# **STATES OF JERSEY**

# **OFFICIAL REPORT**

# WEDNESDAY, 19th MARCH 2014

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# The Roll was called and the Dean led the Assembly in Prayer.

# **COMMUNICATIONS BY THE PRESIDING OFFICER**

# **1.1 Deputy Greffier of the States designate - appointment The Bailiff:**

Thank you very much, Connétable. Now, before we resume the debate on Projet 15 there is one matter I would like to inform Members of. Members will be aware that Mrs. Anne Harris, the current Deputy Greffier of the States, will be leaving her post at the end of April. I am pleased to tell Members that the recruitment process for her successor was completed on Monday with The panel was chaired by Professor Sallis from the Jersey interviews held by a panel. Appointments Commission and he was joined by the Attorney General, the Chief Executive to the Council of Ministers, the Director of Human Resources and the Greffier of the States. I am sure Members will be pleased to hear the panel was unanimous in deciding that Mrs. Lisa Hart, the Assistant Greffier, will be appointed. [Approbation] Given that applause, Members will be particularly relieved to hear that I have also given my consent to her appointment. [Laughter] She will be sworn in at the beginning of May and it is quite apparent that Members join me in congratulating her on this well-deserved appointment. Very well, a second matter just in connection is that there will be a reception held on 30th April to mark Mrs. Harris' retirement. You will receive invitations in due course, but if you would like to put it in your diary at this stage that would be a good thing to do ... at 5.30 p.m. [Laughter]

# 1.2 Items lodged 'au Greffe'

Finally, 2 matters were lodged yesterday, which I do not think I read out: Projet 34, International Criminal Court Act 2001: extension to Jersey, lodged by the Chief Minister, and Projet 35, Draft International Criminal Court (Jersey) Law, lodged by the Minister for External Relations. They were lodged yesterday.

# **PUBLIC BUSINESS – resumption**

# 2. Esplanade Quarter developments: approval by the States (P.15/2014)

# The Bailiff:

Very well, so now we return to the debate on Projet 15, the proposition of Senator Breckon. Does any Member wish to speak? Deputy Bryans.

# 2.1 Deputy R.G. Bryans of St. Helier:

Yesterday we were treated to a couple of stories and I listened with intent to what was being said. Also, there were some issues raised that I did not really fully appreciate or understand so I went back and began to discover some things that I was not fully informed on. Firstly, what exactly is Grade A office space? Because Senator Ozouf had said that we did not have any. Here is a definition I found: "Grade A office space: the most prized and sought after office space. Typically, office buildings within the Grade A bracket are brand new or have been recently redeveloped or experienced a thorough refurbishment. The properties are prestigious and usually occupy prime locations within major cities. Along with the standard of the building itself, Grade A offices will also possess high quality furnishings, state-of-the-art facilities and excellent accessibility. The property will be finished in order to compete for premier office users, typically appealing to an international market, and will usually demand rents that are above average for the area." Savills, in their description, are much more succinct: "Grade A: modern specification building with high

quality finishes incorporating a suspended ceiling, raised floor or under-floor trunking in a prime So, 2 things occur to me here. As Senator Ozouf stated yesterday, the Jersey location." International Finance Centre offers the only blank canvas development opportunity in St. Helier, the only prime site. Secondly, the design of the buildings complements the architectural notion of a Grade A building. It has significant advantages in that it can provide regular-shaped floor plates with natural light on all 4 elevations as a result of the buildings being stand alone. From an operations perspective, this means there is no dead space on the floors with 100 per cent of the net lettable area being usable, so we have highly efficient and flexible space. Then I went back to P.73 and looked at why the S.o.J.D.C. (States of Jersey Development Company) was established, just to remind myself. It grew out of the dissatisfaction with W.E.B. (Waterfront Enterprise Board). I looked at the DTZ report that recommended the creation of the S.o.J.D.C. as a workable alternative. It says: "The prime purpose of S.o.J.D.C. is to act as the delivery vehicle for property development for the States of Jersey, procuring and managing project implementation either via a joint venture with a third party developer or direct." It also says it should include detailed risk mitigation measures, which the company is obligated to follow. The primary risk mitigation measure is no construction without a pre-let. Then I looked at its principles, which are quite comprehensive so I will just mention a few: "The States of Jersey is establishing the S.o.J.D.C. as a development company, the prime purpose of which is to deliver regeneration projects to provide the best socioeconomic benefit to S.o.J.D.C. This will be in the form of enhancing the value of existing property through refurbishment, the development of new properties, infrastructure and public realm. Regeneration assets may be retained by the public or disposed of to realise capital proceeds. Property held by either Jersey Property Holdings or S.o.J.D.C. will be consolidated within the S.O.J. (States of Jersey) accounts." Then it goes on to say what the objective and commitment is: "S.o.J.D.C. is committed to implementing appropriate strategies and processes that identify, analyse and manage the risks associated with its activities as a means of minimising the impact of undesired and unexpected events on our business activities. It will, therefore, identify business objectives that reflect the interests of all our stakeholders; identify the threats to the achievements of our business objectives; control and manage our exposure to risk by appropriate risk reduction and mitigation actions; regularly review our exposure to all forms of risk and reduce it as far as reasonably practical or achievable; apply robust risk management processes as part of a wider management system." It goes on; there are reams of it. Here we are really water-sealing ourselves against risk. So then I looked to see if Jersey is unique in creating its own company developing prime real estate. Is there a model? I found the Crown Estate. Their website states: "We are, above all, a commercial organisation tasked by Parliament with enhancing the value of the £8.1 billion property portfolio we manage and generating a profit for the benefit of the nation. We work to a clear investment strategy concluding hundreds of millions of property transactions every year, also delivering some of the most ambitious redevelopment schemes in the heart of London." The City of London Corporation is also another example, so we are not alone. The Jersey International Finance Centre creates an identifiable office district for the financial services industry and such centres have proven to act as positive attractors of business; for example, the City of London, Canary Wharf, the Singapore Waterfront and the Dubai International Finance Centre, to name a few. What other factors are in play here? This site has been earmarked for office use since 2001 and for 620,000 square foot of office space since the Hopkins Masterplan was endorsed by the States in 2008. Locally, most private developers have brought forward their latest office schemes post 2008 in the full knowledge of the content and quantum permitted on the Esplanade Quarter. The S.o.J.D.C. has received letters of objection against its planning applications from most rival private office developers, so it is no wonder that certain elements of the scheme have been kept private. The wolves are at the gate. So to roll this back, 6 private developers are hungry for this site. Why do you think that is? Should we let them step in and gain the potential profit the Island could benefit from? Accepted by the States, this site was identified for office space over 13 years ago. How

much longer should we wait and for what? What can possibly be gained by hanging on? More importantly, what can be lost? What have we previously lost by waiting to see how things pan out? We are not alone when it comes to creating a development company for prime real estate; others have done it. There is a model to follow. Of the 2 companies I mentioned, each has been successful in realising their potential, creating successful financial centres that have attracted massive investment. Have we created a company with a strong board, with fine minds and a passion for excellence? A keen executive that is fully aware of its responsibilities and has undertaken every level of risk mitigation and open auditing that one might expect when dealing with high-level finances? I think we have.

# [9:45]

Are we making the most of a prime site location for the benefit of both the finance industry and Islanders alike, providing Jersey with real opportunity to entice prospecting businesses from around the world to inhabit Grade A offices and potentially create more jobs? I think we have. Add to that Gigabit and Digital Jersey and perhaps we have a winning formula that could be envied. That said, I think risks still exist. No one knew the world's finances were going to collapse in 2008. No one knew when we started this Assembly back in 2011 that we would lose 2 Deputies, that we would gain 2 new Members, but yesterday on their first day both of them spoke clearly and with intent. Who would have thought that would have happened? I applaud them and it bodes well. Somebody asked me yesterday what engages me so much with promoting creativity. I said it is where the ideas are. It is where the positive people are to be found. It is where the energies lie. If we are serious about becoming a global player, we have to have the best infrastructure to allow us to do that. Grade A offices on a prime site connected to fibre-optical telecommunications is the first step. I have no problem with Members exercising their rights to be cautious because it sharpens my attention and helps me think. It helped me realise that without applying the same sort of vision that created the finance industry in the first place, this Island could be left in the doldrums wondering why we did not seize the opportunity when it was presented to us. We have grasped the opportunity. We have minimised the risk. I would urge Members to reject this proposition and support the vision of creating a new financial centre and, in doing so, potentially make the lives of Islanders better. [Approbation]

# 2.1.1 Deputy J.M. Le Bailly of St. Mary:

I am often very disappointed by the pessimism and the procrastination that emits from some of the Members in this Chamber. This Island would not enjoy the comfort or the security which it has achieved alongside the leading finance centres of the world today if it had been established on the negative thoughts of our previous Island politicians. We are fortunate that politicians like Cyril Le Marguand, Terry Le Sueur, Frank Walker, all prompted by our long-serving Chief Adviser to the States, Colin Powell, and many other politicians with actual business experience had the vision to grasp the opportunity of establishing Jersey as a finance centre in order to offset the reduction in revenue from the agricultural and tourism industries. Please do not jeopardise or destroy their hard work by delaying this project. We need to build on their legacy. We are here to create, not to stifle. You need to be audacious, continue that vision. The background work has been completed on this project by experts. There is no point in reviewing that in order to confirm the same opinion. The timescale does not allow that to happen. We need to press on with this project. We need to confirm our confidence in the financial sector in order for them to commit long term to Jersey. Doing so will also boost our economy by providing much needed work for the building industry and the service contractors. Remember, if we do not grasp this opportunity someone else will. Any delay will result in a great financial loss to this Island. This is a venture with and for the people of the Island, a golden moment for them to share in that success. If we do not allow that to happen, someone else shall reap the dividend, which would be a sad loss to the taxpayer. We need to be positive. We have a golden opportunity at our fingertips, providing you press the right button. That button is the "contre" button. Reject this proposition to avoid any further delay.

# 2.1.2 The Connétable of St. John:

Inspiring confidence in our future, the Strategic Plan in 2012: "Preparing for the future. We need to be a community that constantly looks forward and is prepared to identify both the opportunities and the threats that will affect our way of life in the future." That is one of the headings that was brought forward in 2012. Listening to the Constable of St. Clement vesterday. I was taken in by his speech. If the vote had happened then, I believe I would have supported it there and then. But after mature reflection and a bad night's sleep when I tossed and turned, and tossed the bed covers off the bed, I sat up thinking of the history of this site. Where have we been? I recall trying to get some common sense to the whole scenario back in 2009 and 2010 after some 2 years in the recession. I recall bringing to the Chamber a proposition to delay the works on this site until we, the Island, could see the light at the end of the tunnel. Well, yes, things have now moved on and the recession hopefully is behind us. Hopefully. We do not know what is going to happen with the problems in the Eastern Bloc at the moment, but that is another scenario possibly yet to be played out. We should build our own Canary Wharf or a Gherkin or a Palm Tree Island as in London and Dubai and capture the world's high-class finance business. Like many of our Island residents, I am totally fed up when I call any of the major banks or finance houses and ask to speak to the head of a department, only to find out that that department or the head office is in the Isle of Man. our little sister island 20 miles away, or some other part of the world. You mention that you live in Rue de la Mare-Ballam and they do not know where that is. You mention St. John. They do not know where that is. You are knocking your head against the wall with somebody who on many occasions does not even speak English or French. After many requests, you eventually speak to somebody. I am waiting for the light at the end of the tunnel to appear. We all need to see that light and that light is the certain ownership of this site. Given that Harcourt have not withdrawn their claim, it is all well and good the Ministers and Members telling us that ...

# The Bailiff:

Sorry, we cannot go into that matter.

# The Connétable of St. John:

No, Sir, I have just moved on from there. **[Laughter]** You have just raised it again in my mind, though. It is all well and good the Minister and others telling us of the return of large sums of money. Was it not the Minister who originally said that this site would return some £70 million-plus to the Island, that being amended to some £50 million-odd at a later date, and I think the last figure I heard was somewhere in the region of £40 million. We need to settle this outstanding dispute before we move forward. I do not want this Island to find itself with empty pockets once we have something built on this site. It is all well and good for the C.E.O. (Chief Executive Officer) of our States-owned company pontificating that the States could lose potential clients, but we are the taxpayers. We are the people who have to put up the money at the end of the day and if everything goes wrong we see these people walk away and we, the taxpayer, the people of Jersey, have to hold the baby. I want the Minister to unblock this logjam because that in my mind is where there is a logjam. That can be sorted out and it should be sorted out before we start. I am fully in favour, as I say, of our own Canary Wharf, Gherkin or the Palm Tree scenario that they have in other parts of the world, but sort the logjam before we move forward.

# 2.1.3 Senator F. du H. Le Gresley:

I would like to take Members back to the opening speech of Senator Breckon yesterday. Strangely enough, I had highlighted 2 sentences that he used, which were repeated on the radio this morning, BBC Radio, so I think I probably picked the right sentences. He said: "If all goes well, this could

be one of the best things we have done for Jersey. However, we could be making a very, very serious mistake." This is spring and in spring potential brides and grooms are preparing for marriage. They have been planning this for many years, perhaps in some cases more recently. I say this because this is happening in my own family. However, what often happens is that all the arrangements have been put into place and we get very close to the day of the service and the reception. The bride starts to get cold feet, gets a bit worried.

# The Bailiff:

I trust you are not saying this is happening in your family? [Laughter]

# Senator F. du H. Le Gresley:

That remains to be seen, Sir. So in this particular scenario, our bride of the day is Senator Breckon. He has 2 very passionate bridesmaids who are standing firmly behind him in Deputy Le Fondré and Deputy Power. Having just heard the Constable of St. John speak, I think he is also the pageboy of the wedding. [Laughter] Any sensible bride before the wedding day will go to one of these magazines or websites where there is a tick box for all the things you need to do in preparation for the big day. So our Jersey Development Company, which was set up to run the development of States property which had been passed to it, also has its own tick box. This is called the Memorandum of Understanding between the Minister for Treasury and Resources and the States of Jersey Development Company. That tick box appears in the appendix to P.73/2010. I have not seen the latest final version of the Memorandum of Understanding, but I believe it has not changed significantly, if at all. In preparation for the big day ... and the big day, of course, is the signing of the pre-lease agreements. This is very close. We know that there is a potential major tenant for the first of the office developments, who is ready and waiting for the big day. So what should our Jersey Development Company, set up by the States in accordance with P.73/2010, which incidentally I voted against. However, I am a little bit wiser perhaps these days having, obviously, looked into this in greater detail. In the tick box, what should be there? Firstly, objectives. I have to put my glasses on for this. The first one is develop detailed development proposals for specific projects of major regeneration of property and infrastructure within regeneration zone for consideration by the regeneration steering group: tick. Provide forward funding for preparing the detailed development proposals. We understand about £3 million has been put forward already: tick. Procure the services of appropriate design and development consultants: tick. Manage and develop detailed designs for specific sites: tick. Submit detailed planning applications to the Minister for Planning and Environment: tick, and also obtained approval. Procure and manage project implementation of development plans for regeneration zone agreed by the regeneration steering group either directly, which Deputy Bryans pointed out, or via a joint venture: tick. Provide quarterly progress report to the Regeneration Steering Group with regard to agreed development plans: tick. Procure and manage project implementation as agreed and directed by the Minister either directly or with a joint venture partner: tick. Provide guarterly progress reports to the Minister in respect of development taking place: tick. So, our States-owned States of Jersey Development Company has done everything that was required of it in preparation for the development on the Esplanade car park.

# [10:00]

However, it has not only done that but it has also complied with the mitigation of risk, which is also set out in the Memorandum of Understanding where it clearly says: "If it is proposed that a specific development is undertaken directly, before committing to construction costs the States of Jersey Development Company will have to secure a sufficient level of legally binding pre-sales or pre-lets to fund the costs of constructing the first phase of a scheme. This will remove part of the risk of a particular development project and will ensure that there will be no financial liabilities relating to particular development construction costs to the States of Jersey Development Company." I would submit that the States of Jersey Development Company have absolutely stuck to their brief. They have done what was set out in the Memorandum of Understanding and we are at the door to the church. We are nearly there but, of course, we have the doubters. There is nothing wrong with doubting whether this should be the right thing to do for Jersey, but I would suggest that if all the tick boxes are in place there is really ... and I would urge Members who are perhaps in doubt, we really have to take that final step over the threshold and go forward and complete the union. What would be the implications of not doing this, of this Assembly accepting this proposition from Senator Breckon, which I stress I think is brought in good faith and it is good that we have this discussion? But the damage that it has probably already done to the prospective tenants who wish to work with the States of Jersey Development Company is, I would suggest, already quite considerable. So those Members who are in any doubt and who decide that they want to vote with Senator Breckon, I would say to them a vote in favour means that the tenants will pull out, the board will resign and we will be back to the drawing board. **[Approbation]** 

# Deputy M. Tadier of St. Brelade:

May I seek clarification? Obviously, nowadays the divorce rate is quite high. Do the couple in the story genuinely love each other or is it simply a marriage of convenience? **[Laughter]** 

#### 2.1.4 Deputy R.C. Duhamel of St. Saviour:

In 2008, when the Masterplan was agreed by this Assembly, I think broadly we did it for different reasons. The holistic nature of urban regeneration was really what was being put on offer and sold to the Island and States Members. Since that time we have seen hard times in terms of the recession and perhaps the goalposts are moving a little or have moved a little. This is the biggest issue that I certainly am slightly worried and concerned about. We offered at that time an urban regeneration package which contained within it a whole host of other infrastructure projects which will be to the benefit of the old town and, indeed, the new area that was to be developed, not least of which was the sinking of the road. My predecessor Minister laboured for long hours to find a way to seamlessly cross the road to ensure that we did not end up with a Vatican City or a specific financial enclave or an area that could maybe operate as a cuckoo in a nest in planning terms, but an area that was vibrant and added in positive terms to the old town as much as to the new area within it. I think if I am reading Senator Breckon's request correctly, he is perhaps aiming in the direction to ask why we are not seeing the project as a whole when that is what we all agreed with and asking for assurances, as I have done, that the Masterplan that was agreed by this Assembly is delivered within the timeframes that were agreed. What has happened since is that we do have a slippage or what appears to be an opportunity for a slippage not only to seriously question the sinking of the road, which was in essence one of the main reasons for setting up the urban regeneration area, but secondly an opportunity to find different ways or not to have other ways to fund the residential parts and the infrastructure parts of the plan. For me, there is a fundamental difficulty in what we were promised, which was that there would be some £50 million - I think it was £70 million in the early days, perhaps heady days and perhaps too optimistic days in the light of what has happened since - and that these monies would be promised for further urban regeneration to be secured for the rest of the town. If indeed conditions have changed to the extent where those monies are not available. I think this particular part of the plan has to be reviewed. There have been calls for me to review the whole of the Masterplan and to the extent that there still is a requirement for a new financial services quarter which provides better offices, I think that part of the Masterplan is probably safe. But it is the longer term aspects of delivering all of the other bits and pieces that I think we really need to have another look at. One way of doing it in order not to set cats among pigeons or to give negative indications about perhaps an inability on behalf of this House to supply funds to deliver the aims of the Masterplan would be perhaps to just come forward with a better timetable to deliver. The whole project was due to be delivered originally in one go, but because the financial times are what they are we have decided over a period of years to do the thing in a phased way. Some people may say piecemeal, but I think that is missing the mark. It is to be phased but I am particularly concerned, as I mentioned earlier, that the phasing does deliver what was agreed to be delivered. Suggesting perhaps in the early days that the whole thing could be completed in 7 years might well have been optimistic, but if we move to the current proposals where phasing is being spoken about, mainly on financial grounds - that perhaps it could be as long as 20 years - I think we run a very strong risk of not delivering on the wider regeneration and urban regeneration principles that, as I mentioned earlier, was the real requirement for this programme. I think it is a bit of a curate's egg, this proposal. There are things that perhaps could be looked at and should be supported, while at the same time we should not be sending out messages to suggest that what has been decided up to a point in relation to the office provision is to be questioned. I think it is really more about timing, and I would feel happier if indeed the Minister for Treasury and Resources was able to work with Senator Breckon and others to allay their fears that longer term what was promised will be promised. It is about providing information. It is not about testing assumptions in a way that might turn up a proposal to cancel the whole scheme. It is about being positive and showing that we can deliver some of these things in perhaps a shorter timeframe than is being considered. One last thought: it does surprise me - or perhaps it does not surprise me - that we have countries such as China who are quite capable of building complete cities in relatively short periods of time for hundreds of thousands of people and here we are suggesting that to provide 625,000 square feet of offices over a 10-year period is an acceptable timeframe. I think all the timeframes could and perhaps should be ... if we are to continue to be a number one player in the financial services quarter. I think the delivery of these schemes should perhaps be accelerated rather than slowed down. Perhaps again that is something that the Minister for Treasury and Resources might like to convince Senator Breckon and others of, that there are means, perhaps more innovative means, and perhaps more means that include the private sector, to deliver on the things that we all would wish to happen. I think it is probably right that I do not vote for the proposition having made the comments and bearing in mind my position as the Minister for Planning and Environment, but I think it was right that the comments that I have made have been made.

# 2.1.5 Deputy E.J. Noel of St. Lawrence:

Senator Le Gresley made a very good speech. However, if I may say so, his analogy is not quite right. The bridegroom has 2 choices for his bride. We want the bridegroom to choose, not for him to have a forced marriage. Deputy Power made much of his Irish school friend who is a property expert. I was tempted yesterday to be a naughty little leprechaun and ask for a point of clarification to ask the name of his best friend. However, I thought better of it. Deputy Power told us that his expert friend said that office development should take place along the Esplanade between the Grand Hotel and the Pomme d'Or Hotel. Well, I agree with Deputy Power's best friend. That is exactly where it should be. Where is the Jersey International Finance Centre? Well, it is along the Esplanade between the Grand Hotel and the Pomme. Deputy Power's closing remarks that States debates have no impact on tenants is simply not correct. It has been repeatedly highlighted by S.o.J.D.C., by prospective tenants, that their primary concern of progressing with S.o.J.D.C. is political interference which may adversely impact on their new office accommodation. No tenant is going to spend fees with agents, with lawyers, with architects, reviewing and negotiating terms, specifications and pre-let agreements unless they have certainty of delivery. We need to allow the S.o.J.D.C. to deliver that certainty with confidence. Deputy Tadier made reference to the emperor's new clothes. I was tempted this morning to bring in a tape measure and some chalk. I am delighted that he thinks that the Minister for Treasury and Resource's assistant looks so young. He said that the Assembly had a poor track record at picking winners at the Waterfront and to a degree he is right. But we do not do that anymore. Instead we have an expert board which collectively has an excellent track record in property development. Their finance director alone was involved in delivering an award-winning building along the Esplanade, which has become home to one of our most successful legal and financial services firms. I need to correct Deputy Young's figures, which he quoted yesterday. After Phase 1 we get £40 million and a public car park and the remaining site to be developed and substantial public realm. Oh, and much needed employment for our construction industry. If the road does not get sunk for whatever reason, then we get a £40 million receipt which can be used for other projects, maybe to aid that regeneration of St. Helier, and an unencumbered car park valued at £10 million from the completion of the 6 office buildings on the Jersey International Finance Centre. But that is not all, because we also get the land to the west, which could still deliver hundreds of homes worth tens of millions of pounds. There would be more money available by not lowering the road, not less or nil as incorrectly suggested by Deputy Young. It has become a bit of a habit of my fellow Parish Deputy and myself to spar across the Chamber on technical accounting issues, and today is no different. Deputy Le Fondré's figures on page 7 of his handout omit one important piece of information that States Members need to interpret them correctly. I do not dispute the modest percentages for developer's profit between 15 and 20 per cent in the current climate, but his figure for the S.o.J.D.C. is inflated because he has not deducted the land value. If he did so, S.o.J.D.C.'s profits percentage would be similar to that of an independent developer. To clarify further what the Minister for Treasury and Resources has already said, and this has also been clarified by the Treasurer of the States directly to the Deputy by email, there will be no letter of comfort provided for the office accommodation.

# [10:15]

A letter of comfort may be provided in the future to support the borrowings by S.o.J.D.C. for the car park and the car park only. No support will be given for the office development as S.o.J.D.C. has to comply on a level playing field with other developers. Deputy Le Fondré does not appear to trust the executive directors of S.o.J.D.C., both of whom are also accountants. He does not appear to trust the chairman, who oversees much larger developments in the City of London. He does not appear to trust the non-executive directors, who between them have extensive development experience. He does not appear to trust the external professional experts employed by S.o.J.D.C. to check through the numbers. He does not even appear to trust the Treasurer of the States and her team who also go through the numbers. Does he not think that the banks lending to S.o.J.D.C. without any comfort from the States on the office buildings have not done their due diligence? They have. Sometimes perhaps the Deputy does not trust his own shadow. Let us allow the prospective tenants to decide where they are going to base themselves.

# Deputy J.A.N. Le Fondré of St. Lawrence:

May I ask the Deputy just to withdraw that very last comment?

# **Deputy E.J. Noel:**

Well, obviously then I do withdraw it. I am sure he does trust his own shadow. **[Laughter]** Let us allow the prospective tenants to decide where they are going to base their businesses. It is they who will decide what office schemes will proceed and what office schemes will not. All this talk about the amount of new office space that has planning permission is simply irrelevant. It will only get built if the tenants choose to occupy it. P.73 back in 2010 established S.o.J.D.C. for the prime purpose, and I quote: "The prime purpose of S.o.J.D.C. is to act as the delivery vehicle for property development for the States of Jersey, procuring and managing project implementation either via a joint venture with a third party developer or direct." Let us remember the speech of the Constable of St. Clement yesterday. Let us give Islanders some much needed leadership by this Assembly. Let us have a glass half-full mentality and be positive about our Island's future and, in particular,

the future of our world-class finance industry. Hopefully, the mood of the Members is to reject Senator Breckon's well-meaning but, in my view, slightly misguided proposition. We need to support our finance industry and we need to support our private construction industry and we need to get on and deliver this project.

# Deputy J.H. Young of St. Brelade:

Can I ask for clarification of the last speaker, please? In responding to my remarks, I think he introduced important new material that he needs to clarify. He postulated that in the event that the road was not sunk, a departure from the approved Masterplan, there would be land available and that we would get development opportunities and yield. This is important new material. I ask the last speaker if he could at least explain that, at least give us that information in more detail, because that is a very significant point that I certainly think needs to be noted.

# The Bailiff:

I think, Deputy Young, that is more like a second speech rather than clarification.

# **Deputy E.J. Noel:**

I am happy to point out that that land already exists. It is the other side of the road.

# Deputy J.H. Young:

Would he not provide figures?

# **Deputy E.J. Noel:**

It is a substantial piece of land. If the Deputy wants me to find out the area of that land I will do so and let him know.

# 2.1.6 Deputy G.C.L. Baudains of St. Clement:

Someone once said - I do not recall who - believe nothing you are told and only part of what you see, and after 12 years in this Assembly I am inclined to concur with that observation. Especially for some of the newer Members, and I do not just mean the 2 who joined us vesterday, I would like to approach this from a slightly different angle to that of previous speakers. What the Minister for Treasury and Resources told us yesterday appeared to me to be saying: "Trust me, I know best." But when I think of the way the House was misled by a previous administration over the previous scheme, because they had let their gung-ho attitude override proper evaluation both over the developer and the sunken road; when I reflect on a previous Chief Minister trying to sell Jersey Telecom just a matter of days after we decided we would not do that, and for less than it was worth; when I recall the same Chief Minister trying to sell the old girls' college for a fraction of its value; when I think about the Lime Grove House fiasco; when I consider the present administration is proposing to build a new hospital without, in my view, adequate detail; when I see £465,000 granted to a scheme that is not yet designed - I could go on - is it any wonder I get concerned when they ask me to trust them? I get uneasy when people try to sell me something with this gung-ho attitude in this Assembly. We have been asked to put aside our concerns because the S.o.J.D.C. is populated by experts. I have no doubt it is, but we were told the same thing about other arm's length bodies, Jersey Telecom, and look at the problems afflicting that at the moment. I would say that it is reasonable for this Assembly to have sufficient information to be able to decide as a body rather than accept assurances from people possibly previously not noted for making sound decisions. On a project of this magnitude, albeit much safer than the last scheme ... I do appreciate the fact it is now phased to remove a lot of the risk. I was concerned with the previous scheme, one developer doing such a huge construction. It was more than likely to go wrong. I do appreciate that. Nevertheless, it would be, I believe, a dereliction of the duty of this Assembly to let this go ahead without ensuring as far as possible that risks are mitigated to an acceptable level. As some

Members said yesterday, finance firms will not be making their board decisions around what we decide here. In fact, I have to say if I were one of them I would go out of my way not to be involved with a States-sponsored project. These firms will be wanting to do business with the private sector. Finally, as Deputy Tadier, who is not in the House at the moment, reminded us yesterday, this proposition is not, as some Ministers and their supporters tried to indicate yesterday, a proposition to abandon the project, not at all. It is a proposition asking for us, the electorate's representatives, to have sufficient information to make an informed choice how their money is spent. It is not about stopping it. It is about asking for more information, a delay that need only be a few weeks, which I believe is entirely reasonable. It would, as I have said, be in my view a dereliction of duty to let a team with their track record rush ahead hoping for the best. Let us hope we have learnt from the previous fiasco and not let ourselves be frogmarched into accepting a potentially unsound scheme.

# 2.1.7 Deputy K.C. Lewis of St. Saviour:

Just a few notes of clarification. Before the Esplanade car park closes for the construction of the new underground car park, there will be a 520-space car park constructed on the other side of the dual carriageway nearby to the Radisson Hotel. That will be done prior to the Esplanade closing. Just to reiterate that T.T.S. (Transport and Technical Services) does not own the car park in the Esplanade. That comes under the ownership of the States of Jersey Development Company. It is, therefore, they that make the return to Treasury and not T.T.S.

# 2.1.8 Deputy G.P. Southern of St. Helier:

My Constable, the Constable of St. Helier, yesterday started by quoting me from the last debate on this particular topic where we ended up playing games, games to be able to sweep-up either for or against the proposer towards the end of the debate, and we have been playing exactly that game yesterday and today. Members, new Members in particular, might have wondered why the only speech yesterday that we heard from a Minister was from the Minister for Treasury and Resources, who made a lengthy and quite emotive speech but nonetheless that was the only supporting statement coming from the benches of the Ministers yesterday. Members might have thought: "I wonder why not. Why are we not hearing from the Ministers? Surely they are backing it. They must be in there fighting their battle." Of course, they are fighting their battle but they are waiting until the end. I do not know whether it will be Senator Maclean or Senator Gorst who rounds up on behalf of the Minister for Treasury and Resources, but I believe one of them will, perhaps both. I have noticed that Senator Maclean is making extensive notes and that Senator Gorst has been playing finger poker with me as to who goes first, and he finally won. I gave up the ghost. It is interesting to note that what happens as a result of that is that people speak and if they are approving of the Council of Ministers' actions they get a great foot stomping. Time and time again we have heard that yesterday. My near neighbour from St. Martin got a good foot stomping. The Deputy of St. Ouen got a good foot stomping. Like tap dancing ducks we sounded at one stage. But that does not make an argument. No degree of foot stomping, no matter how loud, constitutes an argument. It constitutes support, it is very nice when you get it, but it does not constitute an The fundamental question that each and every Member of the States should be argument. considering now is: how can I hold the Ministers to account? Because that is our job, not S.o.J.D.C. That is the Minister for Treasury and Resources' job to hold them to account. Our job is to hold the Ministers to account. The fundamental question is: how can I do that when I do not have the evidence, when I do not have the documents? What documents am I talking about? I am talking about 2 documents that we have not been allowed to see. One is the McKinsey report, which says that there is a future for the finance industry in Jersey and presumably says: "This is what you need to do to build it." I do not think it says, I am not sure but on the evidence of this particular debate perhaps it does say: "Throw away all the old rules. We have a new set of rules."

It might sound a bit Russian style but it is called state capitalism. The way to revive your finance sector is to throw some government money at it. That is what we are going to do from now on, do some seed corn, pick winners. Now, we used to be told: "The Government is no good at picking winners. We should not be playing that game" but here we are, what are we doing? We are pumping the seed corn, the fundamental money, government money, into this creation, into this particular scheme. It seems to me all the rules have been thrown out and possibly the McKinsey report says: "This is the way to revive your finance sector. This is what you must do" because that appears to be what is happening. The second thing I have not seen, which is absolutely essential to my understanding and my holding of the Ministers to account and the Minister for Treasury and Resources in particular to account for his responsibility for S.o.J.D.C., is the King Sturge report or its equivalent. The Minister assures us that it is way out of date, completely useless, but it is the only document we have. Where is the updated version? Where is the new version? Where is the new assessment? Has that been presented to me or to anybody else? I do not think it has. Certainly, no evidence ... oh, yes, I have and I remind Members we saw one page of it yesterday, kindly presented by Deputy Le Fondré. That has some truly frightening numbers on it. There is no confidence to be had from that one but I want to see the page before that. I want to see the page after that. I want to see this chunk which is the chapter which contains this analysis.

#### [10:30]

I want to see it updated to say: "Now the new figures are these. This is what we are dealing with." Until I have those, and that is the information I need and we need, we cannot go ahead. We may as well just say to the Minister for Treasury and Resources: "Go on, back some winners. We know you can do it." History in the last 30 years says we do not do that very well but we think you can. I do not think that is what we should be doing. I think we are playing a gambling game. Yesterday, when he got his foot stamping, the Deputy of St. Ouen reminded me of his disaster. He comes in from the west, I always imagine him in some great cowboy's hat, twirling his guns, and he says: "I am ready to gamble and why am I ready to gamble? Because I am going to gamble with your money." He does not go home and say: "Oh, the rates in St. Ouen? I want to go gamble. I want to gamble with the rates of St. Ouen on a property development." But, no, he is ready to gamble, as he said yesterday. We saw as well another one who got a great foot stamping. It was a very good speech by the Constable of St. Clement. This was real fundamental turning, tooth and claw. This is a man who has avidly supported the private market throughout his entire career suddenly turning over to full-blooded State capitalism. What a change that was yesterday, and receiving his due reward for the tap-dancing. As Deputy Baudains has just recently reminded us, what we are back to here is the old days when time and time and time again presidents, or latterly, Ministers used to come to this House and say: "I know what I am doing; I have done the number crunching, trust me. This is the only option; this is the only game in town, trust me." That is exactly what we got in an hour-long speech from the Minister for Treasury and Resources. When push comes to shove, when he went through it - I listened and concentrated very carefully to his speech - it just says: "We have got to do this because I recommend it." He gave various ways of saying it. He must have invented a dozen ways of saying that: "Trust me. I know what we are doing, you can trust me." The Deputy of St. Ouen went further, he said: "Have faith, hallelujah." I wish I could have that much faith in this Minister for Treasury and Resources. Unfortunately I cannot. If I were to have that faith I would have put my trust in that faith and then I would be failing in my duty because what I am here to do is to hold him to account and to be critical and to say: "Hang on, whoa, this is Government money; this is tax payers' money and we are gambling with it." I remind Members that what we heard yesterday was from the 2 bridesmaids, as they are described - gone missing at the moment, maybe they are adjusting their veils and their bouquets - they are catching the bouquets for the next bride perhaps. No, let us not go any further down that line. But a very in-depth and conservative and cautious analysis of the figures from one of those bridesmaids that I think undermined and certainly caused questions about the proposed way forward and I think that has to be taken, from that particular Member, very seriously. He is not a Member who regularly revolts, it is not his nature. But, nonetheless, he is revolting over this one because he knows about the figures and he does not believe that what is being sold to us is what should be. The other major contribution was from Deputy Young who very clearly told us that what we voted for in the past is not what we are voting for now. We are not voting for the whole of the old Masterplan, what we are getting are 2 buildings which top and tail this particular site and unless we progress, it seems, are likely to be a blight in this development if they get stuck, and there is serious danger that they will get stuck. I return to what we do not get rather than what we do get later. Let us have a look at the additional comments of the Minister for Treasury and Resources in detail. It starts on page 2 where it says quite clearly: "For example, there is a particular tenant actively seeking a new 80,000 square feet office building to be completed by March 2016 [and listen to this] and only 2 of the private schemes, in addition to the J.I.F.C., can deliver to this requirement." There we are, here is the man who is keen on competition, so keen that only 2 are competing for this piece of contract so we are going to throw our hat in the ring and we are going to compete. The Deputy of St. Ouen is perfectly happy with that: "Why do we not compete?" he says. But only 2 private schemes are there already competing for this business. Why should we interfere? Why should we interfere? Why should we be saying, against all advice during the past, we should be in there competing in this? Why do we let the private sector have the profit? It should be ours. Complete volte-face from the usual logic presented by the Ministers, completely opposite. It then goes on on page 2: "Potential office supply is greater than current or medium-term demand." We are getting involved in office supply when the potential office supply is already greater than short to medium-term demand." Big question mark. I want that grilled. Why is that not being roasted on a spit and squeezed for what the juices are? What does that mean? "However, it is considered that tenants should be offered a choice in their selection of new accommodation; ultimately it should be the tenants that decide which office scheme is delivered." Absolutely logical and they have already got a choice, 2 private developers. They can make up their minds. That is what they do. They are businesses and they do that. We are not. We should not be in there competing, elbowing them out of the way, saying: "Come to us, come to us." Why are we doing that? Later on in page 3: "The profits will be paid back to the States via a dividend on sale and completion of the projects and/or receipts will be used by J.D.C. to deliver public infrastructure, as will be the case with lowering the Route de la Libération." "The profits will be paid back to the States via a dividend on sale and on completion of the projects," which we are told may be 7, may be 4, 5, 6, 8 years down the line. Completion of Phase 1, second building, Building 4, completed perhaps 10 years down the line, if at all. But that is all right because that will go back and that will enable us to lower Route de la Libération. Will it? There is also a statement on this page and I find this absolutely terrifying because it is completely wrong. Listen to this: "As a result of being 100 per cent States owned, the company acts in the best interests of tax payers at all times." Does it? Who should be acting in the best interests of taxpayers at all times? The Minister for Treasury and Resources should be acting in the best interests of the States. The J.D.C. does not necessarily, because it is 100 per cent owned, always act in the best interests of the States. It has its own internal aims and objectives which it follows. It is up to the Minister for Treasury and Resources to keep them in line, not to assume that because it is 100 per cent owned it always acts in our best interests. No, I will not give way.

#### Senator P.F. Routier:

It is just the Deputy is misleading the House by saying that J.D.C. ...

#### **Deputy G.P. Southern:**

I will not give way. The Senator has not made a speech yet. He may make a speech if he wishes but not in my time.

# The Bailiff:

Just question of is it a point of order or a point that you wish to make. If it is a point of order you can raise it, if not you cannot.

# Senator P.F. Routier:

It is a point of order. The point of order would be that the Deputy is misleading the Assembly by saying that the Development Company does not follow the wishes of the States. They have a Memorandum of Understanding which guides them in what they do. It is not correct to say that.

# The Bailiff:

That is not a point of order, that is a point that has been very properly made in your speech to say that he has not been correct.

# **Deputy G.P. Southern:**

I look forward to being swept off my feet by the powers of rhetoric of the Assistant Minister when he gives his own speech later on. Here we come to page 5 now: "It is intended for a £30 million investment [oh, we are making a £30 million investment now] to be repaid in full on completion of the sale of the second office building." Just confirmation, 10 years down the line we might get it back: "In the event Building 4 is not completed within this period, J.D.C. will be able to raise a mortgage against the revenue streams from the underground public car park to pay the Currency Fund investment." There we go. Okay, if it does not - it is a little caveat but it is there - get completed, and it may not - 10 years in the future, where will we be? We do not know - then they will simply raise a mortgage. In the analogy of the woodland copse that was created and improved in St. Martin yesterday, I do not think the Deputy of St. Martin included in that that he had to mortgage the property in order to do it, but it looks like what we might get is a mortgage. "The J.D.C. is obligated to follow directions from the States of Jersey [which is this Assembly] and as the States has approved the Esplanade Masterplan, which includes the lowering of Route de la Libération ... [sorry] and as the States has approved the Esplanade Masterplan ..." that is not a sentence, oh, dear. I cannot read it as a sentence because it is not a sentence. That includes, presumably, what it should be saying, the Esplanade approves the lowering of the Route de la Libération. Here we are with the lowering of the road because we have already approved it, remember, in the Masterplan, and then it goes on to say: "All 6 office buildings in the J.I.F.C. can be constructed without needing to lower the road and without impacting on the future ability to lower the road." We have the best of both worlds here, we can do it with lowering the road or we can do it not lowering the road. Now you see it, now you do not, it does not really matter to us. Let us carry on: "By carrying out the much needed office accommodation, the first phase, the net receipts from this phase estimated to be £40 million, plus a debt free 520 space underground car park with an estimated value of £10 million, will be used to fund the majority of the public infrastructure." Note, as some Members have already, that the rewards of this particular scheme started off at some £70 million, came down towards £50 million and are now bottoming out, I hope, but perhaps not, at £40 million. The profits have got less. It then goes on to what is going to pay for the majority of the public infrastructure, which what we passed was the old scheme, the old Masterplan. The office development, Buildings 7 and 8, another 80,000 square feet; a residential development, Building 9; a 100-bed hotel, ground floor and 6 hotel floors, no basement parking.

# [10:45]

More office developments, 70,000 square feet, above an unspecified ground floor use. Selfcatering block, 5 floors of residential. A residential development, Building 13, estimated there are 300 apartments on 6 levels with retail, restaurants on the ground floor: "Set among delightful winter gardens" with basement parking, as we were told yesterday. That is part of what was sold to us. This is the overall grandiose great scheme with walkways, with trees, with winter gardens, with restaurants, with retail, with accommodation and offices. But that is not what we are getting; we are getting 2 blocks first of offices. Then it finally goes on to say in the Minister for Treasury and Resources' own words: "Yes, there will be a shortfall, based on index outline costings, and this will be of the order of £15 million. This shortfall can be funded by borrowing against the plot values that are created above the lowered road (4 additional buildings are created above the tunnel, the land value of which is in excess of £15 million)." This little sequence of: "We will lower the road, we will not lower the road," has now become: "We have to lower the road" because that is going to fund the £15 million shortfall that we already know we have got in the system. On that basis, we are supposed to take on trust that this is okay. We are supposed to have faith that everything is okay. I do not know about other Members, but I know clearly where my job is and at the moment without any hint of what is in McKinsey and their advice about how to save and how to promote and how to grow our finance sector and without a decent sight of the King Sturge Report, or an updated version of it, which must be done with the numbers in there about ... and must reflect and must be shown to this House, to these Assembly Members, because we are responsible and without that I cannot possibly allow this, on trust, go ahead, do what you like. That is not the way I am, I respond to my duties. I hope other Members will not either and I hope they will support this proposition which says we need to get the information if we are going to accept this as the way forward.

# 2.1.9 Senator A.J.H. Maclean:

All very interesting the comments that Deputy Southern has just made; he was quite emotive in his speech. I would just like to correct a number of points that he made which are misleading, perhaps, to Members.

#### The Bailiff:

Erroneous.

# Senator A.J.H. Maclean:

Exactly, thank you. Deputy Southern referred on several occasions to the McKinsey Report, he seems to think it is some form of conspiracy that the McKinsey Report has not been published. I appreciate he has not seen it. The reason the McKinsey Report has not been published is that, quite simply, it has a lot of data in it which is competitively sensitive. We do not want our competitors to know the direction in which we are going but, frankly, it gives a great deal of confidence to the finance industry about the future of our finance industry. But never mind that, you can put the McKinsey Report aside because in the context of the debate that we are having today, the most relevant fact, if the Deputy is concerned about both demand and confidence of the finance industry, is all around the pre-let. There is a potential tenant to take on the first building, 80,000 square feet, one single tenant who is in the finance industry and is clearly confident enough to make that type of investment in Jersey now. What more, frankly, do I think we want than to have and see and have demonstrated to us that type of confidence. It is not about picking winners - if you want to use a horse racing analogy - it is almost after the race is ended. We know the winner of the race because quite simply we will have a tenant who will be tied-up in a contractual arrangement with penalty clauses before a single shovel goes into the ground. It is as simple as that, you cannot get it much better. There were some analogies earlier on about brides and bridesmaids and such like. It does strike me, just on one minor point in relation to that, I wonder why the bridesmaids are still the bridesmaids because, quite frankly, there is competition in this marketplace, there are a number of potential tenants and the facts speak, quite simply, for themselves. Deputy Southern also was talking about analysis, wanting more analysis. I am not sure exactly what he would seek to do with the analysis or, indeed, for that matter, what other Members might seek to do with all the additional

analysis that could indeed be presented. There are so many questions that were raised during this debate by, largely, a small number of Members who were suggesting we need more financial clarity. It is not about the scheme. There is no demand, there is no evidence, no one has signed-up. There have been no press announcements about signings. How many tenants per square foot should we be expecting? This is too much to delegate to a board, a professional board - I will come back to that in a moment - we need professional input. It is just quite simple, the numbers do not add up, we were told, and all sorts of very good reasons as to why the numbers themselves were not very good. We were also asked a moment ago by Deputy Southern about the King Sturge Report: "We need it to be updated." The King Sturge Report was not relevant, in any event. That report assumed the lowering of the road in Phase 1. That is not the plan; the road is not due to be lowered in Phase 1, so that report is largely irrelevant. The key point about this, without going into all the detail, is that this Assembly approved in 2008 a Masterplan for the area. We also approved in 2010 Members of this Assembly approved the J.D.C. and in July 2011 that board was the J.D.C. appointed, since then they have been getting on with our instructions. We asked them to get on with developing the site. They have spent to date £3 million; £3 million of taxpayers' money has effectively been spent on getting detailed permits, building control, construction drawings, and all the rest of it, to a point where we are about ready to go. Delay at this stage is highly likely to put that investment at risk, notwithstanding all the other impacts that it would have, some of which I will briefly touch on in a moment. J.D.C. was set up; it has got a professional executive group who have years of experience in property matters. Members, with the greatest respect, do not have that type of highly skilled background knowledge and experience in the marketplace. For me, on top of the executive, of course, you have a board, a board of highly professional individuals with experience. We have got one non-executive who has been a property professional most of his life; he is the ex-chairman of the Barclay Group. It is a listed U.K. (United Kingdom) company. They build all over the U.K.. We are being told that this decision is too much for J.D.C. to handle. This decision here in Jersey on our little Waterfront, £60 million, and we have people on the board who deal with hundreds of million pound projects in the U.K. and have been chairman of listed We have got another member of the board who is involved in social housing companies. development; they have 60,000 homes across 11 counties in the U.K. These are serious people, really serious people in the property world and I am comfortable that they know what they are doing. Ultimately, not only have we got the executives and their expertise, not only have we got a highly skilled board, at the end of the day we have a shareholder. All of those people are responsible and should be held to account if delivery is not as has been stated and that is the way, quite frankly, it should work to be most effective in terms of dealing with this. I could go on (and I will not for very long). There are a number of points about benefits to the local economy -£60 million spent, in terms of economic stimulus, into the local economy. I accept not all of that will go into the economy, some will, as a matter of drift, go off-Island. But local subcontractors, in particular, and a number of others will get significant benefits from this development. At the end of Phase 1, £40 million in cash in hand, plus a site of a 520-space car park with a value of around about £10 million, and profits that are generated. I was looking over my shoulder; I was hoping the Connétable of St. Helier was there but unfortunately he has morphed into something much more handsome. The profits from this development will go into regeneration of St. Helier, well that is a decision that can be taken. Clearly Phase 2 would soak up some of that amount, if necessary. There are all sorts of benefits that I am not going to repeat because the details have been covered very well. There was some excellent speaking from Deputy Noel, Deputy Bryans, and such like, who made many of the key points. But I just will say, from an economic perspective, Grade A office space is needed in this Island. We are going out selling Jersey at the moment. There is a shortage of Grade A office space. We want high value businesses to relocate here to create job opportunities for Islanders and to create economic stimulus within the local economy. There are not the suitable Grade A office space for the types of businesses that we want to attract. That is

how we are going to diversify our economy; it is a key element of the diversification strategy. Quite frankly, the confidence element of not going ahead with this development when we have got to this point is going to do untold damage, not only to the potential tenant, but to anybody else who wants to do business with us, who wants to do business with Jersey or who wants to do business in Jersey. We have to look at the incentives other jurisdictions are offering. There are incentives being offered by places like Toronto. There are big signs advertising: "Where do you want to take your next big idea?" You get discounted office space. You get discounted staffing. You get given large sums of money to run various parts of your project. Dubai, Dublin, all around the world, they are falling over themselves and we are sitting here debating this issue. Frankly, the debate has gone on so we could almost have built the building by now. But I do encourage Members to have confidence in the Jersey Development Company, have confidence in the executive, have confidence in the board. Please hold them to account if they do not deliver. The downside risk is very small. I have to say that it is not a no-risk scenario; such a thing does not exist. If Members want no risk, the answer is do nothing. If Members want no risk, support this proposition. What we need to do is get on with it, give confidence to our local industry, give confidence to finance, which is an important part of our economy, and give a chance for diversification in our economy by providing the space the inward investors need. I urge Members to reject this proposition.

# 2.1.10 Senator I.J. Gorst:

Since 2008 one of the phrases that we have heard more often and probably we have all uttered it as Members of this Assembly, either in this Assembly or outside we hear it, day and day out across the media, and that is that the world has changed. The question I ask myself discharging the duties which I have is: "Have I changed in my thinking? Have I responded to the changed world in which we find ourselves? Is Jersey responding to the changed world in which she finds herself?" For many years we were in a very fortunate position in that people wanted to move to Jersey, businesses wanted to set up in Jersey for all the reasons that we are aware of. As Senator Maclean outlined in his closing remarks, we are now in a global competitive environment and the jurisdictions that he spoke about are doing exactly as he indicated, they are giving financial incentives for businesses to those jurisdictions and some of those jurisdictions I think we know are major competitors in the Middle East, out in the Far East in Singapore. The world has changed. The world does not, as we heard from the Connétable of St. Clement in what I thought was an excellent speech, owe us a living. We need to get out there and make sure that the world is aware of what we have to offer in all its various forms. Today we simply happen to be talking about financial services, which we know is the major contributing factor to our economy in so many ways, and I will come back to this point.

# [11:00]

I would not say that the risk-free element is to do nothing. Far from it. From where I sit and from what I see around the world, doing nothing is by far the riskiest approach that this Assembly could take today [Approbation], but I will come back to that as I finish. I just want to very quickly look at some of those points that have been made in favour of the proposition and in support of doing nothing or, at least, stopping for some time. With the greatest of respect to Members, I do not believe that they amounted to very much at all. Some, I understand entirely, were based on being cautious, feeling that those individuals did not have enough information but not, I believe, giving due weight to the appropriate independent expert advice that has been put at this project and applied to this project in many, many ways. We had a Member who, on principle, he said, was against the setting up of the States of Jersey Development Company and if he had been in the Assembly it would not have happened and he would not have supported it. We just need to remember that from the other comments that that individual made, I believe flowed from that fundamental disagreement with what is happening and using S.o.J.D.C. in this way. Another

Member tried to suggest this approach has not been used anywhere else in the world. He had done all this research and could not find anywhere else in the world where this approach was used. I would ask that Member simply to - I do not like doing this because it goes slightly against the grain - look over the water and to look at the Crown Estates, a body set up by the U.K. Parliament, accountable to the U.K. Parliament, delivering value from the assets that have been placed into the Crown Estates. There we have an example which is known to everyone but perhaps people do not realise that that is how it is set up and we have other areas where that same principle is being applied. We do not need to be concerned about the application of the principle that we have in the S.o.J.D.C. That speaker seemed to be indicating to us that because we have had a visit from - I am not quite sure what the relationship was but I think it was said a "friend" of the speaker - the speaker's friend had said: "Well, perhaps without the detail he would consider this, that or the other" and on that basis we should accept the proposition and we should not ahead and we should not maintain the decision that we in this Assembly made a number of years ago. With the greatest of respect, I do not think that that is the grounds for overturning the decision that this Assembly has made in the past. That speaker also said something that I really do have to take issue with. I just have to hope he was not saying this, but he seemed to indicate something along the lines that it was fine for a financial services company to consider the Isle of Man instead of Jersey; it was fine for them to consider Cayman Islands instead of Jersey, and that is what they are doing. That is exactly what they are doing and we want to win the business of consolidation into Jersey and not, with the greatest of respect to my colleagues in the Isle of Man, into the Isle of Man, not into the Cayman Islands, but here because we believe that we have all the apparatus in place that any responsible international financial services company could want for and could generate growth from. The speaker also said that people do not listen to what goes on in this Assembly and that decision makers do not take consideration of what happens in this Assembly. That is not my experience, I have to say, and sometimes I am concerned about the comments that are made in this Assembly when senior individuals come to me and say: "Is it true that that is what the Assembly think? Is it true that that is what the majority of Members think?" and I have to say to them: "No, it is not." It is right that Ministers are challenged; it is right that policy is challenged and this is the place to do it but the majority of Members in this Assembly, I believe, see a future for Jersey and they see a future for an international finance centre in Jersey and they are committed to delivering the infrastructure in all its forms to make sure that that future is delivered. The world does not owe us a living. We have to go out there, we have to compete, we have to fight for it and we do it because we want to create a Jersey which we think is fit for our children and our grandchildren. I would say that we need to change our thinking. We need to respond to the changed world and make sure that our response is appropriate. The other thing I want quickly to say is that Deputy Southern tried to indicate that this was not a privately-funded development. It is. It is the public car park which is not privately-funded and that has been quite clear all along. Deputy Southern also suggested he was not sure if there was a future for finance in Jersey. I absolutely take issue with that assertion. There is a future for finance in Jersev. We have to make sure that we have an enabling environment and an economy which is receptive and the infrastructure which is in place. He tried to indicate that there was a strange change in political arguments across this Assembly. I have to say, it is indeed a very strange day when some of the Members that we have had I can only describe their speeches as having been almost "developers apologist", and I do not think that is appropriate for us in this Assembly. Perhaps I could just touch on the Minister for Planning and Environment, I think he was quite clear in his comments that what we are talking about here is Phase 1. His concern was that he wanted us to deliver Phases 1 and 2, and however many other phases, far quicker than what is being proposed. He makes a good point. In command and control economies, as he said in China, they can put a city up in a year or 2 years, we do not have that command and control, we have democracy and I think that every single person in this Assembly would fight to the death to maintain democracy in our community and that is why things take longer than they do in that command and control type of economy. Could we do it quicker? I think we will have to go away and see if that is possible. Many people say that previous governments did not support tourism when it started to decline or when the situation in the U.K. ... cheap flights to hotter climates, change with things like nationalised industries and all that we know happened with British Rail, and all those people that used to get on the boat and come over here and there were not enough beds and they used to sleep on floors and all sorts of things like that. Many people bemoan the fact that they feel that past governments did not do enough to maintain tourism in our community. I have to say that Senator Maclean and his shadow board are now, I believe, starting to put some of that right and there have been a lot of people in his department working hard over the years to try and maintain tourism. But I do not want it to be said of this Government or this Assembly that we did not respond to the changing world that the financial services sector finds itself in and governments in the future to say: "If only that government that was in place from 2011 until 2014 had done more when they had the opportunity. If only that government had decided that, yes, it would go ahead and build a new international finance centre on the Waterfront. If only that government had invested into a strategic review about financial services." I do not want people to look back and say that we did not stand up and we did not put in place this infrastructure to make sure that finance has a strong future in our community, like others have said about tourism. I do not think anyone in this Assembly wants that to be said of them either. So, finance has a future; I believe it has a strong future. Yes, it is one that is in a more competitive market than we have ever seen before; putting in place this piece of infrastructure and going ahead. I turn now to Senator Le Gresley's speech, I thought that was an excellent speech. The doubts that some have: I understand that some are more cautious by nature than others but let us out those doubts behind us, let us maintain the decisions that we have made in the past and let us make sure that ... as the Connétable of St. John says, he believes it is already happening, when people phone and when he phones people that they do not know where St. John is and that is speaking to somebody in St. Helier. If head offices and consolidation happens in Singapore or Hong Kong or Luxembourg, it will be even more of a case. We have an opportunity today to make sure that those finance houses relocate and consolidate in Jersey - they need office space to do that. They need more than office space to do that. That is exactly what the Jersey International Finance Centre is and I ask all Members to consider that before they jump and go with their doubts and support Senator Breckon. I ask them not to do that.

# 2.1.11 Senator S.C. Ferguson:

Interesting debate. Thank you very much. It has gone backwards and forwards. I have got a few comments. We were given Toronto as an example. I think their Waterfront probably took as long as ours. It has been going on for years and they have redesigned it several times. I think the Chief Minister missed the point. The previous Minister for Treasury and Resources was not the cheerleader for S.o.J.D.C., but was the watchdog of the States. The car park is an integral part of the development and must be viewed as such. The Chinese, yes, they put a city up, but I think they have got several with nobody in them. The comment on tourism, the reasons for our tourism changing, the world has changed. We are told that it has changed with regard to this, that and the other. It has changed with regard to tourism as well and I am in the tourism industry to a degree. Members will know that I have been concerned about the cost of the project, and the S.o.J.D.C. assure us that there will be a profit, but I am also assured that a small loss is allowable, since we are in a highly-competitive market and it is a loss-leader in the short term for the long-term benefit of the Island. The Minister has assured us that the £50 million dividend at the end of the project is £50 million in constant terms, but that is not what was said in the letter to Planning. Good business practice would refer to constant currency or current currency values. Please, can we get our terms correct? Now, what I would say though is that the Corporate Service Scrutiny Panel received an in confidence briefing from S.o.J.D.C. on the project last week. After the briefing, the panel

discussed the way forward and the panel considered that they had received sufficient information to satisfy themselves as to the viability of the project and would not raise any further questions. I think the other comment that we do need to make is that we all know who the prospective tenant is, but this debate has nothing to do with them. It is principally about keeping States Members informed. If we could have undertakings regarding this, then I think many of the objections would have fallen away. Just a final comment: I have seen organisations taking risks for long-term gains. Manchester Airport is a case in point. In the late 1950s it was a group of Nissen huts, and the then Lord Mayor put through a plan updating the Nissen huts with a genuine airport with 3 very large chandeliers from Venice, which I think cost £20,000 each, Murano glass, and there were screams about it. The airport was built. It seized the initiative from neighbouring cities and obviously it is considered the second city to London in terms of airports. Yes, these initiatives do work, but obviously there is a caveat: the particular Lord Mayor vanished into obscurity, having been soundly vilified over the chandeliers. I am sure this will not happen in Jersey, but anyway. As Deputy Baudains said, this proposition is about information; information which would give confidence to Members. Please stop saying: "Nanny knows best" and speak to Members on an adult level.

[11:15]

# Deputy R.G. Le Hérissier of St. Saviour:

On a point of clarification, I was a bit surprised at the inconsistency between the last statement of the Chairman and her bombshell that Corporate Scrutiny has looked at this. Could she tell us what were the key questions that Corporate Scrutiny asked, even if she cannot tell us...

# The Bailiff:

This is not Question Time and that is not clarification, that is just asking the speaker to say something else.

# Deputy R.G. Le Hérissier:

But could she tell us what happened at the hearing then, Sir, as clarification?

# The Bailiff:

It is a matter entirely for her. She has made her speech, Deputy. I am sure many Members would sometimes like to ask questions of somebody who has just spoken, but it is not Question Time, it is a debate.

# Senator P.F.C. Ozouf:

May I just ask a point of clarification, because Senator Ferguson said we gave her confidential information that I think she accepts is confidential. She has got the information that we cannot share in the public domain. Can she just confirm that the information that she has received confidentially means that she has confidence that S.o.J.D.C. has ... because I do not understand what she last said, Sir.

# The Bailiff:

I think that was seeking to obtain a further point in your favour as well, Minister, and I think it is quite clear. Does any other Member wish to speak? Deputy Higgins.

# 2.1.12 Deputy M.R. Higgins of St. Helier:

I was not planning on speaking on this debate because I think the arguments have been rehearsed, but in the end it all comes down to trust and faith and I am afraid I personally have no trust or faith in that we are doing the right thing and therefore I will be supporting Senator Breckon. I say that because this Assembly has abrogated its responsibility so often, in the sense that rather than scrutinising things properly, we just automatically pump the button. In fact, I wonder even why

most Members are in the Assembly at all. We are not needed, because the Executive always knows best, they have got the information, they do not want to share it. They just say to us: "Just trust us. We have got the experts" or: "We have the people going through it." I am sorry, if you do not share the information ... like the King Sturge report gets me. In fact, Deputy Southern and Deputy Le Fondré have mentioned the figures. We were told at various times £75 million from this project was going to come back to the States. The King Sturge report, which we have not been allowed to see, and I do not even know if Senator Ferguson has seen it, forecast - from the information we have been given - a £50 million deficit. Oh, it is all right for Senator Ozouf to shake his head. If he shared the report with us, then we would know whether he is right or not, but he will not be, he is not prepared to. Nor have we seen any updated report. In this Assembly over the last few weeks, we have heard him say: "We are going to make £30 million. We are going to make £50 million." I have no idea if we are going to make any money at all. In fact, I am not even convinced we are going to make any money at all, so we are always told: "Take it on faith, take it on trust." Now, if I just give another example of where this Assembly ... I just find it unbelievable at times and I wonder why we are here. We passed laws in French, written in French, which many Members do not understand. I certainly do not: I brought a proposition on it. We had no English translation but people were pressing the button and supporting that legislation. That is insane. How can anybody say they understand what is going on or what laws they are passing when that happens? On this particular one, I am just using that as an example of how this Assembly makes decisions which are not based on any fact or on any information, so the point I am going to make here is we are told there is independent and expert advice, but where is that independent and expert advice? I have not seen a shred of it. We keep on getting told if we do not do it, it is going to be Armageddon or it is an Apocalypse Now. The thing is, if we do not agree to this now, the whole thing will fall apart. I do not believe that, nor do I believe ... we have had this time and time again. Every time the Minister for Treasury and Resources brings a proposition to the States, whether it be Lime Grove House or anything else, it is the end of the world, all the houses, the sky is going to fall and we will not be able to carry on. I am just fed up, sick and tired of these statements being made and no proof to substantiate it. For example, we are told about the expertise of the Waterfront Enterprise Board, but as Members know, they have not paid a dividend in the whole time, that is W.E.B. and S.o.J.D.C. have not paid a dividend back to the States in the whole time they have been in existence. We paid a fortune out in salaries for these people over the years, but no dividend return to the States. We have also heard lots of things said about: "Oh, it is important that we get this iconic international business centre." Look at the building we are proposing in phase 1. It is just a mark II incinerator. [Laughter] It is. Just look at it: it is a square box and it... Possibly when it is completed it may be worse than the incinerator, in which case I will be praising the incinerator. Also we are told it is absolutely essential: "Fiscal stimulus, we are going to get the economy moving again." If you look at the employment figures, we have got 1,860 people unemployed. How many people from the construction industry? 860 people in the construction industry. We start on this, there are other projects going to come in. Where are the people who are going to do the work on it? They are going to be coming into the Island, because we do not have the skills here now and the people here now. There is a lot of rubbish talked about fiscal stimulus and benefiting the economy in that way. We are told that our competitors in the Middle East and Singapore are developing all these things. They have got far more money than we have. Dubai could pay people to go there. Instead of just saying: "We will build new buildings" they could even encourage them in that way. If you think we can compete with that, you are mistaken. Anyway, I have had my little rant this morning. [Laughter] It is good for the soul, it makes me feel better, because the truth of the matter is this Assembly has failed in its duty by not examining the facts and the evidence. We have not had the facts and the evidence, and if you vote against Senator Breckon on this, again you are just demonstrating that we should not be here and I hope the public turn us all out, because we are not doing our job, and hopefully they will put people in who will do their job.

#### 2.1.13 Deputy R.G. Le Hérissier:

In an analogy which I think the Minister for Social Security may regret: of course, love is blind. [Laughter] We abandoned, maybe for good reasons, that by definition we do not understand and maybe we abandon reason as we proceed down the aisle, because that is the nature of the exercise. But one of the most disappointing things has been the most recent revelation by Senator Ferguson that she did not use her handbag in her customary fashion when she dealt with this, because we have great respect for the robust manner in which she takes on not the establishment - that is a hackneyed phrase - but those who are privileged to rule over us and uses it in a fairly ... not in an indiscriminate way, but uses it an energetic way. I was desperately disappointed that this secret meeting has taken place and we have only been told they were satisfied. I would have thought it would have been quite easy to have said: "We have looked at the main structures, the main features, the main issues [A, B, C, D, E, et cetera] and these are the broad conclusions we reached" because of course way back in 2008 in the debate on P.60, this is what the States had asked for. The concern that there was something fundamentally that needed continuing examination was expressed that long ago. It was not a concern which said: "Let us ditch the finance industry" as people have been trying to do in their polarisation of this debate, it was simply something that said: "Look, there are some issues here about which we are not terribly happy and we really need to keep tabs on it." I agree with Senator Ozouf totally, because I have spoken so many times on this issue of overmanaging and micromanagement. We do not need that, but we really would like to keep tabs on it that is what Scrutiny is there for - and that is why I am desperately disappointed with the handbagger of St. Brelade that she did not robustly step up to the plate. But it is worth looking at the debate of P.60 in 2008, because that was the debate when Senator Le Sueur, the then Minister for Treasury and Resources, said: "I will give you an independent report on all the key factors. I do realise you want some macro assurance about where we are going, have we got the figures right, is the broad trend working out as we are predicting [blah blah blah]." All good, broad Scrutiny questions which do not imply that you are about to kill off the finance industry, as so many are trying to move the debate towards. They simply imply you want assurance about the direction, because maybe we have not pinned it down, and that is what Senator Le Sueur willingly said, there would be an independent report: "I will make that advice available to States Members before I sign the contract" he said. Senator Ozouf, in a flourish of rhetoric, said: "I am reassured that that advice will be shared with Members." Indeed, in the debate of P.175 in 2011, which moved to the issue of will there be public money involved: "There are a number of very important benefits" said Senator Ozouf: "of this first phase to the public. It does not require any public funding. There has been some discussions that it does" emphasis, "it does not." We have now been told there has to be a fairly substantial borrowing from the Currency Fund, so you can see why people are worried, not that they wish to ... and I do not wish to undermine it, and in fact I am disappointed in Senator Breckon, because I think it has come rather late in the day. I think it is, strategically speaking, very unwise to be bringing these issues so late. Maybe he was reassured, maybe he was prepared to let things move along and it was only when he saw it was reaching an almost irrevocable conclusion that he felt he had to jump in, but I have to say that it has come rather late in the day and it is not the way we should be behaving, quite bluntly, in public. But it could have been avoided, as I said, had the requisite report been provided, as we were promised, when Members years ago raised issues. All this panic that is now being induced by people: "If you do not approve, you are going to be responsible for the collapse of the finance industry," I think that is totally disingenuous. It should never have reached that point. I have got no problem in accepting the arguments that we need a good finance centre. Guernsey, as we know, got there years before us and built its centre, as I understand, largely through private partnership. I do not think the members of the Council have realised how involved they are in state capitalism. I do not think they ever sorted out the issue of why they are not enablers. Deputy Bryans mentioned the Crown Estates, for example, and that was picked up by the Chief Minister, but it is not a good analogy. I have just been reading the history.

It goes back to 1066. It is a body that was set up to manage the diverse landholdings of the Crown as the Crown lost executive responsibility, as it lost direct - or should have lost and did lose - access to that funding. It was a way of putting all these holdings into a separate body. It inherited massive, massive landholdings even before it started taking on a more commercial slant. It is not a direct analogy. A much more direct analogy is I suppose what we have tried to do - and it all ended in tears - of these great development corporations set up in Britain to redevelop parts of the northeast, to redevelop London Docklands and so forth, where they were, as Members have been trying to say, enablers. They provided the infrastructure, they brought in the transport, et cetera, and they were enablers. It is now being said the argument has been morphed into an argument that we need to give direct inducements and people like Singapore and Hong Kong and so forth are doing it. I am not sure we need to give it as state capitalists, but that is what is being said. Again, because we question the basis upon which that is being done, that why are the States so involved in such a detailed way, we are now accused of trying to bring about the demise of the finance industry, which is totally wrong. I think it is right that Members do ask for scrutiny. They asked as far back as 2008 that this situation be monitored. They were not asking for micromanagement, they were asking that sensible figures be reviewed by Scrutiny, by the P.A.C. (Public Accounts Committee) or whoever so that we could be reassured. It was the inability to do this or the unwillingness to do this, and it is not satisfactory to say, as when we had that burst of intra-conflict within the Parish of St. Lawrence, as Deputy Noel said: "I have been given all this information. Do you trust the board? Do you trust the chief executive?" et cetera. Of course we do. In fact, I have always been treated with the utmost courtesy by the J.D.C., but we are not here to pass a proposition on that: "Have you not been treated with courtesy and kindness?" I always have. I have found them very professional, but that is not the point. The point is that the scrutiny, it is not what the board says, the scrutiny is our scrutiny. That is what matters, how we do it, are we reassured, which is why it has been so disappointing to hear that admission from the chair of the panel.

# [11:30]

I am very reluctant to stop this in mid-flow - not my speech, a lot of people are - but I am very reluctant to stop this project in mid-flow and I look forward to Senator Breckon providing sound reasoning as to why he has brought it so late in the day, because I think it is very dangerous in that sense, but there are things that are fundamentally to be questioned about J.D.C. It was not a major vote: it was, as I researched, 20 to 25 that brought the Jersey Development Company in. A lot of Members were very unhappy with the States getting directly involved in the minutiae of administration, because I suppose they knew as soon as that happened, they would be told: "Do not interfere," they would be told that even at the strategic level, which is where I think the Members wanted to interfere and struck me as quite reasonable interference.

# The Bailiff:

Does any other Member wish to speak? Very well, I call on Senator Breckon to reply.

# 2.1.14 Senator A. Breckon:

First of all, I should clarify this is a proposition, not a proposal of marriage to anyone. I hope this is not misreported in any way, otherwise I am in trouble for that, so I will thank Senator Le Gresley for that. The other thing is before I spoke yesterday, Senator Routier said: "How long are you going to speak for?" and I said: "Not as long as Senator Ozouf" and he just nodded. Having said that, I would like to start with the words of Senator Ozouf. He said: "This Assembly is legislative." No, it is not, it makes policy decisions, and the Chief Minister mentioned that, and I am glad to hear that, because it is worrying if we are just going to be here to rubberstamp stuff. Deputy Higgins mentioned: "Well, if that is the case, we need not bother to turn up. The deal is done" and that is worrying. It is important that we have checks and balances and that is what this is, it is about checks and balances, and this Assembly is the final arbiter of that, not any Minister, not any Assistant Minister, not anything. It is right and proper that it is questioned and it is brought to this House. We heard the word "democracy." That is what it is about. It is about checks and balances and challenges. Senator Ozouf said that I do not trust the members of the States of Jersev Development Company. I never said that. In fact, I said the opposite. In my opening speech, I thanked them for the presentations they have done and the information they provided, and as well as thanking them, I thanked other people who had contributed, whether they were individuals with a 2-line email or people who had phoned up, I thanked them all. Regardless of the view or the opinion they had, I thanked them. I did not criticise them in any way, shape or form, and I need to make that clear, because it is not about mistrust, it is about accountability, and there is a difference. Senator Ozouf also said: "We do not make micro-decisions." Perhaps he has been guilty of that himself. We had the Lime Grove House episode and the police station, we have had people coming and going. So how micro are some of his decisions? Certainly not mine. This is not the intention of this. I mentioned yesterday that I had received lots of contributions from different people, people with an interest, people with a vested interest, but yesterday I received another one, and it is one of those that landed on the mat. I do not know the origins of it, but it is very important, and especially important because 2 Members in particular, Senator Maclean and Deputy Noel, have just made comments about companies getting involved in negotiations, legal process, looking at leases and following that up. It is about the prospective tenants and the main Jersey Post Office, and somebody - I do not know where this has come from - has passed this on to me, and I believe it is all genuine, and what they have said, this is in the introduction: "I have passed on the enclosed evidence to prove that both the Jersey Post Office and someone [we will call them X] has agreed a price for the Broad Street building. It seems that this deal was subject to approval from the board of Jersey Post and Treasury as well as X. Jersey Post wanted to proceed, but instead Treasury essentially blocked the deal and demanded the proceeds of the sale, thus making it impossible for Jersey Post to proceed. Jersey Post could not sanction the sale and the deal with X collapsed. Jersey Post wished to use the funds to create an open and new town centre Post Office, ideally in King Street. By Treasury taking these funds as a form of dividend, the business case to sell Broad Street to X was eliminated. It seems that Senator Ozouf and somebody else have not disclosed the full details and are taking part in a cover-up." Attached to that was a draft of the head of terms, and this is dated the end of 2008. Other Members have mentioned the difficult financial climate, and this was during that time, when somebody was prepared to invest money, and in there - and what I will do, I will make this available, I will scan it and then email it to Members later - on those heads of terms it mentions various things. It is a 2-year gap for the Post Office to relocate and other things and there is things about how things will operate; there is a market value on the Post Office of £7 million with a variable on other things; there is details of how they will exit. This company, who are a potential tenant for what we are talking about, the one where the pressure is on, their timing is they would be in their offices by October 2013, so in other words, they would have been in there now if the deal had gone ahead. However, if the Treasury wanted the money as a dividend, that is the cause of the problem and that is where we are today.

#### Senator P.F.C. Ozouf:

If I may take a point of order...

#### Senator A. Breckon:

No, I am not giving way. I am not giving way.

#### The Bailiff:

The Senator says he is raising a point of order. He is allowed to do that.

#### Senator P.F.C. Ozouf:

I just need advice, Sir. Senator Breckon is misleading the Assembly. He is quoting from information that is inaccurate, which has already been corrected by the Chairman of Jersey Post, and I have the email from the Chairman of Jersey Post dealing with this issue. What am I to do in listening to a debate when Senator Breckon is using information clearly put on a doorstep or something which is misleading, which has been already effectively disputed and confirmed to be inaccurate by the Chairman of Jersey Post? What am I to do, Sir?

# The Bailiff:

We cannot go into it, for a start. It is not clear to me what this has to do with this matter, Senator Breckon. We are debating the Waterfront.

# Senator A. Breckon:

We are, Sir, but the tenant who was to buy that is the tenant who is the potential tenant where we are required to do things on the hurry-up because they need office space, when they could have that. I will get this to Members. That is the document that was with it and it is the summary: "Head of terms in relation to the proposed of Broad Street."

# The Bailiff:

But what has it got to do with the Waterfront? If this is to do with the Post Office 5 years ago or something, what has it got to do with the Waterfront today?

#### Senator A. Breckon:

The company that was going to buy the Post Office is the tenant who we are told needs office space by April 2016, so that is the relevance.

#### The Bailiff:

Senator, going back to your point of order, we cannot, on the floor of the House, obviously ascertain the position, nor are we going to have a debate about something that happened several years ago, so your only remedy is to issue a statement hereafter saying you disagree.

#### Senator A. Breckon:

I will issue these to Members, Sir.

#### Senator P.F.C. Ozouf:

I have an email from the Chairman of Jersey Post saying that effectively this information that has been put in the public domain is wrong and he has confirmed publicly and it has been published.

#### The Bailiff:

You will be able to publish that then.

#### Senator P.F.C. Ozouf:

But if it sways Members that there is somehow some misinformation, it is simply outrageous and wrong, Sir.

#### The Bailiff:

It is very difficult for the Chair to know whether information being provided by Ministers is accurate or not, but I repeat, Senator Breckon, I cannot see what this has to do with this proposition. Can I suggest you move on?

#### Senator A. Breckon:

Yes, Sir, exactly.

# Senator B.I. Le Marquand:

I have a second point of order to raise in relation to this. It may be that it is not a good point of order, but I think it is right I raise it. This is a situation in which a proposer of a proposition has raised a new matter in his closing speech. Now, in the profession I come from, which you also share, that does not happen without parties then being given an ability to respond. It seems to me to be entirely unfair that new matters should be raised in a closing speech which therefore deprives all other Members of the ability to comment on that.

#### The Bailiff:

The position is, I think, Senator, this sort of matter has been raised before and fairness would certainly suggest that a proposer should lay out all his ammunition in his opening remarks and it is not appropriate to bring up a new matter in the reply. But having said that, some Members do, and I am not sure that it is contrary to Standing Orders, but at the moment it certainly is contrary to good practice to bring in a new matter for the first time in reply, because nobody has a chance to deal with it. Can we get on with this? I hope it is relevant to ...

#### Senator A. Breckon:

When I made this proposition, I had not seen this, so I could not.

# Deputy R.G. Le Hérissier:

Is there any chance we can have a break and receive that new material from Senator Breckon?

#### The Bailiff:

No. We are in the midst of the reply and we carry on now.

#### Senator A. Breckon:

It certainly may be a matter for the Public Accounts Committee or Scrutiny to look at and to show their worth and act on the evidence and maybe look at the thing. Moving on, the Constable of St. Helier mentioned and quoted from Hansard, and he said that a number of years ago he had been in the same position as I with this, and he mentioned some of the water features and other things. It appears to me as if he has jumped ship, because he certainly had some strong views about this before, but his position has certainly changed. The Minister for Housing also made a few comments, but I would really questions whether Housing again is on this because I am not sure how this will move on and if that will be there. The other thing is if the States of Jersey Development Company were building 2,000 2-bedroom flats, say, and they were £1,000 a month, we would not be looking around for tenants, people would be queuing up to buy them. So because we have got a commercial tenant, then there is an urgency, because we have got loads - as the Minister for Housing knows - of tenants waiting, then perhaps it is not quite such a high priority, and it should be, because that is part of the role as well of the States of Jersey Development Company. The Deputy of St. Ouen, along with some other Members, had concerns about burying the road, and as other Members said, maybe that is an issue for another day. The Constable of St. Clement mentioned competition in the office market, but what I can say to Members, I was given some facts and figures, and generally for office developments along the Esplanade, the price per square foot is the same. There is a market rate, that is what is being asked and that is what has been obtained and that has happened with recent tenants and that is what some of the financial projections are based on for private developers and presumably the States of Jersey Company are the same. I would remind the Constable of St. Clement that there is 370,000 square feet, which is 6 times Cyril Le Marquand House, planned along the Esplanade, that is from Pomme d'Or to the Grand, so it is Jersey is certainly not closed for business, because these are in various stages of planning and financing. Some Members have mentioned other places like Dubai and Canary

Wharf. It is probably a bit like comparing Les Landes with Royal Ascot. It is not quite the same. People love Les Landes for different reasons, but if you go to Birmingham, for example, Birmingham has got a business quarter. A lot of cities have. This is not unique to how a business quarter ... and we have some of that already on the Esplanade. What I said at the start of this proposition, it is not just about approving a couple of office blocks and a car park, we have already got a car park, so we are just going to put it underground.

[11:45]

It is not anti-finance, as Deputy Hérissier has mentioned, and it is not anti-development. It is about a bit more - indeed, a lot more - transparency, it is about caring and sharing what is going to happen in the future. I know there are a lot of people in the community out there that are concerned about that, and when I left here last night I bumped into 3 businessmen, and I would describe them as all active in the local economy and community, and their question to me was: "Surely the States are not going to just go ahead with this, are they? Is that what they are going to do?" It was a little bit stronger than that, but that was the essence of it. I hope Members will see why I believe this House should have some input. That is what we are here for. We are not here for rubber-stamping legislation. Who has asked the public what they want, because I know there is some strong feelings out there. There was initial input into the original Masterplan, but that has not happened, and it is not just about legislation and looking at that. That is not an issue here at all. It is a tremendous responsibility for the Minister for Treasury and Resources, as the shareholder with responsibility. It is a responsibility and it is perhaps something that could be shared. It is not just the responsibility of the States of Jersey Development Company. We are talking about a massive project in the heart of the community. There are many issues that I mentioned before about the timeline, how long, what is the worst and best scenarios, something that the Minister for Planning and Environment mentioned, the office space, what is the real need, what are the predictions, the financing, the housing element, tourism and leisure, where exactly does that sit? There is traffic chaos and calming, whatever that may be, catering and retail and the impact on St. Helier, so it is not just about a couple of office blocks and doing that. Other Members have mentioned various phases of it, but that is part of it, so I believe that more details are required by us that can be shared with the public, not confidential financial information, that is not what I am talking about, and when we have got that, things like impact assessments and things could be included in that. This is not major. In fact, they must be around somewhere, because other Members have hinted at that, and that is the object of this proposition. Just to remind Members, this thing should be progressed until the details of the proposed developments have been presented to the States by the Minister for Treasury and Resources and endorsed by this Assembly. That is the proposal. I maintain the proposition and ask for the appel.

# The Bailiff:

POUR: 15	CONTRE: 31	ABSTAIN: 3
Senator A. Breckon	Senator P.F. Routier	Senator S.C. Ferguson
Connétable of St. Peter	Senator P.F.C. Ozouf	Deputy R.C. Duhamel (S)
Connétable of St. John	Senator A.J.H. Maclean	Deputy R.G. Le Hérissier (S)
Connétable of St. Brelade	Senator B.I. Le Marquand	
Connétable of St. Saviour	Senator F.du H. Le Gresley	
Deputy G.P. Southern (H)	Senator I.J. Gorst	
Deputy J.A.N. Le Fondré (L)	Senator L.J. Farnham	
Deputy S.S.P.A. Power (B)	Senator P.M. Bailhache	
Deputy M. Tadier (B)	Connétable of St. Helier	

Very well. The appel is called for then in relation to the proposition of Senator Breckon. I invite Members to return to their seats and the Greffier will open the voting.

Deputy M.R. Higgins (H)	Connétable of Trinity
Deputy J.M. Maçon (S)	Connétable of St. Clement
Deputy G.C.L. Baudains (C)	Connétable of St. Lawrence
Deputy J.H. Young (B)	Connétable of St. Mary
Deputy N. Le Cornu	Connétable of St. Ouen
Deputy S.Y. Mezec	Connétable of St. Martin
	Connétable of Grouville
	Deputy of St. Ouen
	Deputy of Grouville
	Deputy J.A. Hilton (H)
	Deputy of Trinity
	Deputy K.C. Lewis (S)
	Deputy E.J. Noel (L)
	Deputy T.A. Vallois (S)
	Deputy A.K.F. Green (H)
	Deputy of St. John
	Deputy J.P.G. Baker (H)
	Deputy S.J. Pinel (C)
	Deputy of St. Mary
	Deputy of St. Martin
	Deputy R.G. Bryans (H)
	Deputy R.J. Rondel (H)

# 3. Piquet House: cancellation of sale and future use (P.16/2014)

# The Bailiff:

Very well. Can we have silence, please? Order, please. Now we come to the next matter, which is Projet 16 - Piquet House: cancellation of sale and future use - lodged by Deputy Young. May we have silence, please, and the Greffier will read the proposition.

# The Greffier of the States:

The States are asked to decide whether they are of opinion to request the Minister for Treasury and Resources (a) not to proceed with the sale of Piquet House, Royal Square, St. Helier, as proposed in the report presented to the States by the Minister in accordance with the provisions of Standing Order 168 on 29th January 2014; (b) to investigate and implement suitable alternative uses of the premises for public or community purposes which are compatible with the strategic location of the premises in the Royal Square, including their leasing to community organisations, provided that if no suitable public or community use can be identified within 12 months, the Minister should offer a lease of the building for commercial purposes, subject to restrictive conditions, to ensure the building is conserved and that its future use is compatible with its historical location in the Royal Square.

# **3.1 Deputy J.H. Young:**

A rare survivor of a Georgian guard house, the Jersey pronunciation - I will have a go at it - Piquet. If this building could talk it would have a tale to tell. Built in 1803 in the middle of our Royal Square, previously our Market Square, such at the time it was built it required a special consent of the Royal Court to intrude into the area, so important was it. It was of course only in later days that it became joined to the adjacent bank building which is not really an integral part of it. My proposition relates to the guard house. What looks like now an unloved, neglected building, eclectic almost, crudely constructed perhaps, out of place in the grandeur of the Royal Square, but I hope to convince Members that we should love it and we should retain this building into public

ownership. I am grateful to the Minister for Treasury and Resources in circulating the list of States buildings by electronic mail. Of course I managed to sort those into date order and I find that it is number 34 on our list of the most historic buildings of a portfolio of 1,000, and I think that makes it in the most valuable group. I see there are 2 properties assigned for sale, the Old Mill House, which I think is in the pipeline, built around 1800 - I do not think that has reached us yet - and this one. My proposition though relates not only to the historic nature of the building but also its strategic location in the Royal Square. Those are both special reasons why I believe this Assembly should make the decision to retain this in public ownership. Of course, I did ask the Minister for Treasury and Resources in a written question this week for some criteria for making the decision, and I am told if one looks at written answer 19, there is not a policy. Each decision is made *ad hoc* on its merits, but based on best value for money, subject to no alternative use which is approved. It does not say who is to approve the alternative use. My purpose today is to retain this. If I ask the question, if we do let this one leave our public ownership, where will it end? Will we be selling the other buildings on the list? I can see obviously our earliest physical building there, Mont Orgueil Castle. Of course we would not think about that. How far do you go down the list? Where do you draw the line on this? So I think that is an important point of principle. I know that there are other bodies in the Island who, as it were, specialise in inherited structures. The National Trust, for example, know that people leave buildings to them, and why do they do that? Because they are inalienable. It means that the building, once left to them, is safe for the future, it will remain in that ownership and will not be lost. Of course I know in recent years the States have been persuaded to lift important covenants and things like that on buildings that people have left, and I think it is really important that Government is shown to be a safe steward of our historic heritage, because I would argue that only in that way can we really control its use and ensure what happens to it in its next 200 years of its life. Would we want to see it go into, for example, a chip shop or a takeaway or something like that? Of course we would not, and we are told: "Do not worry, the planning system will make sure that does not happen." I am doubtful of that, as I will explain in a moment. But sticking now to the strategic location, obviously here we are. This building was constructed around 1802 at the end of some very, very turbulent times. It has seen major events: it has seen Queen Victoria's visit in 1846, Churchill's speech in 1945, King George V in 1921 and King George VI in June 1945 and so on. These are important things, our celebrations, our fairs take place, all the national events, it is where our culture, and of course the Victorians recognised this in 1880 when they built the Assembly room, the library, the police court, all of those facilities in the vicinity of the Royal Square. I hope that you very much enjoyed the pictures that I was able to circulate and I am very grateful for the Société Jersiaise allowing me to reproduce some images. They are resolution and crude, and they made the point to me, if any Member wants to see any high resolution, of course they have a service to provide that, to produce high-resolution images. But I do think my purpose in circulating this was to illustrate the history, and you will see this building, Piquet House, present in all of those drawings, bar in 1800, which was just before it was built. Now, of course St. Helier then was just really a group of houses around the church and market place, and of course these were turbulent times with the wars between France, but of course it was highly militarised. Elizabeth Castle was garrisoned and in fact there was the town regiment and there was a local militia. Of course all of that was important following the Battle of Jersey, but of course revolution brewed-up in France and Jersey was on the front line, effectively, because the British Navy had other things to do with rebellions, the British fleet in the north end of the Thames and so on. There was worry: "Well, could Jersey protect itself?" and so France was saying some things. For example, Napoleon described it as Jersey was a place where hundreds of brigands were finding refuge in Jersey, where they undermined France, and France could no longer tolerate these brigands and assassins and Europe must be purged of the vermin in Jersey. That was said at the day, and so those threats were really troubling, and of course this manifested itself in 1803 when war broke out, the Napoleonic War again, and obviously there was a period of 12 years until

Waterloo, when Napoleon was defeated. So there was all talk of martial law in Jersey. The Lieutenant Governor proposed to the States that there should be a martial law. That was rejected, obviously, but they did discipline the local militia in an Act of the States. In an Act of the States, they set down that all men and boys should take an active part in the local militia, and as part of that decision, the States decided that they really had to have a Picket House in the Royal Square and they were prepared to hand over land to the War Office to ensure that that law was enforced in the town, because Jersey was of course full of officers and men from the military. So that was what led to its construction, and of course the garrison remained in Jersey until the 1920s, and I omitted to say of course Fort Regent was built, and that was garrisoned until that time, and then of course the Picket House became used for all sorts of functions, married quarters for the Army and Army Paymaster. Also, interestingly enough, there is a little anecdote on the archive file showing where there was trouble, because revolutionaries posted posters all over it in 1904 saying: "Do not join up" and there was protestations that this kind of revolutionary behaviour should stop. So it shows how this building was right at the heart of those events. But it did fall into the situation in 1933 when that use of the War Office ceased, but the War Office was still not prepared to hand it over.

#### [12:00]

Also shown in the records, the archive, is a bit of a row, if you like, between the War Office and the States about: "Well, we want it. We think that building should remain in public use" it said: "or we want some money, because we built it on your land" because it was never handed over. So there is a lot of interesting correspondence of that, but of course after the war those things faded away and the building was leased - not sold, leased - to the then National Provincial Bank, who owned the property next door who has asked to be able to join it into the building. Of course, that use that prevailed until recent times was in fact still with the States retaining ownership. Of course, it has got an interesting sundial on the side, which I am sure you have read the report, which is an equally interesting part of Jersey's heritage. I have aired that history because I wanted to and the photos really show how it has been at the heart of our history. I think that we should remind ourselves of that and that is why that has gone into that in a bit more detail. When this proposition came out I was approached by 2 organisations who thought they had aspirations for alternative use. I am not going to name them because my purpose here is not to act as an advocate for other community organisations, very well known and very respected, who had put forward interest. But they are being told that they were discouraged and they were discouraged because they were told that: "There are commercial bids and you are going to be out of luck. You are not going to be able to reach the price expectations that commercial bids are going to, so forget it." But one particular organisation was interested in doing an arrangement with the Parish of St. Helier. I do not know how far that got with the Parish but they said they did because if they were to have access to it they would like to have its shared with the Parish for their Centeniers. Another organisation said they were surprised that the States would dispose of it because there are gaps in the public sector division and are not really provided by the kind of modern office-type facility where small, discreet, individual uses in the special place at the Royal Square fits the bill. For example, it was suggested, and I still believe it is so, a tourism enquiry office in town as a base for information, seasonal function perhaps where in fact ticket sales can be done and such things as the Battle of the Flowers. There could be support for events that go on and also, for example, as a base for town walks and heritage walks. With the activities that take place in the town in summertime such a building staffed by volunteers would seem to be ... then I believe there would be plenty of volunteers available to come forward to provide that sort of infrastructure, which really I do not think the current facility, which is situated at the other end of Liberty Wharf, really meets the bill. That may meet the bill for the harbour arrivals but I do not think it really meets the bill right at the heart of our town. That is the sort of opportunity that is available. Of course, I am grateful for the Minister for Treasury and Resources for the presentation and a walk around the building. I listened to his presentation with interest and I really appreciated the visits in the building. I think it is true, the internals are not in any impressive state, they have obviously been changed. But when one looks at the exterior structure that is the thing that is important and its location in a special, special place, which means it is a special place. Obviously I am not here arguing against the property strategy. I do not personally get fairly warm and enthusiastic about an image that kind of squeezes everybody in into 70 square feet of space. This is super-efficient stuff, hot-desking and so on. I know it is the modern way but I am not very enthused about it. I think that that sort of thing is obviously part of the modern world but I do not really see that that should so dominate our thinking that it squeezes out heritage issues entirely because I think that the retention of this building for community and public use should continue. The floor area is small and I cannot believe that it would be fatal to our office strategy if we were to retain it. Has the Treasury become so profligate in our spending that we need to have every penny of a capital receipt? I do not think so. Of course, we are not allowed to know how much it is. We can guess at it, we are told the guide price was £650,000. The community organisation that I spoke to have told me they think it is £850,000. The Assistant Minister for Treasury and Resources kind of hinted the other day that it was even more. But, of course, that is a price for the combined building of 11 Royal Square and Piquet House. I have got no concern over 11 Royal Square, 11 Royal Square has not been in public ownership until 1993. It was privately owned. I have no issue with that. The Minister for Treasury and Resources, of course, is proposing to put Piquet House in with the sale of 11 Royal Square, which is what I am asking the States to not agree to. But I am being told: "Well, do not worry, the building has been sold". But I ask what are the conditions on it, what restrictions on use? No, there are none we are told. Do not need them, do not need covenants. Normal practice when you sell buildings in these special locations but with a covenant. But, of course, we are then further told that the buyer, who we do not know who they are because we are not told, we are not allowed to know, is at a meeting with the planners and that planners have approved the use. But, of course, we cannot be told. It is all part of the secret negotiations that go on, you are not supposed to know. But do I think the planning system is strong enough to ensure protection, even if the building is listed? Oh, yes? I think not. I am sure our present Minister would do his very, very best to make sure that listed buildings are looked after, otherwise what is the point of listing them? But, of course, we do not know who will be the future Minister for Treasury and Resources and that is the point. If you want to control the land around you own it, absolutely. But I have tried to be constructive, although some Members may feel not. I have suggested a kind of a pause period where there are 12 months to find a public or community use for this building. I believe that in that time, if the tenderer wanted to do that and prepared to do it, the tenderer could go ahead with the sale of 11 Royal Square, which is the major part of the building but retain Piquet House in public ownership. Piquet House is not fundamentally connected to 11 Royal Square, that connection was made by the bank and can easily be reversed. I have further gone through it and say that if in 12 months, and the proposition suggests, that that could extend. If we cannot find a community or public use in 12 months then the commercial use could happen to take place but by lease. Of course, I would expect that such a lease to put restrictions on the use, to ensure that our heritage remains in an appropriate use and we do not have the problem of a use for coming there and becoming established there as part of a speculative scheme because I can only assume that a sale that is paying well over the odds has got speculative purpose. Nothing wrong with that but not in that place, absolutely not. One transaction out of 200 is done every year by Property Holdings, which 199 got no problem with. In this case I ask Members, please, to rethink this one and ask the Minister for Treasury and Resources to vary the deal on the lines I have suggested.

# The Bailiff:

Is the proposition seconded? [Seconded] Deputy Pinel.

#### 3.1.1 Deputy S. Pinel of St. Clement:

It was really a point of clarification that the proposer has more or less satisfied in his opening speech. We have been assured that a purchaser for the 2 buildings has been established at a price offered above the guide price. My question is and was: has or was any consideration given, along with what Deputy Young has just said, to retaining Piquet House for, as he proposes, community use and the disposal only of 11 Royal Square or are the sales totally intertwined?

#### 3.1.2 The Connétable of St. John:

Having visited the property again vesterday it reminded me of the days when I sat on Home Affairs up in that building and it did not hearten me then, it does not hearten me now. A small staircase going up to the top floors, very narrow, not very user friendly whatsoever but a building of its day. Like most of our States buildings that we own and occupy, poor state of repair. I notice the damp coming in through the walls, the leaking roof and so on. I think we all know how good we are at maintaining our own properties. We have only got to go into our Members room next door and look at the ceiling and yet there is water ingress coming through there and it was only renovated 8 or 9 years ago. We do not keep on top of these things. I think these types of properties need special care and we do not have the knowhow, I would say, within the States to look after our properties. We build properties and I am thinking of Elysee Estate built in the 1970s, demolished in the 1990s, Ann Court built in the 1970s, demolished at the end of the 1990s, early 2000. Likewise, properties in St. Clement. We seem to have a life in many of our properties that we own of about 30 years and we demolish, unlike you and I, Sir, who probably live in old houses that have been built... I know with my case one of my properties is several hundred years old and in good fettle. I cannot understand why the States, who are guardians of public property, do not look after our properties far better than they do. This property will probably be far better off in the hands of private ownership. The law is in place that historical buildings generally have to be maintained in a certain way. I have seen people with Grade 1 buildings, S.S.I.s (Sites of Special Interest), in front of the historical building officer at South Hill, and I have had to represent them, in tears. These are just ordinary people in tears because they are told they have got to put either cast iron guttering or something similar on their property. Yet, when it comes to States properties, just look at Le Seelleur buildings that were given to the States some years ago, they are now totally dilapidated with water ingress everywhere and I think we all know the Le Seelleur properties near the new Town Park, that is one of them. We are not good custodians at all. I think putting this out into the hands of other people who know what they are buying, whether it is going to go as a type of school for further education, whatever it is going to be used for, I am sure that people will take on that responsibility of that building in a far better way than we do, we keep it in our portfolio. Just think of St. James Church that we bought all those years ago under a plea here that we wanted it for other things. Yes, and we poured millions of pounds into that church but how many years did we have a scaffold around the steeple, 12 or 14 years? I do not even know if it has been removed yet, I think it has somehow but it was there for so many years. What kind of respect have we got for our old properties? This is a building that requires respect and can be used in a number of ways. It will be controlled, I am sure, by Planning and what goes on on the inside because they are very good at telling us what we can do with our old churches. I am thinking of Sion Chapel, for instance, where we are told we cannot even remove the benches and so on. Yet, the States of Jersey seem to be allowed to leave the Le Seelleur building for one. It is getting in a worse state of repair by the day, by the week and I would hate to go in that building now after a wet winter like we have had, which is probably one of wettest on record in memory.

[12:15]

The damage that 3 or 4 months of continual rain pouring into that building, that was given to the Island, a bequest by the family thinking that we would look after it. What have we done? We have left it to go to rack and ruin. For whatever reasons I am not privy but, at the end of the day, I would

say to the proposer let us hand this across to somebody else who will look after that building and wash our hands of this particular building and start to think about the other buildings we should also be handing over to people who are like minded in keeping their properties in good fettle.

# 3.1.3 Deputy E.J. Noel:

Members will have read the principal reasons for rejecting Deputy Young's proposition that are set out in our written comments. I need to point out that although the Deputy's proposition refers to Piquet House, the proposed sale is for both Piquet House and 11 Royal Square. As many Members know the 2 buildings are interconnected, as shown on the plans in appendix A to our comments. A decision by this Assembly not to proceed with the sale will have an impact on both buildings. It would not be a simple exercise merely to split the services and to put those buildings back into 2. Let me be clear, Piquet House is an important historical building but it is not a strategic one. Its heritage features the balcony, sundial, police alarm box and others all deserve the highest protection by the Planning Department. The Island-wide review of heritage, as was recently undertaken by the department and the inclusion of Piquet House in that review, recognises its importance. Planning's review has embraced all buildings and sites of heritage value, whether they are in public administration or in private ownership. Any proposals to change the building would be assessed against planning policies that seeks to protect historical buildings. For those Members who are not familiar with the process required to dispose of any States-owned property I would briefly like to set out how we have got to this point. The States in the 2009 Business Plan, which is P.115/2008. set out a list of properties for disposal that were surplus to requirements. Piquet House was one of those properties. The Assembly supported its disposal by 36 votes to 2. This was a clear statement of the wishes of the Assembly and a positive mandate to Property Holdings to progress the disposal. If I can fast forward to 2012, Property Holdings brought a business case as part of the office modernisation process for the relocation of Property Holdings' functions to consolidate into Maritime House. Members will find more information about that in Appendix B to the comments, which was the basis of the presentation that we gave to Members last Thursday, prior to a tour of Piquet House. As a result of the Property Holdings' relocation Home Affairs have moved to 23 Hill Street and the Parish presence in 11 Royal Square will be relocated, freeing-up this building. In total this project has reduced the States office footprint by some 12,000 square feet and has provided better accommodation for our staff in the process. The process continued in October 2013 as Property Holdings instructed Buckley and Co to openly market the property. A good response was received and a number of offers were submitted. It is worth noting that offers were tabled from both commercial and non-commercial organisations for a range of uses. Furthermore, Members will note that the Parish of St. Helier was specifically contacted to determine if they wished to bid. Members, again, will see from Appendix C to their comment that the Parish declined to make an offer after considering the matter on 3 occasions. Although I am not able to disclose the details regarding the successful bid I can confirm that the use will be providing an educational facility that will be of great benefit to the Island. Property Holdings' report, in accordance with Standing Order 168 recommended disposal of buildings, does not provide an effective or efficient office accommodation and that there are no identified alternative operational uses. That report set out the marketing process that has been followed and recommended an unconditional sale to the highest bidder. Under delegated authority I accepted that recommendation. Members will appreciate that this is not merely a rubber-stamping exercise, as suggested in Deputy Young's report. I was and remain convinced that the proposed disposal represents good value to the public with the successful bid being above the guide price and, furthermore, that my decision has followed a complete and appropriate process. Deputy Young contacted me to raise his concerns about the proposed sale and I met with the Deputy and Deputy Tadier, along with the director of Property Holdings to discuss their concerns. I understand and respect the right of Members to raise concerns within the 15-day period under Standing Order 168 and if they feel minded to do so to lodge a proposition for debate

by this Assembly. However, the Deputy's reasons for keeping the property in public ownership, although made with the best intentions, are, in my opinion, misguided, a tad weak and a little bit incoherent but, above all, they do not benefit the public or the building. The Deputy's proposition has focused my thoughts in 2 areas, firstly, why the public should sell Piquet House and, secondly, why it should not be retained. Superficially these may sound like the same question but they are distinct pull and push issues. The Deputy argues that the building should not be sold in the open market and that it should be either retained for States use or provided for community use. Arguably, the capital received from the proposed sale, on its own, is not a critical contribution towards the reinvestment in States operational assets. However, taken together such receipts are critical to the capital programme. It would also remove the operational costs of the building such as heat, light, water but, more importantly, it removes the need to maintain and invest in the property. I am advised that to use the building as an office facility and to keep it in good condition that it would cost the States up to £10 per square foot per annum, that is some £35,000 per year. That, of course, does not comment on what it would cost to put the building back into good order. The public has a poor record of investing in some of its historical buildings, as outlined by the Constable of St. John. This is not surprising when these buildings do not have a dedicated operational use and resources are limited. They will be prioritised below buildings that deliver services and accommodation to staff. The building does not meet a strategic need being developed for the modern office estate. The prospective purchaser has identified a niche educational use for the site that fits their business uses and will provide a valuable asset to the Island. By selling the building we are providing the best opportunity for investment into that building to preserve its integrity and its fabric and to protect its heritage. The Deputy, in his report, raises the issue that the building to be retained by the facilities for States Members. Neither I nor officers at Property Holdings have received any bids for additional facilities for States Members. Indeed, since funding was provided to upgrade the Members' facilities in the States buildings my observation is that this space, if anything, is underutilised. Since the lodging of this proposition I have made a number of visits to the Members' facilities in this building at various times of the day and from those observations they do not appear to be fully utilised. However, if the need does exist then they could be reconfigured to further enhance facilities for Members. Those Members who received the presentation on Thursday and took a tour of Piquet House will see that it is not laid out to support Members' additional needs, even if they do exist. It is not really accessible and it would be difficult to upgrade to meet the needs of disabled persons and, thus, the building does not lend itself to be used for public meetings. It does not provide good quality soundproofing. It would need considerable investment to bring the services and the I.T. (information technology) infrastructure up to a modern standard. It has been suggested to me that the building could be reconfigured to provide States Members' briefing facilities. However, it would be more expensive to maintain and operate for States Members' briefings when compared to hiring rooms at the museum, the Société, Church House and St. Paul's. In fact by comparison the Société has confirmed that the States in total spent £5,682.50 in 2013 on hiring rooms for meetings. Clearly, it would cost us more to provide such facilities in Piquet House, even ignoring the capital cost of upgrading the building and the foregone capital receipt. Indeed, these bodies would lose a modest contribution that they receive from the States, which may mean that any grants that they receive would have to be increased and, thus, any saving would just be paper dollars. Surely it would be better to provide multi-use space in a modern office environment, which is exactly what we are doing. The office modernisation project is developing interim proposals to realign Morier House to accommodate additional staff. As part of this work the majority of the existing bookshop will be converted into 3 bookable meeting rooms that can be used to both service those in the building and provide additional space for States Members. That brings me on to the principles of why we should not retain the building in public ownership. The Deputy makes a strong plea for retaining the property to ensure that the heritage features are retained. The Deputy is fully aware that that responsibility

for determining what buildings and features of buildings should be listed and their development restrictions accordingly... I congratulate him on using the information provided by Property Holdings in his report setting out the history of the building. The ownership of the building is not the issue, it is the planning requirements and their policing that will determine the future use and nature of this building. Does he not trust the officers of planning and staff to protect our heritage? The public does not need to own a building to protect it for future generations. The facts are that the public has not had unfettered control of the building for the vast majority of its life and yet the building has kept its historic features the Deputy so wishes to retain. This is testament to the continued effectiveness of the planning process. The Deputy further maintains that the building could be best used for community groups at a reduced rent. The public has a good track record of housing appropriately groups to support and deliver the States strategic policies. Recent examples are the relocation of the Jersey Arts Trust and the Arts Centre personnel into secondary office accommodation in order to utilise the St. James Rectory for the Youth Service. The public, through Property Holdings, has negotiated very good deals for these groups in the secondary-office There is ample supply in the secondary-office market and such groups can be marketplace. encouraged and facilitated to obtain cost-effective deals without the need for the public to provide the spaces directly. The Deputy also raises the option of leasing the building rather than an outright sale. This may sound to some Members like an acceptable middle course but for those who visited the building will understand that to make the building fit for purpose it will still require considerable investment. Such investment will need to be amortised over a long period of time and, hence, would require a long lease, removing the property from the public for a significant period. The public should not forego the receipt of this building simply to provide space for unidentified community use that can be secured elsewhere and, in doing so, help regenerate the secondary-office market. Members must ask themselves, is this building strategic? The answer to me is clear, it is historically of great interest but it is not strategic. If it was strategic then surely we should be purchasing any other building that links to the Royal Square, such as the old Midland Bank building when they would become available. Of course, we do not because they are not strategic. We have built a strategic building, it is called Morier House. Its utilisation can be improved and we are doing just that. I am absolutely clear that Deputy Young is using the 15-day period under Standing Order 168 to raise a matter about which he feels strongly and that is right and proper. However, I cannot agree with his rationale and consider that to prevent the sale from progressing is the worst outcome for the public but it is also the worst outcome for the building. I hope Members will reject his proposition.

# [12:30]

# 3.1.4 Deputy R.C. Duhamel:

I would like to take issue with the previous speaker. I think there are opportunities that are afforded by Deputy Young's proposition to give us another chance to think outside of the box. When those opportunities are offered I think we should, in general, take them. I have had reservations for a long while about the policy under which we dispose or divest ourselves of the ownership of certain buildings. It is all very well to say that in a time past a decision was taken as to Piquet House and the associated building being surplus to States requirements and that might well have been the case in the past. What I would expect from any process before we get to a point of putting properties on to the market is that a second round or further round of talks or opportunities be given to all States departments and other bodies that are associated with the States in order to justify that particular decision that was taken previously. It is stated in the comments from the Assistant Minister that the Privileges and Procedures Committee have failed to provide any information or any requirement as that comes out of the suggestion that the current facilities, for example, States Members are oversubscribed or indeed up to the task. I find this and have found in the past it is a constant source of embarrassment that on going to visit other U.K. parliaments or other assemblies of the lack of facilities or the lack of the quality of the facilities that we do have for our own States Members. We do pride ourselves on suggesting that we are not just local council Ministers or Members or whatever but we are a Government and Back-Bencher Members do have a status to be considered as part of the Government in holding the Government to account. The facilities that are offered by other jurisdictions are way above what we give ourselves. It is all very well, and I was party to some of the discussions that took place when we had to squeeze out the meagre facilities that I consider that we have been given in terms of the refurbished Land Registry which, if we applied proper standards of lighting to - daylight that is - we would struggle to have it passed for sensible use. No one in the States Chamber can accept that the working conditions that are afforded by that middle room which contains all of our cabinets and other storage facilities as well as computer terminals for doing work is a pleasant room either to entertain in or to work in. Likewise the room that is on the left-hand side that borders the Square is equally fairly dark and dingy. Indeed when I visited the Welsh Assembly in Cardiff, members' facilities extended to the extent of providing a full dining room facility and a bar. I am not suggesting that we should all take up drinking but the point is that it is embarrassing, I think, to entertain our colleagues from other jurisdictions in facilities that are not really up to the job. I welcome Deputy Young's proposal to suggest that perhaps we afford ourselves an opportunity to have a second round of discussions or talks with any bodies which might well include the Privileges and Procedures Committee or indeed a breakaway group of States Members who feel as I do that perhaps Piquet House and number 11 would provide an opportunity for better facilities to entertain in the way that I have described. Equally I am little bit disheartened that having spoken with my Chief Executive Officer on a number of occasions about the potential for enhancing the offerings of the Planning and Environment Department to make the service more accessible that perhaps in the longer term there might well have been an opportunity to provide facilities within the main part of the town rather than up at South Hill. Indeed the Assistant Minister for Treasury and Resources will confirm that he has his eyes perhaps firmly placed on the redevelopment of the South Hill premises for grander things, certainly projects that might well return greater sums of monies back into the Treasury which is part and parcel of his function. That being said, I think there is an opportunity to have a more creative look to see what extent other States bodies or bodies associated with the Government in this Island could well use facilities that are very, very well placed next door to our States Assembly and the Royal Court. I personally would favour that approach even it turns out in a year's time that no such use could be found to the Island and Government's betterment and that we had to accept perhaps a second rate kind of restaurant selling chips as somebody suggested was perhaps on the cards. If we step back there is an opportunity albeit that negotiations have been undertaken to find a successful route to sell the property, and the 15 days does give us a bit of a breathing space to perhaps seek a longer period into which more successful outcomes might be able to be found rather than just selling it to whoever and putting the monies back into the Treasury only to find 15 months or a couple of years down the line that we should have looked at potential uses that we had failed to identify in this particular period. I shall be supporting Deputy Young in his approach.

#### 3.1.5 Connétable L. Norman of St. Clement:

Just briefly, I think that because this building is important, historic and special it is vitally important that we sell it as quickly as possible because as the Constable of St. John intimated the States are not good at looking after important, historic and special buildings. **[Laughter]** The comments of the Minister for Treasury and Resources himself gives a couple of examples such as St. James' Church and Haut de la Garenne. The Constable of St. John mentioned the Le Seelleur Building. I am sure we could also think of the Jersey College for Girls at La Pouquelaye. We can think of Fort Regent and particularly the swimming pool area. Not the best examples of looking after important and historic buildings, and even Piquet House itself one has only to stand out in the Royal Square and see the paint peeling off the building today. Even worse, and for me this is the absolute

clincher and I have checked this out, the sundial does not even tell the right time. **[Laughter]** This building is important, it is historic and it is special and if we want to protect it we must sell it. **[Approbation]** 

## The Bailiff:

Deputy Baudains, would you like to follow that? [Laughter]

## 3.1.6 Deputy G.C.L. Baudains:

In a similar vein I would like to start, and I will be brief, with a question for the Minister for Treasury and Resources. If in fact we do sell it where will the money go? Will it be the Consolidated Fund because he does seem to have been spending rather freely lately and I do not want the money to get lost in the great scheme of things? I would rather have assets in real estate than cash in the bank when the former generally appreciates and the latter depreciates. However I do struggle with this proposition mainly because of the States track record as the Constable of St. Clement has just reminded us. If we do sell this past experience tells me that we will probably sell it under market value just as the same as we pay over the odds when we purchase anything. On the other hand our track record of maintaining our properties is possibly even worse as I believe the Constable of St. John mentioned the Le Seelleur property in Oxford Road. What about the La Folie pub at French Harbour? The Constable of St. Clement just mentioned many other examples. The Constable of St. John mentioned St. James Church, in my view a property we should never have bought in the first place. It needed so much work done on it and the scaffolding was there for so long because we could not afford to carry out the repairs at the time. In fact the scaffolding was there so long I was afraid that the Minister for Planning and Environment was going to list it as was the scaffolding at Mont Orgueil Castle when the work was carried out there. [Laughter] Hundreds of thousands of pounds wasted because we cannot organise proper and efficient maintenance. I am at a bit of a loss to know which way to go at the moment on this proposition. It seems to me it is a lose-lose situation we are in here. I will listen to further discussion before I finally make up my mind.

## 3.1.7 Senator B.I. Le Marquand:

I must confess that I had not appreciated until the speech of Deputy Young that he was proposing only that there not be a sale of Piquet House and not seeking to prevent the sale of 11 Royal Square, which is the larger part of the property. This does pose major difficulties from my point of view and so I think, although I am not the Chief Fire Officer, from a fire safety point of view. We do have a plan of the properties on page 16. If you are left with Piquet House and if you separate that off from 11 Royal Square then you will create all sorts of fire safety problems. There is a spiral staircase in Piquet House which is part of what takes up the space on the ground floor but of course you will then lose the second exit which comes through on the first floor level on the left-hand side. Fire safety in that building in my opinion is already sufficiently poor. Having occupied it and indeed the top floor knowing that I had one single staircase coming down to the second floor and from that one single staircase down to the first floor. I did then have some comfort that in fact I did have 2 ways out, one down the main staircase and the other right the way through the building to Piquet House and down the spiral staircase if someone could find the key to open the door to let us out. There are major problems. Furthermore if it is going to be separated off, as the layout lies at the moment there will be no access at all left to the area which the police have been occupying recently. I am not saying that cannot be remedied but the main entrance to the police comes in through Piquet House and then turns left. The alternative exit goes back into Piquet House. I think there will be major fire safety issues. I am not sure that Planning will be willing to see a situation in which a building which has effectively now been turned into one building - and it needs to be one building for fire safety reasons - goes back into 2. My remarks really are in relation to the sale of the whole. I think it is all or nothing. I do not think it is at all viable to separate the building off for the reasons I have said. I want to offer some comments on the nature of the combined accommodation. I am pleased that quite a lot of Members went to see it but for the benefit of those who did not go to see it here are my comments. The accommodation does have certain assets, it has 2 major assets. One is that it has windows on 3 sides and therefore light on all 3 sides. Secondly it is in the centre of St. Helier. However it does have a number of major disadvantages. The access to the upper floors is relatively narrow and steep staircases and they are quite impossible in terms of disabled access and things of that nature. The fire safety in my opinion on the top 2 floors is not the best. The narrow and thin shape of the building means that quite a lot of space is taken up by corridors, or indeed in quite a number of cases you have to go through one room in order to get to another room and that is really not practical. It is particularly not practical for interview rooms or things of that nature which might be thought of. The building is an old building and it has high maintenance of redecoration costs. I am pleased that one of the last speakers noticed the fact that the paint was peeling off. It was repainted very recently. It was repainted if my memory serves me right only about 2 or 3 years ago in anticipation of being sold, and I think that indicates part of the difficulties associated with the building. Other work was done at the same time. From a point of view of ongoing costs I imagine this is not in my opinion a good building for the States to keep.

## [12:45]

I personally did not like the building and found it to be inflexible but I have to, for the sake of honesty, indicate that at least one of my previous Assistant Ministers, possibly 2, did quite like the buildings because they like old buildings but that was not my view. The States have previously agreed to a policy of selling properties for which States departments have no use, and that was an important part of the process of financing the capital programme. We are very quick to forget decisions we have made and I remember how much was put aside and was meant to be sold each year, but from my memory it was either £2 million or £3 million a year. If we are going to meet those sort of targets then I am afraid we have to be prepared to sell properties which are of no immediate use. At the moment there is no clear proposal for use of this property. There are general ideas. It is inflexible; it is bitty and so on. I was about to say that the States had a very poor record of retaining buildings which, if they are not in use, generally decay, and I had guite a long list of those. I am afraid that all of my list has already been taken off so I will not repeat those. I think we are absolutely shocking at looking after our buildings which we are not currently using. I do not think that we should take a sentimental view of properties which have been in public ownership in the past; I think there are other mechanisms for ensuring that they remain. I accept the arguments of the Connétable of St. Clement in that regard and others, nor do I think that we should go back on the principle of the disposal of not needed capital assets in order to invest in needed new capital assets. For those reasons I will not be supporting the proposition.

# LUNCHEON ADJOURNMENT PROPOSED

## The Bailiff:

The adjournment is proposed. We will reconvene at 2.15 p.m.

[12:47]

# LUNCHEON ADJOURNMENT

[14:15]

# The Bailiff:

We continue with the debate on Projet 16, and I see next Deputy Le Fondré.

## 3.1.8 Deputy J.A.N. Le Fondré of St. Lawrence:

I see certain people have been exchanging a comment now the clock can start ticking or the stopwatch can start ticking. Anyway after 5 years at Property Holdings and indeed being somebody hugely in favour of public sector reform it would be unusual for me to be supporting this proposition and on these types of matters I remain supportive of Jersey Property Holdings and its team. With the greatest of respect to Deputies Tadier and Young, for once in this instance the Deputies of St. Lawrence, all of them or both of them, are of the same mind. [Approbation] This property is not a good use of space for States use and I am supportive of its disposal. It is going to be a very rare occasion, hopefully not. [Laughter] Just to answer I think it was the Constable of St. John's comments on Le Seelleur, I think it is fair to say that I have tried to sell it once in the dim, distant past and I am sure on the occasion it was one of these people who spoke against selling that particular building was the former Minister for Planning and Environment, Senator Cohen. There were all these kinds of schemes that could be done. It could be used for good community use and whatever, and here we are, I do not know how many years later down the line, and basically the whole thing has been snarled up in knots on that particular site. I do take the point it is about the democratic decision of the Assembly but in this instance it is right to dispose of that particular building. What I was going to say it is also of interest that I perused the presentational slides attached to the comments. It is like seeing an old friend one has not seen for years. I am very glad to see the office strategy bubbling back to the surface, the principles of which look of a similar nature to what was presented to the Minister back in my time in 2010 even to the extent, and I can hold this up because that is the only reason it struck chord, the diagrams look similar. I am delighted to see reference to Birmingham City Council who invited some of us to visit them in 2010 and so myself, then head of Property Holdings, the current head of Property Holdings and indeed the head of Corporate Scrutiny were able to pay a visit at the end of 2010. For Members information the relevance of that is they were, and I presume continue to be, the benchmark in achieving public sector reform. This is all quite positive stuff. I am even more delighted to hear that Capita are involved in the office strategy given that as Deputy Noel recalls I invited my fellow Deputy to attend a presentation by Capita back in 2009/2010 I think it was. I forget when, on office reform. Unfortunately it was at a time when a particular senior civil servant who is now far up the chain considered that they were not the team to appoint because he was concerned as to whether they were independent or just had a one-size-fits-all model. I have to say it was a comment which I considered to be fundamentally flawed but we were not able to get the backing to appoint them at the time. Outcomes may have changed. Hopefully the principles will be the same based on the foundations that were laid back then but unfortunately we can never seem to get full Treasury engagement on. I look forward to seeing that progressing. I remain disappointed at the time it has taken but hopefully we might be starting to get there and I will not be supporting the proposition. For those who are timing me I hope that is short enough. [Approbation]

## 3.1.9 Deputy M. Tadier:

The juxtaposition of this debate is particularly interesting because only an hour ago or so, probably more than an hour, and yesterday we were saying how it is important that the States has a part of the action and that the taxpayer has a vital return for their money, and that we should be competing with the private sector for office space essentially. This is another debate about office space. Partly it is not simply about office space but this building will be used for office space it is interesting to note, and the person who we do not know about who wants to buy this property for a sum that we do not know about because after all we are only States Members and we do not get the information. It is Ministers and more importantly civil servants who make the decisions nowadays. They do know about it and somebody is moving into this to use it as office space because they think that is fine. This building is perfectly fine for their needs, for a professional who I understand wants to use it for a business school, something related to that. There is also an argument of course

at this juncture that there is no reason we could not go into private session so that the Minister can give us the real confidential detail about the sale so we know exactly what figures we are talking about. The questions I would be asking are how many times can we sell this building? Once. Once it is sold it is gone. We do not have any control over the building and what we might want to do with it in the future. How many Royal Squares do we have in Jersey? Again the answer is one. We only have one Royal Square and it is a unique area, as Deputy Young has already spoken about. What this debate is not about and some have tried to portray it like that, is public versus private. In the typical old style that public sector bad, private sector good it is simply not that simple. The idea is preposterous that simply because we have an example of a building where there is a little bit of paint peeling off it, we were told that it was painted 2 years ago by the Minister. Sure, there is a bit of paint at the top which is peeling off and that is clearly because it is a publicly owned building and if it was privately owned the paint would somehow stick to the bricks a lot better and the weather conditions would change overnight as soon as it became a privately owned building. If there is an issue with paint, simply use better paint or paint it. Use some of the underspends that we have had perhaps to maintain the building. To take it to a further level, would we suggest that if, for example, Mont Orgueil Castle was starting to fall down we would necessarily need to sell it to a private developer because that would be the only way to maintain the building? The whole argument is preposterous so we should not even get into that false dichotomy of saying public versus private. Of course we know with Dumaresq Street and with the Plémont village they were key examples of private sector ownership where buildings have fallen into disrepair and that is more an issue about our planning laws and about what impact we can have on these types of buildings of historic import falling into disrepair. It is nothing to do with public versus private as some Members have tried to suggest. What I am more interested in, and we have had a big debate about the future of the Island's economy, about diversification into more finance but what about the tourism industry, what about the cultural side of the Island which goes along anyway often without States intervention, the great cultural heritage that we have. We can mention the Opera House, the Arts Centre, Jersey Tourism putting on street theatre. The Royal Square is already partly used. We We have local markets. We have musicians who play there and in have French markets. Liberation Square. Is the Royal Square being used to its maximum potential? I do not think there is anyone in here, hand on heart, who would say that is the case. I would like to resume at some point - and I will need to speak to the Scrutiny Panel - the review that was started on entertainment because I think that can be finished very quickly and there are some exciting recommendations and findings which can come out of that about how we can free-up some of the red tape and make Jersey a lot more vibrant. Interestingly enough I went to Rennes a couple of weeks ago just for the one night and if you look at their squares, if you look at their streets where people at midnight are quite happily out there enjoying either an alcoholic beverage or a cup of tea, coffee, listening to music, chatting to each other and there is no complaint about noise out there. One has to question should not the Royal Square and its surrounding areas be like that? Simply to say that this small historic building here could not be used for any other use, it is not fit for offices. We know that is not true because the person buying it is using it for office space. All that Deputy Young is asking us for is to take a step back. Is it necessarily the right time and place to be selling it? Purely to play Devil's Advocate, if we choose not to sell it now nothing is lost. We keep it then. I understand that one rule of thumb for deciding the value of a property is to take 20 years of rental from it and then extrapolate from that. Obviously there will be other factors involved. What if we were to keep it and then get 20 years' worth of rent for that property? We do not have to use it ourselves. Why do we not rent it out ourselves and get the money but then in 20 years' time we will still own it? That is a radical thing to do. Imagine property ownership and renting things out, getting the money back, keeping it in public ownership. Quite rightly, as Deputy Young has said, there is no covenant on the building at the moment either. Library Place, why is that still in public ownership? It is because we decided as a States to change the decision. It was going to be sold. An amendment was brought and it was seen as a historic building, but not just historic. It is an ideal location. Library Place is even a little bit further out from the Royal Square and it is still used today to house some of our offices. Again for a cultural use but they are used for States employees, and there is absolutely nothing wrong with this. I have been slightly disturbed about the way that the debates are going: "No, we have to do this", and there is a "trust me" attitude. "Everything is okay, you do not need to worry about this. The public sector cannot be dealing with this office space. It is time to sell it off", but what is the alternative use that could be put to? That is my position and I am sure in the summing-up Deputy Young will not simply fixate on the heritage aspect. It has been quite rightly said, I believe, the heritage aspect is important but it need not remain in public ownership simply for that. What I am much more interested in is the key area there. I would like to see a Royal Square where in the summer we have music, live music at least 5 days a week in the evenings, possibly 7 days a week. We have tables out there and that could really be a strategic area which could be used for a multitude of heritage and cultural purposes, for entertainment. Perhaps visiting musicians, local musicians could store some of their equipment in there. These are just some of the uses that it could be put to. Why are these things being ruled out? I think it is the correct thing that we step back, look at what the alternative uses are and if we cannot find anything in 12 months we are seriously saying as a States we cannot find any good use for that corner of the Royal Square then by all means let us sell it on, but I do not think that is the case. That is not the kind of pessimism that I bring to the table when I look at that building in the Royal Square, and that is not the kind of pessimism I would expect from other Members either.

## 3.1.10 Senator F. Du H. Le Gresley:

It is really exciting being a States Member because one minute we are talking about £60 million of office A Grade buildings on the Waterfront and next minute we are trying to save a little Piquet House worth possibly in the region of £250,000. [Laughter] Let us be absolutely clear, the proposer has stated, and his proposition states he is trying to save Piquet House. He is not trying to save 11 Royal Square and we have heard a lot of arguments who oppose this proposition saying that 11 Royal Square is disused office building. It is not fit for purpose. The Deputy has made it quite clear he is only trying to save Piquet House. On that basis I used my lunchtime quite profitably, I felt. I did a little walk of St. Helier and I imagined I was a visitor to Jersey and I was interested in Jersey's heritage and I thought: "Where do I start to find out information?" Unfortunately I left my iPhone and my iPad at the hotel so I did not know where to start. Where would I go? I would go to the centre of Government, the Royal Square. Nothing there. I walked through the churchyard of the St. Helier town church and was confronted with the Chugging Pig who was giving out crepes in the churchyard, and I thought: "Where has Jersey heritage gone?" This is not a good start. I wandered down to the abattoirs that were and could not find any directions that took me towards any tourism office. However being somebody who likes exploring towns I ended up in the brand new tourism building and I looked around among the leaflets, and could I find anything about Jersey heritage? I could not find it. Eventually I went to this nice girl at the counter who kindly said that there is one leaflet: "But it is not much use to you because everything is closed apart from Mont Orgueil Castle but there is a Jersey Museum which is further along the road". Being a visitor I strolled along by the seaside and the docks and all I could see was the Royal Yacht Hotel. Somebody told me there was a museum there but I could not see it. It was absolutely hidden by this rather large monstrosity which has been allowed to be built in that area. [Laughter] However I was comforted by the fact that I could see that the Government of the day had had the sense to try and preserve the Southampton Hotel frontage which was being propped up with pieces of metal.

[14:30]

We do try to preserve some of our historic buildings but I did notice that behind the facade of the Southampton Hotel there was going to be nothing. It does prove that you can with a building that is protected or listed just retain the façade and do something different in the inside. I completed my journey by strolling up New Street and of course in New Street we have a Georgian house which is owned by the National Trust. We all remember the story of how this building, which was part of the De Gruchy store, which would have been demolished if it had not been for the generosity of the owners of De Gruchy's and kind benefactors who gave the National Trust money to restore that building which was, and those of us who saw it, in its original state, guite honestly I do not know how they restored it but they did. There is an example of what can be done with a building if we put our mind to it. Let me read the introduction to the booklet on 16 New Street: "Georgian house, same era, to walk through the front door of 16 New Street is to step back in time and experience life in Regency Jersey. With evocative sights, sounds and smells you will be transported to a time of elegance where gentlemen smoked clay pipes, ladies drank priceless tea and the threat of French invasion was always a hot topic of conversation". I put away my visitor's hat and I thought to myself: "200 years Piquet House has been in States ownership or thereabouts". What could we do with that little building? We have been told by the doom mongers among us the States are useless at looking after heritage properties. We never maintain them and they fall into disrepair. What did De Gruchy's do? They were not prepared to maintain that building so they gifted it to the National Trust. I never found any information about Jersey Heritage on my little walk apart from the National Trust building, a house we should be gifting, Piquet House, to Jersey Heritage. We own Jersey Heritage. They look after some of our most famous land sites. We have Mont Orgueil Castle, Elizabeth Castle, Seymour Tower, a lot of the ones on this list are looked after Jersey Heritage and clearly they need a headquarters in the middle of town because I as a visitor could not find anything about what was offered on Jersey's heritage. We heard from Senator Le Marquand who has worked in that building that it would be impossible really for fire safety reasons to disconnect the 2 properties. Sorry, I think it does depend what you use the property for. If it was to be as the proposed suggestion of a ticket office somewhere for heritage walking tours to start off from you do not need a lot of facilities. There are 2 doors so you can go in one and out the other if there is a fire, and it would not take long to get through. The whole little building could be restored in a very Georgian type manner so that we appreciate what we have there. As for the paint coming off the bricks, of course if you are restoring a little building like that what you would do is get rid of the paint, reveal the bricks, point them and make that a really nice feature of our Royal Square. We are missing a great opportunity here. We are all about big business. We have had the big business debate. Big business is one. Let us save this little building for Jersey Heritage, gift it to Jersey Heritage and let us keep it for the people of Jersey. [Approbation]

# 3.1.11 Senator S.C. Ferguson:

Do I detect this was part of the honeymoon trip that the Senator was on? I suppose I really have a cautionary tale for the Assembly. One of the first committees I was on when I was first elected at the turn of the century so to speak was the Health Committee. One of the properties we had responsibility for was the Le Seelleur building down Stopford Road and we considered it and looked at it. We decided that it was going to be expensive to restore and we would sell it so that we could put the proceeds into facilities for the aged population which is what it was left to the States for. We had an offer by a well-known company for a tea room and community room, and then it came to the States and it stuck. People were saying: "Yes, but we must not give our heritage away." In fact all the arguments I have heard this afternoon I heard then for the first time. Unfortunately repetition does not make them any better sadly. The then President of the Health and Social Services Committee changed his mind and so in the end the States did not vote for the property to be sold. It did not go through. It did not get sold as a tea room to be a useful facility for the town park. It would have been an absolute asset to the Town Park and look at the state of it

now. It is about to fall down. I worry that if we do not sell Piquet House the same thing will happen there. The States has a record for it and I think Members should bear that in mind.

## **3.1.12** Senator L.J. Farnham:

I do not feel like agreeing with Senator Le Gresley after his last speech. [Laughter] Beauty is in the eye of the beholder but perhaps he preferred the old bus terminus and all the buses that were there prior to the monstrosity that has appeared next to the museum, but obviously I have an interest. I am slightly biased. What I object to in this is that we are being told our properties such as these are useless which they are not. There is little left to be said fortunately because the ground has been well and adequately and carefully covered by previous speakers but I cannot help feeling that we are being sold a bit of a dummy here in the fact that while the property is absolutely useless for us it is going to be useful for somebody else. To quote from the comment in the report: "It is going to join somebody else's portfolio". As the Constable of St. John has set out our record with our property portfolio is quite appalling. If anyone of us or let us say the Constable of St. John owned that property say, it would probably be well kept, well painted, have excellent plumbing and have a tenant. He would probably be getting rental income and everything would be fine but we seem to be incapable of doing that because our policy with property appears to be to leave it alone until it becomes so useless and run down there is no other option but to sell it. [Approbation] I agree with Property Holdings' policy of selling properties we really need to sell. If it is a house that could be sold to a family that needs housing, if it is an area that is urgently required for health or education, absolutely right, we should offload a number of our properties. We should also look at some of our properties as an investment. We own these properties on behalf of the public, in trust for the public and the public trust us to manage those assets as best as we possibly can. We let them down. We let them down too much. I think this is one property though that we probably need to hold on to. I hear what Senator Ferguson said and I understand and I would be tempted to agree in most circumstances but we do not need to do this. We have failed to deliver value from so many of our small assets. I do not think we should leave them to rot and then use that as an argument for selling them because we have no other option. Some buildings deserve to be maintained in the manner that commands a certain amount of civic pride and I think this little building is one of them. Thank you.

# 3.1.13 Deputy S.Y. Mézec of St. Helier:

Deputy Tadier has already said a bit of what I wanted to say so I will try to work what I have Obviously I recently fought an election campaign, which meant I knocked on around that. hundreds of doors, I spoke to all sorts of different people and tried to get to know some of the issues that are important to them, and this specific example did come up on quite a few doorsteps. I did have lots of conversations with people about this. In fact, one person who I asked to sign my nomination papers made me promise to vote to save Piquet House before he would put pen to paper, and I am happy that I will be able to take this opportunity to fulfil that promise. What I gathered when I spoke to people is that our heritage is important to people in this Island. It is part of who we are. It is part of our identity as a community and they do not like seeing our history being sidelined or left to ruin. The Constables of St. John and St. Clement both picked up on that as well and have said that is precisely why it should be sold off. They said the States is a bad custodian, and as Deputy Tadier said, if that is true then the States should sell off all its property and just rent back whatever it needs to conduct its business. I think this attitude is part of a wider problem we have in politics, not just in Jersey but around the world as well. Too many people believe this mantra that public equals bad, private equals good, and if you believe that it ends up becoming a self-fulfilling prophecy anyway because you do not have the will and enthusiasm to take projects on and see them through properly. The fact is the public sector can be a good custodian. We just need that will and enthusiasm. There is no guarantee that private owners will

have any sort of commitment to their buildings. You just have to walk down Dumaresq Street to see a perfect example of that, and we do not know who it is this building is being sold off to so we, as Members, cannot judge their track record and decide if they are worthy people to own it. I think when we are talking about sites of special interest and heritage this is the most important thing. If it were just some random building somewhere else in a back street that was not in a focal point for our community, that was not something we saw often it might not matter so much, but the fact it is in such a crucial place is important. The Assistant Minister has said it is not a strategic building. Internally that may well be the case but certainly not externally, and there are plenty of things it could be used for. One thing that voters I spoke to when I was on the election campaign said was it could be a great tourist office. Senator Le Gresley has come up with some pretty good ideas for it as well. The Assistant Minister hypothetically asked if the States should buy any building in the Royal Square that comes up for sale because the Royal Square is a strategic location. Obviously there should not be an assumption we should buy every building that came up for sale but equally there should not be an assumption we would not buy any building. It should be a case by case basis depending on what the merits of that is. We have to understand that when Piquet House is gone it is gone. That is it. We cannot decide in 10 years' time that we want to do something else with it. It would depend on whether they were willing to sell it on again and it could be sold on and on and on through all sorts of different owners, some of whom we may not trust as much as the ones that are first up to buy it or may have a good use for it planned. I was at the Assistant Minister's presentation a few days ago, which was useful, and I thought the overall theme behind it of consolidating States office space to utilise it more effectively is obviously entirely sensible and nobody could disagree with that. But it did not take into account this property's location and history, which is important. If we approve this proposition we will reserve the right to decide how it is used in the future. Specifically, part (b) says that it can be used for commercial purposes if we want. The Assistant Minister said that the internal layout of the building is unsuitable for States purposes and when you go and have a visit that seems pretty obvious, but he said it was suitable for some private firms and what they might seek to do with it. When you combine this with the fact that there is a buyer lined up and we are told that it is lined up for quite a decent price you can guess there may be some demand for this building. If that is the case, in a year's time if we have not found a good community use for it there should not be any trouble trying to find someone who might want to rent it.

# [14:45]

It does not make sense to get rid of an asset today that could be a potential revenue stream in the future. As I said before, this would not matter if it were just a random building hidden in the back of nowhere but it is important and it is an important location that people are constantly walking past and see its presence there, and it does have potential that we should be enthusiastic about and be coming up with ideas for its use. I promised my constituents when I was campaigning that I would vote to save the building and that is exactly what I am doing and what I hope other Members will do as well. We should not accept the cynicism. We should have faith that the States can be a good custodian and we should vote to guarantee this building's future in a way that will be impossible if it is sold. **[Approbation]** 

# 3.1.14 Deputy R.G. Bryans of St. Helier:

I came here today to speak against this. I did not think it was the right thing to do. I thought the argument was about the integrity of the Royal Square in that you look around the buildings, and a building like the United Club is an example of maintaining the integrity. Broadlands, when it came before the Planning Appeals Panel, equally maintained the integrity by suggesting that the signage they put up be removed. Then I heard Deputy Young talking about the possibility of Piquet House being turned into a chip shop and my eyes then began to scan round to the now familiar Greek

Taverna. What was that before it became a small restaurant? Yet, it seems to have accommodated itself and fitted very well into the way the Royal Square worked. In fact, it was closed during the time we had the Royal visit so people are respectful of that area. What has provoked my change of mind is something Deputy Mézec has just referred to and Deputy Young referred to earlier, which is this notion of what else we could be doing. I have constantly said in this Assembly that we do need to look at things with a fresh set of eyes and I think it is about Piquet House. I was really disappointed because, as I say, I was divided before I made my mind up earlier this morning that I was going to talk against it that, looking at the building from the outside I thought this is a fine building. It is going to be preserved, as Deputy Young said. It is a special building in a special location. But when you get inside it was far from that. It was quite run down and, as has been described quite ably by lots of people, it was in a pretty poor state. The thing that really got me is what Senator Le Gresley was saying, and I did see him striding round in his black frockcoat and his stove pipe hat - he likes to be in character when he is doing these things - and his little tour round town. This is the heart of the town. This is where people expect to find something like a tourist office, so I do think we have an opportunity here just to take a breath, reconsider what the situation is, and it is just about Piquet House, and look at it with fresh eyes. That is why I will be supporting this proposition.

## 3.1.15 Connétable D.W. Mezbourian of St. Lawrence:

Just very briefly, I was chatting to another Member during the lunch recess and said to him: "No one has used the term yet, selling off the family silver". He said to me: "Maybe you should use it", so there you go, I have done. I remember that term being used during the debates on the J.C.G. (Jersey College for Girls) site and Jersey Telecom. During both of those debates we were told it was absolutely essential that the utility and the site should be sold, that there was nothing the States as a whole could do with them and they needed to go. It just seems to me that what we did then was we took the opportunity, as Deputy Young has allowed us to do today, and he said in his report he has given us the opportunity to consider this. He has raised the matter. Many of us were here when the initial agreement was made to sell off a number of States properties. There were a number listed there and I think perhaps what we did was look at the list and forgot all about it. Deputy Young has given us the opportunity today to consider whether we want to sell this. I do not want to rehearse what the other speakers have said but it seems to me that if you walk along the Embankment and around Westminster through Whitehall what you see are old buildings there that are in Government ownership and are used by them. Notwithstanding that, we have an office modernisation programme underway. It does not mean that by retaining Piquet House, if we choose to do today, we have to use it for administrative purposes. I think that why on earth would we want to sell off a Government-owned building, States-owned building, in the historic heart of our town? It seems to me very reasonable that, if we look at the proposition of Deputy Young we should support it because he is proposing that if no suitable alternative public or community use can be identified within 12 months, so there is a timescale by which we can come up with something, the Minister for Treasury and Resources should offer a lease of the building. Why would we want to sell off the family silver if we can retain it within our estate? I do not want to see it sold. I was not going to speak today but I think the mood of the Assembly may be turning. I think when the debate first started I had the sense that nobody had considered this particularly. Nobody cared that we were potentially selling off part of the family silver and we have had pause for thought. That is what we should be doing. I agree certainly with what Deputy Mézec has said, and he said that very well, and I agree with what Senator Le Gresley and others have said. I will be supporting Deputy Young in this and I urge other Members to consider and support him as well.

## 3.1.16 Senator P.F.C. Ozouf:

I realise that I have to be quite persuasive and understanding and respectful of Members' views because property is an emotive matter. We have had a big debate on future property issues this morning and now we are focusing on something that we really see, we look at and we understand. We really care about our heritage and I understand that. The difficulty is the States for many years has not been a good landlord and custodian of public assets. I come on to the issue of the debate. I do not think this is a debate about public ownership bad, private ownership good. I do not think this is an argument about that at all. The States has not been at all good at maintaining its property. We have tried to keep far too much property. We have kept it badly, we have not invested in it and we have sold some property that perhaps we should not. Some property we have kept that should be kept, and if I may say, 5 Library Place was a piece of property that might have been sold but now I am delighted, because of the good work of the Assistant Minister and Property Holdings, has a new use. I do not know whether the new use has been announced. If I may say, the new use has been agreed that it is an educational use and it is going to be the new headquarters for the Alliance Francaise. I declare an interest in that. That has been discussed and dealt with absolutely because I am on the committee of that, but it is going to be the new home for the Alliance Francaise. Fantastic; 5 Library Place has found a new use. However, it does cost money. 5 Library Place is going to require some investment to get it into a fit state for the Alliance to use. One of the speakers, Senator Le Gresley, powerfully spoke emotionally from the heart, a true Jerseyman caring about heritage. A lot of the things I have to say I agree with what he said. He spoke about the National Trust building on New Street. What a fantastic piece of work the National Trust has done. It has cost a great deal of money. I do not know quite what the numbers are but I know that it is an eye-watering amount of money. I see a former Assistant Minister for Treasury and Resources who is supporting this proposition nodding in agreement. We are in agreement today on some things, which is a great and interesting thing. But he knows, as other people know, that while New Street is a wonderful example of heritage it has cost a great deal of money. I think it has been paid for out of a bequest the National Trust has had and by the way, of course, the National Trust of Jersey itself has a problem. They have so much property, property has been left to them and they do not have the resources to look after it so they themselves are selling off some of their property. I spent a very enjoyable afternoon 2 summers ago with the president of the National Trust for Jersey going round seeing all their properties and talking about the dilemmas they have. They cannot keep everything. Not even the National Trust of Jersey can keep everything. They have to make some choices but there are some red lines, there are some properties that they cannot and should not sell but there are others where they have to do so. It is interesting to debate these issues with Deputy Young because he is very familiar with a lot of these issues and he cares about them. I know he is absolutely, and I respect his right to bring this proposition to the Assembly. Indeed, it used to be the case that Property Holdings was part of the Planning Department and the Minister for Planning and Environment has spoken. There have been some real successes about Property Holdings safeguarding important heritage assets. I am extremely proud of the work that was done with the forts, follies and towers projects. There were examples of really important, I thought iconic bits of Jersey, the upturned boat, Archirondel Tower and others, that we found a fantastic use with the Jersey Heritage Trust. We passed on those buildings to them. I think former Assistant Minister, the Constable of St Peter, might have been involved. Former Deputy De Fave was involved in some of that, and we found wonderful uses for forts, follies and towers as I call them. There are many holidaymakers that have great holiday experiences as a result of that. But it has cost money, and it has cost a great deal of money. We have had to ring-fence and put in, I think, £500,000 of T.D.F. (Tourist Development Fund) money. All the income that has managed to be raised by the Jersey Heritage Trust has then been reinvested in those projects. It cost a great deal of money and it is uncertain. There are examples where we tried to keep a bit of Jersey heritage, a bit of important property, that has gone badly overspent. I make no reference at all to the issues about Haut de la Garenne and the child abuse investigation, but before that there was an attempt to try to keep Haut de la Garenne. It went terribly wrong. It went appallingly wrong in terms of its overspend because it was not properly costed. We have an appalling situation with St. James' Church. Many Members of this Assembly have chastised Property Holdings, former Assistant Ministers and myself and former Ministers of Treasury and Resources about the scaffolding that was around St. James' for years because the budget was not sufficient. The then Planning Department was responsible for Property Holdings and I know because I was there and had to deal with this issue, dealt with a disastrous overspend at St. James' and we never had the money to fix it. It has been an embarrassment of a capital overspend and the Assistant Minister has finally been able to deal with this issue very recently in terms of using some underspend and he solved St. James' but by goodness me, has it not cost some money? We have spent far more and, of course, we never delivered what we were trying to do at Haut de la Garenne at the time. A third or half of Haut de la Garenne was never refurbished and obviously that has been a history since then. I understand genuinely the sincerity of what the Constable for St. Lawrence is saving. She must have been on a similar walk in London as Senator Le Gresley through Whitehall. I need to say to the Connétable with respect Whitehall is not owned by the Government. The Government in the U.K. has sold off a lot of their property. They have done some P.F.I.s (Private Finance Initiatives). That is really bad.

#### [15:00]

I walked across Westminster Bridge and the bridge over towards the Royal Festival Hall on Friday and a friend of mine pointed out a wonderful building that used to be the Inland Revenue Service. Now the Treasury in the U.K. is put into a building owned through a Jersey structure. There is nothing wrong with that but all the Treasury buildings, all the staff are in one building and that wonderful building, I do not know if the Connétable knows it. It is just across the bridge. I think it is the old Revenue Service Foreign Office past Lancaster House where the indoor skating rink is in the summertime. That is no longer owned. Anyway, the fact is that public ownership is not the solution for safeguarding our heritage always. There are cases where it should be kept. The solution really, I think... and I understand Members concern about Piquet House, is it is very small. It needs to be linked in with the building behind. I do not think many Members of this Assembly... I have not really heard anybody and I think the debate has moved on a bit. I think the idea that States Members' facilities could be provided. We are dealing with 2 different buildings. We are dealing with the Royal Square building and the building in front and Piquet House. I do not think the buildings can be separated. I think that is the problem. But I think Members can, and we will ensure and we will work with Planning to ensure that the planning system delivers what should happen. We have hundreds of important historic buildings all over Jersey and the key to protecting them ... some of them are in public ownership, some of them are owned by the National Trust, some of them are owned by Jersey Heritage and some of them are owned by private individuals. It is the planning system that is there to protect the important attributes of the building. I do not know whether the Connétable of St. Clements was ... he said the time was wrong. I think he was saying that was the 8 minute difference between G.M.T. (Greenwich Mean Time) and Jersey time that was reminded. By the way, I will give a plug to the Société Jersiaise. The Société Jersiaise is now doing a tweet every day about a day in our past. They are allowing technology to talk about what is important and we have lots of things that are important about our past. But keeping it and keeping it in States ownership, this very small bit of property at the front of the Royal Square, I do not think that we need to continue to own it to keep the important attributes of this building, the veranda, the windows, what it looks like, certainly the sundial, the important significance of this. The Planning Department - and I have a note from the Assistant Minister - must protect this building. They are the ones that have to protect the important attributes of what this building looks like. They are the ones that have to put the highest protection in terms of the attributes that could be doing it. What happened with the de Gruchy's building is Planning did a good job and then the owners of that building decided that they could not do anything with it. The potential buyers of this building know exactly. I have a note of the planning requirements of this building. The Assistant Minister and I looked up on the Planning website what the attributes of this building are and they are different from 11 Royal Square to Piquet House. If the planning system is working then the planning system is going to present representations, is going to advise, is going to ensure that the attributes of this building are maintained. I stood in the Royal Square this morning and I looked around, and this is a massively important part of Jersey. How much of it is in national ownership? How much of it do we own as this Assembly? We do not, we own it on behalf of the public. We only own Piquet House and that building at the back and the rest of it is in private ownership. Do we look around the Royal Square and say: "This is the wrong Royal Square"? Of course, we own these buildings, the Royal Court buildings and of course, this building. There is no requirement to have to nationalise something or continue to own something to keep its historic importance. Senator Le Gresley spoke about the importance of heritage. We have a lot better to do clearly about signposting. We need to use these things more. Most people have smart phones to interpret. I would like to point at a building and get a history from the Société Jersiaise or the Jersey Heritage Trust. There are all sorts of ways that technologies can deliver you the past and what is important of the past, and that is what we should be doing increasingly in future. We do not keep it. My concern is that Piquet House is very small and I think, as other Members have said, it is irreversibly inseparable from the building at the back. It is very small. Members have been in to see it. I believe that we can work with the new potential owner to ensure that what Members want to achieve ... we are not going to achieve Members' offices there, that I think is clear. If Members really want to make sure that Piquet House itself is and its important attributes, then it is the planning system that can allow that to happen. We will check before, and I will personally check with the Assistant Minister to make sure all of those protections that should be in place are absolutely in place by Planning to ensure that the owner respects what those particulars are. I just go back to the point. I realise that property is a really difficult issue for this Assembly. We cannot continue to own everything. I do not think this Assembly but past Assemblies have made big mistakes about property. We are trying to be more efficient. The Member asked me what was happening with the resources that were going to be provided from this sale. It is going into the capital programme to pay for all the important investments that this Assembly has approved in terms of the capital programme. I will not be emotive but we have capital spending on social housing, on hospital and infrastructure development and that is where the receipt is going to. It is not going into a secret bank account in the Treasury. It is this Assembly that has asked us to raise money from certain sales that is funding the capital project, capital programme for important service delivering parts. This is difficult and it is emotive but we have the protections in place. We can effectively keep this building, we can keep the attributes of this building through the planning system, but this Assembly has asked the Treasury to perform a proper function in relation to rationalisation of States property and I believe that we can deliver that through the planning system and have the capital receipt that has already been effectively agreed. Deputy Young has an absolute right to bring this proposition but I think the experience of the past of previous attempts to try to hold buildings like this have a very, very chequered past. He knows a lot about those issues and I think we can achieve these objectives by other means and I urge Members, despite their reservations, despite their wanting to vote in favour of this proposition to save heritage. You can save heritage by use of the planning system, not by continuing to own it.

## 3.1.17 Deputy J.G. Reed of St. Ouen:

I am pleased to follow the Minister for Treasury and Resources because I stand here rather disappointed because Senator Ozouf is the Minister responsible for all property owned by the States and we have a confession that the States has not been a good custodian of public assets and has a poor record of maintenance. What we do not hear is: "But this is what we are going to do to make

sure that changes". **[Approbation]** Yet we are encouraged that we have to accept the outcome and sell the property because that is our only option. I am sorry but I do not think it necessarily is. We are told the building cannot be separated. I am not a builder but I guarantee you that if you went to Planning and spoke to any builder they would show the Minister and others how it could easily be separated. Nothing is too difficult in this day and age and certainly you only need, as Senator Le Gresley has done today, to wander down with your back to the Royal Yacht and look at the Southampton Hotel and notice that ...

#### Senator L.J. Farnham:

Sorry, I did make a mistake earlier. When Senator Le Gresley referred to the monstrosity in the Weighbridge area he told me he meant the steam clock. **[Laughter].** 

#### The Deputy of St. Ouen:

You only need to look at the Southampton Hotel and see what can be done in construction terms by almost a complete demolition but retention of a façade. But more interestingly, and I really do challenge the Minister for Treasury and Resources on this. He tells us Planning are expected to protect the building. Well, that is funny and interesting, coming from a Minister who was signing up to a vote of no confidence against our current Minister for Planning and Environment, and one of the reasons cited was that the Minister for Planning and Environment was being unreasonable to try and protect listed buildings that the Co-op owned. Yet we are told, we should trust in the Planning Department to protect our heritage and local buildings. We also have a Minister and others that have encouraged the Minister for Planning and Environment to agree to the demolition of another listed building, this time for other and probably acceptable reasons. So, this idea that Planning can indeed protect listed buildings and heritage buildings is not necessarily the case, because Planning do come under significant pressure from others and they have to take account of those issues when they consider a building. Yes, it is small. That is no reason why we should not protect it and retain it. There have been some very interesting proposals put forward for other uses of the building. I do not know whether they are feasible or not, but what is the harm in having and taking that second chance to have a look? It is in a very strategic place. Where do all or most of our significant celebrations focus? On the Royal Square. Is it right that we just abandon the building in the hope that the new owner is going to respect it in the way that we have, as a public asset? I do not know. I have not got a clue. Do I really want to rely simply on the promise that Planning will do what they can? Why take that risk when we can retain ownership of the building and ensure that it is properly taken care of? I would say to Members to really consider supporting the proposition made by Deputy Young. Allow that second chance to be had; encourage those in the heritage and the arts and others, and some of the key stakeholders that form part of that group, to come and sit down with the Assistant Minister who has been delegated responsibility for property holding and just discuss how this might be used. Equally, I think we do need to think about the tourism aspects, and having some form of centrally placed facility. Shoving it right up next to the Jersey International Finance Centre I do not necessarily think is the best place for it, and we have already lost what I would term was a better site, close to Liberation Square, but that is another story. Let us just take a chance. Let us look at separating the building. As it is said, we are not interested in 11 Royal Square, and indeed, maybe 11 Royal Square becomes more attractive to any prospective purchaser of the bank next door, which they have not sold, by the way, because equally, those 2 buildings could be linked. So there are opportunities out there. There are, I am sure, opportunities on both sides to use Piquet House or retain Piquet House and still realise a good value for the remainder of the property. So I will be supporting Deputy Young in this instance. Thank you.

## 3.1.18 Connétable J.M. Refault of St. Peter:

It seems that history has already beaten us to it. As Senator Ozouf has just told us earlier on, the Société do a daily tweet. It may be of interest to Members to note that today's daily tweet, and I will read it: "On this day in 1549, letters patent were issued authorising Lieutenant Governor Cornish to make the first sales of church property on the Island." I think history is already telling us what we ought be doing today. I thought it would be of interest to Members while they are making up their minds. Thank you.

[15:15]

# 3.1.19 Senator I.J. Gorst:

I think probably most things have been said, and I recognise that the sale of any property is a difficult thing. Some Members know from personal experience that the management of property assets and whether to sell a family home and perhaps downsize, or move into something more suited to one's purposes, is always a very difficult and emotive thing, and I think that the debate that we are having today simply goes to show just that. I am not a particularly long-serving Member in this Assembly. There are many Members who have served far longer than I have. But I just wanted to draw attention to Deputy Le Fondré's speech, because I was in the Assembly when, in the past, buildings of historical importance were earmarked to be sold, had been agreed to be sold before, and then not quite at the last minute, but more or less, Members of the Assembly came forward and said: "I am sure there are some other uses to which this building could be put." They had been approached by several individuals who wished to use the building, and if only the States agreed not to sell it, then they would be able to put it to very good use. I say that because over the passage of time that has not happened, and Property Holdings have been left, together with another department, trying to find a use for a particular building. Only now, which is why I challenge what the Deputy of St. Ouen said, Property Holdings are finding a way to bring that building back into such a state of repair that means it can be sold off. But it has been left vacant for many years now, many years prior to its initial request to be sold, and again, many years since the Assembly decided it did not quite want to sell it. It is with regret, as I know other Members have said, that dealing with historic buildings, finding money to put them into good repair, is not something that we have a good track record on. If we look at St. James', again, the Deputy of St. Ouen knows about that particular building, it is only now and only during the course of the last couple of years, that Property Holdings have sat down and found a suitable solution to the problems there, and been able to take the scaffolding down and bring it into disrepair and think of other ways of using it, having for a number of years been an eyesore and most people have thought we were perhaps wrong to buy it in the first place. It is easy, and I understand why, to get driven by emotion. In some respects it is helpful, because it helps us give due consideration as to whether we should or we should not. But I, unlike other speakers, do have confidence in the Planning Department. I frequently sit down with planning officers and understand what their legal responsibilities are. I only recently had a conversation with them about listing, as Members might expect, and the requirements that they have under the law, and they are under the law, to ensure that historically important buildings are listed and are dealt with appropriately. That is the case, whether it is in public ownership or whether it is in private ownership. If we are serious about managing the balance sheet, it is another theme that we, over the last 3 years, have tried to talk about and start to get the Treasury Department to do that, to manage this balance sheet of massive financial value and make our assets work more effectively on behalf of the community. There are some that we will have to say, like the National Trust has to say, those buildings can appropriately be put into private ownership. There are appropriate legal mechanisms in place to protect them, and therefore we can be confident that they will be protected, because they are not strategically important for the business of government. There are other bodies that can ensure that they are protected, and that is exactly what can happen with Piquet House. Therefore, while I understand the concerns of some Members, I would ask them just to consider whether this is not a building that will be appropriately

protected by the laws enacted, and for which the Minister for Planning and Environment is responsible. It cannot protect it in the way that Members want to see it protected, and yet that money can be used in the capital programme to better effect elsewhere, and therefore I ask Members to consider that before they come to a conclusion and follow Deputy Young. Thank you.

## Deputy J.A.N. Le Fondré:

Sir, can I speak to a point of clarification from the last speaker? Does he therefore regret voting for the proposition not to sell Oxford Road back in 2007 when that was mooted?

## The Bailiff:

I do not think that is a point of clarification.

## Senator I.J. Gorst:

It is not a point of clarification, but it is a very good point. I was swayed by the emotion of that debate. I thought that some community use could be found for that building. It was a historical building, and I wanted to give the best possible opportunity to allow that to happen. I was wrong. Sometimes in this Assembly we make the wrong decision. The emotion... I allowed that to cloud my decision making and now that building is in a worse state of repair. It will give back to the public purse less money than it would have done had we sold it at that point. Sometimes we get things wrong, but what I hope we do is that we learn from the experience when we have got things wrong and get it right the next time.

## 3.1.20 Connétable A.S. Crowcroft of St. Helier:

I was delighted when, in a whole raft of innovations, the new Chief Officer of the States of Jersey Police decided to reoccupy this building as a town police station. Members will know that he also introduced much more visible policing in the town centre, police on pushbikes, police motorcycles; in fact, all the things we asked him. He did offer police on horseback. That has not happened yet. [Laughter] So I was quite concerned when I heard that the police were due to be removed from this building which is, after all, at least for part of its history, seen as a town centre police station, to be put somewhere up Hill Street. Although that move has been accomplished, I have certainly been assured that they were very happy where they were. It was a natural place for people in town to drop in and see the police. Indeed, we have been working for some time on the possibility of a joint working arrangement that would have seen more St. Helier Honorary Police helping out the States of Jersey Police in the staffing of the police station on the ground floor. That is, I believe, still a use that will be possible if this building were not to be sold off. Senator Ozouf, in a speech which wanted to be all things to all people, both the champion of heritage and the champion of the bottom line and maximising our capital revenues, I thought made a rather interesting case for Deputy Young. He said how the Alliance Francaise is moving into new quarters in Library Place. But of course, that building would not be available if the States had sold it off. It is perhaps worth mentioning in passing that the Alliance had had very good terms at the rear of the Town Hall because the Parish has kept some of its space to accommodate premises like, or organisations like the Alliance, like the Community Bank, that need somewhere to go. There are an awful lot of organisations, third sector organisations, a growing sector in our Island, that need somewhere to operate from. Take it from me, because they beat a path to the Town Hall door. They say: "We understand you have these offices, can you find room for us?" There is no question that this modest building would be put to good use by the third sector, just as the Alliance is moving into Library Place, thanks to a wise decision by the States some years ago. Most of the Members who have attacked this proposition have done so by going through the lamentable record of our property services function, and of course you could write a book about it. Le Seelleur, St. James', former J.C.G., La Folie, to mention just 4. There are different reasons why those 4 buildings have stayed in the state they are in, and it would make good meat for a scrutiny panel or, indeed, a Committee of Inquiry, but none of them are relevant today. I urge Members to focus on what Deputy Young is asking for. He is asking for a breathing space of 12 months just to see whether there are not any third sector organisations that could come into this building, to see whether there are not any organisations that could pay all the running costs, all the maintenance costs and so on of maintaining Piquet House in public ownership. There is in fact one organisation. It has been alluded to and I am going to name it, because I do not believe it will do any harm to do so. When the Parish of St. Helier heard that Piquet House was going to be put on the market, our first reaction was astonishment. It would have seemed to me appropriate, being the Parish in which this building is located, that Property Services would have come to us and said: "This is going to be sold, but do you have any ideas? Do you have any uses for it before we go through the process of marketing it?" Of course, we would have done, but their approach was: "No, it is going to be marketed, and you must bid with everybody else so that we can see how much money we can get for it." At the time, I was - and I was interested in Senator Le Gresley's lunchtime walk - there is a problem with way marking in St. Helier, and at the time that this building came on the market, I was helping the Royal British Legion, because they have a problem. Many Members may not know where their base is. It is out in the back streets of No. 2. I am sure Deputy Mézec has been there canvassing for votes. It is surrounded by garages and roads. It is a very odd place to send, not only our own veterans, but visiting veterans who come to Jersey. So, what the Parish of St. Helier have done is, we have put up lots of signs directing people from the town centre to the Royal British Legion to try and help them get to the bottom of Great Union Road, which is otherwise quite hard to do. In the course of those discussions about signage, I discovered that the Royal British Legion is looking for new premises. They would like to be somewhere, in an age that is very conscious of the sacrifice made by our veterans in world wars, they would like to be somewhere central so that visitors who have an armed forces background, Holidays for Heroes people perhaps, can come easily to their premises and meet with their members. They were very excited about the possibilities offered by this particular building. But as was alluded to earlier, they did not really get a look in. Let me say also that the Royal British Legion have plenty of funds to do the place up. That was not going to be a problem. Here we have a good use, a use which I believe would enhance the dignity of the Royal Square. They are also very keen to work possibly with the police, with the Parish, to make sure that the whole building was utilised to add to the vibrancy of our historic town centre, but as I say, they did not get a look in. That is the kind of organisation that I believe would be willing to talk to us if we decided to put a stop on this particular sale. The problem is, although this is going to a relatively beneficial use, and I was initially comforted by it when I heard that it was going to be an educational use, it does not have to stay there. The day after the lease ... the transfer takes place in the Royal Court, they could sell it; they could sell it to a gastro pub. Members who think that Planning take care of historic buildings and the dignity of our civic squares only have to go down to Liberation Square to see what it is like having a fast food restaurant on the side of one of the most important civic spaces in St. Helier. It is not good enough, and I think that the arguments that we have heard again from Senator Ozouf, about how you can control the outside of the building and the sundial and the police box, these are facadisms. What we really want to see with this building is a beneficial use that will enhance the town centre. I conclude by making this point: this morning the Council of Ministers have got Esplanade Quarter in the bag. They have won a very important victory this morning over, you might say, the Back Benches. I am surprised and bit disappointed, and possibly almost a bit alarmed, that they do not have it in themselves to be gracious enough to say: "Here is a Back-Bencher, here is Parish Constable appealing for a stay of execution on a particular building in that Parish. But because we are strong, because we can command the vote of the States, we are going to get this one as well." I see this, in a way, as the first test of the Council of Ministers' promises that we are hearing about this morning and during the Esplanade Quarter debate.

[15:30]

If they are so really convinced that St. Helier regeneration is important, then perhaps they should listen to what the Constable of the Parish is saying, what the Back-Bencher is saying, what the newly elected Deputy of No. 2 is saying, and perhaps they should give 12 months to see if we can find a better use for this site. **[Approbation]** 

#### **Deputy E.J. Noel:**

Sir, may I ask a point of clarification of the Constable? Could he define what he means by "look in"?

## The Bailiff:

By what?

## **Deputy E.J. Noel:**

He used the term for the British Royal Legion: "Did not get a look in." Because I would be interested to know what his definition of that is.

## The Connétable of St. Helier:

I was merely stating what has been said earlier today, that the representative I spoke to said that they were discouraged from pursuing their investigations, but they are certainly, as I say, very interested in doing so, if they get a chance.

## 3.1.21 Deputy N.B. Le Cornu of St. Helier:

I am going to speak as a St. Helier Deputy, and perhaps follow on from something that the Constable of St. Helier has said. The majority of Members of this Assembly do not live in St. Helier, in the town, and they do not represent the town. The town, historically, has been underrepresented politically and in the 19th century, when it had half the population of the Island, it was not politically represented, and forgotten and always had struggles even to build piers, which were obviously going to be of benefit for the whole Island. Even the Deputies of St. Helier do not live, all of them, in the town. The Deputies of St. Helier do not speak with one voice, and as a consequence we are dealing here, in this particular debate, with one very minor issue relating to St. Helier, which is a much a bigger problem we are going to end up with, that the centre of the town is being sucked out towards the Waterfront. It is the ghetto-isation of St. Helier that is occurring. We are going to end up with very many empty buildings in St. Helier, former offices which have no purpose. Many of them are old buildings and, like the Piquet House, are worn out and shabby. They simply cannot be renovated, except at great expense. The logical thing to do would be to demolish and rebuild, because so many buildings are simply not suitable for modern use. For example, we have a very nice little café across the way, the Petit Greek, but its toilets are on the third floor. It simply is not accessible. What is going on? We have this problem, and we are not looking at in the whole, of the ongoing problem that is going to be coming up, that there will be lots of properties simply left empty in St. Helier, and we do not have a masterplan to deal with them. St. Helier is being forgotten about and, yes, we can save this little corner and preserve it, but there is going to be so many more. Further down, the old Midland Bank building is empty. What on earth is going to happen, and how will these buildings be used? As the Constable said, there was a triumph today for the interests of developing the Waterfront. There was success. The rearguard action has been defeated and the consequences, everything will go to the front and out of St. Helier will come all the businesses and we are going to end up with a serious problem. I do not see any way that that is going to be addressed at present by a Government that is not particularly looking at this issue. The majority of them, as I say, do not live in town, and town is being ghetto-ised and forgotten about. Thank you. [Approbation]

## 3.1.22 Senator P.F. Routier:

If Members take a look on page 4 of the proposition, they will see a picture of a plaque from the Vingtaine de la Ville, which formally marks the Piquet House and what it was used for. These plaques that are around the town are very important, and I had the privilege of being a Procureur for the Vingtaine de la Ville for many years, and we helped to put up many of the plaques around the town. One that I particularly remember, when I was leading the campaign to keep in place the Parish pump, which is in Francis Street, and there was a tiny piece of land with the Parish pump on it. I managed to persuade the Parish Assembly that that should not be sold by the Parish for a road widening, and that pump is still there and there is a plaque on it, and it is a tiny piece of land. Piquet House is a very, very small building. It needs to be protected; it needs to be used; it needs to be looked after. I want to ensure that happens. If Members had an opportunity to look at the buildings around the town that have plaques on them which marked them for whatever particular reason ... it can be done, there is a very good website the Vingtaine has, which identifies all the plaques and the buildings. Some of them, the majority of them, are in private ownership. They are adequately looked after. They are protected, the buildings. The plaques mark them as special buildings, and they do contribute to the environment of St. Helier. I believe that the ownership of this building can be protected if it changes hands. I have really struggled with this debate. I have gone backwards and forwards, and I have come to the conclusion that by selling it to someone, and with the protection that the Planning Department can give to ensure that the building is protected, that that is a way forward. Because I think what we are talking about, what Members are hanging on to is, there may be a use for it. The use of the building is not very clear. We have had a suggestion from the Connétable that there may be a possible use for it, but for me, the important matter is the protection of the building, and I think it can be protected. We have an offer for the building, and it is a definite use which is being brought forward. So, on balance, I am going to not support the proposition, understanding that the building itself is going to be protected.

## 3.1.23 Deputy T.A. Vallois of St. Saviour:

Where do I start? I think this proposition is a symptom of a much bigger issue that we have in the States of Jersey. The reason why I say that is because, when I was on Corporate Services, in my first term in the States, and now as chair of P.A.C. and looking at the way that the States attempts value for money within running of services and ownership of our assets and cash, this is a particular area I think we should all be of concern. Because when the original intention of setting up Property Holdings was established in 2005 from the proposals of the Machinery of Government, an exciting topic in itself, it did suggest that a development of a States property plan, which would include all States property, to be agreed by the States as part of the States Strategic Plan. Now, our States Strategic Plan as currently sits, does not have that requirement, however, it does talk about longterm planning, and I think this is an example of us not being able to do long-term planning. Although Property Holdings may have some kind of plan sitting behind the scenes, we are not all aware of how that plan is going to end up in maybe 20, 30 years' time. We can go and sit down with Property Holdings and have a discussion with them about where we think certain departments might or might not sit in the future but I think there is also imbalance in the way that we approach our processes in the States. When I say that, that is in terms of Property Holdings has been charged with doing a job in terms of looking at ensuring that we only keep the property and use the property in the best and most efficient way that we can. To a certain extent that is the right thing to do because we want to ensure value for money for the public, and they are the public's property, which it goes on to talk about within this proposition. Most of the property occupied by States departments and other public administrations is owned by *le publique* which is the legal entity. In turn, the States of Jersey act as a delegate of the public and is entrusted with the stewardship of this public property. The difficulty that I find, I am listening to all the arguments in terms of the heritage side of things, whether it could be used for other purposes, and we have been told various reasons and it comes back to the money argument, and there was discussion about St. James'.

Now, I only spent 8 months in Education, Sport and Culture, and I saw the fun that went on behind the scenes with regards to St. James'. The reason why we ended up with St. James', not only because of the good work of the Youth Service being involved as well, and Property Holdings, they worked together - the key words there, worked together - and also the possible change to the site that the Youth Service are currently on. So there is an approach to a certain balancing of budgets, but in terms of property assets, in that respect. Whereas the situation that we have here is a property of what people view as historical value and of heritage, and I completely understand that but let us look at what happens with Jersey Heritage, look at the Comptroller and Auditor General reports and the good work that the former Minister for Education, Sport and Culture did in trying to establish appropriate mechanisms to put in place, and the money that goes in place in the agreements between the States of Jersey and Jersey Heritage. Look at the wonderful work that they do with our heritage properties. I am in a difficult situation because I want to be able to say, yes, in 20 years' time I think I have an idea of where the States are going with their property. I do not, in the current position of knowing that Property Holdings are in the process of putting a properly formulated plan in place, there was one before, it is not there anymore. So it is fine to say that we can think short term and we can sell off the property and somebody else will use it better, and that planning will put appropriate conditions on. We know that there is controversy about whether planning do things right or they do not do things right; ongoing argument as always. In terms of what the proposition is asking us to do, all I would say - and this is what I am finding difficult to tackle with - is the fact that it is asking for the 12-month period. Of course, looking at where it is, I am finding this really difficult to say yes or no, for or against, because there is an emotional kind of attachment to the States property. But then I understand the arguments about efficiency and use, but I cannot properly back that up because I do not know where we are going with property for the States. So I am in a very difficult position, but I look forward to listening to what Deputy Young has to say when he sums up. Thank you.

[15:45]

## **3.1.24 Deputy C.F. Labey of Grouville:**

I share the dilemma of the previous speaker in that we must try and maximise the profits for the public purse, weighed-up against the selling of the family silver, as the Constable of St. Lawrence said earlier. However, I am concerned at the way that in some cases the profits are being maximised in that we seem to not know the difference between a political decision and that of an accountant's position. I have been concerned at some of the ways that Property Services have gone about selling off the family silver and trying to establish the value of these assets. The sale of Gorey Pier was an example where the Constable of St. Martin and I were having to fend off many people that were very, very concerned that there was an application in for this site for 3 houses. Wholly inappropriate for 3 houses, however, it was felt that this was the way - the only way - to establish a value, not necessarily true, a value of the site. The old Clarkson House building in Grouville is next to the school. The school, we have learned, has inadequate playing facilities and has a horrendous parking and traffic issue, yet the States own the property next door to it but we will see ourselves being taken through the planning and having to fight a case there, whereby a developer happens to own a parcel of land alongside the school and is trying to do deals with his neighbours and with the school in order to put a house there and the school - if it is lucky - will be able to get a tennis court out of it. Yet the States own the property on the other side. So I just put a question mark in people's minds there. Is this the right way to go about maximising our profits? We seem to be going down the route of knowing the cost of everything and the value of nothing. and for a property as we are debating today in a strategic position like this, I am going to vote with the proposition. It is part of our heritage, it is in a strategic position, and I think the States have to somehow find a way of properly maintaining its assets. I perfectly understand we have to sell off some from our very long list of properties, we have to sell those off, but I think where we can look

at the property in a different way other than in just pounds, shillings, and pence, and work out if it has another value or could be used - such as the one alongside Grouville School - in other ways, then that conversation has to take place. But we also have to maintain our properties because at the moment I think, as landlords, we have a very, very bad record and it is almost embarrassing. Thank you.

## 3.1.25 Deputy S.G. Luce of St. Martin:

Yesterday morning when I arrived in the Assembly I was quite clear as to how I was going to vote on the 2 main debates. I was in favour of continuing the building on the Waterfront and I wrote a speech for that, and I thought that selling Piquet House was the right thing to do, but I did not write a speech for that. Maybe I should have done, because as the time has gone on since yesterday lunch time I have thought more and more and more about this proposition. I try at all times when I try to consider which way to vote to look at how I would react in a personal capacity. I am a Jerseyman. My family have been in Jersey for many, many hundreds of years, and one of the downsides of being a Jerseyman with such a heritage is that I have a peculiarity in my genetic makeup which gives me an aversion to selling property. It can be cured with a bit of therapy, but even with therapy when you make a decision to sell property it is usually property which is furthest away from your core, furthest away from where your base is, and bits of property which may have a smaller amount of effect in the long term. Deputy Tadier certainly rang a bell when he spoke with me earlier today when he said that if we have a vision for the Waterfront we should be consistent and have a vision for small pieces of property like Piquet House. I found myself thinking: "Yes, he is right, one should be consistent. One cannot vote for the Waterfront and then vote to sell Piquet House." There is no question in my mind and I found myself getting a little bit upset with people who say that this building does not have a strategic value. It does have a strategic value. The Royal Square and this particular building we are in at the moment is of huge strategic value and I cannot see any time in the future where Piquet House will not be part of that vision. So with much contemplation I will be supporting this proposition.

## **3.1.26** Senator A.J.H. Maclean:

This is clearly a highly emotive debate, you can tell by the views that Members have expressed. I just wanted to make a few points, quite a number have already been made. But first of all to Deputy Vallois, with regard to property there is in fact a cunning plan. I think she had a view that there was no plan, but there is and in fact it forms part of the reform programme, modernisation. Quite simply, however difficult it is, and I know any good Jerseyman does not want to sell any property at all and I fully understand that. However, there has to be a realisation, and the Deputy of St. Martin has made the point a moment ago, about selling property that perhaps is not core. The question is: are we talking about geographical core or core to the activity of what you are carrying out and what Government is actually doing? There are a number of properties in a massive portfolio that the States has and frankly does not manage as well as perhaps it could, although I have to say that is improving under the good stewardship of the Assistant Minister for Treasury and Resources and Property Holdings and such like. There is still a long way to go in terms of managing our property portfolio more effectively. I think it is important to bear in mind that in order to do that properly it is necessary to invest, and to invest one needs to have the money. Quite simply, certain property within the States of Jersey portfolio has to be sold in order to then be reinvested in maintaining the rest so that we do not see more of the likes of La Folie, J.C.G., Le Seelleur Building - and you could go on and on listing them - that need reinvestment to be brought back to their finer glory and to make a return to the public purse, which is critically important. I was looking at the picture which was very helpfully provided, I think by Deputy Young, the portfolio of the history of Piquet House, and it is quite clear on the picture, there is certainly the one which has 1939 next to it, the most emotive bit at the front which I think Members are so keen to protect cannot be separated out from the building behind. They are linked and it is not practical to divide them out. The concern Members rightly have is that facade and the heritage of the building is properly protected. There have been some concerns as to whether indeed the Planning Department has the ability within the law to provide the protection that I know Members would like to see. The suggestion that I would make - and it seems to me a practical way forward - is that we want to protect this building, we do have planning, and I think from a heritage point of view they will do a very good job, but this building if it is sold can have placed on it by the seller - in other words the States of Jersey - a covenant ensuring that whatever we particularly want to see protected can be protected. It is an extra layer, legally, that would allow some piece of mind for the sale of the States of Jersey to maintain the building in a certain way. A covenant, of course, can continue all sorts of conditions that the state may feel is appropriate, including future use of the buildings, which I know Members were feeling particularly strongly about. I do incidentally understand that the potential buyer of this whole building is looking at it from an education perspective. That, I think, is a positive outcome and I think Members and this proposition seeks to investigate and look for alternative uses. Members have made some suggestions. Education, I think, is an extremely worthy future cause. A covenant could provide the right protection in order to allow that to happen. It would then provide money that could be put into reinvesting in the rest of the significant housing stock that the States of Jersey has that needs desperately to be better managed and better maintained than some parts of it currently are. This is the part of the reform and modernisation programme. It is a proper strategy of taking buildings that are not in that good a condition not core to the activities of the States, selling them and reinvesting the proceeds to improve the others. My colleague Deputy Bryans, who stands shoulder to shoulder with me in the reform programme, indeed attended with me yesterday at the Institute of Directors' lunch and it was roundly welcomed, the strategy that we were portraying, and to the property element of that, the office modernisation programme was one element that we talked about during the course of that lunch. I know that Deputy Bryans is a great supporter so I hope he will also support this particular proposal [Laughter] not to retain this building much as I understand, from an emotive point of view, why Members want to. I think we have to try, if we can, to find an alternative solution. Suggesting that it should be passed to the likes of Jersey Heritage, it comes back, at the end of the day, to funding. Somebody has to be able to afford and be in a position to be able to fund looking after the building, maintain the building and such like and Members will remember the challenges. In particular, the former Minister for Education will remember the challenges that Jersey Heritage have faced in the past. To be solved indeed, Deputy, and solved currently but layering more and more costs on to that organisation is not necessarily a way for a long-term and sustainable solution to be ensured. So we have to have a proper strategy with regard to property, however difficult and emotive that might be. I would urge Members to reject this very well-meaning proposition and continue to have a joined-up strategy and not operate in more of a piecemeal way which is the temptation here. There was incidentally one other point; suggestions of other uses such as a tourist office. I think it is probably too small to provide that type of facility but, again, that is moving the deckchairs around on the Titanic in a certain respect because of course it would be one States department again having to provide funding for putting a facility such as that in that particular location, whereas we have perfectly appropriate other offices that can and do fulfil the function of providing information for tourists which is very important, clearly. In summary, I would ask Members to consider rejecting this well-meaning proposition. Let us go back to Property Holdings and the Treasury Department and look at the very real option of including a covenant in the sale. I think that has the opportunity of protecting all interests. It certainly allows Piquet House to be properly protected as the Members are rightly concerned about its uses in the future. That could be dealt with through a covenant and I would ask Members therefore to reject this proposition. Thank you.

#### The Bailiff:

Deputy Noel, you have already spoken.

# **Deputy E.J. Noel:**

Yes, Sir, I just would like to give Members some reassurance that we are ...

## The Bailiff:

I do not think you can ...

## Deputy E.J. Noel:

It is not a second speech, Sir. I am offering an olive branch, or maybe a white flag is more appropriate, to Deputy Young that Property Holdings and myself will take this away and see if we can come up with a solution more acceptable to Members.

## The Bailiff:

Very well, so you are saying that you are going to accept the proposition. Is that right?

## **Deputy E.J. Noel:**

We will let it go to the vote, Sir, but we will come back and try and find something that is more acceptable.

## **Deputy J.H. Young:**

Could I have clarification, Sir? Is it being said that the Assistant Minister or the Minister for Treasury and Resources will accept the proposition, Sir?

[16:00]

## The Bailiff:

Yes, I think Members need a little clarity, Deputy, if you are saying that you will accept it. In other words, the States will retain it for 12 months while you go and investigate things or are you just saying you are going to look into this covenant proposition?

## **Deputy E.J. Noel:**

No, Sir. We will take it away and see what we can do in the coming 12 months.

# The Bailiff:

Very well. So you will be therefore accepting the proposition?

## Deputy E.J. Noel:

Yes.

# The Bailiff:

Very well. So no other Members wish to speak? Then I invite the proposer to reply.

# 3.1.27 Deputy J.H. Young:

I kind of missed the details of that but I gather in the clarification, the Assistant Minister has accepted the proposition because it is imperative that the 12 months pause is in there because I think many things have been said and I think the opportunity is needed to follow-up the vision that has been encapsulated so well for Members, but I see Members want me to sit down and get on with it. **[Approbation]** So I just thank every Member that has spoken. I think the right issues have come out and there clearly is a case between whether or not we view assets as being purely balance sheet items. Until we make those evaluations purely on money terms or whether we bring other important factors into it other than strategic issues and the use that the building is going to be

put to. Clearly, there is an opportunity there for the building to be used in connection with our culture and history, our arts and tourism, and I look forward strongly to the 12-month period coming up with the opportunity for us to go with this. So, therefore, I will now make ...

## Senator P.F.C. Ozouf:

Sorry, can I just rise to make a point of clarification, Sir? What has clearly happened during the course of the last half an hour or so is there is a clear intention not to go ahead with the proposition as part (a) of the proposition which is effectively the sale. That is accepted that that is not going ahead so I am concerned about part (b) of the proposition which limits effectively the use. I am not accepting (b). It is the proposition for the Standing Order proposition which is the Members right that should not go ahead but I certainly do not think that we are binding ourselves to part (b) of the proposition. If the proposition of (a) fails, the message has clearly been made to the Treasury that they have seek to do alternatives. It is up to Members whether they decide to go a step further and limit to part (b). I just wanted to make that point because things move very quickly, Sir, and I apologise for that. Part (a) is accepted but (b), if Members want to go ahead with further limiting which I think goes too far, clearly we are going to have to take this back and deal with the consequences of this debate that (a) and (b) are different.

## Deputy J.M. Maçon of St. Saviour:

Sir, can I seek a point of clarification on that? Does part (b) not tie in with the 12 months within part (a) or is separate which I think is what the ...

## The Bailiff:

Part (a) says that they will not proceed with the sale. Part (b) then says that they will look at alternative public and community purposes but that if within 12 months, there is nothing, then the property should be leased. So, in other words, it should be retained indefinitely so there is a difference I think between (a) and (b). (a) is saying: "Do not sell now." (b) is saying: "Do not sell at all."

## Senator I.J. Gorst:

Sir, I could be helpful. I absolutely agree and the Assistant Minister for Treasury and Resources has heard the mood of the Assembly and agreed not to go ahead with the sale but I think what the solution might be is the separating of the buildings or a covenant on the buildings. Property Holdings need to be given the greatest latitude to deliver what the States have said they want this afternoon.

## The Bailiff:

Just to be clear, I think, as I understand it now, the Assistant Minister is accepting paragraph (a) but not paragraph (b).

## Senator F. du H. Le Gresley:

Sir, could I make point here which I think is very unfair on the proposer? The proposer summed up on the basis he understood (a) and (b) were being accepted. **[Approbation]** He has not had the opportunity to put his case for the whole of the proposition so I think it is very unfair.

## The Bailiff:

I entirely agree, Senator. If you wish, Deputy, to reply on (b), then please feel free to do so because there is clearly not a full understanding as to the position and of course as the Greffier has reminded me, it is a matter for you as to whether you wish to split paragraphs (a) and (b) or not, Deputy.

## Deputy J.H. Young:

Sir, I think, as Senator Le Gresley has said, I certainly have been thrown by the fact that I thought we had an acceptance of the proposition and I therefore did not feel I needed to sum up properly and also being anxious of Members wanting to get away but I think if we now have a proposal and that we split the vote and take it separately, I really cannot agree to that, Sir. I think it is an integral proposition. **[Approbation]** They both go together and therefore I would like, Sir, unless the proposition is accepted as a whole, to carry on and take it to ...

## The Bailiff:

Very well. I think at the moment, it has been made clear that it is not being accepted as a whole. Now you want the vote to be taken (a) and (b) together. Is that right?

## **Deputy J.H. Young:**

Yes, Sir.

## The Bailiff:

Well, in that case, I think if you wish to reply, then you should have the opportunity of doing so.

## **Deputy J.H. Young:**

Sir, I have a reply. Thank you very much. I will try and be quick but I think it has been an excellent debate and I really thank Members for it because I think there are nearly 13 Members spoken and I think the right issues have come out that here we have illustrating the choice between financial decisions and our need to be business-like, which I absolutely accept no question. But we also I think have to be prepared to accept that there exceptional circumstances when we will use our discretion. I think what I have tried to show in everything I have said through labouring the history, if you like, is how important this site is and I think from what I have heard from Members, that realisation has come home. I think there were a couple of speakers, Senator Le Gresley, the Constable of St. Helier, the Constable of St. Lawrence and the Deputy of Grouville which kind of sums up I think the key points for me that here we have a decision where we should be prepared to make an exception. It is not an argument just because we made a poor job of looking after out buildings in the past and I absolutely agree with that that we should get rid of all our holdings because they are safer with somebody else. What we are being asked to do is to trade-off our known track record which is a bad one with an unknown track record of somebody else who may be good or not. We do not know. Of course, the situation is that that building could be sold on again and again and again. We have really no idea of knowing who will ultimately own it and what their track record and intention will be. I am pleased that Members I think universally have recognised the importance of the location and the importance of the Royal Square. I will be honest. I did not really understand the history of the Royal Square but I refer Members to the magnificent facilities in our library and in the Archive Centre and at the Société Jersiaise which, when you look at it, really shows this is the heart of our Island's community. So there are very few pieces of real estate available here and we should I think give preference to the community and the public in that. Now I touched upon the possibility of splitting the building, if you like. I accept that it has been, in recent years, combined in the 2 and there are technical difficulties about splitting it but I think all things are doable. The Minister has proposed a proposal to sell them combined. Personally, I am much more committed to Piquet House but it may well be that the other building has to work in tandem with it depending on the use that is found but I am absolutely sure that uses will be found. I am worried about the principle that I do not think it is universally accepted but a number of Members have said that we must get rid of historic buildings. "If they are listed, get rid of them." I think, thankfully, we did not do that in the case of Library Place. States Members' facilities came up. I certainly was not making a case for special pleading about that. I tried to say that, as a Member, I think there is a need for States Members' facilities and it is really good news to hear because I did not know, as a P.P.C. (Privileges and Procedures Committee) member, that Property

Holdings are looking at this. I very much look forward to the dialogue with P.P.C. on that. The opportunity is there. This came across loud and clear in a whole host of contributions from Members; the cultural activities, the history of the Island's fortifications and our tourism. I think Senator Le Gresley's speech and his journey around town at lunchtime was spot on because I passionately believe that the future of our tourism industry will require themed visits; themes of heritage, themes of our environment, our fortifications, our history. We are loaded with it but are using it? Are we exploiting it? Are we taking those opportunities? No, we are not. Here is a little opportunity. A small building that is right in the heart of the centre. This tiny little building of 200 years so I think that is such an opportunity, yes, if there are heritage bodies prepared to take it on but I remember I saw a contrast here. It was not so long ago that we were hearing from the Minister for Treasury and Resources that we should have another organisation and give it to the National Trust for Jersey at Plémont. Here, we are turning around and saying: "No, we cannot do that. That is not the sort of thing we do." I think this is such a modest little building that we should be open-minded about it. I have mentioned Library Place as a parallel. The planning situation. Ideally, yes, Planning there have the legal powers but, my word, I am sure our Minister will tell us and those of you on the Planning Applications Panel - and I certainly know from a past life - just the pressures that can come on the planning system. In recent events, there really is very great pressure. In fact, yesterday, the Minister told us that, in the future, all planning decisions - not just environment but historic buildings and so on - are all going to have to be balanced against the economic arguments. The Minister told us that yesterday so I think we have that clearly on our agenda now. The planning system cannot be 100 per cent relied upon. Is the non-sale of this building now going to destroy the office strategy? I really do not think so. It is an insignificant part of it. My proposition was intended to give the building another chance. A second chance for this building to find a new future within public and private ownership. Now much has been made about parallels with St. James' and other things and I am aware, as Senator Ozouf pointed out, of some of that. But of course the thing was with St. James', the circumstances were very different. Trivial amounts of money were voted with the States that were completely inadequate to do a job but the key thing is that building was saved for longer term opportunities. There was an absolute risk. I remember going to St. James' Church and I stood there and I think the congregation was down to about 6 or 7 people who had absolutely given up on that building and I will not describe the state of it but there was no question the building was that close to demolition and it was saved. It is wonderful now. We have the Youth Service facility because it was always ideal for that but the key thing is it is desperately important for that part of town. Members have spoken about how the north of the town is struggling and of course the one thing I am absolutely certain of is there was the vision of Members in those days who saw that retaining somewhere like St. James' was important to the long-term integrity of the town and had that short-term money decision been made, it would have been flawed in the long-term opportunity. Piquet House is nothing like that. I do not know what the size of the monstrous building at St. James' is. Piquet House is nothing and insignificant and I think we do have a duty to look after and it is a shame for a property like Oxford Road that was given to the States by a member of the public that it should have been allowed to lapse. One thing comes out of this debate, we should stop that. Now am I grateful to the Constable of St. Helier and what he said about the British Legion. I have had conversations with them and I did not mention them because I did not want to be seen as standing here as their advocate arguing the case. It can be whatever number of interests but I can tell you the dismissal about them not being serious about it, I have letters and correspondence. The Constable used a wonderful phrase: "The dignity of that use will enhance the Royal Square" and that is exactly what one is trying to find. The idea that if we put plaques on the outside of buildings, it is going to look after our heritage, I just hope that Members approve this proposition and that we do not have in future years: "Here was Piquet House" until the States made the decision to get rid of it and that it once was a piece of Jersey History and this is what the photograph is but it is not there anymore."

# [16:15]

Yes, conditions of sale could have been a solution but it is too late because the bids that were dealt with by Property Holdings were unconditional and that is absolutely clear. The sale was offered that there will not be covenants and there will not be restrictions. It was on those terms so bring it in now. There might have been a way out but there is not now. I am asking for a short-term decision that has the timescale of 12 months. It does not shutdown the long-term. It will cost us nothing to go with this and, Senator Routier, it will not cost us anything other than we will retain it if it is mothballed even while we look for these proposals and try and find partners to make it work. If not, there is still the option of being able to come back here and, with that, I ask for the appel, Sir.

## The Bailiff:

Very well. The appel is called for then in relation to ...

## **Deputy E.J. Noel:**

Sir, would the Deputy consider splitting the vote into 2?

## Deputy J.H. Young:

No, Sir.

## The Bailiff:

No, the vote is on the proposition as a whole, therefore, and I invite Members to return to their seats and the Greffier will open the voting.

POUR: 30	CONTRE: 16	ABSTAIN: 0
Senator P.F. Routier	Senator P.F.C. Ozouf	
Senator A. Breckon	Senator A.J.H. Maclean	
Senator S.C. Ferguson	Senator B.I. Le Marquand	
Senator F.du H. Le Gresley	Senator I.J. Gorst	
Senator L.J. Farnham	Senator P.M. Bailhache	
Connétable of St. Helier	Connétable of Trinity	
Connétable of St. Lawrence	Connétable of St. Clement	
Connétable of St. Brelade	Connétable of St. Peter	
Connétable of St. Saviour	Connétable of St. Ouen	
Deputy R.C. Duhamel (S)	Connétable of St. Martin	
Deputy R.G. Le Hérissier (S)	Connétable of Grouville	
Deputy G.P. Southern (H)	Deputy J.A.N. Le Fondré (L)	
Deputy of St. Ouen	Deputy of Trinity	
Deputy of Grouville	Deputy E.J. Noel (L)	
Deputy J.A. Hilton (H)	Deputy of St. John	
Deputy S.S.P.A. Power (B)	Deputy of St. Mary	
Deputy K.C. Lewis (S)		
Deputy M. Tadier (B)		
Deputy T.A. Vallois (S)		
Deputy M.R. Higgins (H)		
Deputy A.K.F. Green (H)		
Deputy J.M. Maçon (S)		
Deputy G.C.L. Baudains (C)		
Deputy J.H. Young (B)		
Deputy S.J. Pinel (C)		
Deputy of St. Martin		
Deputy R.G. Bryans (H)		
Deputy R.J. Rondel (H)		

Deputy N. Le Cornu		
Deputy S.Y. Mezec		

# 4. States Housing: arrangements for new tenants. P.19/2014 - deferral The Bailiff:

Very well. Deputy Tadier, do I understand you wish to speak about this one?

## 4.1 Deputy M. Tadier:

Yes, just to explain very briefly why I am not withdrawing this but I will defer it. The Minister has obviously been overly diligent, if that is the word, and produced a review even though he has not been asked by the Assembly to do one and while clearly I am disappointed that the computer still says: "No" when it comes to carpets, I will be considering an amendment or a change of tack asking the Minister perhaps to take alternative action with regard to this issue.

## The Bailiff:

Very well, so that matter is deferred. Is it 2 weeks you wish to defer it for, Deputy?

## **Deputy M. Tadier:**

Yes, please.

## ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

## 5. The Bailiff:

Very well, and then the other matter is that the matter has been lodged. P.36, Draft Public Elections Expenditure and Donations (Jersey) Law 201- lodged by the Privileges and Procedures Committee. Finally, when we come to the arrangement of public business and future meetings and I will ask the Chairman of P.P.C. to address the Assembly.

## 5.1 Deputy J.M. Maçon (Chairman, Privileges and Procedures Committee):

For 1st April, we have the additions of P.9, an amendment by Deputy Southern to the Financial Services Ombudsman; the deferred item in the name of the Minister for External Relations and the amendment to P.13; and the deferral of P.19 to the next sitting. Then for 29th April, we have the addition of P.33 in the name of the Chief Minister; P.34 again in the name of the Chief Minister; P.35 in the name of the Minister for External Relations; and P.36 which you have just reminded Members of. For that particular sitting, I would just like to highlight now for Members that it is quite a long Order Paper and Members should book 3 days in advance for that. As for the sitting on the 1st, the estimated time may be recommended for 2 days.

## The Bailiff:

So 2 days for the 1st and 3 days for the 29th?

## Deputy J.M. Maçon:

Yes, thank you. Sorry, I am working backwards. Also, for Members, although it is ahead of time, in July, we will be coming to the closing couple of sessions of the States and we will advise Members that we may be asking for an additional sitting on 8th, 9th and 10th July. Just to give that notification to Members in advance. Finally, I have been asked to notify Members on behalf of the newly appointed Deputy Greffier of the States that on Tuesday, 25th March at 1.45 p.m. in here, we have the Youth Assembly and all States Members are invited to attend that should they choose to but, other than that, I would like to table Public Business as set out in the Order Paper. Thank you.

## The Bailiff:

Does any Member wish to speak on future business? Deputy Southern.

# 4.2 Deputy G.P. Southern:

Could I ask that the Minister for Economic Development gives me some comments before the day before the debate? I do like to see what they are saying before I prepare it properly.

# The Bailiff:

This is on P.9? P.9, yes.

## 4.2.1 Senator A.J.H. Maclean:

Yes, of course. I would not want the Deputy to be in the dark. We will make sure he is fully informed.

## The Bailiff:

Very well. Do Members agree to take the business then as listed? Well then, that concludes the Assembly's business. We shall reconvene on 1st April.

## ADJOURNMENT

[16:21]