

# STATES OF JERSEY



## REVOCACTION OF AVIEMORE SALE (P.9/2025) : COMMENTS

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Presented to the States on 21st February 2025  
by the Minister for Infrastructure

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STATES GREFFE

## COMMENTS

The Standing Order 168 process exists in order that States Members can raise concerns, questions, and ultimately objections regarding the transfer of property or land into or out of public ownership. Ministers fully respect that Deputy Alex Curtis has exercised his right in this regard. The briefing for States Members held on 18<sup>th</sup> February, and this comments paper, sought/seek to address the concerns of Deputy Curtis and other questions raised by States Members.

Ministers do not support this proposition, which would bring unnecessary delay to the sale of Aviemore – a site which is no longer required as part of the States property portfolio – and would impact on the establishment of an Endowment Fund for Care-Experienced islanders.

Ministers believe that this comments paper sets out the rationale for selling Aviemore to the States of Jersey Development Company, an agreement that secures the best value for islanders for the Aviemore site.

### **Re-development of the Aviemore site**

In September 2021, the previous Council of Ministers agreed to the disposal of the Aviemore site so that the full value of the revenue released from the sale of the site would be used to create the Endowment Fund. The site has subsequently been identified in the 2023-26 Government Plan<sup>3</sup> to be developed for open market housing to specifically support the Fund, which aligns with the policy set out in the Bridging Island Plan (BiP). Early discussions took place with the planning department that confirmed that under current policies, the principal of residential development use was acceptable, subject to further detailed design and planning approval.

### **Aviemore site**

This site is located along La Rue de la Pouclee et des Quatre Chemins in St Martin. This is immediately to the west of Haut de la Garenne. It is a site measuring approximately 2,750 sqm and comprises of a singular building (with detached, decommissioned enclosed swimming pool complex), housing accommodation for clients of Health and Community Services with complex and special needs. The site is not fit for purpose and is vacant with clients now being housed in more fit for purpose accommodation within community settings.

This is a high value site which is in a prominent location over the Royal Bay of Grouville. It is a relatively isolated site set within a rural landscape with moderately sized residential development around it. These are limited in number and the site enjoys a pleasant backdrop of agricultural land as the predominant use.

Under the current Bridging Island Plan policies, the redevelopment for residential use is supported, but options for a high-density scheme are limited and it is considered that a smaller scale scheme would be reasonable, subject to detailed planning application assessment.

The full value of the site will therefore only be known once the future development options are established through a planning application approval.

Once the sale value of Aviemore has been agreed, it will be possible to develop the proposed lifespan and distribution targets for the Fund.

### **Marketing and bids for the sale of Aviemore**

The site was marketed as an open market residential development in line with the approved Government plan using an independent agent. Six bids were received that ranged from £100k up to £2.5m.

- A bid of £100k was received for charitable purposes, this was rejected as it was not in line with the Government plan, and the bid did not reflect the true value of the site. The option to return the site to Government ownership if the site was no longer used for charitable purposes was not agreed by the bidder.
- Three final offer bids ranging from £895k-£1m were received from recognised local developers, but these low value bids did not include further uplift payments following planning approval or development of the site. All three had finances in place to provide funds on completion of sale within 6 weeks but were rejected as being too low.
- A bid of £1.1m from an independent developer was also received, but this required finance to be approved, and funds would only be received on planning approval, with a potential further £1.1m on completion of the development. This bid was rejected as the receipt of funds were subject to finance approval and subject to a potentially lengthy and uncertain timeframe of up to four years for completing the development. Additional developer agreement costs were also not fully known.
- The bid of £1.3m from SoJDC offered the best return to taxpayers as it recognised an immediate site value and mechanism for providing further value following planning approval, which could increase the final bid value up to £2.5m. All developer related profits from the development will be returning to the Government as SoJDC is a wholly owned Government arm's length body and the development agreement would be in line with previous agreements made on other sites with SoJDC and therefore at minimal cost to Government.

### **Creation of an Endowment Fund to benefit Care-Experienced Islanders**

As part of the realisation of the Independent Jersey Care Inquiry's recommendation 8 (Legacy), recommendations were made to progress the creation of an Endowment Fund (the Fund) to benefit Care-Experienced Islanders.

The proposed Endowment Fund forms part of the Government's corporate parenting offer, by providing a ring-fenced fund for care-experienced Islanders, providing support that might otherwise have been provided by their parents. Funding would be available following the assessment of applications to support the realisation of personal aspirations, in addition to access to small rapid grants for urgent circumstances. These purposes would not duplicate the existing support available for young people leaving care which is available up to the age of 25, or other benefits and grants provided by the Government of Jersey.

Design principles for the proposed model for the Fund have been developed and tested with key stakeholders and approved by the Treasury Ministers and the Children and Families Minister. It is proposed that a third-party Administrator will manage the

application process and make individual grants in accordance with parameters set out by the Minister in a Service Level Agreement.

Fund objectives include:

- Educational Advancement: access to lifelong learning opportunities, improved qualifications, and enhanced employability.
- Mental Health Promotion: access to psychological support, leading to improved mental health, emotional stability, and overall well-being.
- Financial Stability: provision of timely financial support in case of emergencies, including medical emergencies, to reduce debt, and prevent financial stress. This approach was initially recommended by the Citizens Panel formed in response to the Care Inquiry.

The Revenue generated by the sale of the Aviemore would be transferred to the States Common Investment Fund. Annual allocations would be transferred to an external income administrator for disbursement based on approved applications that are assessed to be in keeping with the fund objectives. The external administrator would operate under a Service Level Agreement with Government.

An established independent income administrator would be able to provide a dedicated front door for applicants and expertise in assessing and making awards which would otherwise represent a significant opportunity cost for Government. A partnership with an independent body would also provide scope for the initial capital sum to potentially be augmented by new donations which could extend the Fund's duration or increase the annual value of distributions to care-experienced Islanders.

### **Specific responses to questions raised by Deputy Alex Curtis and States Members**

Deputy Curtis

*What is SoJDC proposing to develop on the site? Does it align with the 'public interest'?*

The sale aligns with the 'public interest', as the site has been declared surplus and its sale will provide a return to the taxpayer to be used directly by the Community fund to support vulnerable young adults. In addition, sale to the States of Jersey Development Company will ensure that all profits are recycled back to the public.

*Would more private developers have expressed an interest if the site was advertised differently or at a lower price?*

The site was openly marketed by an independent agent, and the price was a guide price. This is a standard approach and resulted in significant interest being generated from prospective developers, which ultimately resulted in six formal bids being received.

*How was the original £3.00 Million valuation arrived at? Why is what is being offered so different to the professional and independent valuation?*

The valuation was based upon a professional assessment based upon the prevailing residential market conditions when the site was first marketed. The agent has indicated that current market conditions are not as favourable and that previously cash offers with little, or no conditions of sale would have been received. This was reflected in the bids received.

*What does this mean for the wider valuations of the public estate?*

Where sites are to be sold, their value and the offers received will always be determined by the prevailing market conditions.

*Does high-end housing sit well next to an accommodation and adventure centre. Will there be conflict in the future?*

Aviemore is considered a prime site because of its country location and aspect, with extensive views of the Bay of Grouville and proximity to Gorey with its restaurants, harbour and beach amenities. The proximity to the adventure centre is not considered to be a conflict as this can be mitigated with careful planning and design of the proposed development and covenants restricting future owners to object to neighbouring activities can also be considered.

*Are there better uses for the site, such as economic, tourism, step-down care or similar, especially now that we are not realising as much cash as expected?*

The site is surplus to requirements, requires considerable reinvestment and there is a presumption in the Bridging Island Plan that the first consideration for Government sites surplus is for housing development. Furthermore, the site was identified in the Government plan for residential use to realise a positive value to the community fund.

*Does a conflict arise with the overage payment, as it encourages the Council of Ministers to seek to push development density as far as possible on a sensitive site to return a greater payment?*

The overage payment is in place to enable and realise a return for developing the site once the planning permission is in place, which could increase the overall return up to £2.5m. It is a sensible approach to proceeding with the sale subject to future mutual benefits of uplift in site value through the planning process.

*Why have States Members questions faced silence and a continued lack of clarity?*

The decision to sell Aviemore has been set out in Government Plans and, following the presentation of a Standing Order 168 report, direct responses have been provided to States Members written questions. The briefing held with States Members on the 18th of February also set out the background to the decision and provided a positive forum for States Members to ask further questions of Ministers.

*And ultimately; For £1.3 million (plus the opaque overage payment with no guarantee) – is this really the best way to treat our strategic land assets?*

It is entirely normal for “overage” clauses to be added to property transactions. This is not a specific clause solely for SoJDC. If overage is not achieved, the SOJDC bid is

still the highest bid received. The site was offered and the value tested in the open market.

States Members (briefing on 18<sup>th</sup> February 2025)

*Did any early conversations take place prior to marketing of the site with the planning department to understand the development options?*

Early discussions did take place on an informal basis with the planning department prior to marketing the site to test the Government Plan intention that the site could be developed for residential uses. The department indicated that the principle of residential use was in line with the current Bridging Island Plan policies and objectives, but the size and scope of any residential development would need to be tested through a formal planning application process. The site was marketed on this basis and so the final development potential will rest with the developer to test with planning, as reflected in the offer received from SoJDC including the overage payment option.

*Did discussions take place with the Parish to consider a Parish led housing scheme?*

Discussions were held on site with the Minister for Infrastructure and the Parish of St. Martin to understand their interest in the site development. Given that the site was being sold on a commercial basis to support the community fund, the Parish indicated that this did not align with a Parish led affordable housing development scheme. In addition, it was recognised that the site was too remote from the village amenities for parish supported tenants.

*What are the details of the overage payment?*

SoJDC are looking at two housing re-development schemes. It's preferred scheme is to develop up to 10 x 3 bedroom semi-detached houses. The overage mechanism for such a scheme is to pay in addition to the £1.3m initial payment, a further £120,000 per house that is permitted up to a maximum overage payment of £1.2m making a total potential payment for the site of £2.5m.

The alternative scheme is to refurbish and potentially extend the existing building to create terraced houses and apartments. Should any additional area be permitted on top of what already exists, a further £135.00 per square foot will be payable on the additional area that has a height clearance above 1.5 metres. SoJDC has produced high level plans and consider the maximum additional area which would include an additional floor and an extension could also achieve a £1.2m overage, again making a total potential payment of £2.5m.

*Will SoJDC use local professionals in the development of the site?*

SoJDC confirms it will use local professionals agencies and construction companies for the development.

*Will 15% of the development be available through a shared equity scheme, and will deposit payment support schemes also be available for other units?*

Discussions are taking place with the Housing Minister to agree upon the various assisted purchase products that SoJDC will offer on Aviemore. It is intended that the final agreement will include a mixture of products including the deposit payment scheme, the potential for right-sizing and a shared equity scheme.