

3. Oral Questions

3.1 Senator A. Breckon of the Minister for Treasury and Resources regarding the transfer of Ann Court to a Housing Trust:

Would the Minister advise whether Ann Court has been transferred from the Housing Department to Property Holdings and then on to the Housing Trust and, if so, who made this decision, when was this made and why?

Senator P.F.C. Ozouf:

My Assistant Minister handles properties; he will answer this question.

Deputy E.J. Noel of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):

The Minister for Housing signed a Ministerial decision on 6th August 2013 approving the transfer of the former Ann Court site from the Housing Department to the Treasury and Resources Department. A corresponding Ministerial decision was signed by the Treasury and Resources Department on 12th August 2013 to receive the site and to authorise officers to enter into negotiations with the Jersey Homes Trust and other stakeholders to consider the future use and potential disposal of this site. I would like to remind Members that both of these Ministerial decisions are already in the public domain. Discussions with the Jersey Homes Trust involving officers of the Transport and Technical Services Department, the Planning and Environment Department and Jersey Property Holdings are continuing. Should a decision be taken to sell the site, States Members will be informed in accordance with the requirements of Standing Order 168. Subject to planning and other necessary approvals, the site will be developed to provide much-needed social housing and a public car park in the heart of the town.

3.1.1 Senator A. Breckon:

Bearing in mind that this House later this week will discuss a £250 million fund for the Housing Department, can the Assistant Minister say why we need to sell this?

Deputy E.J. Noel:

It is quite simple: the Jersey Homes Trust is in a position to fund the development from a mixture of borrowings and its accumulated reserves and they are ready to move on with this project in short order. This will enable the Housing Company to focus on delivering its other projects in its schedule of housing schemes to maximise the delivery of new housing in a social housing market.

3.1.2 Deputy J.G. Reed of St. Ouen:

Is the Assistant Minister suggesting that not only will the Housing Trust purchase this site, but they will also construct a public car park on the site for use by government?

Deputy E.J. Noel:

Whoever develops the site will be doing it in 2 phases: the first phase will be delivering a public car park and resident car parking and the second phase will be producing the units of accommodation on top.

3.1.3 Senator S.C. Ferguson:

Is the Jersey Homes Trust the only housing association that has been asked to, effectively, tender on this project?

Deputy E.J. Noel:

I believe that currently this is the only housing trust that we are negotiating with, yes.

3.1.4 Senator S.C. Ferguson:

I am sorry, a supplementary. Does this mean that the department has not contacted any of the other housing trusts about this?

Deputy E.J. Noel:

Jersey Homes Trust has the ability and the resources available to deliver this site in short order, hence why our officers are in negotiations with that body to make sure that we deliver social rented housing on this site as soon as it is available.

Senator S.C. Ferguson:

Would the Assistant Minister please answer the question: did the department not approach any of the other housing trusts?

Deputy E.J. Noel:

I am not aware that the department has approached any other housing trust. We work closely with the housing trusts and, as far as I am aware for a development of this size, the Jersey Homes Trust is the only housing trust that could afford to deliver it at this time.

3.1.5 Connétable P.J. Rondel of St. John:

Given that the site is currently in our hands, it is prudent to be putting it in a trust when we are looking for sites for building for our new Housing Department? It gives me real concerns. Further to that, will any funds raised by selling this stay within Property Holdings or will this go to the Treasury once it has been sold?

Deputy E.J. Noel:

The Treasury and Property Holdings are one and the same thing. Funds that are generated from sale of States land comes back to the States.

3.1.6 Deputy G.P. Southern of St. Helier:

The Deputy Minister made the point that this would allow the States to get on with other building of social housing but surely the correct way to do it is that we already have this land, we own this land, we should be building on it and it is up to Jersey Homes Trust to find land elsewhere and develop that for social rented housing?

Deputy E.J. Noel:

This really is probably a question for the Minister for Housing as opposed to myself, but I understand that the Housing Department believes that Jersey Homes Trust can deliver this particular site quicker than the Housing Department can.

3.1.7 The Connétable of St. John:

The Assistant Minister mentioned one and the same, the Treasury and Property Holdings. They are not one and the same because Property Holdings is a standalone company and ...

Senator P.F.C. Ozouf:

A quango then, Sir.

The Connétable of St. John:

Can I finish without being interrupted by the Minister for Treasury and Resources? It is a standalone quango, for want of a better word, since you will not accept that the way it has been set up is a company. Money stays within that department. Will it be coming back - and

can you leave the Assistant Minister to answer, please, not the Minister for Treasury and Resources - [Laughter] directly into the Treasury, or will it be staying in the Property Holdings' account for goodness knows how long, so they can invest in other areas?

Deputy E.J. Noel:

Although well-meaning, the Constable needs to come and see the Treasury and have an understanding of how Jersey Property Holdings is set up and works. It is not a quango, but it is under instructions from this Assembly to dispose of properties that are no longer of operational use. Those funds come back into the capital programme; that is a decision of this Assembly so, with all due respect, the Constable should know that.

3.1.8 Deputy G.P. Southern:

Do we have a parallel with what we were doing 10 years ago, which was giving land to the Housing Trust in order to create social rented housing, in which case, could the Assistant Minister give us a ballpark figure about what money we are talking about here? Are we talking £30 million? Are we talking £100 million? Are we talking a token £1 that we would transfer the land for?

Deputy E.J. Noel:

This particular Assistant Minister never gives anything away. The value of the site is to be determined through the standard cost amortisation model that would take into account rents receivable at 90 per cent of market rate, less agreed operating and maintenance costs and these, together with the development costs, will derive a residual land value for the site. That amount will depend on a number of factors such as the type and mix of the actual accommodation being offered and depending on what is obviously approved through the planning process. So, no, I cannot give a definitive figure, but what I can inform the Assembly of is that the land value that is calculated prior to the sale going ahead will be completely transparent and completely in accordance with the amortisation costs model for social housing.

3.1.9 Deputy M.R. Higgins of St. Helier:

I am delighted to hear that things are going to be transparent, because they are not at the moment. What we have got is a situation where the Assistant Minister has told the House that Jersey Homes Trust is acquiring the land. He has told us it did not consult with the other agencies, it did not find out whether the other housing trusts have got any money or could have funded it or put forward alternative things, and it seems that you have got a preferential arrangement with Jersey Homes Trust. Is that correct? Is it acceptable that in this day and age, when we are supposed to be going out to tender for everything and getting best value for money, that we are getting it in this case?

Deputy E.J. Noel:

I believe that the Deputy there is conflating 2 separate arguments into one. Should a decision be taken to sell the site it will be done so on an arms-length basis using the appropriate social housing funding model. It is simple and that process will be completely transparent.

Deputy M.R. Higgins:

The Assistant Minister has not answered the question: will he confirm he did not consult with the other housing trusts and did not find out whether they had sufficient funds to tender for it?

Deputy E.J. Noel:

I have already answered that question in the question from Senator Ferguson. Yes, we have looked at this and at this moment in time I am advised that the only housing trust that has the ability to deliver this project is the Jersey Homes Trust.

3.1.10 Deputy J.A. Martin of St. Helier:

The Assistant Minister stated that properties with no further use would be sold. This is a prime site in town for further use. This only came out in the States because we were asking about the parking underneath, and it is a *fait accompli* because the answer from the Minister for Transport and Technical Services 2 weeks ago was: “That will be dependent on what the plans are from the Jersey Homes Trust.” Is it going to be a private car park? Are they going to have income? I saw the Minister for Treasury and Resources mouthing that it is too small a site to go out to tender. It is worth millions of pounds, this project, and I would like to see the audit trail now from the Assistant Minister already and not saying it is going to be transparent, because it was just a slip of the tongue from the Minister for Transport and Technical Services that we have found out about this again ...

The Deputy Bailiff:

Are you coming on to your question, Deputy?

Deputy J.A. Martin:

Yes, I am, Sir. I would like the Assistant Minister for Treasury and Resources to produce the audit trail so far and explain specifically why this did not go out to tender and did not worry about any other homes trust and what they know?

Deputy E.J. Noel:

Simply, we have not got to the stage where we are asking Jersey Homes Trust to tender; we are in negotiations with them, along with the Transport and Technical Services Department and the Planning and Environment Department, to finalise a scheme that can be costed-up. In terms of the car park, the intention is that is going to stay in public ownership.

3.1.11 Deputy C.F. Labey of Grouville:

Could the Assistant Minister explain how and why a housing trust should be able to deliver much-needed homes quicker than the States?

Deputy E.J. Noel:

I think that really is a question for the Minister for Housing and not for myself. The Housing Department decided that this site could be delivered quicker via another means and we are happy to facilitate that.

3.1.12 Senator A. Breckon:

In one of his answers the Assistant Minister said that sites in States ownership would be sold if they had no operational use. Is he really saying that this prime town site does not have operational use when there is a proven need for States housing?

Deputy E.J. Noel:

This particular site does have a need for social housing, but the States do not have to be the only provider of that housing. We have a number of housing trusts, Jersey Homes Trust is one of those, and they are in a very good position to provide good quality social housing. Moving forward, not only that, they will be regulated. This is a good thing for Islanders, it means that we can increase the capacity of the stock and we can get more people that desperately need homes into appropriate housing.