



# Environment, Housing and Infrastructure Scrutiny

## Panel

### Affordable Housing: Supply and Delivery

### Witness: Andium Homes

Wednesday, 28th July 2021

**Panel:**

Connétable M.K. Jackson of St. Brelade (Chair)  
Connétable J.E. Le Maistre of Grouville (Vice-Chair)  
Connétable S.A. Le Sueur-Rennard of St. Saviour  
Deputy G.J. Truscott of St. Brelade  
Deputy I. Gardiner of St. Helier

**Panel Advisers:**

Mr. J. Paterson, Ark Consultancy  
Ms. J. Alderman, Ark Consultancy

**Witnesses:**

Mr. I. Gallichan, Chief Executive, Andium Homes  
Mr. C. Mavity, Executive Lead, Digital and Strategy, Andium Homes

[11:01]

**Connétable M.K. Jackson of St. Brelade:**

Good morning, everyone, and welcome to the Environment, Housing and Infrastructure Scrutiny Panel, which is a public review hearing today with Andium Homes. I am Mike Jackson, chair of the panel.

**Connétable J.E. Le Maistre of Grouville (Vice-Chair):**

Constable John Le Maistre, vice-chair of the panel.

**Connétable S.A. Le Sueur-Rennard of St. Saviour:**

Constable Sadie Le Sueur-Rennard, who is on the panel.

**Deputy I. Gardiner of St. Helier:**

Deputy Inna Gardiner, member of the panel.

**Deputy G.J. Truscott of St. Brelade:**

Deputy Graham Truscott, member of the panel.

**The Connétable of St. Brelade:**

And I know that Deputy Luce will be joining us shortly. On your side ...?

**Chief Executive, Andium Homes:**

Ian Gallichan, chief executive, Andium Homes.

**Executive Lead, Digital and Strategy, Andium Homes:**

Carl Mavity, I am the executive lead for Digital and Strategy at Andium Homes.

**The Connétable of St. Brelade:**

To start off with, for the benefit of the public listening and by way of an introduction, to explain the purpose and role of Andium Homes. Can you briefly summarise your role as a States-owned organisation?

**Chief Executive, Andium Homes:**

We are a company wholly-owned by the States of Jersey, the people of Jersey. We are a not-for-profit organisation. We currently house some 10,000 people in 4,600 homes. We have a portfolio worth circa £1 billion and, looking at our capital programme up to 2030, we are looking at a value of £1 billion.

**The Connétable of St. Brelade:**

What are your business projections for the delivery of new homes during the lifetime of the draft bridging plan? Can you provide a breakdown of the type and tenure of the new homes, social rented or affordable purchase, shared equity, et cetera?

**Chief Executive, Andium Homes:**

We are looking to produce some 1,306 homes by 2025, predominantly those will be 2s and 1s, that is why we are particularly interested in the rezoned sites because that will give us the opportunity to build more family-type accommodation, 3-bedroomed houses. Predominantly we will be doing obviously rental but we would also be mixing in there with opportunities to purchase. I think it is an opportunity to mention that of course we are selling some of our own existing stock, and that will be an additional 300 homes through our Andium Homebuy scheme up to 2025.

**The Connétable of St. Brelade:**

The Constable of St. Saviour mentioned yesterday some sales in Grasett Park; is that included in that project?

**Chief Executive, Andium Homes:**

In the 300, yes, it would be.

**The Connétable of St. Brelade:**

We noted there appeared to be no affordable home sites in the pipeline with planning consent, what are you doing to address this delivery challenge?

**Chief Executive, Andium Homes:**

Sorry, could you repeat that again? You broke up slightly there.

**The Connétable of St. Brelade:**

We notice that there appears to be no affordable home sites in the pipeline with a planning consent; how are you going to address that?

**Chief Executive, Andium Homes:**

We have got The Limes; we recently received planning permission for The Limes. Of course, as I say, we have got 1,306 homes in the pipeline in various stages of feasibility and planning. We are confident that we will get those homes through the planning system and be able to deliver them in accordance with that deadline in 2025. But as I say, The Limes has certainly got planning permission and I am looking at our list now in terms of some of the others that we have coming through. For instance, La Collette; there are another 147 homes there that will be coming through in 2023; 132 at Ann Court. We have got a substantial number of homes that have planning permission that we are onsite on but obviously it is a lengthy process in terms of planning and we will be pursuing those with the Planning Department.

**The Connétable of St. Brelade:**

Do you think you have the right balance between affordable and market homes in this plan?

**Chief Executive, Andium Homes:**

Yes, I do think you need a mixture of homes throughout the market. I mean there is tension within all aspects of the market so, yes, we need affordable homes for purchase, we need affordable homes for rental, but also you will need some intermediate and open market housing as well. So every aspect of the market, certainly at the moment, and the projections going forward, yes, I would say the figures are right. I mean they are based on sound advice in terms of assessing the Affordable Housing Gateway and of course the housing needs report, the *Objective Assessment of Housing Needs*. What we would push into that mix of course is something that we do talk about quite a bit, and that is the people who have not got access to the Gateway, for instance; childless, singles and couples under the age of 50. We also have highlighted an issue, we believe, in terms of key workers. I think we could do more for key workers. So we need to be mindful of the fact that those are 2 significant groups, certainly the first one I mentioned there, who are likely to be lifelong renters who are currently excluded from waiting lists.

**The Connétable of St. Brelade:**

We have with us our advisers, John and Jane. John has a quick question to put in.

**Mr. J. Paterson:**

Good morning, Ian and Carl. A quick supplementary really on the point you were making about the development process and schemes that were in the pipeline. You mentioned that the planning element of the process tends to be rather lengthy. I just wondered if you might say a little more about the role, as you see it, of development briefs or planning briefs for some of the identified sites, particularly the zoned sites, whether that might be useful as a means of streamlining the planning process.

**Chief Executive, Andium Homes:**

Absolutely. Certainly when we go back to one of our previous sites, Samarès Nurseries, we waited some considerable time for the development brief on that which held us up noticeably. The expeditious arrival of development briefs, et cetera, would be greatly welcomed. The other thing I think for us is that accessible pre-application advice, the ability to sit down with planning officers. Andium did put forward a suggestion that we would have our own dedicated planning officer, so to speak, and the reason for that ... I mean the extensive nature of what we are doing, the size of our capital programme, that would have been really helpful. Looking back where we are coming from the past, we have more opportunity to sit with planning officers and get and talk about our plans. In view of the nature of the placemaking that we want to facilitate, the size of the programme, especially the north of St. Helier, it would be hugely beneficial if we could have that time with a planner or planners dedicated to us to understand the strategic direction that we want to head to. From our

perspective, we see the north of St. Helier as a real opportunity in terms of being able to deliver those placemaking opportunities, greening up green ways, making the north of town an attractive place to live. What we need to do is be able to sit down with planning officers and talk about the whole, not the individual sites. That is something that is missing for us, that we would suggest would be really beneficial.

**Mr. J. Paterson:**

Can I ask a quick supplementary, Chair? On that point about pre-application processes, and I have to say I do not know whether there is a formal pre-application process in the planning system in Jersey at the moment, but how do you feel about the idea of there being a fee attaching to the pre-application process, if it gets you to a point where there is absolute clarity at the end of it as to what you need to submit to achieve a consent with an application?

**Chief Executive, Andium Homes:**

To be honest, I do not have a problem with that. I think if we have the service attached to it then that would save an enormous amount of time and we would be able to get into the ground quicker. One thing I would say, I think it is important to say it in respect of planning and I think the Minister for the Environment has said it, is the lack of resources. The scale of what is required in this plan, the scale of our capital projects, our programme in Andium Homes, you have to make sure your planning system is sufficiently resourced. In fairness to the guys there, they are lacking in numbers, in our view.

**The Connétable of St. Saviour:**

You mentioned the north of St. Helier but that will also overlap, will it not, into St. Saviour, so are we going to be included into these discussions; I think we should?

**Chief Executive, Andium Homes:**

Absolutely.

**The Connétable of St. Saviour:**

You say that but you have not mentioned St. Saviour. You have said north of St. Helier but we have a heck of an overflow coming and we are heavily involved in what happens to the north of St. Helier. So I am afraid St. Saviour will need to be included.

**Chief Executive, Andium Homes:**

Do not say "afraid" because you are absolutely right that St. Saviour should be included and, as far as we are concerned, the Parish of St. Saviour is a vital stakeholder obviously for the north of town but also discussions that we would want to have with you with regard to the redevelopment, for

instance, of, say, Le Cinq Chenes where we want to create more opportunities for people to be able to purchase their homes. You are vital in that discussion and of course that needs to take place and it will take place.

**The Connétable of St. Saviour:**

Good, I am glad, because this is a public hearing and you have just put it down out there for everybody to hear. Thank you very much.

**Chief Executive, Andium Homes:**

Good, I am delighted.

**The Connétable of St. Brelade:**

You are right to be afraid of the Constable of St. Saviour. Moving on to the next question. Could you highlight any key concerns you have with the deliverability and development of the sites zoned for affordable housing on the plan?

**Executive Lead, Digital and Strategy, Andium Homes:**

I am happy to build on that. What we have said in our response to the draft bridging Island Plan consultation is, as Ian has already mentioned, that these sites do provide an opportunity for the delivery of particularly family houses, which elsewhere in the built-up area particularly can be very difficult to achieve. Our main issue is that the rezoned sites will be necessary, we think, in terms of meeting the overall housing demand. Particularly for the family houses. The mix that is proposed in the draft bridging Island Plan is 45 per cent of the homes on those sites will be for affordable rent and 55 per cent for affordable purchase. We think that that is something that perhaps ought to be reviewed and kept under review. I think we probably make that point as well because things do change.

[11:15]

Because the sales that we are making, the 300 in the next 5 years, 600 over the full 10-year period, is dealing with some of the demand from the purchase list on the Affordable Housing Gateway. In order for those sales to happen we do need to replace those units with new rental homes to meet the demand coming off the rental bands on the Gateway. We suggested that the mix of the sites be reviewed initially, perhaps initially looking at the most recent policy, which was 80 per cent rental and 20 per cent purchase. That would, in our estimation, looking at the sites which are being proposed at the moment, bearing in mind all the amendments, that would deliver another 160 new potentially family houses for the social rented use.

**The Connétable of St. Brelade:**

Where do you see that percentage going? Going from 80:20 to 70:30, what is your view on that?

**Executive Lead, Digital and Strategy, Andium Homes:**

I think that is going to be dictated by needs. I think this is a very powerful tool we have in the Gateway now. If we can encourage people in housing need who have aspirations, whether it be to buy or indeed to rent, to register with the Gateway, so we have that single reference point that tells us what our housing needs are. What is really important is that that is kept under constant review. Things can change very quickly with economic conditions, with the availability of things like mortgage finance, people's housing needs and aspirations can change quite quickly and we need to be alive to that going forward. That does mean that as sites are released, as schemes come forward, as government sites are released, there is an opportunity to make sure that those sites respond to the prevailing housing need at the time.

**Ms. J. Alderman:**

I am from Ark Consultancy as well. Just a question really about the deliverability of the zoned sites. I think in your response to the Island Plan you expressed some concerns about previous experience when sites have been zoned. I just wondered if you could tell us a little bit more about your concerns. Clearly there are some measures in the Island Plan around compulsory purchase. Your thoughts around that as well please.

**Chief Executive, Andium Homes:**

Obviously in the past what has regrettably happened is that some sites have been left over and, in fact, from the last rezoning I think there is still one site that has not been developed in St. Ouen. We are concerned about the deliverability. You will already have seen of course a number of amendments lodged in order to reduce the number of sites so it is not surprising that we would say that we think there should have been more sites available for rezoning. What we have said though, in our submission, is that we think there should be effectively a taskforce set up in order to not only ensure that Government-owned sites are transferred to the various providers that have been identified but also that action happens on the rezoned sites. We did point out in there about the need for the compulsory purchase, a bit of a sledgehammer I know, but the fact of the matter is it used to be used in the past very effectively and if you are bringing sites forward and those sites are ultimately approved by the States Assembly then the sooner they are brought forward for development the better. So we really would push the idea of a taskforce group of people who can be charged with, as I say, the responsibility of getting these sites moving, if necessary with C.P. (compulsory purchase) powers, and being held to account, as we all should, for the delivery. Otherwise I think it potentially drifts.

**The Connétable of St. Brelade:**

What are your observations on the recently published housing action plan presented by the Minister for Housing and Communities in June? Namely, I suppose, what engagement, if any, has there been from the Government with Andium in the development of the plan?

**Chief Executive, Andium Homes:**

We have a good relationship with the current Minister for Housing and Communities. We have had quite a few over the years, it has to be said, and so it would be good if we could have that continuity. We work well with the Minister for Housing and Communities, we were involved, we saw a draft copy of this document. We think it is a good action plan. Like any action plan it is setting up the various groups and bodies to oversee it quickly, and effectively having the reporting mechanisms of it to make sure that what is getting done is done. The comment is that what gets reported or what gets commented on gets done, so to speak. We think it is a good action plan, there is plenty in it. We are very supportive of the Minister in trying to achieve what it is here that he is setting out. Particularly about rent, where we are very interested to see the issue on rents for instance is settled. It needs to be settled. It has been a discussion for quite some time.

**The Connétable of St. Brelade:**

The bottom line is will it assist in contributing to the delivery of affordable homes?

**Chief Executive, Andium Homes:**

I do think it will, yes. I think it focuses attention. In fairness to the Minister for Housing and Communities as well, he needs the resources and it is something I know that we keep coming back to. But this is big stuff and it needs the resources behind it in order to deliver on it. Yes, I certainly believe that it will assist. He has certainly highlighted in this the need for the Government-owned sites, for instance. We have been talking for some considerable time about the transfer of government sites. What we need is a decision and he supports that, and that is part of our submission on the Island Plan, is that make the decision on government sites, let us know what is coming our way or to the other providers. What we can do, we can potentially lease back the sites that are currently still being used but it will enable us to, for instance, spend some money on the feasibility so that we can go through that planning process so that when these sites are transferred to us we are ready to go, we have a shovel in the ground, so to speak. That is highlighted in this and we have support from the Minister for it.

**The Connétable of St. Brelade:**

Going back to a point you made earlier, there seems to be ineffective joint working between yourself and Planning and Housing at the moment. I suppose the question I am going to ask is: do you have



any involvement with the Strategic Regeneration Group or the Housing Regeneration Group, in any shape or form?

**Chief Executive, Andium Homes:**

Is it the Regeneration Steering Group you are referring to? Yes, we attended a meeting in March and it is envisaged that we will become a regular contributor, which is right. We have not been part of that group, that was predominantly S.o.J.D.C. (States of Jersey Development Company). But we brought that group up to speed with our plans, et cetera, and we are looking to be a regular attendee. In all honesty, we should be. If you look at the scale of what we are doing, the size of our capital programme, we absolutely would want to be talking to the Regeneration Steering Group.

**The Connétable of St. Brelade:**

Do you think that housing affordability could be assessed more effectively - for example, relating incomes to housing costs - when defining affordable housing?

**Chief Executive, Andium Homes:**

Yes, I suppose my argument ... what you have to constantly do is keep an eye on the market. I think that is why our Andium Homebuy scheme is successful. Is because we are actually saying that that is the value of that particular product and then we defer that payment. Effectively we bring it down to a price that is dictated effectively by the S.P.P.P. (Strategic Policy, Planning and Performance) group, who decide what is affordable. For instance, Samarès Nurseries, the first-time market value for those homes is £560,000, £570,000. We have been selling them for £400,000, with a 28 per cent, 20 per cent bond. So in effect those properties when they come to be sold, people will not be selling them and making a profit, so to speak. They will be selling them back to people who come through the Gateway. I think it is keeping an eye on the market. It is effectively looking at what are the incomes of people within the Island and pitching the product at a level which is considered to be affordable in terms of their incomes. Now we know, because of our experience in the market, that we can produce these homes, 3-bedroomed houses for £400,000. We probably could bring it in a bit lower, including the purchase of the land, the construction, and the associated costs. That makes that product, we would say, affordable.

**The Connétable of St. Brelade:**

Indeed. How will the delivery of mainstream affordable homes be affected by the inclusion of what we call now "rightsizing" and key worker homes on sites zoned for affordable housing?

**Chief Executive, Andium Homes:**

I think that is a very useful mechanism, rightsizing. There are a number of people in Jersey who you could say are asset rich, cash poor. They benefited from the excellent States loan scheme over

the years but they are sitting in a home worth a substantial sum of money, in a Parish that they want to live in but their actual income is pretty low. In some cases, it might be just the social security pension. So the ability to be able to offer those people a product whereby they are able to downsize, maybe realise some of that equity but also pass those family homes on to families that are waiting to purchase them is a real win-win. Definitely we feel they should be part of the product on offer. Indeed, we were looking at a scheme for the former Les Quennevais School site, which would have been an ideal opportunity - in your Parish indeed, Chair - for people to downsize. That was going to be for us a rightsizing development, which would have been attractive to people in the Don Farm area, et cetera. Because a lot of people, they have been living in a Parish for many years, they want to stay in that Parish and so the opportunity for them would have been there on that occasion, and we do need to do more of that.

**The Connétable of St. Brelade:**

I would be with you on that one and look forward perhaps in 5 years' time in some guise trying to move that one on. We shall see. I am going to go to the much-discussed subject of the 90 per cent market rent policy for Andium Homes and is it affordable for tenants, is the question?

**Chief Executive, Andium Homes:**

What I would say is, when we talk about 90 per cent is of course the 90 per cent rents policy is a States-rents policy, it was approved by the States Assembly and of course it will be for the Assembly to decide what it should be. I think - this is quite a long answer - 90 per cent or 80 per cent rents will be no more affordable than 90 per cent. What we have got to consider is, is the role of the income support scheme in making what is effectively a home affordable. 34 per cent of our tenants pay no rent at all, so their entire rent is covered by the housing component of income support. 60 per cent of our tenants are in receipt of income support and the cost of the housing component is £17 million. This is a really important point, is that Andium returns to the States £30 million. So the £17 million that our tenants receive in the housing component in income support is returned. This is the sum of money that effectively goes round in a circle. We are not receiving that money, we are effectively paying it back. But on top of that, there is another £13 million that we are returning to the States of Jersey, which is real money, it is money that is coming from the rents we receive from our tenants. So for Andium, 60 per cent of its income is returned to the States of Jersey to the Treasury. There is a lot of comment, especially in social media, that says Andium is bankrolled by the income support scheme. It is not. It is not. It is not. What we have got to decide upon as an Island is that for Andium to effectively house 4,600 tenants, so that is 10,000 people in our homes, to maintain to them, to deliver more homes, we have to have sufficient income. At the moment, even after losing 60 per cent of our income, we have sufficient to maintain our homes, we are able to borrow money to deliver the much-needed homes that people need and service that interest and the capital

repayment. As an example, we have already paid back £60 million of the bond that we secured from the States of Jersey and we paid £40 million in interest.

[11:30]

That is £100 million that we have paid out of our income. The 90 per cent rent, and the discussions to be had about it, cannot be had, in our opinion, without a discussion about the return that we make to the States of Jersey. What we would say as well at the moment is the income support scheme, as currently set up, is effectively saying to the 40 per cent of our tenants who are not in receipt of the housing component that the income that they currently have is sufficient. I think that is the debate we need to have. Is it sufficient? How many people are in rental stress? If we are going to move from 90 per cent, and I understand the desire to do that ... if it was 80 per cent we have to look at whether 80 per cent is indeed any more affordable and in deciding that you have got to review, in our opinion, your income support scheme. You have to do a social impact assessment to see whether the income support system, as currently constructed, is able to support people to meet their housing costs. But I cannot emphasise too strongly that the discussion in reducing those rents has to be in collaboration with obviously Andium and the other providers, but it has to talk about the return that we make. It is huge. It is massive.

**Mr. J. Paterson:**

A quick supplement really to the points that you have been making there. On the issue of those tenants that are dependent on income support in order to manage their finances generally, have you done any work at Andium to try and understand how many of those tenants might be constrained from taking up work opportunities, for example, as a result of the way that the income support scheme operates and the fact that rents are really quite high at the moment?

**Chief Executive, Andium Homes:**

No, we have not conducted that piece of work. I suppose we would expect that to be something that would come from Social Security or the income support scheme. I have to say we have not done that piece of work.

**The Connétable of St. Brelade:**

Jane is going to follow through with the next question. Before you start, Jane, just a quick one from John.

**The Connétable of Grouville:**

Just on the point on the 90 per cent rents, I think it is thought that people should not pay more than a third of their wage on rent. Do you know whether Andium setting their rents at 90 per cent means that people will be paying rents higher than 30 per cent of their income?

**Chief Executive, Andium Homes:**

Again, I would say it is not us who say they should be paying 90 per cent; we are required to follow the States of Jersey's rent policy. We would say that the income support scheme has set the parameters of the scheme that people who are in need of income support receive it, in order that they are not, for instance, in rental stress. What we are saying is, is that we believe that a review of the income support scheme is required in conjunction with a look at the current rent system. As I say, 34 per cent of our tenants are not paying any rent and we are not collecting any rent, effectively, on 34 per cent of the people that we are housing. We receive no income from them. I think it is a very good question that you are raising because when you have gone back in the past, when Andium used to have an in-house abatement scheme, that was very much the case, that there was a minimum rent that people paid and I think they paid no more than a third of their income in rent. But then we moved to an income support scheme. It is undoubtedly time that that was looked at, as well as the 90 per cent rents policy. It needs looking at, it needs to be settled because it is a discussion that has been going on for some time.

**The Connétable of Grouville:**

A further question on the 90 per cent. Do you think the 90 per cent has any effect on the market level of rent? It is thought by some that although it is slightly less than the market level that the market level is increasing because of Andium's policy?

**Chief Executive, Andium Homes:**

Yes, you hear that quite a lot. When you speak to the economists, et cetera, that we have spoken to they say that it does not, in terms of the number of homes that Andium has as a percentage of the actual whole market. But you are right, you do hear that quite a bit. But the advisers tell us that is not the case.

**Ms. J. Alderman:**

I was sort of looking at it from the other side of the lens, so to speak. You clearly explained the issues around the 90 per cent rent and why it is important to you. I was interested to understand, should there be some decision that rents could not remain at the 90 per cent, what sort of impact you feel that would have on your ability to borrow funds?

**Chief Executive, Andium Homes:**

If we were not able to reduce the return by the required amount, and I think it is possibly in the region of £2 million per annum to reduce down to 80 per cent, and there are various scenarios as to how you would introduce 80 per cent, but ultimately if Andium was told that it had to bear that cost I think what is important to understand, from our financial model, is that in order to make ends meet we do have to sell in the early stages of our financial model some of our homes. So that complements the idea of mixing tenures and creating owner/occupier, so to speak, from within our tenure but the fact of the matter is at the moment we have to sell homes because we do not have sufficient income, after we have paid the return, to carry out all of the functions. So what you would be looking at is we would either have to scale back on our ambitious capital programme or we would have to extend the borrowing. Now some people think that is quite a good fix. Well, you have to think about you are borrowing the money, you are paying the interest, you are taking longer to pay it back, ultimately it ends up in you delivering less homes. So, there is a discussion to be had. Our argument is really that in these early stages we would not be able to withstand a reduction in the rent and not make a reduction in the return. So we would be looking for that reduction in return. As you look at our financial model going forward, of course, depending on how many more homes we construct, then Andium Homes has more money available in order to return to the Treasury. Housing is a long-term endeavour. If Government have been guilty of anything it is a bit short-termism and Andium, we have been in existence for 6 years, it is a bit early yet to be changing the policy unless you are going to look at the return. Of course we are part of that discussion, we quite understand why that discussion has to be had. It clearly needs a solution. But there are no easy answers here.

**Ms. J. Alderman:**

I was interested, you were explaining the issues around your loan finance and obviously the cashflow required to repay. I was also interested in your borrowing capacity. I know you said in your Island return you have done a lot of work around sustainability of your existing stock but obviously clearly investment in existing stock and certainly meeting things like net carbon targets is ... I am based in the U.K. (United Kingdom), it is a very costly exercise that is being looked at here. I was just interested to understand how you felt financially, your borrowing obviously is going to be capped at some point so do you feel that your capacity is going to be constrained perhaps as a result of these conflicting issues around new build and existing stock?

**Chief Executive, Andium Homes:**

No, I mean in terms of borrowing where we obviously have the housing bond, which we have exhausted effectively, although, as I explained, we have paid quite a bit back but we then effectively reborrow it again because of the length of the bond. But we also have a rolling credit facility with 2 private banks for £150 million and we will shortly be going out to them again in order to borrow additional sums, I have to say, at very attractive rates. Our peak borrowing is in about 2028 and it will be about £507 million. Thereafter it will start to decrease. The size of our capital programme

will be about £950 million up to 2030, 2031. So at the moment, no, we are okay with the borrowing. We are clearly an attractive customer for banks and, I have to say, the rates that we are currently receiving are absolutely superb.

**The Connétable of St. Brelade:**

How does the £30 million annual return made to the Treasury impact on you on being able to carry out your role as an affordable house developer, would you say?

**Chief Executive, Andium Homes:**

The financial model that we effectively created when we were set up took into account of course the £30 million and the fact that it increased with the cost of living. So therefore we have come forward with our programme and we are able to deliver on it. Clearly our ability to do more would be enhanced by the fact if we were able to hold on to one could say the net, the £13 million (a) we could do more, (b) we could potentially reduce the rents for our current tenants. In terms of a constraint linked to the 90 per cent rents policy, no. In terms of we are meeting our business plan objectives, the requirements of Government, and we are delivering a substantial number of homes, and we are maintaining our existing stock, having brought it up to beyond the decent homes standard. But we could do more. I think, what we just want to make sure when we are having the conversation about the 90 per cent, is when you tinker with the 90 per cent, which we do understand, you have to link it to that return. If you do not that has an accumulative effect on our ability to borrow money and our ability to deliver the homes that Jersey desperately needs.

**The Connétable of St. Brelade:**

I deduce you would like to see a review of the funding regime that we have at present; am I correct in that?

**Chief Executive, Andium Homes:**

Yes, but we are also realistic. There are many demands on Government. We are in a pandemic, having been through that and coming through it hopefully, there are other demands on the Treasury. Yes, I think the elephant in the room, so to speak, has always been the return. It dwarfs any other payment made by any other incorporated body, I think, combined. It is huge.

**The Connétable of St. Brelade:**

Moving on to your understanding of how the Island public estate strategy will contribute to the provision of affordable housing by the release of Government-owned sites, what degree of engagement has there been between Government and Andium on this strategy to date?

**Chief Executive, Andium Homes:**

There has not, in effect. Having said that, we do have a good relationship with Jersey Property Holdings. What we would say is, and it will not come as any great surprise, I am sure, is that we have been having discussions about surplus Government sites for some considerable period of time and we welcome this later strategy because it does highlight the potential surpluses that maybe are delivered as a result of the rationalisation of that estate and also the key decisions around the hospital and Government officers, et cetera. What we really need is decisions about which sites are going to be released for housing. We cannot emphasise that strongly enough, and that is why we suggested a taskforce was set up because once those decisions are made we need those sites transferred. We understand that there are undoubtedly calls on many sites for many things that Government wish to do. But we need those decisions. We are hoping that this strategy will crystallise that thought and we will be seeing the sites coming to us or other providers to deliver the homes. We would say, for instance, Westaway Court. Westaway Court, my understanding is, is sitting empty. It has been empty for a while.

[11:45]

That could certainly be transferred to us and we could potentially use that for key workers. It is an opportunity that cannot be missed.

**Deputy I. Gardiner:**

As part of the strategy, the officer level decision should be taken at the Corporate Asset Management Board level. Have you been invited to attend any of the meetings of the Corporate Asset Management Board or have you been invited to make any submissions to this board?

**Chief Executive, Andium Homes:**

No, we have not.

**The Connétable of St. Brelade:**

Really going back to the estate discussions, are there any further objectives or measures that you would like to see included in the strategy that could support you in providing more affordable homes or maybe it is just a question of simply having a dialogue in the first instance? Do I understand that correctly?

**Chief Executive, Andium Homes:**

I think it is having that dialogue but, as I say, it is the decision-making process, effectively looking at these sites and reaching a conclusion within a reasonable period of time and then transferring those sites, even if they are being used for government purpose we can enter into an agreement that the site is continued to be used for that period of time. Carl was just pointing out there, we did that with

The Limes. The Limes was transferred to us. We can go ahead then and plan, we can spend the money but we need that decision. So I think it is dialogue. I have to say I think, looking back, that dialogue used to take place and I think we need to make sure that it takes place again. Andium is more than happy to be part of that process.

**The Connétable of St. Brelade:**

The Minister for Planning indicated in a meeting yesterday that he felt that was also the case. So, just to drill down a little bit into this non-communication, if I can put it, at the moment, what are the planning-related challenges or barriers to development that you have experienced so they could be improved upon by changing processes? You will understand the processes that we have in place at the moment. What needs changing, given the manpower, shall we say, to be able to implement it from their end?

**Chief Executive, Andium Homes:**

I think one thing that is definitely of great importance and importance to us is a review of various key policies within Planning. One I would highlight is in relation to parking. There is a slight disconnect between the planning policy on parking and then effectively the control element of the Planning Department that then goes to enforce that, for instance a requirement for 0.7 parking places per flat. What we would say to you on that is that we spend an enormous amount of money creating parking spaces. I will give you an example, La Collette flats where we have spent £15 million effectively on a substructure to create substantial numbers of parking places, which will not be required by the residents living there. Okay, there might be an opportunity, of course, in the Havre des Pas area with people who are short of parking, but the fact of the matter is we need some movement, for instance, on the parking provision because it adds significant cost. It still wedds us to effectively the motor vehicle, and in many respects it prevents the development of more forward-thinking policies. For instance, we are talking to a company with regard to a car-sharing club and that is the kind of thing that we feel that we need to bring to developments, particularly in St. Helier, where people are able to have access to a vehicle but not necessarily have to own one. Just to give you another example, if we had everybody with a permit on our estates in the St. Helier side of it parking, we would have 300 parking spaces more than we require. Now, that is something that we have been talking about for some considerable period of time. It is an example of where a change to policy would be beneficial, not just in terms of the cost of producing developments but also our reliance on the motor vehicle and also the ability to look at a sustainable transport policy.

**The Connétable of St. Brelade:**

Do you have the statistics or the evidence to suggest that the demand for parking, the 0.7 parking spaces per flat, is not necessary?



**Chief Executive, Andium Homes:**

We do, yes.

**The Connétable of St. Brelade:**

Did that affect, do you think, the decision made on the Gas Place site, which obviously was a private purchase by you and subsequently refused by Planning? Does the requirement of parking provision affect the viability of any changes you may have to make there?

**Chief Executive, Andium Homes:**

Well, it does, yes. It does, definitely.

**The Connétable of St. Brelade:**

So, could that site be made available for affordable housing, given that relaxation?

**Chief Executive, Andium Homes:**

Well, certainly if you did not have to provide the parking on site and you were just delivering the homes then it would substantially reduce the cost and, therefore, the viability would improve, definitely.

**Executive Lead, Digital and Strategy, Andium Homes:**

The Gas Works development was developed in line with the requirements of the States decision P.144/2017. There were a number of requirements that the States put on in terms of that development, which restrained how we had to come forward with a scheme.

**The Connétable of St. Saviour:**

Was there not a law a little while ago - well, ages ago - saying that one had to provide parking spaces for the amount of bedrooms that you had in the home you were building?

**Chief Executive, Andium Homes:**

Yes, it was a policy - I cannot remember - within Planning which is a requirement. I think it is 0.7.

**Executive Lead, Digital and Strategy, Andium Homes:**

Planning policy note 6, from my memory, which defined all the standards that a residential development should meet. They were written in 1990 and I think what we have worked with more recently, certainly within the ring road area of town, is that for affordable housing developments we have generally built with the 0.7 parking spaces per unit, recognising that a lot of units in town will be much smaller and that there are people who, because they live in town, do not need or want access to a car, and 0.7 has been the standard for some considerable time.

**The Connétable of St. Saviour:**

So that law was repealed or we just sort of pushed it aside and we are plodding on to the needs that we have now?

**Executive Lead, Digital and Strategy, Andium Homes:**

I am no expert on the law. As I say, I think there was some supplementary planning guidance that the Planning Department published which, I think you are right, the general principle was a parking space per bedroom, but I am by no means the expert on determining what has happened to that policy generally. All I can talk of is the way that affordable housing provision ... in my memory, we have generally worked to the provision of 0.7 spaces per unit, and that has been the requirement put on us by Planning.

**The Connétable of St. Saviour:**

Okay, thank you very much.

**The Connétable of St. Brelade:**

It is something perhaps as a panel we need to investigate a bit further with the Planning Department, because obviously the demands in town will vary from those out in the country developments. The introduction of a percentage of affordable homes as a planning requirement for market sites is to be further considered. Would you welcome such a policy and is it workable?

**Chief Executive, Andium Homes:**

I would welcome it. I think it is, frankly, long overdue. I think it has been talked about before. I think it is very sensible. I think it is workable. I do not suppose it will be particularly popular but, in all honesty, when you look at the developments, when you look at the profits involved with companies that are delivering these homes and selling them on the open market, et cetera, it is perfectly acceptable to ask that an element of those developments is affordable, in my view.

**Executive Lead, Digital and Strategy, Andium Homes:**

Can I interject? You talked about the workability of it, Constable. Of course, the workability of such a scheme goes beyond the initial purchase. If you are going to make sure you lock in the benefit of those affordable homes for future owners and future generations, you need to have the mechanisms in place to ensure that the resales are targeted at the right people. For instance, if it was a scheme similar to Homebuy where you had part of the value secured in some kind of bond or second charge on the property to ensure that there is not profiteering going on, you need a mechanism and you need an agent. In our response on the Island Plan, what we have suggested is we are the only affordable housing provider who does affordable sales through the Gateway. We have assisted the

Jersey Homes Trust and we are currently assisting the States of Jersey Development Company with resales at College Gardens, for instance, because of our knowledge in this area and the fact that we have that relationship with the Gateway and with the buyers and with borrowers too. If we are going to have individual private developers creating affordable housing, and particularly if that affordable housing was for purchase, you might need an agency such as us that can ensure that those sales as they go forward are made to the right people, people passing through the Gateway, and that the security in terms of the affordability bonds are protected in the long term.

**The Connétable of St. Brelade:**

Yes, I agree with you and I think the more of these properties we can keep in perpetuity accessible and affordable the better.

**Executive Lead, Digital and Strategy, Andium Homes:**

Yes, indeed.

**The Connétable of St. Brelade:**

Given the impetus for increasing supply, does Andium and the Government have sufficient personnel with the right skills to support this level of production and, if not, what are the priorities for improving resources? You can speak for you. I think we have identified the Government difficulties but from your point of view have you the need to increase resources?

**Chief Executive, Andium Homes:**

No, not at the moment. At Andium Homes there are 50 of us. By anyone's standards that is not a large number in view of the fact of the landlord function we have got and the size of our capital programme. Having said that, we are sound on current resources and, in terms of staff resources, we have sufficient people to deliver the programme that we currently put forward. We definitely have access to sufficient funds, so we are okay, I have to say, at the moment.

**The Connétable of St. Brelade:**

Moving on to the construction sector in Jersey at present; it is stretched. I think we all know that. How can its capacity be improved?

**Chief Executive, Andium Homes:**

We have, effectively, 4 tier 1 contractors that we work with for our largest schemes and we are regularly assessing their capacity. I think what is absolutely vital here is the pipeline of work that we are able to provide to the construction industry. We are looking at a pipeline of more than 10 years. Now, if you do that and you are able to smooth out the peaks and the troughs, that is really, really important in the long term. Housing is a long-term endeavour, these are long-term construction

plans, and working with those contractors we are giving them the opportunity, effectively, to be able to manage their capacity. The other thing that we do, and we have been moving to, is development agreements. So a development agreement enables us ... for instance with The Limes we have signed a development agreement with ROK. We will not be starting on site there for probably well over a year but the certainty that we have been able to give that contractor is they have been able to obviously ... they are out busy with their supply chain, et cetera. It also enables people to put in those training processes so that they are able to recruit people, apprentices, to their organisations in order that we have got the skills coming through these companies. So, in a nutshell, it is something we keep a very close eye on. We talk constantly with our contractors about their ability to deliver. It is about that pipeline of work. The other thing I have mentioned is the development agreements. The development agreements shift a lot of the risk from us to the contractor, which they are able to manage in terms of the length of time they know that they have got and the projects that are going to be coming their way.

**The Connétable of St. Brelade:**

I am going to pass on to John Paterson who will investigate some more investments in construction.

[12:00]

**Mr. J. Paterson:**

A quick question really, in a follow-up to the answer you just gave. In those relationships you have with your existing contractors, and who knows, maybe even in relation to the development agreements that you are entering into, are you specifically looking for them to deploy more by way of, say, offsite manufacture or other modern methods of construction?

**Chief Executive, Andium Homes:**

Yes, we are and we have had some notable successes. If we can talk a bit about Plaisant Place; this is a development of 21 homes and a facility for Age Concern that we have been able to deliver. We wanted to explore this particular site with a view to using a modern method of construction with Hadley steel frame. The benefit of the Hadley steel frame is there is a relationship that was created with Normans, a merchant here. The Hadley steel frame is effectively in sheets or in coils or whatever it is, it arrives in Jersey and it is put together in a factory up at Five Oaks, I believe. You are getting a workforce, for instance, who is getting trained in the use of this material, so you have got local employment. Its success at Plaisant Place has been superb. This was a pilot scheme, so we had a contractor who had never used it before. They are delighted with it. It saved us 6 months in the construction. So we finished this development in 10½ months. As a result of that, Hadley Steel Framing I believe is being used in other construction sites in Jersey. But we used it first and we will be certainly using it on other of our sites. We have also been using and trialling I.C.F.

(insulated concrete forms). These are the polystyrene blocks that you fill up with concrete. We have used them on 2 sites. Again, the speed of construction has been excellent. It has certainly found favour with the contractors that have been using it and they want to use it again. The other thing is that I have mentioned is that we have had on some other of our sites real shortages in terms of block-layers. These methods have neutralised that issue because they are not required to that extent. We are also looking at laminated timber, so we want to pursue that. For us, modern methods of construction are absolutely key. It is providing opportunities for skilling-up the local workforce. It is helping in terms of the scarcity of times of subcontractors. We are going to be scaling up with these modern methods for some of our larger schemes. The savings in terms of the time and the manpower is really impressive, really excited about this. So we are making progress on it.

**Mr. J. Paterson:**

Great, thanks for that. Can I just ask a follow-up question, slightly different, but still about innovation in construction? I recall seeing your observations in the feedback you gave to the draft bridging Island Plan about passive house standards and whether or not that was the appropriate way to go in terms of improving energy efficiency going forward. Also whether it is fair that only the affordable housing sector is being asked to take the strain with those enhanced standards and other aspects of production. I recall also you mentioned that you were undertaking some pilot projects looking at how to improve energy efficiency. You were having some support from Exeter City Council, if I remember rightly. I just wondered how that was going and what it might culminate in. Might it mean that you have differently defined expectations for energy efficiency, maybe not passive homes?

**Chief Executive, Andium Homes:**

We have made a lot of progress in terms of our existing stock. Because at one time we were burning 1.7 million litres of oil every year with our district heating schemes. We have brought that down to 30,000 litres and by 2023 we will have completely finished, because we have thermally upgraded much of our stock and we have moved to electric heating systems. So that was a major change for us and it has ultimately been dramatic. But for us, in terms of the passive house, we are at the early stages. We certainly did not want to come over in our response as saying we were anti that. What we wanted to do is say we need to do some more work here. We need to do a pilot project with a brand new house, passive house standards. We want to do a retrofit and we want to produce something that was probably to 80 per cent to 85 per cent of what would be passive house accreditation. The really good relationship that we have developed with Exeter, and regrettably they were meant to be coming over within the next few days for a workshop, because they have been pushing the boundaries on passive house and have been providing passive house for their rental stock. So that is vital that we are able to talk to them about the lessons they have learned in delivering it. But what we were saying is we would like to get on with that pilot programme and we are making progress and we have just started, but we are making progress to be getting on with

that. Certainly we will be pushing it forward this year and next year. With Government and interested bodies, it is to effectively be a part of a group where we can be completely transparent and say the lessons we have learned from doing this. Is this the right way to go for Jersey or would an 85 per cent of a passive house accreditation be sufficient for what we need and suitable? Then evaluate those results and decide what is best. We are certainly not anti it. We feel we need to do some more investigation. We were a little bit concerned of course that it was just, as you mentioned, it was the affordable housing sector was picking up that passive house requirement. Once we have done the level of investigation and if it is decided that, yes, passive house is what we want, let us roll it out throughout the tenures, not just affordable housing.

**Mr. J. Paterson:**

Thanks a lot.

**The Connétable of St. Brelade:**

I was told that there was experience of a Polish product coming into the Island with M.M.C. (Modern Methods of Construction). Do you have experience of that at all?

**Chief Executive, Andium Homes:**

I have not, Chair, but we would be delighted to hear about it. I have not, do you?

**Executive Lead, Digital and Strategy, Andium Homes:**

Not that I am aware of. But we are very open to any new ideas. As we have demonstrated, we have certainly picked these things up and we are prepared to lead with them on a small to moderate scale initially. That is sensible. But, as Ian said, success of things like Hadley Steel Framing and I.C.F., both of which are passive house compliant standards, has meant that we are very keen to do more and more of them.

**The Connétable of St. Brelade:**

Certainly more predictable in cost terms I would imagine too, which is helpful. Moving on and developing on that conversation: do the proposed increased environmental standards and design standards and Sustainable Communities Fund make sites unviable in any shape or form?

**Chief Executive, Andium Homes:**

I do not think they do. They stretch us, which is a good thing. It is fair to say that construction methods are quite conservative in Jersey and therefore demands made in that area are helpful. So, no, you have to think outside the box and approach it in a different way. But it is the future, it is the way we want to go, so we are positive about it.

**The Connétable of St. Brelade:**

Clearly the declared climate emergency, and we have reports from the recent citizens' panel, which are certainly pointing us in that direction. I suspect that it is a route that Jersey will wish to take. Do you consider there is a scope to partner or form a joint venture with other organisations in the delivery of more affordable homes, for example the Jersey Development Company, individual Parishes or private developers?

**Chief Executive, Andium Homes:**

Absolutely. We are very keen to work with certainly the Parishes in assisting them to deliver their village schemes. We can help enormously in that regard and we would be only too delighted to work with Parishes to deliver what they want. In terms of S.o.J.D.C., absolutely. There is no reason at all why we should not be working together collaboratively on sites. They are producing a particular product. We produce the affordable side of that. Let us work collaboratively. I would also say that we would be more than happy to work with other housing trusts, because some of them are quite small. They want to develop, they want to increase in size, and there is opportunity for us to work with them on particular sites. So for us collaboration is the name of the game, it is really important.

**The Connétable of St. Brelade:**

From the point of view of the Parishes, there are some represented here, we would be eager to progress that too. Jane, you have a question?

**Ms. J. Alderman:**

It is a question related to joint working, but I wondered if you thought that the Government had a role in assisting with site assembly or maybe where brownfield sites might be costly to bring forward, perhaps making payments to assist with a site's decontamination. I would be interested in your views on the Government's role in bringing sites forward, particularly for affordable housing.

**Chief Executive, Andium Homes:**

That would be very positive. Let us be honest, although people criticise Governments, Governments get things done. They can get things done. They can shift and move things like that. For me, what I would say is that when we look at St. Helier, I am probably slightly broadening your question, but when we look at St. Helier, St. Helier has enormous opportunities to deliver solutions in housing terms, placemaking, communities. That is where Government could be hugely beneficial and helpful and that catalyst for moving that forward. If we look at the housing situation, I am sure we all accept that there will be village developments in the various Parishes. But the answer lies in St. Helier. For us, we are really quite excited about the opportunities in St. Helier to make it an attractive place to live. Not fill it with homes but fill it with good amenity space, good transport, good greenways. We talk about greenways that you would be able to passage your way through St. Helier. Of course

homes, we could probably go a bit higher. But St. Helier has enormous opportunities to deliver the homes and the communities. That is really what we want to talk about is that, when we talk about numbers and the numbers required, let us talk about the placemaking, let us talk about the communities that we want to create. When you look at St. Helier, wow, there are some real opportunities there, really exciting opportunities.

**Ms. J. Alderman:**

Thank you.

**The Connétable of St. Brelade:**

We spoke yesterday with the Minister for Housing and Communities about height. What are your views on height? You have just alluded to it.

**Chief Executive, Andium Homes:**

We could go quite a bit higher in certainly the north of St. Helier. You have a good backdrop there. We should not fear that at all. I was looking the other day at some of these greened-up buildings, they are high-rise buildings but they are absolutely superb. It would be brilliant to see some of these buildings in St. Helier. They are not skyscrapers. I am not suggesting we go too high. But the current restriction is too much and we certainly could go higher. But we have to make these places attractive places to live with good amenity space. That is the key. But I have to say we can go higher.

**The Connétable of St. Brelade:**

Maybe with a roof garden.

**Deputy I. Gardiner:**

I think that the Constable of Grouville before asked for the question.

**The Connétable of Grouville:**

Currently the Gateway system is a mechanism by which houses are issued. It does not really allow for Parishes to be directly involved in who lives in those houses. If Parishes are to get behind the rezoning of greenfield sites, how can we ensure that they have a good say on who lives in them to make sure that people from within our communities have first choice of moving into them? Because to try to get communities to have greenfield sites rezoned, they are going to want to make sure that those communities have a say in who lives in those homes.

[12:15]



**Chief Executive, Andium Homes:**

I totally agree with you. We have lost something in terms of the Parishes were far more involved in the village schemes that were developed, in terms of the allocation, et cetera, and sustaining the communities. So the Parishes are absolutely key. There would not be a problem at all in giving the Parishes a greater say. At the end of the day, you are talking about people who come through a Gateway, who are in need of a home. But ultimately the Parish is going to want to sustain the communities it has and keep the people who have links to their Parish. That is eminently sensible. I would be fully supportive, well certainly Andium would support any attempt to give the Parishes a much greater say in the allocation of the homes in their Parish.

**Executive Lead, Digital and Strategy, Andium Homes:**

When we did the Ville du Manoir scheme, we came up with a policy effectively with the Constable and the affordable housing group in St. Peter that did exactly that. It recognised that people passed through the Gateway, but it gave priority to people who could demonstrate those strong Parish links. That flexibility was something that the Minister for Housing and Communities at the time was more than happy to sign off on. It is important.

**Chief Executive, Andium Homes:**

Dare I say, we are in danger of having centralised things a little bit too much. The Parishes know what they are doing. They know about people who need to be housed. Let us work with you as a Parish. If we could assist Grouville, for instance, in delivering homes, that is fine, that would be great.

**The Connétable of Grouville:**

Indeed, we have had discussions in the past and you have been extremely helpful I must say. It is just that in the Gateway system it is not written down. There may be an assumption that Parishes will be involved, but it would give me comfort and probably my parishioners comfort. In other Parishes as well of course, because they all have their own land that has been put forward. It would give me some comfort if there was some written policy that would recognise what we are saying. I am not suggesting that it should be exclusively to an individual Parish, but certainly a large proportion I would like to think would be allocated to those with community ties. Just to add, it may seem strange to people from outside of the U.K. with such a small Island that people like to live in one particular corner or another. But locals and those who have been here even a short while will soon realise that people like to live in the east or the west or wherever. It is a bit quirky to us, but it is certainly very important. Also very important for the elderly and people who are talking about rightsizing and providing rightsized houses for people to move out of their big houses. For the elderly it is probably even more important.

**Executive Lead, Digital and Strategy, Andium Homes:**

One of the things that is happening separately, but clearly linked to this, is that at the moment the purchase list in the Gateway is managed as part of the Gateway overall by Social Security on behalf of the Minister for Housing and Communities. The decision that has been made following the recommendation of the Gateway review is that the purchase list in the Gateway is coming to Andium Homes and we are going to manage it for the Minister for Housing and Communities. So certainly that point that the Constable raises about the parochial policy is something we could certainly have a look at and talk to the Minister about in our role managing that gateway for him.

**Chief Executive, Andium Homes:**

That is a very valid point and we would be very supportive of Parishes having a much greater say and working with yourselves.

**Deputy I. Gardiner:**

I have to pick up on the last point before I am going with my first question. Would you also suggest that St. Helier as a Parish would have a greater say, and a larger proportion of the houses in St. Helier should go in the first instance to St. Helier residents, if we follow the same logic?

**Chief Executive, Andium Homes:**

Why not? The majority of people, a large percentage of people living in Jersey live in St. Helier. For me, St. Helier, we call it a town, but St. Helier is key to so many of the issues that we are facing and that can only be successful if the people who live in St. Helier are effectively the owners of what is happening in their Parish. Because St. Helier as a Parish matters just as much as Grouville and St. Brelade and St. Martin.

**Deputy I. Gardiner:**

Thank you, I appreciate it. That is a new vision and we will need to discuss, as probably everybody knows that I have an amendment to the bridging Island Plan which makes 50:50 allocation and probably the conversation will continue. Going back to the contractors, I would like to understand your view, and I absolutely agree we have lots of opportunities, we need to build the communities, which is an attractive place to live for parishioners. Do we have capability within the construction industry to meet the objectives if everything was to go forward? Because we talk about a construction industry that is overheated and there is a long queue to get projects done. So do we need to develop and support other construction companies who can deliver maybe smaller sized projects? How do you feel about what is happening in this industry?

**Chief Executive, Andium Homes:**

I would agree with that. Certainly the last bit you were mentioning there about other contractors of differing sizes. I was referring to tier 1 contractors who deal with our larger schemes. But we have tier 2 and tier 3. What is really important is that working with the construction industry and working long term about the work they have is that gives them the ability to bring in the resources they need and to get the training in place. At one time there were virtually no apprenticeships available at all. Hence why we keep having to effectively bring people into the Island because we have not been able to or have not trained those people in our Island who would like to acquire those skills. But, as we were saying, if you are able to give contractors that pipeline of work, then they can certainly look more longer term. I would say they do have the capacity. I would say they do have the ability throughout the construction industry in Jersey. It is very busy. An alternative is that you do go overseas and you do bring in another contractor who will have to also bring in their subcontractors. That of course, in an Island that, without venturing into the population issue, that will present some difficulty. It is really time to develop our own people within Jersey and give people opportunities to enter the construction industry. It is a great industry to be part of. But we can do a lot more in terms of apprenticeships and training and expanding that market locally, in my view.

**Deputy I. Gardiner:**

I appreciate it and I do agree that it would be good to invest in the apprenticeships. One quick supplementary, just to understand the process. You mentioned that for the large projects you have a contractor partnership with ROK company. If I understood correct from the first that for developments Stratford and Revere Hotels that the partnership would go to Dandara. Do you have then the process to change, to choose the partner to keep costs down for the development for affordable houses, which is very important; the construction part is one of the major costs that will contribute. So how do you choose your contractor and partnerships for the projects?

**Chief Executive, Andium Homes:**

We do have a tender process, a rigorous tender process, and we do tender our projects. For instance, the hotel project, of course these sites were effectively in the projected ownership of Dandara. So, for instance, the relationship with hotels, they were not our hotels, so effectively Dandara was approaching us with a view to developing these hotels and therefore we entered into a partnership and a discussion and negotiation about pricing. But where we are pushing on a site that we own or we are going to own ourselves, we tender the projects. We sometimes have a preferred developer but in effect that is quite rare. We do need to test the market. We do test the market. But with 4 tier 1 contractors obviously the market is limited. People come in and out. There are some of the tier 1 contractors who have not picked up some of the work from us because they have not tendered sufficiently keenly to get the work. So we try to even it out but of course ultimately we are delivering value for money and the best deal we can for the public of the Island.

**The Connétable of St. Brelade:**

I wonder, just picking up on the comment regarding training, I am not sure if it is the case, but I wonder if there is any mileage in Highlands College being rather more proactive in training on the modern methods of construction. Maybe they do already. Do you have any knowledge of that?

**Chief Executive, Andium Homes:**

I do not know if they do. But it is a good point because again it is one of these things where the communication, the discussion between the various interested groups needs to be better established. That is something we could pick up with the contractors because there is a role to play I am sure for Highlands in that regard. Because modern methods, they are very different, and that is a skill base that we would want to exploit. So that is a good point and I will follow that up.

**The Connétable of St. Brelade:**

I do not know if my panel or the advisers have any further questions.

**The Connétable of Grouville:**

Could I ask a quick question, a fairly detailed point? Rightsizing homes, those that are proposed for the rezoned affordable housing sites, you mentioned earlier that you are going to take responsibility for sales through the Gateway. Will those rightsizing homes go through the Gateway and the sales be administered by Andium?

**Executive Lead, Digital and Strategy, Andium Homes:**

The answer to that is that the devil probably is in the detail. There is clearly a rightsizing scheme, which needs to be developed with the Minister for Housing and Communities as part of his creating better homes plan. But it makes a huge amount of sense that, if the home that a rightsizer might be releasing is in all likelihood going to be an owner-occupied home, and the rightsizer, some may want to rent potentially, clearly in terms of freeing up equity. But some might like the security of knowing that they own the roof over their head or they have a lifetime lease on the roof over their head. There are different models that we can potentially introduce, which make rightsizing the most effective policy it can be. I know anecdotally when my parents moved out of their 3-bedroom house and wanted to downsize into a bungalow in the Parish in which they lived, they would have had no equity left from their 3-bedroom house. The price was practically the same. So are there opportunities to deliver different tenure models for rightsizers, which allow rightsizers who may be asset-rich/cash-poor, to realise some equity, maybe help out their children on to the ladder. But one size is unlikely to fit all and this is where we will need to and want to work closely with the Minister and with his advisers. We do need to understand what the need of rightsizers are, what their aspirations are, what it is that they want. Because there is really a prize there if we can unlock those family homes, which are not being optimally occupied, that is the prize. What we need to understand is how we

make that happen. We are absolutely determined to play a part in that and to work with the Minister to come up with the detailed policies that will make it happen.

**Ms. J. Alderman:**

Just a quick follow-up on the rightsizers question. In terms of the properties, I am interested in the concept of these properties being released to assist with problems around affordability, whether it is directly affordable homes or affordability. There is a risk that these properties are really quite high value and may well not be doing what they are meant to do. I just wondered about your thoughts on that.

**Executive Lead, Digital and Strategy, Andium Homes:**

That is right. The Constable, the Chair, alluded to it earlier. The States were extremely successful in the 1970s, 1980s and 1990s, in building lots of family homes for first-time buyers. But they were first-time buyers on initial purchase. Most of them are not first-time buyer in perpetuity. So they now transact in the open market at values that are certainly above the affordable level Ian was mentioning earlier of the homes we are delivering.

[12:30]

So that is part of what we need to get into in terms of the policy. In order to access a rightsizing home on a rezoned site, are there some rules about how you get access? Are there some conditions about how you release your existing home? The devil is in the detail. Until we understand in greater detail who those rightsizers are and what they are aspiring to, we will construct a solution that aims to meet those objectives. Overall, if a 3-bedroom house on a former States-owned development is released into the market place as new supply to be purchased by another family, even if it is being purchased at full market rate, it is still a home that is being used more effectively. That in itself is a prize.

**The Connétable of St. Brelade:**

Mr. Gallichan, Mr. Mavity, thank you very much for presenting to us this morning. It has been very helpful. We look forward to talking again soon and we will produce our report in the fullness of time. So thanks once again.

[12:31]