



jersey**construction**council

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Jersey Construction Council endorses 2024 Government Plan but urges the States Assembly and Government of Jersey to support Jersey's construction industry in 2024

Suggested tags:

Jersey | Construction industry | Jersey Construction Council | JeCC | 2024 Government Plan | Planning | Building permissions | Economic climate | Call for action |

The Jersey Construction Council (the **Council**) are urging members of the States Assembly and officials from the Government of Jersey to progress with planned spending on infrastructure and construction in 2024 and 2025, to help with sustaining the Island's fourth-largest employing sector.

The Council are also urging the Government to prioritise and speed up the following measures:

1. Reducing 'red-tape' burden on developers and developments through temporary and permanent easement of Planning and building permission requirements.
2. Put in place the necessary resources to improve the efficiency of Planning and building permissions processes in the Island.
3. Commit to a mandatory timescale and service-level for the processing of Planning and building permissions applications.
4. Resolve and complete the preparation of design briefs, Planning guidance and updated Planning standards promised since the July 2022 (when the Bridging Island Plan was approved).
5. Ensure the real progress of the Government's own capital spending projects and keep to the promises on spend planned in 2024 and beyond.
6. Get those sites identified for affordable homes ready for redevelopment through accelerating the island-wide infrastructure needed to unlock the sites already-identified in the 2022 Bridging Island Plan.
7. Provide access to a singular Minister with responsibility for the island's construction industry.

If these measures do not happen, there is a strong probability that the challenging economic conditions presently being experienced will result in more organisations finding it very difficult to continue trading profitably, increasing the risks of further redundancies in the sector. There is also a real risk of the Government falling short on its stated aim of reducing the costs of, and increasing access to, affordable housing and other infrastructure projects.

Background

Since the beginning of 2023, the local construction industry has been hit by a perfect storm of rising factory prices and scarcity of materials, increased finance charges and higher wage inflation. This makes unviable those speculative private-sector projects that would typically form a third or more of the island's construction workload. Homeowners considering investing in renovations or extensions are also not incentivised to do so whilst house prices are flat or falling and savings and borrowing rates remain high. Therefore, private-sector demand for the local construction industry is expected to continue to decline in 2024 and 2025.

Aligned to this, since the last financial crisis in 2008 and up to the approval of the Bridging Island Plan in 2022, the Government has continued to introduce numerous changes to Planning and building permissions laws, the true financial impacts of which were either uncoded or not fully known at the

time of introducing the same. The percentage for art scheme, for example, the aims of which are entirely laudable, continues to be applied adding yet more costs for developers, homeowners, and builders to comply with, at a time when interest rates and energy prices are at 10-year highs.

However, greater impact could be achieved through more resource and support being applied to speeding up the Planning and building permissions processes through the consistent application of stated land-use policies and resourcing. The working arrangements for meetings of the Planning Committee, for example, remain tortuous for applicants and planning professionals, with outcomes being rarely determined on planning policy.

The Government has stated that one of the core aims of the present administration is to increase Islander's access to affordable housing. This can only be achieved through working with the industry to reduce 'red tape', increase productivity and reduce base-level costs where the Government has an opportunity to do so. The Council would urge the Government to consider ways that it can – and should – make immediate changes to the application of matters associated with the Planning and building permissions processes.

Further, the Council notes the Government has, in the 2024 Government Plan, published details of planned spend of £117 million on infrastructure and construction in 2024. The Government's record for delivering the full forecast capital expenditure in the year it is planned in the past has been poor, with frequent dates and milestones on key projects being missed through a number of reasons. Subject to the approval of the 2024 Government Plan by Members of the Assembly, the Council intends to fully hold the Government to account on this planned spend, and in the coming weeks will be seeking evidence of how the Government will commit to achieving this level of planned expenditure.

Finally, the Council supports the Government's continued initiatives to investigate ways that Modern Methods of Construction and environmental sustainability can positively impact the delivery of affordable housing and infrastructure. The Council also supports the activity by the Government to promote and create a Construction Hub for promoting our sector, which has included funding the research and feasibility of the Hub and promoting one or two sites for research projects.

However, the Council would now urge the Government to put into action those initiatives that have been talked, discussed and debated at numerous seminars and presentations over the past 18 months since the Government formed their administration in order to ensure the continued sustained availability of a reliable, locally-based, professional, trained workforce that can support property-owners and users in the future.

Quotes:

Jersey Construction Council Chairman **Simon Matthews** commented:

“Jersey’s construction industry continues to account for over 6,000 paid employees in the local economy, almost all of whom pay local taxes and Social Security. We add around £400 million of Gross Value Add to the local economy each year.

The industry has recently weathered some very bad storms. Despite the loss of several prominent local businesses, as an industry we remain very much ‘open for business’ and resolute in our desire to help the Island build its way out of the present economic climate. However, this Government now needs to accelerate and maintain a sustained period of investment to see real progress with their stated aim of improving access to, and the supply of, good-quality affordable housing.

The Council’s members are becoming increasingly frustrated with the lack of progress on planned public spend. Each year, the Government publishes their Government Plan, which teases on the promises of more investment in homes, schools and other public infrastructure. But each year, the dates and targets for planned spend are missed, and projects roll forward to the next year. How can we, as an industry, work with that?

We urge members of the Assembly to support the 2024 Government Plan, when asked to do so. However, the Island needs the Government to stick to their planned spending, in the year they propose to do so. Planned spend should be actual spend, and delivery of the Government's proposed spending plans is an absolute must. With cost inflation continuing to be a problem, each year of missed promises costs the island millions of extra pounds. In 2024, this is especially important to help make up the shortfall in work caused by the slowdown in demand from the private sector.

We also want the Government to consider temporary and permanent levers available to speed up and reduce the costs to developers and promoters of the planning and building permissions processes. In the past 15 years, the Government have continually added to the planning burden, without any sign of improvement or investment in resource and procedures for managing these processes. The end-result is that the process that often appears something of a lottery for our members and their clients, who must navigate an unpredictable and overly long approvals process.

We have also been asking Government since the approval in July 2022 of the Bridging Island Plan for the supporting standards and resources required by clients and promoters to implement the requirements, again without any real progress by Government.

Finally, getting projects 'shovel-ready' and onto site should be the focus of all of us right now to ensure the sustained availability of a skilled local construction industry. The risks of getting this next 12 months wrong are particularly huge and may involve further economic hardship and duress for our industry if the right decisions are not made."

About the Jersey Construction Council:

The Jersey Construction Council (**JeCC**) is the voice of the island's construction industry, the fourth-largest employing sector. Our focus is on **building Jersey better**. Our 130 member organisations include clients (developers, Government agencies), utilities companies, contractors, subcontractors, suppliers, designers, and consultants. The JeCC occupies a unique role within the Jersey construction industry. The breadth and depth of its membership means that JeCC is the only body able to speak with authority on the diverse issues connected with construction without being constrained by the self-interest of any sector of the Island's construction industry.

Further information, photos:

Any comments or requests for further comment or photos from the JeCC shall be directed to:

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