

2018.12.03

4 Deputy K.F. Morel of the Chief Minister regarding the halting of works commissioned by Andium Homes on the Ann Court site: [OQ.211/2018]

Thank you. It seems to be working now. Will the Chief Minister confirm whether he was aware of the scale of any costs associated with halting the work commissioned by Andium Homes on the Ann Court site before ordering the current halt to works and, if so, will he outline details of these costs and state whether they are to be borne by Andium Homes or the States of Jersey?

Senator J.A.N. Le Fondré (The Chief Minister):

I was wondering what Deputy Morel was doing with the beeper but anyway. Just to clarify, I have asked for a short pause rather than a halt at this stage and it is going to the Council of Ministers next week. I was aware there would be the potential for some costs to be incurred but let us just put that into context: Members may know that I am deeply committed to achieving the office consolidation strategy which has been delayed roughly 10 years. When I was originally involved the type of savings that we were looking at at that time were around £10 million a year and that is a combination of cash savings, avoided costs and what I will call soft dollar savings as well. So very simplistically if we say that is 10 years, that is £100 million worth of savings not achieved through not delivering on the strategy. Now, the costs that would be incurred on the Ann Court site will include things like the acquisition of the property and site enabling works which will have to be incurred anyway. Where there might be a sunk cost would be on such things as planning fees and design. But that should all be considered in the context of annual savings we can achieve through the acceleration of achieving this project on that site and do not forget there is also to be taken into account the decamp costs which would be presently incurred on La Motte Street, for example, which could be avoided. Rest assured in the overall context the impact on housing for supply will also be at the forefront of our minds and I know that is a very key concern, for example, for the Minister for Children and Housing who is to answer a question later. But at present it looks to be beneficial. If we have time I will talk about this more in the next question but one of my private passions - and even accountants can be passionate at times - is urban regeneration and this scheme is likely to deliver on that as well. But all of that is up for discussion next week.

3.4.1 Deputy K.F. Morel:

I note that the cost to Andium Homes did not feature in the Minister's answer, which was the question that I posed. That brings me to the supplementary which is: given the unknown cost to Andium Homes, as detailed by the Minister, does he feel it appropriate that he, as chair of another housing trust, is involved in the decision-making process that piles costs on to this housing trust?

Senator J.A.N. Le Fondré:

I really do not like the insinuation there and I would hope that the Deputy would withdraw any inference he is ascribing of impropriety. What I will say is that if this decision does go ahead, in the context of the savings that I have talked about and in the context of urban regeneration we will make very sure that Andium Homes are not in any negative financial position as a result. That has to be quite clear because that is what I would expect to happen on any entity. I have operated on the housing trust you referred to for 21 years and it is purely in an honorary capacity and it has never impacted on any judgments or decisions I have ever made. I trust the Deputy will withdraw the inference he may have, hopefully inadvertently, included in his speech.

Deputy K.F. Morel:

I have nothing to withdraw because I made no inference. Thank you.

The Deputy Bailiff:

You intended no inference. Very well, Deputy Higgins.

3.4.2 Deputy M.R. Higgins:

The Chief Minister, in his answer, mentioned that we had need of this housing consolidation for 10 years. Can the Chief Minister tell us whether over the last 10 years they have come up with a policy with sites other than the Ann Court site and can he tell us where we are with those? Thank you.

Senator J.A.N. Le Fondré:

Basically where we are is when I was involved with it 10 years ago the preferred site was Ann Court. The present position, as I have understood it from the previous Minister who was dealing with this, is that the position is to go to La Motte Street. So the issues are ... when I was in the position I am in now I asked the question about what was the position on Ann Court and I was told that no contract had been signed. I therefore asked the question and said: “Look, when we were doing this 10 years ago it was the preferred site. Is it... I used the word “barking”, is it mad?” The advice that had come back was that: “No, it would be simpler. Potentially it could be achieved quicker and we would avoid certain costs.” At that point Andium were informally advised that we were looking at things, which was the end of August, and therefore we have asked for further information to come together. That is what is going to come hopefully next week but the principle was that, with the additional benefits, it would be around the urban regeneration side. One of the areas I am very keen on is the central market and things like that, which I consider to be a jewel in St. Helier, and we are aware, of course, of the issues around empty shops in this area of town. So the benefits are regeneration as well as acceleration of the savings but we have got to make sure the number of housing units makes sense. I am starting to get the information and I will receive a bit more during the week. Thank you. It is looking beneficial at this stage.

3.4.3 Senator K.L. Moore:

The Senator describes the impact and the cost of the delay in providing this public sector building. However, does the Senator also take into account the cost and the impact on people’s lives of the lack of affordable housing in the Island? [Approbation]

Senator J.A.N. Le Fondré:

We are absolutely aware of the issues around the lack of affordable housing on the Island; that is one of the key concerns. What I would just point out, and that is obviously one of the discussions that is in the process of being completed, is that the work that is due to start in Ann Court is for the provision of a public car park and I am given to understand that is going to take ... well it obviously will take a period of time to resolve. The question is, therefore, if we basically switch things round, and can release an additional site, whether the construction of actual housing can mitigate any potential delays. At the moment it is looking like it will be consistent or not too far apart. That is where I need some extra detail. But it is possible, as I said ... sorry, in the longer term picture, i.e. during our term of office, is we should be able to ... it looks to be that we will either deliver the same number of social housing or more, but that I need to get some flesh on that. If we can achieve more as a result I think that would be a benefit of the delay.

3.4.4 Senator K.L. Moore:

The Senator talks of a pause but does he not take into account the impact of waiting when a family is living in inadequate and unaffordable accommodation and does he not pay heed to his proposed common strategic priority regarding including the standard of living for Islanders?

Senator J.A.N. Le Fondré:

Absolutely. Also within the common strategic policy is the point about an efficient public sector which is part of the aspect. However, I keep going back to the point, the particular work that was due to start on Ann Court is for a public car park, therefore, there is not going to be a 2-year delay as a result of this. It is my understanding of the position that is what we are firming up. In other words, if you are able to bring a different site on earlier it would not have ... you are saving that 2 years construction, if that makes sense. I have not explained that particularly well but the point is you have got a public infrastructure project of a car park which is going into the site. Anyway, the intention would be for that to proceed but that is ... so social housing does not start construction next week on that site, is the point I am trying to make. There is already an in-built delay into that process because of a public car park that has to be constructed. If we can use an alternative site, which can be brought forward within that timeframe, we will achieve very little delay to the people we want to help.

3.4.5 The Deputy of St. Martin:

I am sure the Chief Minister is well aware of the cost of building and the cost of housing these days, a cost which is escalating even above the cost of living. The site in question has been in the North St. Helier Masterplan for some time now. Irrespective of what the Chief Minister has just said, does he not agree with me that he is sending out the wrong message? He is sending out a message that housing of government is more important than desperately needed housing for the members of the Island.

Senator J.A.N. Le Fondré:

It is a risk, I take the point. But we keep going back to this time and time again; it is short-term gain and long-term benefit. The short-term fix is we keep filling a particular site with a certain number of units. If we can get the office consolidation stuff together we can hopefully free-up more sites in the round to address this in a better way in the longer term. That is the principle. We can keep fiddling around but there are not that many sites that are big enough to do this and achieve that same aim, which, as I said, also includes things like urban regeneration and savings. It is, within the round, looking at it from a strategic point of view of whether you go for the short-term fix of that site, that is fine. If that is what the Council of Ministers decide to go for, fine. If they do not then hopefully they might at least have the discussion around the longer term vision of how we achieve the priority of providing housing but also the other priorities that have been set out.

The Deputy of St. Martin:

The Chief Minister talks about urban regeneration. I am sure he is very well aware of a part of London called Westminster, which is buzzing during the week, full of people running around and huge activity and at weekends is almost like a desert; the pubs closed, the restaurants closed, nothing happens. If we need urban regeneration we need to build houses for people to live in not offices for government.

The Deputy Bailiff:

Was that a question?

The Deputy of St. Martin:

Does he not agree?

Senator J.A.N. Le Fondré:

No.

3.4.6 Deputy K.F. Morel:

Is the Chief Minister concerned that the message going out from Jersey at the moment with regard to capital projects is one of uncertainty? Here was a project which the business that was undertaking it thought it could just get on with the work and suddenly it has unexpectedly been paused. Similarly we have another capital project in the shape of a hospital for which the decision was made 2 years ago and which has been now put on pause. Could the Chief Minister confirm whether he believes this kind of decision-making is giving business the requisite certainty it needs to have faith in Jersey as a place for investment?

Senator J.A.N. Le Fondré:

I think there are 2 separate projects he has referred to. What we are trying to see is if we can ... one of the discussions that is going on is whether the initial works on the car park can go ahead while the other matters are sorted out; if we can achieve that without having the delay that is what we aim to do.

[15:30]

As I said, this is the problem when things get leaked out, as it were, which is how the story came out initially, without having all the facts in a row, and that is what we are trying to get to. In relation to the hospital project, I make the point it was a political commitment made in the elections - not by myself - that said there would be a decision coming back to this Assembly. That is where we are. It has been in the public domain since May and on that basis I have said I will honour that commitment. I think the Deputy probably also forgets that certainly at election time it was a pretty significant project, pretty significantly high in the minds of the public, certainly in the electorate that I encountered during the hustings. I think, therefore, we will be criticised from all angles but we will also be criticised if we do not give this Assembly a final decision on that project.