

STATES OF JERSEY



ANDIUM HOMES: AUTHORISATION OF LOAN TO DEVELOP THE ANN COURT SITE (P.146/2018) – COMMENTS

Presented to the States on 28th January 2019
by the Minister for Children and Housing

STATES GREFFE

COMMENTS

Introduction

I am pleased to support the Deputy of St. Martin's Proposition ([P.146/2018](#)).

As Minister for Children and Housing, I am firm in my belief that the scheme for social rented dwellings (130 one-bedroom and 35 two-bedroom dwellings), 137 shopper car parking spaces and 4 commercial units, should proceed as approved in order to secure meaningful regeneration in the heart of St. Helier – regeneration that will deliver more homes, more public open space and more car parking.

The future use of the Ann Court site has already been the subject of much debate in the States Assembly. Ann Court was identified in both the 2011 Island Plan and the North of Town Masterplan as a suitable site for social rented housing, and there has been a clear mandate from the States Assembly that it should be used for this purpose in order to meet the Island's housing needs up to 2020. To delay the scheme, or to otherwise call the development into question, is in my view contrary to all previous strategic decisions that have been taken about the site.

It is also questionable whether the proposed timescale to build new States office accommodation on the Ann Court site is a realistic appraisal. A new scheme will need to be properly designed in consultation with the local community; the underground car park re-modelled; a new planning application submitted; and contracts negotiated with developers, amongst many other interdependencies. In particular, any new scheme could potentially represent a substantial departure from the Island Plan and, as such, would then be subject to a Public Inquiry before determination, and open to a third party appeal process.

A new scheme could, as a result, take many more years than is anticipated, as demonstrated by the fact that the Ann Court site has already been vacant for a decade.

Andium Homes, on the other hand, is now in a position to commence work on the development of Ann Court. The scheme has been developed in consultation with the Parish of St. Helier, local Deputies, and residents in the area. Andium Homes subsequently obtained planning permission in January 2018 for 165 social rented dwellings with associated facilities and significant public realm improvements. This forms part of Andium Homes' vision to deliver a holistic and joined-up approach to regeneration in the area.

Enabling and demolition works on the site have now been completed, and building work was due to commence within weeks of the decision to delay the development being taken. Andium Homes has already incurred significant costs in relation to the site (such as property acquisitions, enabling works, Planning fees, and the construction of a JEC sub-station), with the total costs currently standing at £6.5 million. This figure is increasing by £6,500 per week in lost rentals and interest charges.

Whilst I accept that alternative sites may be identified for housing in order to compensate for the loss of Ann Court, I am deeply concerned that these sites may not materialise for more than a decade, taking into account that new office accommodation will need to be found for the States agencies that currently occupy these buildings. There

is also a risk they may not materialise at all if the States' priorities change and alternative uses for these buildings are identified in the years ahead.

Even if such sites do become available for housing, it is important to highlight that the level of housing need in Jersey is so significant that these sites should be used to provide homes in addition to Ann Court, rather than to compensate for the loss of homes. My ability, as Minister, to deliver key housing policies – such as improving the affordability of housing in Jersey, increasing access to social housing, tackling homelessness and providing new accommodation for key workers – will all be severely hindered if sites such as Ann Court do not come forward for development soon.

I therefore believe that a delay in the development of Ann Court is unacceptable and would prevent the delivery of the number of new homes required to meet the Island's housing requirements, as well as hold back the regeneration of the North of St. Helier.

Accordingly, I support the position that funding for the scheme must be released as soon as possible in order to enable Andium Homes to commence the development.

Housing demand

There is significant demand for affordable housing in Jersey both for rent and to purchase. At the end of December 2018, there were 2,057 households registered on the Affordable Housing Gateway waiting list (the point of access for affordable housing in Jersey). This number consists of 834 applications for social rented accommodation and 1,223 applications for assistance to purchase a home.

In relation to the demand for one- and two-bedroom social rented properties, which the proposed Ann Court scheme would deliver, the demand is as follows –

Property Size	New applications from the private sector	Existing social housing transfers (e.g. requirement to downsize)	Total
One-bedroom	200	167	367
Two-bedroom	155	92	247

The demand for one- and two-bedroom social rented homes by band is as follows –

Band	No. of applications for one-bedroom properties	No. of applications for two-bedroom properties
Band 1 – <i>Highest Priority, e.g. homeless, under eviction notice, urgent medical issues, social housing transfer due to under-occupation.</i>	130	63
Band 2 – <i>Overcrowded conditions, poor housing standards, moderate medical issue.</i>	95	84

Band	No. of applications for one-bedroom properties	No. of applications for two-bedroom properties
Band 3 – <i>Current accommodation is unaffordable on account of applicant's personal circumstances.</i>	124	93
Band 6 – <i>Agency referrals through the Supported Housing Group – applicants will have a package of care and support in order to live independently.</i>	13	10

The demand for one- and two-bedroom assisted purchase properties (Band 5) is as follows –

Property Size	Demand
One-bedroom	161
Two-bedroom	438

The number of applications registered on the Housing Gateway demonstrate that the development of Ann Court would make a significant contribution towards meeting the Island's housing needs. This demand should be considered in the context of other planned affordable housing developments over the next 5 years –

Project	Housing Provider	No. of one-bedroom	No. of two-bedroom	No. of three-bedroom	Total	Net gain
Samarès Nurseries	Andium Homes	20	89	91	200	200
Summerland	Andium Homes	52	23	7	82	82
Ann Court	Andium Homes	130	35	N/A	165	165
Le Squez Phase 4	Andium Homes	17	42	92	151	67
La Collette Low Rise	Andium Homes	73	65	9	147	88
Old Boiler House	Andium Homes	3	11	1	15	15
Convent Court Low Rise	Andium Homes	18	3	N/A	21	9
Troy and Valley Court	Les Vaux Housing Trust	59	46	18	123	15
Minden Place	CTJ Housing Trust	26	4	N/A	30	30
Total		398	318	218	934	671

The anticipated supply of new affordable homes shows that the current demand registered on the Housing Gateway will be met in the coming years – a positive outcome of the investment made in social housing since the Assembly adopted [P.33/2013](#) 'The Reform of Social Housing'. This demand will not be met so readily if the Ann Court

scheme does not proceed as planned and there will, particularly, be an anticipated undersupply of one-bedroom dwellings by 130 units.

Future housing need

Whilst the supply of housing compared to the current demand from applicants registered on the Housing Gateway shows a generally positive position, it is important to make clear that:

- (a) The current number of applicants registered on the Housing Gateway does not reflect actual housing need in Jersey, but reflects the number of households who are currently eligible for social housing. The waiting list does not include households who are not presently eligible for social housing.
- (b) There will be an increasing demand for social housing over the next decade (even with net nil inward migration growth) owing to natural population growth and demographic changes.

I recently published the Objective Assessment of Housing Need Report (“the OAHNR”). The OAHNR shows the anticipated demand for housing across all categories of tenure between 2021 and 2030, which will be used to inform the next Island Plan. The demand for social rented housing is forecast to be as follows –

No. of bedrooms	Net nil	+325 migration	+700 migration	+1,000 migration
One-bedroom	650	650	650	650
Two-bedroom	180	180	190	190
Three-bedroom	50	60	60	60
Four-bedroom +	10	10	10	10
Total	890	910	910	920

All population scenarios over the next decade indicate that there will be an increasing demand for social rented housing, particularly one-bedroom properties, as a result of an ageing population. Moreover, there is an anticipated demand of 1,100 assisted purchase homes for first-time buyers. Overall, the OAHNR demonstrates that the need for a consistent supply of housing, including on sites like Ann Court, is vital in order to meet anticipated housing need and to reduce the upward pressure on rents.

Moreover, access to social housing in Jersey is rationed, and only certain groups of people are presently eligible to register with the Affordable Housing Gateway – families with children; households who are over the age of 50; and households with serious medical conditions and disabilities. As such, the waiting list does not reflect the true demand for social rented housing in Jersey, and the level of housing need is significantly greater than the number of applications on the Housing Gateway.

As more homes are built, it will enable us to consider widening the eligibility criteria for social housing, including to single persons and couples under the age of 50. It will also enable us to increase the income threshold for social housing (currently set at £40,000). This would open up access to social housing to households who are “lifelong renters” – those who cannot afford to purchase a home and are likely to rent in the

private sector for most of their lives without the long-term security of tenure that social housing would afford them. This would also help to reduce the level of public funds that are released in the private rented sector though the housing component of Income Support.

In addition, I wish to increase the provision of housing for key worker groups such as nurses and social workers. The Independent Jersey Care Inquiry identified the need to ensure that departments can attract and retain staff to work in frontline services, particularly with children and young people. The provision of appropriate and affordable housing is a key component of the States being able to effectively achieve this.

However, these decisions cannot be taken if there is no certainty that housing supply is sufficient to meet even current housing needs. As a result, a considerable number of households will be waiting many years longer to access appropriate housing and other important housing policy issues will need to be deferred.

It is, for example, my preferred approach to utilise Hue Court, once it has been refurbished, for new key worker accommodation. However, if Ann Court were not to proceed as planned, I would need to review this decision, because Hue Court would have to be used as social rented accommodation. This would, as a result, also impact on the redevelopment of The Limes, which is presently being used as temporary key worker accommodation. As a consequence, I would be unable to fulfil my commitment in relation to the recommendation of the Care Inquiry to provide additional key worker accommodation by 2020.

Developments such as Ann Court are an important component in the delivery of these policy initiatives, as are other States-owned sites such as Cyril Le Marquand House, Le Bas Centre and La Motte Street.

Conclusion

In December 2018, the Assembly approved the Council of Ministers' Proposed Common Strategic Policy 2018–22 ([P.110/2018](#)), which includes a priority to “*reduce income inequality and improve the standard of living*”. In order to support the delivery of this priority, the Council of Ministers intends to take action to improve the quality and affordability of housing in Jersey. A consistent supply of housing is key to the delivery of this priority – this includes the delivery of the Ann Court scheme.

I have, moreover, recently published the Objective Assessment of Housing Need Report, and this shows there will be a need to build between 890 and 920 new social rented dwellings between 2021 and 2030, as well as 1,100 affordable ownership dwellings. I cannot, as a result, accept the loss of a scheme such as Ann Court when there is anticipated to be significant demand for social rented accommodation in the decade ahead. In order to deliver these new homes, schemes like Ann Court must be built, and other States-owned sites in St. Helier must be identified and released expeditiously for development.

There are many challenges in Jersey's housing market, and these are of such an immediate and pressing nature, that to delay the development of the Ann Court scheme would be detrimental to the many people in the Island who require a good standard, secure and affordable home. It would also delay the delivery of the regeneration

envisioned by the North of Town Masterplan – more residential development; more open space; and more vehicle parking for residents, commuters and shoppers – which are at the heart of Andium Homes’ proposal for Ann Court and its plans for the wider regeneration of the area.

I therefore support the Deputy of St. Martin’s Proposition.