# DRAFT (AMENDMENT No. 11) OF STANDING ORDERS RELATING TO CERTAIN TRANSACTIONS IN LAND

Lodged au Greffe on 13th August 2002 by the Privileges and Procedures Committee



**STATES OF JERSEY** 

## STATES GREFFE

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#### Report

The purpose of these Amendments is to increase the financial thresholds relating to certain transactions in land below which the consent of the States does not need to be obtained.

The States, in pursuance of Article 27 of the States of Jersey Law 1966, as amended, delegate certain land transactions as set out in the Standing Orders Relating to Certain Transactions in Land. It is not necessary for the consent of the States to be obtained for land transactions that fall within the limits set-out in the Standing Orders, but rather, responsibility is left to the administering/acquiring committee, the Planning and Environment Committee (through the Department of Property Services) and the Finance and Economics Committee.

The limits relating to Standing Orders were last revised in February 1997 to the levels detailed in the Table below.

Since the 1997 review, significant increases in property rental and capital values have occurred, which have limited the effectiveness of the Standing Orders in dealing with land transactions at the present financial limits. For example, domestic property has increased in value by 50 - 70% since then. Also, office and commercial rents have increased significantly, resulting in virtually all leasehold acquisitions having to gain States' consent.

The need to gain States consent in respect of most land transactions has resulted in difficulties for the States to act relatively quickly in the property market and the States can be at a significant disadvantage due to the time involved in referring a report and proposition through the standard Committee procedure and on to the States for debate.

The Privileges and Procedures Committee recommends that the financial limits of the Standing Orders be revised again to assist in dealing with land transactions more effectively by eliminating the need to gain States' consent to relatively minor property acquisitions. The Committee views this very much as an interim measure pending the much wider review of States' procedures it will be undertaking in the coming months. The Committee, in consultation with all members, will be considering in particular which, if any, property transactions should come to the States in the future.

It is proposed that the financial limits under the Standing Orders be increased from £20,000 to £150,000 for sales, or compensation connected with certain purchases, of land and property. For leases, the recommendation is to increase the present £20,000 per annum figure to £50,000 per annum. It is also proposed that the granting or acceptance of servitudes, such as contracts involving access, boundary and drainage rights be adjusted to allow matters involving a value of £50,000 or less to be included.

The table below sets out the recommended revisions to the Standing Orders -

Standing Order		Existing £	Proposed £
1(1)(c)	Acquisition/Compensation	20,000	150,000
1(1)(d)	Grant or Acceptance of servitude	10,000 2,500	50,000 12,500
1(1)(da)	Sales of land	20,000	150,000
1(1)(e)	Letting of land (by public) 9 years and under	20,000	50,000
	Less than 99 years	7,500	40,000
1(1)(f)	Letting of land (to public) 9 Years and under	20,000	50,000
	Less than 99 years	7,500	40,000

The opportunity is also being taken to propose a minor amendment to sub-paragraphs (e) and (f) of Standing Order 1(1) to address a difficulty in the present wording of the Standing Order following the receipt of advice from the Law Officers' Department. The changes proposed are intended to clarify that the rental levels referred to in the sub-paragraphs are the rentals on commencement of the lease as the actual rent payable may increase beyond the limit specified in the Standing Order over the term of the lease in accordance with the provisions of any rent review clauses.

There are no additional financial or manpower implications arising out of this amendment.

### **Explanatory Note**

The purpose of these Amendments is to increase the financial thresholds relating to certain transactions in land below which the consent of the States does not need to be obtained. The opportunity is also taken to make it clear that the amounts of annual rent referred to in sub-paragraphs (e) and (f) are the figures on commencement of the lease following the receipt of legal advice that the sub-paragraphs as currently drafted are unclear on this point.

- Notes: 1. The Finance and Economics Committee supports this proposition.
  - 2. The Planning and Environment Committee supports this proposition.
  - 3. The Legislation Committee supports this proposition.

#### States of Jersey Law 1966

AMENDMENT (No. 11) OF STANDING ORDERS RELATING TO CERTAIN TRANSACTIONS IN LAND

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**THE STATES,** in pursuance of Article 27 of the States of Jersey Law  $1966^{[1]}_{,}$  as amended, have made the following Standing Orders -

- 1. In Standing Order No. 1(1) of the Standing Orders Relating to Certain Transactions in Land, as amended<sup>[2]</sup> -
- (a) in sub-paragraph (c) for the amount "twenty thousand pounds" there shall be substituted the amount "£150,000";
- (b) in sub-paragraph (d) for the amounts "ten thousand pounds" and "two thousand five hundred pounds" there shall be substituted the amounts "£50,000" and "£12,500" respectively;
- (c) in sub-paragraph (da) for the amount "twenty thousand pounds" there shall be substituted the amount "£150,000";
- (d) in sub-paragraph (e)
  - (i) for the amounts "twenty thousand pounds" and "seven thousand five hundred pounds" there shall be substituted the amounts "£50,000" and "£40,000" respectively; and
  - (ii) after the words "rent payable", in both places where they occur, there shall be inserted the words "on commencement";
- (e) in sub-paragraph (f) -
  - (i) for the amount "twenty thousand pounds" and "seven thousand five hundred pounds" there shall be substituted the amount "£50,000" and "£40,000" respectively; and
  - (ii) after the words "rent payable", in both places where they occur, there shall be inserted the words "on commencement";

**2.** This Standing Order may be cited as Amendment (No. 11) of Standing Orders Relating to Certair Transactions in Land and shall come into force on the day following the day on which it is made.

<sup>[1]</sup> Recueil des Lois, Volume 1966-1967, page 15.

<sup>[2]</sup> Nos. 5042, 6811, 6984, 7099, 7643, 7923, 8220 and 9118.