

Redevelopment of Maison de Ville

For consideration by
the Parish Assembly
on 2 June 2014 at 7pm

PARISH of ST HELIER

P.5/2014



PROPOSITION

PARISHIONERS are asked to take into consideration and if deemed advisable:

to approve a recommendation of the Connétable and Procureurs du Bien Public, following the Assembly's approval of a Homes Strategy (P.3/2012) on 11 July 2012, to demolish Maison de Ville, La Pouquelaye, and redevelop the site incorporating 29 extra care living apartments and a 60 place Day Nursery at a cost of £11million.

REPORT

Summary:

On 11 July 2012, the Assembly approved the recommendations that the Parish should redevelop its residential homes at Maison de Ville and St Ewolds and authorised the Connétable and Procureurs du Bien Public to invest up to £15m in the development of these homes, subject to approval of the final scheme by the Parish Assembly (Projet P.3/2012)

The Parish intends to continue with its current strategy of providing high quality care for the elderly through the provision of residential accommodation at a price that will remain affordable to the average parishioner, thereby providing future assurance of care for parishioners and their dependents.

Proposals:

The Parish has pursued a policy of providing high quality care at an affordable price for the elderly of the Parish and wider Island community for over 40 years. To this end, it currently runs two highly regarded residential care homes, St Helier House and St Ewolds, which jointly provide 122 beds.

On 20 December 2013 the Parish closed Maison de Ville, as it was unable to meet modern care home regulation standards with no real possibility of upgrading. As a result, the Parish has been examining options for this site.

Having carried out further work and research the Parish had to dismiss the option of refurbishing the existing building, due to the restrictive constraints that the existing building imposes, which would have meant compromising on the size, number and quality of the apartments, making the 60 place Nursery within the ground floor extremely difficult to realise.

Due to the closure of Maison de Ville the Parish revisited the original strategy and has amended this slightly: the main change is that the Parish no longer needs to seek a temporary location for Avranches Day Nursery located at St Ewolds. The Parish is recommending the following revised strategy:

1. Redevelop Maison de Ville site to provide 29 retirement apartments, available to purchase at open market prices to people over the age of 55 years. Part of the ground floor will include a 60 place day Nursery to replace the Avranches Day Nursery at St Ewolds and the lower ground floor will incorporate 23 parking spaces and 5 on street Nursery drop off points. Drawings and details on display at back of Hall.
2. To present at a future Parish Assembly proposals for St Ewolds

Plans for the proposed development of Maison de Ville have been developed with the close cooperation and expert advice of Andrew Wilson Partnership and KWL Architects, two of Britain's leading care home professional practices and also in full consultation with all relevant stakeholders, including nursery employees.

Justification:

The demand for a range of residential care options for the elderly is rapidly increasing due to increasing life spans and the greater expectations of those who have passed retirement age. Over the years the Parish has demonstrated its expertise in the area by the provision of two residential care homes that are widely regarded as among the best in the island at an affordable price to St Helier parishioners, who currently occupy most of the beds. The Parish is ideally placed to meet the increasing needs of its elderly.

With the closure of Maison de Ville the Parish was faced with a choice:

- a) refurbish the existing site to accommodate a reduced number of apartments and to incorporate the Nursery on site, or
- b) demolish the existing building and construct a fit for purpose, efficient, modern and economical building.

It became evident that keeping and refurbishing the existing building structure would make the redevelopment very restrictive, due to the physical size of the building. The design and quality of the building would be compromised and a separate building would need to be constructed on the gardens to accommodate the Day Nursery, which would mean loss of valuable parking.

The Parish having carefully looked at the option of refurbishment agreed that the optimum would be to demolish the building and start with a blank canvas, maximising the site to its full potential.

The Maison de Ville site is currently protected by a covenant which means that it cannot be utilised for anything but a community care facility and nursery. The proposed development ensures that the site remains in use for senior citizen housing, as well as providing a pre-school nursery.

The Parish will work with all necessary agencies to ensure the proposed development meets the expectations for current and future care in the Island, ensuring that by meeting these needs the new facilities will be fully occupied to ensure a good return on investment.

The Parish Assembly is asked to approve plans to invest up to £11m in the redevelopment of Maison de Ville to accommodate 29 extra care flats and 60 place day nursery.

Funding:

The estimated capital cost of the development of Maison de Ville is £11m. It is proposed to sell all the apartments for the sum of £8.8m, leaving a net capital cost of £2.2m. The nursery is valued at £1.1m and the covered car parking at £500,000.

The net capital cost of £2.2m will be funded from Parish cash deposits in Building Reserves. The gross rental income from the car parking and nursery should be in the region of £100,000pa. which will compensate for the lost interest income on these deposits, so there will be no need to increase the Parish Rate.

The retirement apartments that are sold will be priced at the prevailing market value. On resale, the Parish will have an option to buy back any apartment that is sold.

However if some of the apartments were retained for rental, the Parish would hope that the rental income would match the mortgage interest charge.

It is anticipated that if all the apartments were sold then the £2.2m residual capital would be borrowed on a mortgage and repaid over 10 years with an annual repayment of £275,000pa.

Gross rental income from the car parking and nursery should be in the region of £100,000pa. This would cover part of the mortgage interest with the balance of the interest of £175,000pa being funded from the Parish rate.

If Parish cash reserves were utilised instead of a lenders mortgage, then there would be no increase in the Parish Rate.

The retirement apartments that are sold will be priced at the prevailing market value. On resale, the Parish will have an option to buy back.

The projected timescale for completion of the development is **September 2016**.

The proposed plans have been discussed with planning officers from the States Planning & Environment Department, and with a regulator from the States Nurseries Registration Unit, in order to ensure the development will meet the highest standards.