

23.03.21

21 Deputy L.J. Farnham of the Minister for Infrastructure regarding the purchase of land at Kensington Place (OQ.44/2023)

In relation to the land at Kensington Place purchased by Andium Homes for £7.8 million in December 2021, will the Minister explain the rationale for purchasing the same parcel of land on behalf of the public of Jersey for more than double the original price in 2023?

Deputy T. Binet (The Minister for Infrastructure):

Members of the Assembly have had much of this explained already, but I am certainly happy to go through it all again. I have made a couple of notes because I want to be specific about each of the stages. Firstly, we need to bear in mind that the original £7.8 million transaction process involved the purchase of 3 separate properties. The combination of these 3 sites enabled a more substantial development and this in itself added value to the overall site. Furthermore, and as the Deputy is aware, plans were drawn up, planning permission for more than 100 flats was obtained, and the site was cleared, all the demolition work was done ready for construction. These 3 exercises involved considerable expenditure and all of this added further value. Shortly thereafter the development was halted, as we know, and the developer was compensated, adding more cost. The details of that transaction are commercially sensitive but I would like to inform the Assembly that those details have been made available to the Deputy. Subsequent to this, 3 valuations of the Kensington Place site have been undertaken and this has been undertaken by 3 valuers that are part of the Royal Institute of Chartered Surveyors and all 3 of them have agreed that this price is a fair and reasonable price for that site. So returning to the first part of the question, and just in case the Deputy is still confused, the rationale for purchasing the site at market value is to provide an area for the creation of new hospital facilities.

3.21.1 Deputy L.J. Farnham:

I am not sure the Deputy answered the question fully. Does he agree that paying £8.2 million more, notwithstanding that there has been some work done on it, and the costs of demolition and other aspects that he mentioned come nowhere close to that figure. Does he agree that the extra £8.2 million paid amounts to a penalty payment for the taxpayer because he has decided to cancel a project for much-needed homes without obtaining the go-ahead from this Assembly to proceed with the development of a multisite facility. I know he mentioned the compensation paid to the developer was commercially sensitive, but it is taxpayer money and can I ask him to reconsider sharing that with the public?

Deputy T. Binet:

I am afraid once again I have to take issue with the substance of the claims made when the Deputy suggests that the combination of events that I described here quite carefully came nowhere near to the sum that is now involved, and I would be happy to answer that question if the Deputy could substantiate that.

3.21.2 Deputy S.Y. Mézec:

Never again I hope. Could the Minister confirm, for the avoidance of any doubt whatsoever, that Andium Homes have not been left a single penny worse off for being the victims of this debacle?

Deputy T. Binet:

It seems I am taking issue with everybody today. I take exception to this being described as a debacle. It is a perfectly orderly process and, to the best of my knowledge, Andium will not be left any worse off.

3.21.3 Deputy S.Y. Mézec:

To the best of his knowledge does not sound very reassuring, especially given that this has been brought up on the floor of the Assembly before where he offered his assurance that they would not be any worse off. So can the Minister check so that there is no doubt whatsoever that Andium Homes, for having been led down one path only to be told later on, no, they could not go ahead with that, that they will not have been left financially worse off because that of course would have an effect on their ability to deliver new homes elsewhere. Can he give us that 100 per cent assurance?

Deputy T. Binet:

I can only repeat what I have said: to the best of my knowledge, at this point in time, they have not been left worse off and I shall make inquiries and let the Deputy know as soon as I can confirm.

3.21.4 The Connétable of St. Lawrence:

Will the Minister remind us of the number of homes that have been lost and will he advise us whether that loss was supported by the Minister for Housing and Communities?

Deputy T. Binet:

I think I am correct in saying it is either 103 or 104 homes. Having seen the plans, I can confirm that they were not particularly well designed and in many respects in that regard it does not constitute quite such a serious loss. I can confirm that the Minister for Housing and Communities and the rest of the Council of Ministers were in full support of the action.

3.21.5 Connétable M. O'D. Troy of St. Clement:

Minister, given the increased land value of the Kensington Place site, would you be able to tell us what value you would put on the entire Gloucester Street hospital site as it is now?

The Bailiff:

“Would the Minister be able to tell us?” Connétable.

Deputy T. Binet:

I do not want to be facetious but the simple answer to that is no. But if the Constable would like me to obtain some form of evaluation I am happy to do that. It would probably come at some cost, I have to say.

3.21.6 The Connétable of St. Clement:

Given that that value might mitigate the cost of a new hospital as a one-hospital site, I think that that might be very worthwhile, therefore, I would ask the Minister to go forward with that.

3.21.7 Deputy L.J. Farnham:

If the project to build 106 much-needed new homes had not been stopped, does the Minister accept that the Government would not have to be paying out an additional £8.2 million? We would indeed be getting 106 much-needed homes and that £8.2 million could be used for such things as

subsidising nursery fees, helping with significant rent increases to tenants and assisting victims of flooding in Grands Vaux who are still living in hotel rooms and temporary accommodation.

Deputy T. Binet:

Yes, we have another statement for which the Deputy is famous. Yes, it is a statement of the obvious and I think I need say no more than that.

Deputy L.J. Farnham:

I am sorry, Sir. Could the Minister just clarify, was that a yes or a no? **[Laughter]**

The Bailiff:

I think the Deputy thinks that you perhaps do need to say a little more than that.

Deputy T. Binet:

If the Deputy wants more yes or no answers from me he will certainly get them; that is for sure.

The Bailiff:

Perhaps he could get one ...

Deputy L.J. Farnham:

That is much clearer, Sir, thank you.

Deputy M. Tadier:

Sir, is that not a breach of the Standing Orders which requires Ministers to answer ...

The Bailiff:

I was about to raise with the Minister, you have said that you will offer a yes or no answer. I was just wondering whether in the light of the Deputy's question, is it a yes or a no?

Deputy T. Binet:

It is a yes, Sir.