

STATES OF JERSEY



PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025): AMENDMENT

DEVELOPMENT LEVIES

Lodged au Greffe on 31st October 2025
by Deputy R.S. Kovacs of St. Saviour
Earliest date for debate: 8th December 2025

STATES GREFFE

PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025):
AMENDMENT

1 PAGE 3, PARAGRAPH (b)(viii) –

After the words “Appendix 2 – Summary Tables 5(i) and (ii) of the Report” insert the words –

“, except that, in Summary Table 5(ii), under the heading “Feasibility”, there should be inserted a new Head of Expenditure entitled “Development Levies Feasibility Study” with an allocation of £100,000 to the 2026 estimate.”.

DEPUTY R.S. KOVACS OF ST. SAVIOUR

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

- (a) In accordance with Article 16 of the Public Finances (Jersey) Law 2019 (the Law) to approve an amendment to the Government Plan 2025 – 2028 (entitled “Budget 2025 – 2028”) to a reduction in the 2025 head of expenditure “Grants to States Funds” as included in Table 5(i) Revenue Heads of Expenditure of that Government Plan from £119,821,000 to £69,821,000.
- (b) To receive the Government Plan 2026 – 2029 (entitled “Budget 2026-2029”) specified in Article 9(1) of the Law and specifically –
 - i. to approve the estimate of total States income to be paid into the Consolidated Fund in 2026 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law.
 - ii. to refer to their Act dated 24th June 2003 in which they approved that no new ‘user pays’ charges be introduced without any such charge receiving prior in principle approval by the States Assembly and accordingly to approve the introduction of two new charges, to be levied by Health and Care Jersey to promote appropriate use of the Emergency Department and for repeated non-attendance of outpatient appointments, detailed in the section entitled “Departmental Income Sources” as set out in the Appendix to the accompanying Report.
 - iii. to approve the proposed Changes to Approval for financing/borrowing for 2026, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approval amounts.

- iv. to approve the transfers from one States fund to another for 2026 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law.
- v. to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2026 of up to £50 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2025 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2026.
- vi. to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2026 of up to £5 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2025 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2026;
- vii. to approve each major project that is to be started or continued in 2026 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 4 to the Report.
- viii. to approve the proposed amount to be appropriated from the Consolidated Fund for 2026, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, except that, in Summary Table 5(ii), under the heading “Feasibility”, there should be inserted a new Head of Expenditure entitled “Development Levies Feasibility Study” with an allocation of £100,000 to the 2026 estimate.
- ix. to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2026 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.
- x. to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2026 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.
- xi. to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2026 as set out in Appendix 2 – Summary Table 8 to the Report.
- xii. to approve, in accordance with Article 9(1) of the Law, the Government Plan 2026-2029, as set in the Appendix to the accompanying Report.

REPORT

Summary

The Assembly accepted [P.14/2023 as Amended](#) on April 19th, 2023. This proposition called for the creation of a “*fair charging mechanism...to raise revenue for the States from any significant uplift in the value of land arising from when the land is rezoned or from when planning permission has been granted*”.

The Assembly agreed to develop such legislation by 31st March 2025, but progress has stalled due to resource constraints.

This amendment seeks the necessary funding to complete the postponed work required to introduce a fair charging system that allows the public to share in profits made when land values rise significantly after rezoning or planning approval.

The cost of such a feasibility study is expected to be £100,000, which will enable the necessary technical work to be completed. The cost of this, however, is expected to be quickly recovered once the scheme is in place.

Background

In April 2023, the Assembly approved [P.14/2023](#), recognising that when land is rezoned or planning permission is granted, its value can rise dramatically often by millions of pounds. This increase, created by public policy decisions, currently benefits private landowners alone.

The idea of sharing in this land value uplift is not new. As far back as 2011, the Treasury committed to reviewing a land development tax, but despite those promises, no action followed. For more than twenty years, landowners have enjoyed significant windfall profits while the public has seen none of the return.

One clear example is Field J1109 on the Grande Route de St. Jean. The land’s value jumped from around £70,000 to £3.55 million after rezoning, yet not a single pound of that uplift benefited the public. The site is now being developed by Andium Homes, which must absorb the inflated land costs to provide “affordable housing.”

Introducing a fair charging mechanism would correct this imbalance. It would allow the Island community to share in the value created by public decisions, create a fairer system for all, and support investment in much-needed housing and infrastructure.

For further details on the benefits and reasons why I see the introduction of such a development levy as necessary please see the [report](#) in my original proposition, or the [Hansard of the debate](#).

Why This Amendment Matters

This proposal is not about token revenue or small projects, it is about fairness and long-term sustainability, and the previously approved P.14/2023 has to progress.

Every time land is rezoned, its value can increase by millions. Without a levy, those gains go entirely to private landowners, while the public faces higher housing costs. A fair charging system would:

- Allow the States to share in this uplift in value.
- Create a sustainable funding source for housing and infrastructure.
- Potentially reduce housing prices by enabling reinvestment through public housing schemes such as Andium Homes.

Introducing this scheme is long overdue and will align Jersey with many other jurisdictions that already operate such fair value capture systems.

Conclusion

For over 20 years, Jersey has missed the opportunity to share in land value increases created by its own planning decisions.

This amendment is a practical step to finally deliver on that promise in a fair, timely, and financially sound manner.

By supporting it, Members will help ensure that best mechanism for this can be found and future land value uplifts benefit not just a few, but the entire community.

Financial and staffing implications

The estimated cost will be £100,000, funding the technical work needed to finalise the scheme, covering specialist analysis and data updates, however –

- The groundwork for this was largely completed in the **2017 Arup Viability Assessment** ([Viability Assessment For Review of Developer Contributions](#)), meaning the heavy lifting has already been done and cost most likely would be less than this.
- The cost can be funded from the Consolidated Fund without significant impact and is estimated to be repaid from the first proceeds of the new levy or from 2025 underspends, if required earlier.
- This is a small upfront cost with a large and sustainable long-term return for the Island.

Children’s Rights Impact Assessment

A Children’s Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.