workers.

#### How Should Housing be Delivered on Alderney

The key to a functioning housing market is for the private sector to provide the majority of rental and for sale housing on the Island. An unintended consequence of the C Permit system is that it has stifled and limited the ability of the market to respond to demand and provide the appropriate housing.

**Market Sale:** The C Permit system has resulted in a strong culture of self-development and an associated view that a home is a home for life. There is a preference for building ones' own home rather than buying an existing house, which has resulted in a less transitional housing market than in other similar economies. Where there are homes for sale, the pool of suitable stock is quite limited. Discussions with stakeholders have also indicated that there is a need for improved information on properties being purchased.

**Market Rent:** Currently there is a relatively limited demand for rented accommodation with supply meeting demand. However, ambitions to attract new residents to the Island are likely to increase demand for rented accommodation in the future. Discussions with stakeholders have indicated that the quality of rented accommodation varies significantly across the existing stock and that average low gross rental yields can make it challenging for landlords to make improvements.

**C Permit:** Alderney currently operates a 'C Permit' system, whereby the right to build a new dwelling is restricted to residency and 'need' (i.e. not owning another house either on Alderney or elsewhere). Residential planning permissions are therefore 'personal' to the applicant and do not run with the land or site. This system was introduced, in essence, as an affordable housing policy, as it was designed to allow residents to be able to access housing by building their own. However, the C Permit system is no longer fit-for-purpose and has resulted in a series of unintended consequences. A new replacement system is therefore required.

### **Where Should New Housing be Located**

Alderney is a small island state; land is a finite resource that must be thoughtfully and efficiently used. The historic use of land and associated pattern of development have resulted in Alderney's distinctive character, with a compact urban centre surrounded by open countryside. The current Land Use Plan (LUP) reflects and supports the continuation of this development pattern through the designation of the Building Area and Designated Area.

Discussions with stakeholders have confirmed that development should continue to be focussed in the Building Area and specifically the General Building Area. Such an approach will support the creation of vibrant places, the critical mass for service provision, reduce the likelihood of sprawl, and minimise the impact on the environment. However, the use of the General Building Area and multiple zones in the LUP creates a complex patchwork of designations which provides a lack of certainty about what forms of residential development might be suitable where.

The Building and Development Control (Alderney) Act (2002) and the LUP establish a presumption against development in the Designated Area, with development only permitted where it is deemed 'essential'. Stakeholders confirmed that retaining the openness of the Designated Area is important. However, they raised concerns about the current restrictions on existing dwellings and called for a more flexible approach which ensures that these buildings remain in active use.

### **Ensuring Good Quality Housing**

**Design quality:** Alderney has a rich and varied architectural style reflecting its long period of habitation. However, in relation to new buildings discussions with stakeholders concluded that there lacks agreement on a contemporary interpretation of 'Alderney vernacular'. Stakeholders also felt that more guidance is required to support improvements in the quality of new development.

**Quality of new homes:** Separate to design quality, stakeholders have identified the varied quality of construction work on the Island. Whilst the Island has a wealth of good quality tradesmen, build costs are comparatively high due to the cost of importing materials etc., which is placing pressure on quality. Alderney's climate also causes more rapid aging emphasising the importance of good quality construction work from the outset and affordable, expedient and reliable tradesmen to undertake repair works.

**Heritage properties:** Stakeholders have identified the need to introduce guidance on how to tackle 'heritage properties' which are integral to the character of the Island, but in poor condition and ill-suited to modern living. This includes further information on the significance of buildings included in the Register of Historic Buildings and the scale and scope of works likely to be appropriate for heritage assets.

**Underutilised housing:** Given that land is finite resource on Alderney it is important that existing assets are being well used since underutilised housing impacts the availability of homes for others. Underutilised housing refers to properties which are vacant or have a low occupancy whether that be let or owned properties. In Alderney, underutilised housing

includes second homes, empty homes where ownership is unknown and empty homes where ownership is known. There is a need to put in place mechanisms to address these matters.

**Servicing residential development:** A growing population will place demands on a range of different types of infrastructure and associated services. Whilst concentrating development within the centre of the island will create the critical mass to support more efficient service provision, this alone will not obviate the need for infrastructure improvements. There also remain historic challenges in relation to infrastructure provision including land locked development sites within the Building Area which are currently unserviceable, which may need to be addressed.

## **Recommendations**

A series of recommendations have been identified to improve the housing stock on the Island. Some of these relate to the LUP, with others relating to the States of Alderney Building and Development Control Committee (BDCC). A limited number of recommendations extend outside the remit of BDCC. Further details on the recommendations are provided within the main body of the report.

**Recommendation 1:** Housing should be provided to meet existing and future housing needs on the Island. To facilitate this, policies and proposals should be included in the LUP to ensure housing is brought forward to meet the identified housing needs. Such policies and proposals should be informed by an up-to-date housing needs assessment

**Recommendation 2:** Mechanisms should be put in place to make it easier for first time buyers to form their own households through purchasing property. If, following the repeal of the C Permit, the market does not provide such housing, the SoA (or an associated body) should take steps to ensure such housing is provided.

**Recommendation 3:** A sufficient supply of homes suitable for families is required. The ability for homes to adapt to the changing needs of families should be considered as part the determination of any planning application. Supplementary planning guidance could be included in the LUP on matters applicants should take into account.

**Recommendation 4:** The LUP should support private sector (developers) delivering new forms of housing including smaller downsize properties, independent living units and assisted living units in appropriate locations.

**Recommendation 5:** The LUP should support other models of housing older people which allow for continued integration in their existing communities, including freestanding or connected annexes within existing plots (provided they are consistent with other policies in the LUP, particularly within the Designated Area).

**Recommendation 6:** Housing for older people should be designed with the particular set of requirements in mind. Supplementary planning guidance could be included in the LUP on matters applicants should take into account.

**Recommendation 7:** If the market does not respond, the SoA (or associated body) should deliver the 'missing' housing products for older people. This could include through sole delivery, public/private partnership or joint venture arrangements.

**Recommendation 8:** SoA should encourage the private sector to provide high quality rental and for sale housing to accommodate professional service workers. This includes clear signals in the LUP that this type of development is required on Alderney.

**Recommendation 9:** As part of on-going discussions with potential and confirmed businesses locating on the Island, the SoA should discuss staff housing requirements and how they might be best fulfilled

**Recommendation 10:** Introduce a policy in the LUP which requires proposals for large schemes to submit an 'Employment Strategy' as part of the planning application for both construction and operation phases of the development. The conclusions of the Employment Strategy should form a material consideration for the determination process. SoA could publish brief supplementary guidance which explains when an Employment Strategy is required and what it should cover

**Recommendation 11:** There is a need to widen routes to access housing. This includes through repealing the C Permit and increasing the mix of housing on the Island to reflect housing needs

**Recommendation 12:** Mechanisms should be identified, which are suitable to the Alderney context which enable the advantages of 'volume housing building' (quality, consistency, economies of scale) to be realised

**Recommendation 13:** SoA should move towards becoming more of a 'policy setter' of housing rather than a 'regulator'. This should include how tax/financial instruments can be used to incentivise the private sector and/or specific developments to meet identified housing needs

**Recommendation 14:** The operation of the Land Registry service should be reviewed. This could include: how information from the Registry is accessed; the validity of concerns regarding errors and omissions on title deeds; and the constitutional arrangements of the Registry

**Recommendation 15:** A range of rental accommodation should be made available on the Island to meet the needs of different market segments (in accordance with recommendation 1).

**Recommendation 16:** The repeal of the C Permit may alter market dynamics in relation to quality of rental stock. Following repeal of the C Permit and should the market not respond to the need for improved quality rental accommodation then SoA should consider whether other interventions may be required.

**Recommendation 17:** The C Permit system should be repealed and replaced with an alternative mechanism for providing affordable housing

**Recommendation 18:** The C Permit system should be replaced by a system comprising the following components. It is important that the SoA retains a mechanism through which affordable housing can be provided. The process of repealing the C Permit should be expedited to align with the timescales for revision of the LUP.

- Any planning applications for housing development should be determined in accordance with the Building and Development Control (Alderney) Law (2002), the LUP and any other material considerations.
- Planning permission for housing should run with the land rather than the person. Land can therefore be sought and sold with the planning permission remaining 'live'.
- If, in the absence of C Permits acting as a control on development, it is considered that too many houses are being brought forward, the SoA should control this through subsequent LUP reviews.
- In accordance with recommendation 1, SoA should ensure it has an up-to-date understanding of housing need on the Island and should monitor whether such needs are being met.
- A SoA sponsored organisation (e.g. the Alderney Housing Association (AHA)) should be the main mechanism for providing and ensuring there is access to affordable housing on

the Island (both rent and for sale) where the market is not meeting this need. The remit of the organisation should be regularly reviewed to ensure it remains able to do so.

**Recommendation 19:** The LUP should provide greater clarity on which land should be used for housing development. This could include through:

- Introducing a housing land hierarchy to guide efficient use of land in the Building and Designated Areas.
- Using this hierarchy to identify land in the LUP which can accommodate (as a minimum) housing requirements arising over the next five years. A mechanism for safeguarding land for long term residential use could also be used.
- Establishing the process that be followed should it not be possible to identify a five year housing land supply within the Building Area

**Recommendation 20:** The LUP should provide greater clarity on how housing development can be accommodated in the Building Area. This could include:

- Simplifying the zoning within the Building Area by introducing Housing Character Areas which provide guidance on the type of housing development likely to be acceptable e.g. building heights, plot coverage etc.
- Confirming that within Housing Character Areas (unless other designations confirm otherwise) residential development should be viewed as the 'preferable use'

**Recommendation 21:** The current approach to development within the Designated Area should be retained. The number of dwellings in the Designated Area should not change, i.e. if a dwelling were to extend it would be permitted to enlarge but would not be permitted to sub-divide

**Recommendation 22:** The 15% expansion rule should be replaced by a new standard. Consideration should also be given to other material planning considerations such as design quality and effect on the historic and/or natural environment.

**Recommendation 23:** Guidance (and legislation) in relation to demolition and redevelopment should be amended to permit a replacement building where the use remains the same (i.e. for residential use) but allow for the siting, size and design to be amended subject to criteria relating to design quality, and impact on the surrounding area.

**Recommendation 24:** Consider introducing a mechanism (e.g. condition or legal agreement which enables demolition of an existing dwelling after construction of the replacement dwelling.

**Recommendation 25:** Further consideration should be given to what constitutes an Alderney vernacular. In doing so, matters such as architectural features, scale and massing and materials should be considered. The LUP should make provision for the future development of supplementary design guidance

**Recommendation 26:** Introduce in the Phase 2 LUP the requirement for large applications (suggested as five housing units and above) to submit a design statement as part of any planning application.

**Recommendation 27:** Introduce processes to improve the quality of pre-application advice available on design related matters. This could include using design reviews and preparing design briefs.

**Recommendation 28:** SoA should work with trade businesses on the Island to establish an accredited contractor scheme.

**Recommendation 29:** SoA should work with the Alderney Society (and other organisations as appropriate) to improve the quality of the Register of Historic Buildings with the aim of further detail being provided on each building to confirm the elements of the building which are of special heritage significance.

**Recommendation 30:** The Phase 2 LUP should include a hierarchy of heritage designations, which reflects the significance of heritage assets and provides more certainty to applicants on the scale of works which are likely to be acceptable to a Historic Building

**Recommendation 31:** Introduce mechanisms (financial or policy instruments) which support the continued use and occupation of heritage assets. This could include policies, which provide further guidance on the scale of works likely to be acceptable to non-listed buildings within a Conservation Area.

**Recommendation 32:** Mechanisms (for example compulsory acquisition of property to enable it to be brought back into active use) should be introduced to make best use of these assets.

**Recommendation 33:** SoA could consider introducing mechanisms (financial or policy instruments) to encourage owners to bring their building back into use. This could, for example, include an empty home surcharge.

**Recommendation 34:** Ensure that on-site and connecting infrastructure are delivered by the applicant/developer to adoptable standards.

**Recommendation 35:** Introduce a requirement for new roads to be built to an adoptable standard. SoA should confirm the adoptable standard and any mechanisms for ensuring the construction of roads to the standard.

**Recommendation 36:** The LUP should recognise that the increase in housing on the Island will result in more demand for infrastructure. The requirements for servicing new development should be taken into account in the future planning of the Island including the Phase 2 LUP review.

**Recommendation 37:** Land locked plots located within the Building Area should be assessed as part of the Call for Sites to review their potential suitability for development. Should the assessment conclude that is an overriding public benefit in developing the land and an agreement cannot be reached with the landowner to make access provision, then SoA should consider using its powers to compulsorily acquire the land