

2018.12.03

3 Deputy J.M. Maçon of the Minister for Treasury and Resources regarding the financial return from the sale of Building I.F.C.1: [OQ.221/2018]

Further to the sale of Building IFC1 at £43.7 million with a net return of £10.9 million, will the rapporteur explain how much of this return will come back to the Treasury as a dividend, how much will be awarded in bonuses, and will they advise how much it cost the States to reclaim the land that IFC1 is built on?

Deputy L.B.E. Ash (Assistant Minister for Treasury and Resources - rapporteur):

The net return from the sale is £10.9 million. That is the net return from the sale of IFC1. It is to be used, as we have already discussed, to part-fund the construction of the new 500-space underground public car park that is to replace the temporary car park at Les Jardins in order to free this land up for residential development, as I previously said. Remuneration of the staff at S.o.J.D.C. is determined by the Remuneration and Nomination Committee, whose membership comprises independent non-executive directors. On an annual basis, in accordance with the memorandum of understanding, the shareholder is presented with and votes on the Remuneration and Nomination Committee report at the A.G.M. (annual general meeting).

3.3.1 Deputy J.M. Maçon:

Of the return, we do not know how much is going to be used up in bonuses, we do not know how much is coming back to the States and we cannot do a cost-benefit analysis of developing the land because those figures have not been given either, in which case can the rapporteur produce for States Members and for the public what the actual profit of this development has been? It is just net return at the moment; we do not know what the profit figure is.

[15:15]

Deputy L.B.E. Ash:

As I say, I can only reiterate what the net return figure is. It is £10.9 million. The actual profit I do not have. It has to be stripped down into its various items. As I say, all the profits were designated to go back into an underground car parking system. I cannot put that any plainer than I have already.

3.3.2 Connétable A.S. Crowcroft of St. Helier:

With no fewer than 3 questions on this matter on today's sitting, which is in itself perhaps a matter for P.P.C. (Privileges and Procedures Committee) to look at, does the Assistant Minister for Treasury and Resources not find it surprising that none of the questions are asking him to agree what a success has been created on the Waterfront, not least that open amenity space which would not be provided by a private developer is being provided to the equivalent of 3 Royal Squares and regeneration funding of between £50 million and £75 million is predicted for the urban area?

Deputy L.B.E. Ash:

Thank you for the question from the Constable of St. Helier. Do I find it surprising? No, I do not because generally people tend to look on the dark side rather than the positive side. There is a big positive side, as I stressed earlier, and hopefully we will continue with rejuvenating that area along with rejuvenating other areas of St. Helier.

3.3.3 Deputy R.J. Ward of St. Helier:

Might I ask just for a point of clarity on this? We have net profits but we do not know the actual profits and they will be spent on a car park which will be a public car park. Therefore, these profits have been spent and nothing will come back to the actual States coffers from the sale of this building overall?

Deputy L.B.E. Ash:

I do not know if the Deputy has parked in St. Helier recently, but there will be charges for these parking spaces, 500 of them. They will contribute to profits that will eventually return to the Treasury, I trust.

3.3.4 Deputy R.J. Ward:

The question was whether the parking itself would be a public car park, and I understand the system of paying for public car parks, or whether it is a private car park or part of each, i.e. will it be privately run, or whether it will be accessible to all members of the Island who want to park there.

Deputy L.B.E. Ash:

As I understand it, at the moment - and I may be mistaken on this - it will be a public car park replacing the one that we have at the moment.

3.3.5 Deputy J.M. Maçon:

I do not believe I have made a positive or negative statement about this particular matter. I think I have just been trying to understand the figures. I would like to dispel any myth that for some reason I am being negative or that I am being positive. I am simply trying to understand the figures.

The Deputy Bailiff:

Deputy, if you could ask the question, please, it is a final supplementary.

Deputy J.M. Maçon:

What I would like to ask the Minister is: in that situation, given that St. Helier was supposed to be promised a certain amount of money for regeneration, is the Assistant Minister able to tell the Assembly what proportion of these funds, if any, will go in order to do that?

Deputy L.B.E. Ash:

I thank the Deputy for his question. I was not insinuating that he was such a person.

The Deputy Bailiff:

Yes, if you could just answer the question.

Deputy L.B.E. Ash:

I will answer the question. I cannot tell you exactly how much but I do believe that S.o.J.D.C. will be discussing with the Constable of St. Helier a sum that can be used for the rejuvenation of St. Helier.

The Deputy Bailiff:

As Members will have noticed, we are having a difficulty with the sound system. We have a technician on their way, hot footing it. When the technician arrives we will adjourn for 5 to 10 minutes in order that it can be put right. We will have to soldier on in the meanwhile, Deputy, if you can try.