

STATES OF JERSEY



LAND TRANSACTION UNDER STANDING ORDER 168(3) – ANDIUM HOMES LTD SITE, KENSINGTON PLACE – SALE TO THE PUBLIC: DEFERRAL OF APPROVAL (P.11/2023) – COMMENTS

Presented to the States on 14th April 2023
by the Council of Ministers

STATES GREFFE

COMMENTS

In December 2022, the States Assembly debated and rejected a proposition to defer decisions on the hospital; and subsequently approved funding in an Amendment to the 2023-26 Government Plan, including the acquisition costs for Kensington Place, so the project could proceed.

These were positive decisions by this new Assembly that enabled work to continue at a good pace.

Indeed, while the recent formal notice to the Assembly under Standing Orders of the intention to acquire the land was important, the Amendment to the Government Plan specifically outlined an intention to acquire the site by allocating funding for its acquisition. The Amendment was subsequently passed by 33 votes to 12.

The Council of Ministers asks that Members maintain this faith and confidence, combined with critical analysis and scrutiny, and permit the Government to take the necessary steps to deliver new hospital facilities, including acquiring land from Andium Homes in Kensington Place.

The crucial point is that we need to provide Andium with more certainty and should not leave them in the position of owning land expected to be needed for new health care facilities.

If the land is not acquired by the public at this time, it means that Andium will have £16 million of investment capital held up and will continue to pay £57,000 per month in financing costs on the site - when they need to be focusing on delivering much-needed social housing elsewhere.

We have an obligation to treat our social housing provider fairly, and not leave them in limbo. Andium are doing good work to deliver an increasing number of good quality units and need to concentrate on viable sites. The delivery of housing is a priority.

The Proposition also says that deferring the acquisition of the Kensington place site would not have implications for the programme timeline. This is not the case. To meet the timelines set out in R.32/2023, “Approach to Delivering New Health Care Facilities”¹ the programme must progress as quickly as possible.

A key factor in doing this is a clear and certain understanding of what land is available for development, enabling the programme to progress initial designs based upon the usable ground floor space. Deferring the point at which the available space is certain creates a risk that rework will be required to update designs.

It is also difficult to argue with the agreed price for the site. It has been valued by three independent Royal Institution of Chartered Surveyors valuers. The site has been cleared, planning permission has been achieved, and the value of land has increased since the site was acquired by Andium. Delay in acquiring the land would likely increase the overall costs of the programme due to an associated increase in land prices as a result of inflationary pressures,

¹ [Approach to Delivering New Health Care Facilities \(gov.je\)](https://www.gov.je/Approach-to-Delivering-New-Health-Care-Facilities)

In any case, the strategic acquisition of the Kensington Place site would be recorded as an asset for the public of Jersey. In the unlikely event that the plans for the New Healthcare Facilities programme were to change, then the Government would be able to sell the asset at an appropriate value.

The site will also be useful in the short to medium term, providing additional space around the very constricted, existing hospital site that under any plan would have a continued need to be maintained and remain operational.

Conclusion

Ministers are intending to acquire land for the public from a company owned by the public, so we deliver new health care facilities.

The risks of proceeding are limited, as we are acquiring an asset, while the risks of not proceeding are considerable. Not proceeding leaves a fundamental uncertainty for Andium, delays social housing, and means unnecessary risk and delay in delivering new health care facilities.

Ministers accept the need for challenge and scrutiny but ask Members to reject the proposition.

A number of governments and elected Assemblies have wrestled with delivering new facilities, and it is essential that this Government and Assembly finally deliver. Further delay will only negatively affect confidence in the programme delivery.

We should continue to look positively forward, moving at a good pace, and ensuring that this Assembly finally delivers the facilities that are needed by Islanders.