

STATES OF JERSEY

OFFICIAL REPORT

THURSDAY, 3rd JULY 2008

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

PUBLIC BUSINESS - resumption

1. Esplanade Quarter, St. Helier: Masterplan - rescindment (P.97/2008) (continued)

The Bailiff:

The debate continues on the proposition of Deputy Baudains. Deputy Le Claire.

1.1 Deputy P.V.F. Le Claire of St. Helier:

Deputy Baudains yesterday in his speech began by telling us that it was not a revisit of the previous debate and that we should not refer to the elements of the scheme, et cetera, and then went to great length throughout his speech to talk about the scheme in great detail - I found that rather strange. I think everybody acknowledges that Deputy Baudains has done the Island, the States Assembly, a great service on his scrutiny of some elements of the proposals in respect to Harcourt and making sure that due diligence is to be carried out and I think we should congratulate him for that. I am sorry to say that I think this proposition is merely a proposition to throw the whole thing out because perhaps, I may be wrong, but I get the feeling that Deputy Baudains does not like it. I find it strange as well, in the report he says, and it was interesting that you picked this up, Sir, that part 2 and part 1 hold together in his view, and it was ridiculous for the States to debate them in isolation the first time around because 1 and 2 hang together. Yet we are being told today that he is allowing Members the option to vote on items separately if they wish. It seems to me if part 1 is not achieved because it does not have the support of part 2 then we are really only talking about one thing and that is to revert to a scheme that has already had approval from the Planning Minister that really does fall far short of the expectations of many of the people in Jersey who have been working extremely hard and trying to improve the waterfront. Deputy Baudains said that he wondered where the alternatives were and we heard of some of the people who had been consulted upon and with during this process in an extensive way who had been able for the first time, in a meaningful way, to contribute to a States overall strategic plan, in my view. There has been some self-criticism about whether or not Scrutiny should have taken it upon themselves to have undertaken a more thorough review in terms of this overall scheme, and I was looking up my speech from the last time around and I did note that I refer to the fact that under the chairmanship of the Deputy of St. Peter there had been a financial assessment, and under the chairmanship of Deputy Duhamel, our Scrutiny Panel, the Environment Scrutiny Panel, had worked extensively at addressing some of the issues that we thought of concern, in particular for St. Helier. The Constable of St. Helier, in particular, spoke out publicly about his concerns, and at every meeting the architects from Hopkins, the Minister and the Assistant Minister, the Transport Minister and his team all came together to work hard at trying to address those concerns, and they met those concerns. So, in putting forward our views and the design group putting forward their views we believe we did have a different scheme. It was not the same scheme that was placed before us in the beginning, so when Deputy Baudains says: "Where were the other schemes?" we were left with only one option. We only have one area to work with. It is not like we are talking about: "Let us build a waterfront somewhere in the world", we are talking about the waterfront in St. Helier; we are constrained by the geography. It was that geography that defined our input and it was that geography and our input that defined the outcome, which was a well-consulted upon piece of work and, in my view, a dramatic improvement to what is an unsightly collection of buildings opposite what will become more and more into the future, a very important historic castle. They are not building castles like that any more and as time goes by, and as the years go by, and by the time these leases have concluded in 150 years' time, we should be cognisant of what we will be looking at and what it is that we own in that castle. I am hoping in years to come that the Jersey Heritage Trust and the States of Jersey recognise that far more could be done to bring out the history of that historic castle, far more than has been done to date. I think it is befitting of us to continue to support the proposals that have been put before us in the Masterplan by Senator Cohen because they represent a dramatic improvement. It was not just the ideas of the Constable of St. Helier and Deputy Duhamel and I

that were integrated into the plan, but I know that there were other Members who have not stood up to take credit for some very significant elements of the plan, including the Winter Garden and the Jersey granite. I know those Ministers and those individuals in the States have not stood up on a platform and said: "That was my idea. That was my idea" and I will not embarrass them by saying who they are, but they are to be congratulated for putting forward their ideas. Senator Cohen and the architects are to be congratulated for taking those on board. I look back at my speech as I said, Sir, and in that I recognise that there was another element that we were forgetting and that was the benefit to St. Helier and the surrounding areas from the money that would be coming their way. I look back at my call for more improvements for children's playing areas with children playing on the streets in Jersey and in and around street corners. I thought at the time, as did other Deputies from St. Helier that spoke, Deputy Fox and Deputy Hilton, that a lot of this money could go towards improvements in St. Helier that are badly needed. I did urge and impress upon the Minister that I thought that some of those things needed to be considered. There was some concern about cutting up the pie before we had even baked it but we need to set our mark in the sand. Now the surrounding districts of St. Helier include St. Clement, in my view, and the vast majority of people in Jersey all enjoy St. Helier. So, I am rather at a loss to understand why we would not want to continue to support that. I remember once there was a debate where I thought I had never heard a better retort, or a better response, and it came from Deputy Baudains when he was criticised in the first waterfront debate for always looking in the rear view mirror. His response was: "Well, at least I know where I am coming from." My experience of looking in the rear view mirror is if you are going to go backwards or if you want to park something, and I am afraid to say that if we continue to look in the rear view mirror this morning and support this rescindment motion, we are going to go backwards to the approved plan of the Minister which will fall far short of our expectations, and we will park the improvements to St. Helier and we will park the aspirations of achieving the view that we have lost of our beautiful castle. I hope Members will recognise that there are a lot of questions that need answering in debates that are coming up in relation to Harcourt and W.E.B. (Waterfront Enterprise Board) and some responsibilities that need to be argued about that. But I would hope that Members would agree with me that we need to do better on this waterfront and unless we continue to support this Masterplan and part (b) which enables that Masterplan to be decided upon, we will never have it. We will just never, never, never have it because all of the existing things will suffer viability issues and all of the existing facilities will eventually turn around and claim that they are unable to continue and we are likely to probably see them being pulled down and luxury apartments being put there in their place. There will be nothing except a divided wealthy quarter on our waterfront with wealthy individuals overlooking our castle and, who knows, in the future maybe as in other places in Europe, they will fence it off and keep the locals away because they ride their bikes and skateboards down there and annoy the residents and tourists. Deputy Duhamel and I and the members of the Environment Scrutiny Panel and the Minister for Planning and Environment have been to Malmö in Sweden, have seen the opportunities that a green, open, inclusive waterfront present, and those have been incorporated into this Masterplan. If there were any concerns from Members about the viability or otherwise of a build on this property, then surely those were addressed by the Treasury Minister's speech yesterday where he quite rightly pointed out that he is not going to authorise one single signature on any of the proposed buildings until and unless he has been given the guarantees, cast-iron guarantees, from an international reputable bank and from his officers to say that they are good. I think Members really do need to congratulate Deputy Baudains for some elements of his Scrutiny and I think that we need to also give credit where credit is due to the Environment Minister, his Assistant Minister, the Transport and Technical Services Minister and his team and the architects, the waterfront design group and, indeed, the other Members that have contributed to this scheme. I think we just really need to keep on supporting it because it is going to take a lot to deliver it and this, unfortunately, is not the way that we are going to change the St. Helier Waterfront into a better place to be.

1.2 Deputy G.W.J. de Faye of St. Helier:

I am sure Members will have read the report accompanying Deputy Baudains' proposition and they will notice that on page 4 quite a significant element of that particular page is devoted to a quote from me in the previous debate on this subject. The key phrase is probably: "I am concerned that what I understand to be essentially a fabrication that has absolutely no foundation in fact whatsoever is now being propagated as some sort of reason why we should refer this matter back." Underneath Deputy Baudains has noted: "It would surely benefit debate if Members check their facts before impugning the integrity of others and I look forward to Deputy de Faye's apology in due course." I do want to say to Members that I have already approached Deputy Baudains on this matter in private and the Deputy well knows that I have on occasions in the past, in fact, very vigorously defended his personal integrity. But I do want to raise this matter in the Assembly partly because I also referred to the element of Parliamentary privilege and whether Members are prepared to repeat what they say in the Royal Square. It could be interpreted from that that not only was I suggesting that the Deputy was misleading the House, but also that he may well have known he was misleading the House and, clearly in the circumstances, we know that not to be true. I therefore want to publicly apologise to Deputy Baudains and assure Members that I have no doubts about his personal integrity whatsoever. **[Approbation]** But in respect of this particular proposition that is where the *entente cordiale* comes to a fairly abrupt closure because regrettably a lot of what Deputy Baudains told the House in his opening speech was very essentially muddying the waters, posing questions that, frankly, in many cases, have already been answered. I think Members must realise in the course of dealing with proposition and political debate it would be nice if we had one or more comprehensive reports telling us that what we are about to agree to was absolutely the right thing to do and that all the t's were crossed and all the i's were dotted and there really was no more to be said or done. But as Members all know that eventuality is an extremely rare case; events, in the most part, continue to change all the time. Indeed, there will be an enormous number of issues to come in respect of the waterfront development. While we have a Masterplan before us, all those buildings will still have to go through the normal planning applications procedures as the buildings proceed one at a time. But I do want to deal with some of the issues that came up. One of the main objections, it seems to me, that Deputy Baudains had was this issue of connectivity. First of all, I do struggle with why both Members and members of the public do not see the value of the sunken road. Indeed, when the issues came up in respect of the Island acquiring the underpass it now has, it is my understanding that there were 2 other proposals on the table: both of them tunnels. To all intents and purposes it does appear that at the time the 2 tunnels were rejected for cost reasons. Senator Cohen has told us that he has had advice from a number of leading architects on the global stage, and every single one of them has said this is absolutely the right thing for a waterfront project. It does seem very logical to me because I am sure that Members all know that people generally have an aversion to having to climb up bridges and then go down the other side, and similarly people have an aversion to going themselves into tunnels or what are more popularly known as subways, where they do have a certain level of concern about who they may encounter in a confined space. So, if anything has to go down a tunnel, it is not going to be pedestrians; it must surely be traffic. By the same token, I think that all Members will realise it is much more pleasant if you are going from one location to another to be able to walk at level, and even a slight gradient sometimes produces a tendency to want to go via another course. The other aspect of connectivity, as I have explained on a number of occasions, is that there will be variations to the traffic flows and traffic management. I do apologise to Members for the inevitable delay that was caused with the Integrated Travel and Transport Plan. Deputy Southern was quite right: I was promulgating my excitement about being able to do this at the last elections, and I can say to Members no one is more frustrated than myself and my personal enthusiasm for this project than I am. But let us just imagine if we were doing things the other way around; it really would be a disastrous approach if this type of enormous project that has a very significant impact on the existing town of St. Helier had not had its traffic management impact dealt with in, frankly, very great detail, and that is precisely what has happened. Similarly, it is not just what is the traffic management situation going to be on completion, the Transport and

Technical Services Department has also had to study, with a number of other involved bodies, how we get to completion. In other words, what is the traffic going to be doing during the construction phase? I do want to put Deputy Baudains right when he quoted the phrase, it certainly never came from me, that there will be 3 years of traffic mayhem. No, there will not. In actual fact, traffic will continue pretty much as it has done now because we will continue to use the existing underpass while construction work is going on on either side. It is certainly my intention, and I am sure will be the intention of any future Minister for Transport and Technical Services, to keep the traffic situation running as smoothly as possible. Inevitably there will be some hiccups because all the bits of the scheme at some stage have to be joined up and you simply cannot do those sorts of things overnight. So we do anticipate some difficulties but I have to emphasise we do not anticipate 3 years of traffic mayhem, chaos or any other adjective you care to apply to that concept. Yes, there is an argument to say that the gateway to the Islands will be under construction for a while but I do want to ask Members whether they feel that the gateway to the Island is at the Esplanade. I always thought the gateway to the Island was the airport arrivals hall. If there are a number of gateways between the airport and St. Helier, well, that may be a subjective view of Members, but I think that when the airport arrivals hall was brightened up not so long ago, it did make a very important difference, as was the freshening up of the arrivals hall down on the Albert Pier for people arriving from France. We can make a lot of gateways to the Island, not least of which I would dispute where the gateways are down at La Collette but I will leave that for another day. Tunnel ventilation was another matter that Deputy Baudains brought up, quite rightly; it is an issue if you have exhaust gases confined in a confined space. Members, I think, certainly those who have attended presentations, will know that the tunnel will be built to the very latest demands that are required under European and U.K. (United Kingdom) regulations and directions. There will be no issue with tunnel ventilation; there will be very powerful fans that will extract the air. If we have any worries, it should be asking the question: where are these exhaust gases going now? They exit to the air freely and effectively there will be no essential difference. I very much hope that, in fact, as the years go by we will have more electric cars, we will have more efficient cars and, in fact, the noxious exhaust fume issue will gradually diminish over time, in any event. I recall that the Deputy also implied: what was the demand for this development? He appeared to be under the impression that there seemed to be only one taker for the premises at the moment. I believe that this is a very critical development for the Island. We are racing almost in Grand Prix Formula One-style on a global competitive platform with rival locations who wish to get their hands on aspects of the financial services industry. There are a number of international global players who offer various advantages to banks and financial services operations being located with them and we know that we have to stay competitive. What better than to have cutting edge, attractive buildings on a specially designated financial services quarter of the town as is laid out in the Masterplan. If we do not get on with this now, if we rescind this, I am afraid we are taking a very serious step back in a very competitive area which I believe would be extremely damaging to the future of the Island. A couple of minor issues to deal with: I cannot tell the Assembly at this stage just precisely what will be discovered when the digging commences, but clearly Members will realise there is a possibility of coming over certain deposits of ash; there is a possibility of coming across asbestos and I can assure Members that the protocols are already in place to deal with these matters in the best possible practice. But to say that we are not going to be able to achieve any recycling, I am afraid, is misleading. Recycling rates will be possible. I will not hazard any guesses at this stage, but I would say that 20 to 30 per cent, I would think, is an absolute minimum and I know that the Minister for Planning and Environment will be insisting that we try to achieve higher levels than that. Yes, of course, if we find some toxic ash, it will go to La Collette where there are specially lined pits to deal with this. So, we are not looking forward to seeing any serious difficulties on that front. The car park: well, the car park will not be a loss to the States in the way it was portrayed because the car park already belongs to W.E.B. and I think it has been elicited on at least one occasion. I am very grateful to W.E.B. who have allowed the States to continue use of it under the scratch card system which means that unlike the Serco car park on the waterfront where that is not

the province of the States Funds, revenues from the Esplanade car park continue to come into the Treasury. However, the fact needs to be made perfectly clear that is not the direction that those funds should be moving in because the car park, the Esplanade car park, is currently in the ownership of W.E.B. W.E.B. will buy back the spaces to ensure that exactly the same number of public car parking spaces will be there in the future but the administration of that, by the time the project is completed, will not come under the States; it will come under the W.E.B. and will probably come, I would suggest, under the same operator as runs the waterfront car park. I think that is all I wish to say, Sir. The States, in my view, have already voted very significantly on both sections of this proposition. I have heard no strong reasons really for us to change our minds. Yes, there has been an unfortunate hiccup in the communications process. I do not think that that was conspiracy; I think it was simply failure of communications. We have all had chapter and verse now on the relevance of those particular items. I think the Nevada lawsuit quite frankly is largely, utterly irrelevant and any other legal aspects, again, I do not believe impact directly on proceedings with respect to this Island. But as has been very clearly pointed out, this debate is not about the developer; this debate is about transference of land to W.E.B. and there are plenty more decisions to be made in the long-term. If I may end just by jumping on one particular bandwagon, Sir, and that is to say - perhaps I should use a visual aid here so that people know when I am being a stand-up comedian - I met a man in the street the other day and he may even have been a local resident. **[Laughter]** He told me he thought the waterfront project was a jolly good idea. So, I am absolutely certain that at least 95 per cent of the general public support this and we should crack on with it.

1.3 Deputy C.J. Scott Warren of St. Saviour:

While with hindsight the debate in June should have gone into camera and States Members were not informed regarding the pending court action against Harcourt, I no longer see any purpose in rescinding the decision for parts(a) and (b). We have now received assurances from the Minister for Treasury and Resources that States Members will be in possession of all the financial opinion before contracts with the preferred developer are signed. I assume that that assurance will be honoured should a new Minister be imposed at Treasury and Resources. I know, Sir, though I cannot give a percentage and I do not have a red nose with me, there remains concern among members of the public regarding the proposed sunken road and the possibility of flooding. Obviously, the Masterplan will require and get a full environmental impact assessment. The Minister for Planning and Environment, Sir, is almost messianic in his belief about the overall improvements to all of St. Helier that this Masterplan will bring. I believe, Sir, we should proceed with the Masterplan albeit with caution and so, Sir, I will therefore not be supporting this proposition. Thank you.

1.4 Senator P.F. Routier:

We are today repeating obviously the debates we had a few weeks ago which at that time had overwhelming support. As the Bailiff indicated only yesterday when we started the censure motion on the Chief Minister, the themes of the debates we are now having are, in many ways, linked in different ways. Of course, quite rightly, having these debates again because of what happened just after the original debates I think is probably something that this House needs to have to reassure themselves that everything is in order. It was unfortunate that there was some misinformation out there and some erroneous comments were made during the debates, and that is obviously what has given rise to these debates today. But I accept that we all have to be sure that, now the information is available, we should continue with the Masterplan and the transfer of the land to W.E.B. I do hope that Members who previously supported the Masterplan can still accept that absolutely nothing has been revealed or changed that could or should affect our previous overwhelming decision to support the Masterplan. As the Planning Minister reminded Members yesterday, we would be losing all those marvellous public spaces and amenities and importantly we would be signalling to the finance industry that we are not prepared to provide them with modern offices in

which they need to carry out their businesses. We must not forget that we are in competition with other jurisdictions and they are prepared, as we currently speak, to offer the finance businesses in the world, modern offices and we must be able to offer those facilities as well. Turning to the second part of the debate which transferred ...

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

May I seek a point of clarification from the Member? It is in the Minister's role as a director of W.E.B. What up-to-date assurances of information have we had from specific representatives of the finance industry as to forecast demand on office space that has been verified?

Senator P.F. Routier:

I have not had an overall report given to me but certainly I know that there are some people who are keen to get office space on the development. That is probably a question which is more rightly asked of the developer themselves who are taking the risk themselves; it is not the States who are taking the risk, it is the developer that is taking the risk. So I think that would probably be more a question that would be needed to be asked of them if they have the confidence to go ahead and fund the project themselves and to get that backing. We need to rely on them to make that judgment. Turning to the second part of the debate which transferred the road area to W.E.B. and agreed to proceed to compulsory purchase of a small piece of land near the cinema complex, I do hope that Members continue to accept that the previous decision that they made is still a viable decision. Assembling this land to allow the excellent Masterplan to proceed is the step we need to take before we can go on to the next step of concluding a deal with any developer. I understand that although the proposition which we approved was basically just to assemble the land together, that Members have understandably focused on the preferred developer. I think it was Senator Perchard who mentioned yesterday that the proposition was perhaps, on reflection, too helpful. It went on to talk about and give information about the current preferred developer and Members, quite rightly, are now wanting to ensure that the States and the public are protected sufficiently. Regardless of the previous out of date financial capacity report, there will be an up-to-date report carried out. There will be the requirement to have the vitally important bank guarantees. We know that the Scrutiny Panel together with their expert adviser have advised that the deal that is in place with the preferred developer is a good deal and it is W.E.B. themselves that have achieved that and it is recognised as being a good deal for the public. News to me yesterday, and I think to Members as well, was the very welcome announcement of the Treasury Minister that he is going to appoint an independent adviser with specific ability to review the deal and, importantly, he will share that information with all Members. I think when he announced that there was a resounding stamping of feet which I think, hopefully, should reassure Members that the deal will not go ahead unless he has had an independent person look at that and come to us and shared that information with us. I do hope that Members will feel able to maintain their support for the Masterplan and the transfer of land in the knowledge that there are still many more checks to be made on the eventual developer. I urge Members to reject this proposition.

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

I think there is a risk that we are unnecessary prolonging this debate and I am going to keep my comments very brief. I am certainly not going to follow the example set by the Transport Minister who was a self-confessed stand-up comedian this morning, although there are a number of comments he made that have got to be addressed. I think he is very unjust on the proposer of this motion when he tries to minimise Deputy Baudains' concerns about connectivity. I made my position very clear when we originally debated this. Deputy Baudains is absolutely right to point out that the sinking of the road, while it will join up one part of this section of the waterfront, will lead to a very busy road along the Esplanade. I made this comment last time that the officers at T.T.S. (Transport and Technical Services) have told me that up to 1,100 an hour will be using the Esplanade which is, at the moment, quite an easy road for pedestrians to cross. So we are going to be getting a much busier road separating the waterfront from the town. For Deputy de Faye to

stand up like some apologist for pedestrian rights I really must say sticks in the craw a little given that I have had to bring to the States a proposition to put a pedestrian crossing to the library which he and his officers said was unnecessary. Equally, to hear him speak it in enthusiasm for his transport policy, which is now 2 and half years out of date, also takes some listening to, but clearly he is already beginning to think about how he is going to sell that to the electorate. The fact is to have done this without a transport policy was wrong. The context for the transport arrangements should have been established 2 years ago and then the Deputy's officers could have worked away and solved some of these transport problems in good time. As it was, it was left very late and the Scrutiny Committee were seeing last minute traffic models which were literally hot off the computer which, frankly, do not remove the worry that many people have about traffic levels both under the road and around this scheme. I think those of us who now support the scheme, who were once opposed to it, have had to balance the obvious disbenefits. There are going to be traffic problems certainly initially and Deputy de Faye himself said on the radio: "Do not come to St. Helier for a few years." He is now distancing himself from those comments, but he certainly originally was very worried about the traffic impacts and we are worried about them, we are going to monitor them and we are going to do all we can to mitigate them. The fact is there are benefits and I believe the benefits outweigh the disbenefits and without going on to them, I mean Deputy Baudains referred to St. Helier becoming one vast housing estate which is a curious position to take when you are dealing with the main accommodation provider of the Island. Would he rather have his 400 units in St. Clement I wonder. The fact is we do need high quality housing on the waterfront. We do not just want a City of London type business district which is empty after 5.00 p.m. We want people to be living there. Equally, questions have been raised about whether we need a new finance quarter. Well, at a recent presentation by a group that have been commissioned to do a study I raised this question and I was assured that we do and it is only common sense. Any offshore centre in the financial services industry, if they are offered a new finance quarter, what are they going to do? Are they going to turn it down and say: "No, we would rather not have it"? Of course, they are going to have it because it will be very useful for the finance industry, and we all know the knock on benefits that will flow from that as outworn office accommodation is converted for other uses, whether that is for retail in the old town or accommodation. We are going to get, we have been assured by the Minister, the sort of modern architecture that people will come to Jersey to look at and that has got to be a good thing. We are going to get a winter garden and so on. One thing I do want to thank Deputy Baudains for is what he has managed to winkle out of W.E.B. in the report that we have been given and he highlighted this in his proposing speech. The fact is the States agreed the amendment that I brought that would make sure that the receipts from the scheme up to £75 million would be used for much needed regeneration to offset some of the disbenefits that I have just referred to, and to make sure that Cinderella districts like La Motte Street, Snow Hill, Cheapside, Town Mills and so on do not suffer at the abstraction of business and life. That money is vital to make sure these districts are looked after and, yet, we learn from the comments that the first £8 million now are going to be used to buy some parking spaces by W.E.B. Now I have been assured by the Planning Minister and other Ministers that this is not going to happen and, of course, it cannot happen because the States have made a decision that this money is going to be used for regeneration, and buying spaces in underground car parking I do not believe fits that bill. But I do think that the Deputy has done a useful job in focusing attention, particularly on part 2 on the financial issues. My mind, as I say, has been made up after a difficult journey. Certainly there are going to be problems in this scheme and we are going to have to work to make sure those problems ... not only to St. Helier residents but to everybody who makes that east-west journey in many cases, particularly for haulage companies and taxi drivers and so on, many times a day. It is going to be an experience we are going to have to work on to make sure that the Island's main artery is not blocked underground for long periods of time. But, Sir, I believe that we need to move on. We have made this decision. It was made by a large majority. The finances are going to be further investigated. We are going to get all of that money for regeneration of the urban areas and I believe, on balance, the benefits outweigh the disbenefits.

Deputy G.W.J. de Faye:

A point of order, Sir. I do want to correct the Constable on a point where I think he may have unintentionally misled the House. He was quite right to say that our estimate is 1,200 vehicles will be going down the Esplanade per hour but that is in relation to the hour between 8.00 a.m. and 9.00 a.m. in the morning which is peak time. The rest of the day the traffic levels will be very, very significantly lower than that.

1.6 Deputy R.C. Duhamel of St. Saviour:

I was one of the few Members, if not the only Member, who abstained on part 2 of the said proposition last time and I did so for very good reasons. Those reasons, Sir, were explained at length to Members in this House. Essentially, it was on the basis that the House was not being presented with a full schedule of all the costs that would have to be picked up by the States or, indeed, by the developer or, indeed, the Parish or any other party. I was given some assurance during that debate that a schedule will be prepared overnight by the directors of W.E.B., but that report did not materialise in a written form and Senator Perchard chose instead to reveal some of the figures and deliver them by way of his speech. So as far as I am concerned, Sir, there is still a requirement to provide States Members with this schedule to show everybody once and for all what the benefit is in financial terms and other terms to the Island in respect of this development, should it go ahead. Although we have had an assurance from the Treasury Minister that an independent body will be set up to look into whether or not this deal is a good one, we do have the difficulty - well, I perceive it as a difficulty - that we have a W.E.B. board which we are told is an L.L.P. (Limited Liability Partnership) that has powers to do deals in its own name and we have the curious situation that some direction still has to be given through this House, through to the Treasury Minister, through to W.E.B., through to the developers and through to anybody else. I am pleased the Treasury Minister has picked up partially on this point and made the useful suggestion that there will be an independent reviewer of the deal. That said, Sir, before determining whether or not I can support the second part of this proposition as I did not do last time, I would like the assurance from the Treasury Minister that should this independent review go ahead that there will be an opportunity to all States Members to put their tuppence worth in - well, it may even be more than a tuppence worth - to be happy that there is a position for States Members to have some influence before the decision is made. The Treasury Minister was quite clear in what he was saying, that the document will be shown to States Members before he made the decision. I do realise that the Minister is given the responsibility for taking these decisions but I would, nevertheless, like to seek the assurance that even before the decision is taken there is an opportunity for all States Members to be party, if you like, to being happy that the decision that the Minister would take, or allow W.E.B. to take on our behalf, would be the one that is best for the Island and that we are assured of that before he goes ahead and finalises whatever deal. That is really all I wanted to say. If the Treasury Minister has an opportunity to give that assurance to the House then that will influence my vote.

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

I think, firstly, I am certainly grateful for the Comptroller and Auditor General in his interim report to clarify who is responsible and oversees the Waterfront Enterprise Board. It is quite clear from that report that the Chief Minister exercises the rights of the public as shareholder in W.E.B. Equally, the Comptroller and Auditor General also highlights the responsibilities of the Treasury and Resources Minister for seeking and overseeing more of the financial aspects. I am subsequently pleased that over the past number of weeks that we have had assurances from both the Chief Minister and the Treasury Minister that they will indeed fulfil their roles and responsibilities as described. However, there are 3 areas that I would like and I believe have still not been clarified, and I would ask both the Chief Minister who, unfortunately, does not seem to be in the Chamber at the moment, and perhaps the Attorney General to help with. The first is directed at the Chief Minister. As we notice, and much play has been placed on the fact that capital funds raised from

this development will be used to regenerate St. Helier and that it will, in fact, be part of a St. Helier regeneration strategy. However, to my knowledge although obviously reports have been written regarding the possible regeneration of St. Helier, the States as an Assembly has still yet to consider this or debate that strategy. I would ask that the Chief Minister could give an assurance that this strategy will, in fact, come in front of the States to be considered properly and fully, so indeed we can sign up to this proposal. Regarding clarification from the Attorney General, in light of Harcourt being selected by the Waterfront Enterprise Board as a preferred developer in March 2005 and heads of terms signed in July 2007, I would like to know are the States or the Waterfront Enterprise Board contractually committed to Harcourt and what are the likely consequences if Harcourt cannot meet the criteria as set out by the Treasury Minister in his recent assurances and the development agreement that I believe is still to be signed? The third area that I would like clarification on relates to the ongoing liability linked to the underground structures, including the sunken road. I acknowledge and accept totally that the initial construction of the underground road and the underground structures is the responsibility of Harcourt. However, once the ownership of the road and other underground structures are transferred to Property Holdings, as we are informed in the proposition, what will be the extent of the ongoing liability over the period of the 150 year lease? Are we to be responsible for such issues as concrete degradation, subsidence, water penetration and the like? Furthermore, does the liability cover the structural integrity of the tunnel and will this extend to the buildings that will be constructed over the sunken road and the roundabout? Thirdly, what will be the extent of the liability taken on by the Waterfront Enterprise Board if, as proposed, the 520 underground parking spaces are transferred to them? Finally, is the liability affected by the fact that the Transport and Technical Services Department will be supervising the construction of the underground road and, if so, how?

The Bailiff:

Attorney, do you want to deal with those questions at this stage?

Mr. W.J. Bailhache Q.C., H.M. Attorney General:

Well, as best I can. I am not sure I will be in any better place to deal with them later. The first question was whether or not the States or the Waterfront Enterprise Board are contractually committed to Harcourt given the heads of terms. Sir, this is not a document with which the Law Officers' Department have been concerned at least directly. It is, as I understand it, an arrangement between the Waterfront Enterprise Board and Harcourt and W.E.B., of course, have got their own private sector lawyers acting for them. My discussions with the lawyers in question suggest that as far as the Waterfront Enterprise Board is concerned, they consider that the Treasury and Resources Minister can say no, if I can put it that way, at any stage so although the Waterfront Enterprise Board has signed up the heads of terms with Harcourt, the basis of the heads of terms includes provision for the Treasury and Resources Minister, in effect, to put a block on the contractual arrangements. On the other questions put to me, as I read P.60 the land where the tunnel and the highway are to be constructed is going to be excluded after the construction is over from the W.E.B. lease and returned, in effect, to the public into Property Holdings where it will be under the administration of Transport and Technical Services. I have assumed that before that happens, W.E.B. will have granted long leases or will have committed to grant long leases of areas around the highway and the tunnel. It is likely that both the leases and, indeed, the highway works agreement, which will be a document developed for the purposes of setting out what the liabilities are, the obligations are and where they rest, will contain provisions which are relevant to the substructure and, therefore, relevant to this question of liability which the Deputy of St. Ouen raises. Where the liability lies will, I am sure, be primarily determined by the contractual documentation, and my understanding from the lawyers for the Waterfront Enterprise Board is that this documentation is still in the course of negotiation. It is not documentation with which I am concerned directly or, I think, maybe indirectly and I cannot do more than say as a matter of principle it seems to me that the liability will fall where that contractual documentation puts it and

at the moment the documentation is still being developed. So, accordingly, I cannot really answer the question at the moment but perhaps will add this. It is usual for the owner of land to have an obligation to support adjacent land and it would be unsurprising if Property Holdings did end up having some liability if the land - that is to say the tunnel and the highway - were not maintained and renewed as a result of which damage was caused to adjoining owners. It would be unsurprising if that were to be the result because the obligation to carry out the maintenance is being placed with Transport and Technical Services. Having said that, ultimately liability will almost certainly depend upon the contractual documentation which have yet to be settled. As far as the question of the parking space is concerned, I think I repeat the same answer. It is going to depend ultimately on the contractual documentation. The last question I understand was to what extent will that be affected if Transport and Technical Services are supervising the construction of the road? Well, claims for damages are, in this context, usually based either in contract or in tort. To the extent that Transport and Technical Services are part of the contract for the highway works, if they have supervising obligations then there may be a claim in contract if the Minister or department has fallen down in the obligations imposed by that contract. Even if not party to the contract, if there is, in fact, some supervision there may be the basis of a claim in tort if one can prove that the Minister owed the duty to the person who is making the claim. Unfortunately, without having all the facts it is a bit difficult to say whether or not that liability would or would not exist, but clearly the greater the degree to which Transport and Technical Services are involved in the management of or supervision of any part of the project, then to the extent losses flow, the greater the risk there is there might be some liability. I think that is obvious.

The Deputy of St. Ouen:

In light of the comments made by the Attorney General, and in view of the fact that the Chief Minister is responsible to exercise the right to the public as a shareholder in W.E.B., could I ask, again when the Chief Minister returns to this Assembly, whether he will give an assurance that the public interest will be properly managed and with regard to the legal aspect, and that the Attorney General will, indeed, be involved in reviewing and considering all the contracts that are being entered into by the Waterfront Enterprise Board prior to the signing of it?

The Bailiff:

I thought the Deputy Chief Minister or the Treasury Minister had already given an assurance very much along those lines, but perhaps he would like to respond.

Senator T.A. Le Sueur:

When I said I would require full advice on all aspects of the transaction, that would extend to the legal aspect and all the aspects of that contractual arrangement, and should I require, and I probably will, advice on the legal implications of that contract then I will turn to the States legal adviser to assist me and give me that advice in order that I can be satisfied. So the advice will extend totally to legal matters just as to all other matters.

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

When we last debated the waterfront development I expressed severe reservations about the fundamental linking between the economic and financial case being made out for the development and the nature of the development in its essence. The question today is did we, in that debate, have sufficient understanding and information on the financial and economical case and have we now today? The answer then was definitely, no, we did not have sufficient information on the economical and financial case on which the proposal is based. Today, is it any different? We have received the PwC (PricewaterhouseCoopers) report on the financial capacity assessment and we have seen that, indeed, it contains large areas of reservation and expressions of caution. But we are told, again, we are to ignore the fact that we appear to be running headlong, like some advertisement, with our arms open to a preferred developer. We have to ignore any of those reservations because nothing is signed yet. Yet, our director on W.E.B.'s board who has a duty to

keep us informed and to look out for our interests, when asked a fundamental question a short while ago by Deputy Le Fondré, whether the demand for all this office space is proven, all our representative can say is: “Well, I have received an approach by one businessman who said he would like some office space but I do not know what the case is” and expresses complete ignorance of what the proven case is for the demand for all this office space and then says: “You would have to ask the developer.” The developer who is not the developer because we are supposed to ignore that he is the developer because he is Harcourt. So if you want to know what the case is, they are taking the risk so ask them but do not pay any attention to any detailed analysis of what they are doing. It seems to me, yet again, that we are taking steps in the blind. Now we are told that, of course, it was not appropriate to show us this documentation then. We did not need to know about that, but if we proceed we are now guaranteed to know every little jot and tittle of analysis that now gets done on financial capacity and due diligence, et cetera, et cetera, et cetera, because it is absolutely important that we do; that we can proceed with confidence. In future, you will know everything apparently. In the past, we knew nothing. Not relevant. Do we today know any more about the solidity of the case being made? I do not believe we do. Do we know any more about office demand guaranteed or otherwise? No, we do not. Do we know any more about the displacement of activities whether retail or office space in the old town? No, we do not. Do we know any more about in our case the impact upon the building trade during the 10 years that this goes on and where those builders will come from? Will they be local, will they not be? Do we know anything more about what the profit made over 150 years on this development is going to be and where will it be? We know a little more because we were informed yesterday that Harcourt, not that we are supposed to look at Harcourt because they are only a preferred developer and not the real thing, are past masters says the Constable of Grouville, at hiding profit and I should not be surprised that they only make £2 million profit on £1.1 billion worth of assets because that is what they do; they employ accountants to make sure the profit margin stays low so that we will not be seeing a nice little take of that because it will be elsewhere or it will be hidden. So where is the leakage in terms of this development? Where is the benefit to us? The benefit comes in this £75 million that we are told is going to go to regeneration, to patch up and make good some of the damage that we are likely to do by going forward with this massive development on the waterfront. Finally, do we know or are we just guessing or are we, as I think is the case, just crossing our fingers and hoping that, for example, this office space will be needed? It will be displaced. It will be; offices moving and it will not be in competition with a dozen office sites already going up and we will not be sucking in new companies, but if we are, that is a good idea anyway, and new employees, and having a recipe, once again, for massive economic growth, massive population growth. Is that the future? I believe this is. I voted against this last time. I will vote against this, this time.

1.9 Senator P.F.C. Ozouf:

I calculated yesterday that the last 2 days of debate consumed in excess of 1,000 hours of Members of this Assembly's time in debate, man and woman time. I am not sure what amount of per hour cost but I calculated that the debate of direct cost probably costs in excess of between £20 and £30. I have to say, what did we achieve apart from perhaps having a cathartic debate on the improvements that are no doubt required of ministerial government? I think it has achieved nothing, and I have to say that this proposition in my view will achieve nothing. I think Members of this Assembly are sending a message that they want to be mechanics and not destructors. Sir, I want to just take very briefly a step back. I think all Members of this Assembly would agree that the current waterfront is an embarrassment. As somebody not responsible for that original Masterplan [**Members: Oh!**] and those Members that perhaps were, we can look back and we can all say that we are unhappy with a nightclub, fast food joints, cheap architectural, a warehouse cinema, a 6 lane highway. It is not a waterfront that we can be proud of. I think that this Assembly is in a position of having a plan that because of the work of the Planning Minister and W.E.B. that we can develop a waterfront that we can be proud of. Three weeks ago we approved a visionary

inspirational plan. Three weeks ago we approved a plan with beautiful buildings, a fantastic opportunity to create public realm, a lowered square, a winter garden; a Masterplan which will, to a great extent, repair the damage of the past. A waterfront which will deliver a St. Helier with a sense of place and a sense of destination, a waterfront that will deliver world class architecture, much needed environmentally friendly, environmentally sensitive modern office space; accommodation that we need. I would venture to suggest that the plan that we achieved and which is sought to be rescinded will lead to the repairing, dare I say it, even to the tearing down of some of the buildings on the existing waterfront. It is a wonderful opportunity and I would be devastated to lose it. I do not think the majority of Members want to tear that down. I do want, Sir, just to address 3 or 4 issues that Deputy Baudains raised. Is there demand for the offices needed? Is it acceptable for there to be one developer? Is the plan deliverable, and are there sufficient controls in place to deliver the plan? I will say just one thing before addressing those 4 points to say that there are, as in the debates yesterday, clearly lessons to be learned in the way that we deliver on the waterfront and there are issues about W.E.B. which we will come on to and deliver. There are opportunities to improve the corporate governance arrangements, to improve the arrangements we Ministers and the board and those will be taken on board, and lessons have been learnt. But just dealing with these 4 issues. Is the office accommodation demanded? I have discussed with my department, with the Planning Department, with Jersey Finance and others whether or not the office accommodation that was set out in the plan of 400,000 square feet is needed and my conclusion is that it is. It is not net new financial office accommodation. It is, in part, some new demand but it is in large measure transferring of existing accommodation in town. There are too many of our financial institutions operating inefficiently out of 3, 4, 5, in some cases 6 sites in St. Helier; old B class offices that need to have an alternative residential use. This plan gave us the opportunity to deliver that. I have no doubt in my position responsible for economic development in informing the Assembly that the demand is there but it is not net new demand, it is transfer and it will give the opportunity of delivering the Constable of St. Helier's vision of a regenerated town, and that is something that this Assembly, I would have thought, wants to warmly endorse. Deputy Baudains asked the question about a single developer and Deputy Baudains asked whether or not the Economic Development Minister was concerned about that with all of the history that we have about putting in place a Competition Law and monopoly divisions and all the rest of it, and it is something that I have given very careful detailed consideration on and, indeed, discussed with the J.C.R.A. (Jersey Competition Regulatory Authority). The conclusion is the following - one developer is needed to deliver the infrastructure under which the site works. Effectively, you cannot have 2 developers delivering a tunnel and a car park and there will be one developer that will, as a consequence of that, deliver the hundreds of thousands of square feet of office accommodation. But is that going to put a monopoly position in the market place? Well, it will not because there is also the opportunity of the period of the stretch of land between the Pomme D'Or Hotel and the existing H.S.B.C. building of other accommodation that will also transfer from other areas of town. There will not be a single monopoly provider of office accommodation and that after having researched the matter, after having taken advice, brings to the conclusion that there is not an issue about a dominant position in office accommodation. There will remain to be a competitive offering of office accommodation supply in the area between the Pomme D'Or and the H.S.B.C. building. I think Members can visualise exactly what that means in terms of alternative supply. So Members can take comfort from that and Deputy Baudains, I think, will discount that as a reason for going with the plan. Is the plan deliverable? I believe the plan is deliverable and I think the deal that has been negotiated and of course, is subject to, which is the final point, significant sufficient controls, is deliverable. Deputy Baudains is also seeking, of course, the rejection of the second part of the proposition. There have been, I think, some Members understandably so perhaps, confused about exactly what we were approving in part 2. We were not approving the Harcourt deal. We were approving the deal of the transfer of land and I am reassured to hear the additional controls that have been put in place by the Treasury Minister with independent advice and he has, of course, explained to the Assembly that that advice will be shared

with Members. Members can, therefore, take additional reassurance from these greater controls and, yes, greater transparency in relation to the deal. Part (a), as the Planning Minister has already explained, has been perhaps rendered, unfortunately, impossible to achieve because the Masterplan has been adopted. Part (b) Members can take considerable comfort from not only the issues of competition but the additional controls that have been put in place that the deal is deliverable. I urge Members to reject the proposition.

1.10 Deputy A.E. Pryke of Trinity:

If Deputy Baudains wants this House to rescind the Masterplan for the Esplanade Quarter and in these comments he states: “That some Members adopt a let us stop talking about this and get on with it.” This is the biggest decision that States have made and information is either absent or misleading. Well, Sir, after 20 years of thinking, talking, discussing, planning the Esplanade Quarter then, Deputy Baudains, I put my hands up and say: “I am the one who let us stop talking and get on with it.” The House, in their wisdom, recently endorsed the Masterplan. To remind Members, a Masterplan is one part of a series of steps. If the Minister’s planning had not brought this plan, then quite rightly the House would be very concerned. The aim of any Masterplan is to provide a coherent and deliverable vision for the waterfront; what we all want. The Minister, quite rightly, wants the best for the waterfront and for Jersey and went to 5 world renowned architects and they all said that sinking the road was essential. But Deputy Baudains thinks otherwise - sinking the road is not essential but getting rid of that awful underpass or removing the 6 lane highway ... but also there will be other improvements for pedestrians, the end of Castle Street, the improvement of Victoria Avenue, and St. Aubins Road junction as well. There will also be easier pedestrian access above ground. Deputy Baudains also comments that roads do not link the old town with the new but I totally disagree. If the Deputy went down Castle Street to the Leisure Centre he would have the choice to walk through the main square, the colonnade area and then cross a 2 laned tree lined boulevard. Is that not more beneficial than crossing 6 lanes? If the Deputy decides to walk down Gloucester Street, you could walk along the tree laned Esplanade to the Winter Garden; then again only 2 lanes of traffic. The Deputy mentioned that the public had contacted him and voiced their concerns but there has been a great deal of public consultation held over 3 months at the end of last year, an exhibition at the old Tourism Office, well over 600 people viewed and commented on the plans. Also, there have been well over 400 separate written submissions. The Deputy says we have failed to carry the public with us. Well, I do not accept that. The Minister has taken into account all the responses. The Deputy obviously comments in his report that: “Members were not offered any alternate design.” That is not the point. The Masterplan sets down perimeters to which the developer will work to and ensure it is delivered to high standards. Can you imagine if the Minister brought 3 or 4 alternate designs for this House to decide on? A panel of 53 Members does not bear thinking about. If the rescindment is not thrown out, then we as an Assembly have lost the chance of a waterfront which will have high architectural standards, important open public spaces, a Winter Garden, a financial service centre and also be able to deliver 400 much needed affordable residential accommodation for Islanders right on the waterfront, plus £50 million plus to regenerate Old Town. Do we really want to throw that out? Much has been said about the environment impact study, an amount of recessment, an amount to be recycled, but all this information will be part of the application process and it will go through Jersey’s first public hearing prior to the Minister making his final decision. This is an exciting opportunity for Jersey and I urge Members not to support this rescindment. The time for talking and putting off a decision is gone. The time has come to get on with it.

Deputy G.P. Southern:

Can I ask a point of clarification of the previous speaker? She mentioned the word “affordable accommodation”. Could the speaker say how, in what way, this is supposed to be “affordable accommodation”?

The Deputy of Trinity:

In the way, Sir, that it will be for Islanders, there will be accommodation and it will be set at market value and it will be for Islanders especially.

1.11 Deputy J.A.N. Le Fondré:

Perhaps I expressed certain reservations over the proposed waterfront scheme during the first reference back brought by the Deputy of St. Ouen on the Masterplan. It is not particularly about the look of the scheme. It was certainly not about the road. It was about, in my view, more fundamental matters such as economic impact and those types of things. At the time I remained concerned over the issues but was brought back into the fold, so to speak, by assurances given by the Minister for Planning and Environment quite literally just before the vote. Part 2 of the proposition of the day is and was just a land swap facilitating the scheme. Within the hours of that vote, it became evident that certain issues were not really as were first represented and, as a result, W.E.B. have recently informed us that no deals will be signed off until after the Dublin court case in October. The fact that additional information has come to light has created the public perception that certain elements of either W.E.B. or perhaps even within the States, have not done their job and/or have not passed on the information that they either had in their possession or should have identified as part of the professional duty to properly advise those that they advise **[Interruption]**. Sorry, Sir, I can hear a conversation murmuring off in the distance.

The Bailiff:

Yes, I wonder if Members would allow the Deputy to address the Assembly.

Deputy J.A.N. Le Fondré:

The outcome of this has been one of the biggest blows to public confidence in this Assembly, to public trust that I have ever come across. I have to say I have been stopped in the street more times on this than I have ever, for example, on G.S.T. (Goods and Services Tax). As an aside, Sir, and this will no doubt be analysed further in the next debate, but I am not entirely sure that that particular proposition is aimed at the right target. It is all very well stating that lessons have been learnt. This is the biggest transaction in recent history on the Island. Well, this is one of the biggest transactions in the recent history of the Island. We have many deals perhaps of several hundred million pounds worth of construction going on.

Senator F.H. Walker:

Sir, I do apologise to the Deputy. I did make a comment which was supposed to be quieter than it obviously was. The point I was making is that P.60 does not refer to the deal.

Deputy J.A.N. Le Fondré:

Sorry, the inference then is that this will lead to one of the biggest transactions in the Island and I take the point, Sir. But, in my mind, this may well be the straw that has broken the camels back, but it was a fairly large straw. Now, I was pulled up for my reservations over the economic impact upon St. Helier and I do seem to recall that States Members were told somewhere in the debate, possibly on a number of occasions, that all the work had been done. The Minister for Planning and Environment has stated that a rescindment would be destructive, that he is trying to be constructive to do positive politics and great, and I do share his frustration at the levels of negativity that can arise. But, please, do not take a dissenting view as being automatically negative. I revert to the analogy of buying a new car. I have seen one I like. It looks great, the body work is sleek, it seems reliable but I still want to know what the engine is like. I want to know what the safety rating is and I want to know what the price is. It is no good me drooling over something if I cannot afford it. The Minister for Planning and Environment spoke very eloquently. He has encapsulated his vision. He has a dream. His concern that a rescindment will threaten the Winter Garden, the delightful colonnading, the water square, the granite, the whole politeness of a proportionately designed scheme espousing the very best of architectural design, emphasising the Jersey vernacular and these are all things that appeal to us, that is what we want to buy into. Senator Ozouf is correct. This

appears to be a good scheme relative to what we already have down there. But I want to know what is under the bonnet. Since that debate I have pursued the reports that have been referred to and which have been produced. I emailed a variety of individuals and the economic adviser very kindly forwarded to me, and I believe subsequently to States Members, the report from February 2006. Unfortunately, he could not provide anything else because it is confidential to W.E.B. The Executive Director of W.E.B. has never replied to my request for information. So from the information I have got the economic review is well over 2 years old and related to a different scheme. The due diligence was prepared between July and September 2007, i.e. at least 10 months ago, just around the time that the credit crunch was starting to be talked about and perhaps not really impacting at that point. During his opening speech on the Masterplan debate, the Minister did refer to certain aspects of the financial benefits arising from the scheme and you can look that up on *Hansard*. It was a very rosy picture that was painted and provided everything works out on the night, hopefully it will be all right and will come to fruition. But the trouble with the debate thus far is that Members are focused on the visual delight of the scheme. In other words, that is less talking, let us get on with it; it is a good scheme. But this is the equivalent of looking at a car that we may not be able to afford or is mechanically unreliable. Love it, here is my credit card. Therefore, I want to see what is under the bonnet because what about if a different scenario arises? Let us go forward to 2012 where the economic climate has changed very significantly compared to that of now, in the middle of 2008. The credit crunch has reverberated onwards in conjunction with continued rises in oil, steel and cement prices. The developer is in financial difficulty and is not meeting targets. The deal either has to be renegotiated or the developer goes bust. While negotiations take place, the developer does go bust. The States through W.E.B. wish to exercise their step-in rights because otherwise there is a huge risk of ending up with a plighted incomplete scheme and it then transpires that there is some additional unforeseen exposure, perhaps involvement of other third parties or perhaps that a new contractor will charge significantly more to complete someone else's scheme, particularly if the physical works need to be guaranteed. The guaranteed returns have to be ploughed back into W.E.B. in order for the scheme to be completed. There is no regeneration money for St. Helier and in order to keep the site viable because although it has been granted, of course, to the States, it has to be ploughed back into the actual W.E.B. scheme to get it completed. In order to keep the site viable rents are reduced, retailer and restaurateurs do move to the new waterfront when it is fully completely and the impact upon St. Helier are such that the central market has to close due to loss of footfall. There is no money within the States' coffers to preserve the markets and they fall into disrepair. That is an incredibly negative picture, okay? **[Laughter]** It is not meant to be destructive but I want to know and I would expect on a project of this magnitude that all the research has been done, not just architecturally, not just on what visually it is going to look like but on the fundamentals. For example, on safe guards on various economic and social forces that might result in different economic outcomes to where we are at present and how those will be safeguarded against. As of today, that work either has not been done or has not been presented in such a way that we, as States Members, have a clear picture of it. I do have to say, I think those are fairly reasonable questions to ask and I have become concerned because the information does not seem to have been forthcoming until this became a hot potato. As far as I am concerned, that work should have been done by the professionals as a matter of course not just because it has suddenly become awkward. Therefore, I go back to having the following issues. What is the impact on St. Helier? We do not know. Will it threaten the viability of the markets, the centre market and the fish market for example? Will putting something like 42,000 square feet of retail and restaurant space in addition to the extra capacity being provided in Castle Quays and on Liberty Wharf have an impact on the main town and what is Island capacity for restaurant retail space? Where is the analysis based on a commercial basis for viability for operating on an Island with more expensive operating costs than the U.K.? Not from economic theory, but on the basis of harsh commercial reality. Now, I believe an exercise is being performed, but it should have been done beforehand and it is interesting to note as an aside that the 2006 economic impact report considers that there is no actual economic benefit

arising from the move of office space from town to waterfront. There is a certain benefit if one attracts new business into the Island. But the report, therefore, does not estimate the negative impact on the town by displacement, particularly on existing commercial businesses. If you were to put it into a sort of context, it is fair to say that the shopping characteristics of office workers at lunch time are likely to be extremely different to residents walking past a shop on their way to work in the morning and on their way back from the offices at 5.30 p.m., whereas if you compare to going out to the precinct now it is generally pretty busy at lunch time. It is very interesting to note that responsibilities and accountabilities of W.E.B. under P.16 of 1993 include a responsibility to undertake detailed and natural appraisals of project proposals to test their viability and to test their mix. Where was that information at the time and where is that now? In addition, I have to take the view that the full financial analysis of the deal was not really disclosed to States Members but I will not go into the mechanics of the where's and why-fors but we were informed that the report and the developer was glowing. I accept that may have been an over enthusiasm on the part of the speaker of the day, but given the turn of events I am quite concerned about the overall risk of the deal that W.E.B. has put together. Much is made about profit and gain, but in the present economic climate I am much more concerned about the exposure to W.E.B. or the public by the States if any of the developments go wrong. It is all very well talking about the benefits, particularly when the land has been given up for free, but how robust is the proposed deal and particularly, for example, can the deal be renegotiated later on, further away from the terms that we have presented with and what is the overall risk profile to the public of the various deals that W.E.B. are negotiating or have negotiated? From that perspective, I look forward to the Comptroller and Auditor General's final report when it is forthcoming. Let us go back to public trust. At present, if this goes forward and if anything goes wrong, in my view it will become another cavern and another steam clock, but on a far, far bigger scale. But I emphasise that is the difference between public perception and reality. That will be the public perception side and as these schemes have taught us in the past, perception can lead us away from reality but can be very damaging. To quote someone I was talking to very recently who follows politics, sad person that he is, and is reasonably informed and objective and generally supportive of the proposals that have come through the States, it was commented that we are not taking the public with us on this and that that has to be very, very important if the public are to buy into this and if they are to put up with the disruptions that will result out of the various constructive works that will take place. To talk about my professional life for a moment, there has from time-to-time been debate over what is called the expectation gap. The difference between what accountants and auditors do and what their clients, rather stakeholders, think or expect us to do and there is a difference. The States and the Waterfront Enterprise Board are in that position and the public will not appreciate any sudden nuances on something of this importance. We have seen letters in the *J.E.P. (Jersey Evening Post)* from individuals who do not often write into the *J.E.P.* including a former Treasurer of the States, hence I emphasise we need to attempt to move towards regaining the public trust on this issue. The proposal of an independent evaluation the deal is excellent and is very welcome. However, I am not entirely sure it goes far enough towards repairing the damage that has been done. In order to do that, in my view, the States need to give a very clear endorsement of the plan once information has been provided, in some shape or form. In other words, it would have to be another proposition in some shape or form rather than just accepting a report. The only sure way that I can see to rescind all or part of the proposition is subject to this debate that would force a further proposition to be brought back to the States, probably to re-approve the land transactions, which can then be clearly endorsed by this Assembly with the clear message that all of the checks have been performed and that we are satisfied with them and that we clearly endorse the way forward. If we do not, in my view, this will rumble on for years. It will not be regarded as a world-class design, it will not be regarded as a legacy, it will be regarded as a piece of negativity used to beat the States over the head time and time again. Sir, I understand that the Masterplan continues to evolve. I understand that no deal will take place until after the court case in October and there is a lot more work to be done. I have to say, again, in my view some of this should have been brought up to date before the original debate. Public

perception is critical here. We need to bring them with us to get them to buy into the scheme. Information should have been provided and it appears to be in a state of flux, given the numbers of reports and reviews that are being instigated. We need to be seen to be acting, not just accepting, upon full and up-to-date information. I will, therefore, support a rescindment to be sure that minds are focused and that the work is done and shared with the Assembly before we re-sign up to the detail under the control of the Assembly, not under the control, effectively, of the executives of W.E.B. I remain reasonably happy with the principles of the Masterplan, subject to my huge concerns about the economic impact on St. Helier. Part 1 also includes the compulsory purchase of certain parcels of land. At the moment, although unlikely to support Part 1, I will certainly be supporting Part 2 of the proposition.

1.12 Senator T.J. Le Main:

Well, I have heard it all. The Deputy of St. Lawrence, what a load of waffle. **[Laughter]** **[Approbation]** I do not understand where he is coming from. This is ...

Deputy D.W. Mezbourian of St. Lawrence:

Sir, excuse me, it is Deputy Le Fondré.

Senator T.J. Le Main:

I beg your pardon, Deputy Le Fondré, Deputy of St. Lawrence. Well, I do not think I understood anything he said and I do not think the Deputy understood what he was saying himself. He is an Assistant Treasury Minister. Did he not hear this morning the Treasury Minister? Did he not listen this morning to the Treasury Minister? Sir, I just do not understand where the Deputy is coming from. Obviously he does not understand it. Similarly Deputy Southern who keeps on about affordable homes, whether they are affordable or whether they are not affordable. We have a wonderful opportunity here for a partnership with a development that will provide much needed accommodation for the finance sector. I know that there are at least 3 or 4 very large employers that employ upward of several hundred employees that are sitting in 4, 5 and 6 different locations that are crying out for units of 100,000 square feet of accommodation. We must be the envy - if we are going to proceed with a development like this - of places like Guernsey, Isle of Man, and everywhere else that we can look forward to a future that will provide a wonderful scheme with accommodation that will suit the needs of people currently employed in the Islands - not "masses of people coming in" as is always negatively said by Deputy Southern who keeps on about migrating - bringing people in, more businesses, growth. This is for local businesses operating at the moment and bringing huge wealth to the Island. In a partnership. This wonderful proposal brings about 400 units of accommodation, locally qualified accommodation. Like a repeating clock Deputy Southern keeps asking: "What is affordable?" "Is it affordable?" We all know that he does not understand that. I am sure he does but he is trying to ... sorry, he has a different agenda to many of us. The issue is that there is a short supply in the marketplace of accommodation at the moment and the more accommodation you put in the marketplace the more stabilisation of prices and the more prices will level off. This is locally qualified accommodation. I have it in my remit, Sir, to decide whether it will be (a) to (h), some (j) or some (k), as the market dictates at that time. When I say "I", I beg your pardon, it could be the Housing Minister next year, or whatever, the Housing Minister or the Population Department will have that. We have Deputy Le Fondré and Deputy Southern vigorously opposing any development in the countryside for homes; they are opposing homes in the countryside and I do understand that there is some very, very strong feeling in this Assembly, and from the general public, that we do not continue to build on open green field sites. The Planning Minister and I, and particularly the initiative of the Planning Minister, with the Connétable of St. Helier, we want to regenerate St. Helier. The Housing Department have a great part to play as a partner with the Constable and the Parish of St. Helier and with the Planning Minister in the regeneration of much of St. Helier. As I say, the Housing Department own and oversee much States housing in St. Helier. We have a great opportunity. The continuation of being told all the time that we have not got enough information is quite a nonsense. I am very well

aware; I know what it is like to borrow £1 and pay £2 back. I am an ex car dealer so I can see a good deal when it is on the table. Sir, this is something that is going to be a great credit for the future of Jersey. If we do not provide the kind of accommodation required by our competitors in many of the other areas for the finance industry, with a changing market, with the changing tax structures all over the world, then we stand to lose our competitiveness and our ability to maintain our industry. Please remember, Members, that we have 13,000 working within the finance industry and that trickles down to everyone you can talk to in the street, even down to the cleaners, the car park attendants, everybody, mechanics, plumbers; all generate most of their income from income that is generated within the finance industry. Today, to support this ill-conceived proposition of Deputy Baudains - another delaying tactic, make no decisions - it will be a very, very bad day for the future of this Island in view of the very, very strong competition that we face from all parts of the world for our main industry. I think these plans are something extraordinarily wonderful. They are absolutely brilliant and, as ably said by Senator Ozouf, the opportunity of regenerating and going along with the scheme will bring about changes to the other developments that we all dislike on the waterfront. It will be a major opportunity. But, please, let us not continue down the lines of prevarication, delay, as highlighted by Deputy Le Fondré, Deputy Southern and one or 2 others. The trouble is when we delay and we prevaricate, at the end of the day, they are probably still going to do it, it is going to be too late and it is going to cost us 10 times more. I urge Members, please, in the interests, perhaps, of my Department of Housing, I need these 400 units of accommodation. I have got people all over the place crying out for accommodation; people who want to downsize into accommodation, that need to move on. Please, I urge Members not to support Deputy Baudains in this ill-conceived, ill-thought out proposal of his.

Deputy A. Breckon of St. Saviour:

Could I seek a point of clarification from the Minister? On a number of occasions and he repeated it at the end, he mentioned 400 units for locally qualified people. Could he confirm that 90 of those are apart-hotel?

Senator T.J. Le Main:

No. The apart-hotel was an application that did not come to Housing, it was a planning application made on a previously unregulated site and Housing had no say in the apart-hotel and Housing could not put any conditions on that development.

Deputy A. Breckon:

The question was could he confirm the apart-hotel is in the 400 that he said are for local.

Senator T.J. Le Main:

No, it is not a part of that 400.

1.13 Deputy A.D. Lewis of St. John:

I was not going to speak in this debate because I felt most of what has been said has been said. I was just, quite frankly, flabbergasted by Deputy Le Fondré's speech. [Approbation] I have never heard him speak quite so negatively. There were comments made about accountants yesterday and I am sorry, maybe some of them are true but I would have thought that his fine accounting mind understood this business and this plan for this development very well. I am disappointed that it appears he does not. The thing that concerned me most, really, was that he was suggesting there was some huge risk for the developer. Well, every developer faces risk but this developer and others like them will be basing most of their development on pre-lets. They will not build unless there is a demand. They will not build unless they get a lease on these properties. The risk is mitigated to a large extent by pre-lets and I do not think the House should be misled by any other suggestion. I was picking up a businessman from the airport only a few weeks ago, a senior executive who had come to Jersey to do some business with us. Driving into St. Helier it was a beautiful day, the tide was high and he was quite encouraged by the fact there were quite a few

cranes up and he said: "That says things are good in Jersey then, development is going on." I said: "Well, yes, it is one of the indicators", and he also said to me: "Where is your central business district?" I said: "I am sorry, I do not think we really have one", because I am afraid we do not have a central business district, yet we are a major international centre for finance and other things. I was in Gibraltar at the end of last year and I was shown their central business district on reclaimed land on the waterfront housing major international companies of some standing, it was superb. It was created very quickly without too much fuss and bother. It was done. They decided they needed one, they needed to develop their finance sector and it needed good accommodation to do it. If you go to Gibraltar and go to some of the smaller financial institutions they have exactly the same problem that we have with those bits of accommodation, and they have largely resolved it with a development on their waterfront. I say to this House that is precisely what we desperately need to do in Jersey. Only this morning I had to go to a major international bank and fiduciary service company to open a charity account for a charitable trust that I am involved with and, frankly, I was appalled at the condition of this building and this was one of the biggest banks in the world. I thought: "How long are you going to do business in Jersey successfully with this type of front?" I was amazed. Two years ago I began looking at accommodation for my own business and I visited lots of B-class accommodation that Senator Ozouf referred to this morning. Again, it was accommodating major international companies in conditions that I was amazed at. That accommodation, though, will be rejuvenated if it becomes vacant and turned into much better accommodation for those local companies that currently cannot afford good accommodation on the waterfront but want better accommodation in town - lots of small Jersey businesses, Jersey-owned businesses. This is not just about expanding the economy beyond the remit that some people think we should. This is a huge opportunity for Jersey to make its mark as a major international centre to do business. A rescindment at this stage would be catastrophic to investor confidence in Jersey. I cannot begin to believe just how catastrophic it could possibly be. There is a huge opportunity to develop St. Helier. Now, I visit Guernsey very regularly. In Guernsey there is a pretty seaside town and it has a central business district almost on the outskirts, and they have maintained what was a pretty town. St. Helier, unfortunately, has never been a pretty town and we now have an opportunity to maybe beautify it. So, I am sorry, I cannot possibly let that opportunity go by rescinding a motion like this. This is a great chance for Jersey, a great chance for the States of Jersey too, to make its mark and make some progress. Deputy Le Fondré said that he had been stopped by more people in the street on this issue than G.S.T.. Well, he is obviously on a different planet to me because my phone never stopped ringing about G.S.T. **[Approbation]** but on this issue what I am getting told by the public is let us get on with it. **[Approbation]** Let us use this opportunity as an opportunity to fix the errors of the past and move the waterfront on; that is what people are saying to me: "Get on with it." Also, only yesterday I had several phone calls from people saying: "I thought in the States in Jersey your main task was to pass legislation." We have spent 2 days in this Assembly and we have not got to that bit on the agenda yet. So, I am sorry I have spoken because it delays further voting on this issue, but I really would like to urge Members, please, can we move on to the important task of making legislation in this Assembly and get on with this, put this rescindment motion where it needs to be, in the bin, and move on with business. **[Approbation]**

Senator J.L. Perchard:

Can I give notice of a closure?

The Bailiff:

You can, indeed.

Senator J.L. Perchard:

It is my intention to give notice that I intend to propose a closure motion, not only are speeches becoming repetitive but speakers are starting to repeat themselves during the speech.

The Bailiff:

As well, each Member who speaks says it is time to come to the vote.

1.14 Deputy S.C. Ferguson of St. Brelade:

As Deputy de Faye said earlier this morning and as a retired Member of this Assembly has already said, if the Assembly had been more forward looking 30 years ago the tunnels would have already been in place. I think some of Deputy Le Fondré's concerns should, perhaps, be better addressed in the next proposition. He has raised questions about the management of W.E.B. which do need to be addressed. There are, in fact, firm safeguards in the various agreements and the Treasury Minister has also given us assurances. I said yesterday that Scrutiny - I am sorry to repeat myself, Sir - had missed a trick. It is still possible to conduct a review but this, on the economic and sociological effects of this development it will very much depend on the chairman of the Scrutiny Panel, probably Deputy Southern, within whose remit this falls. I think that the recent debate has highlighted shortcomings and these are to be dealt with. From that point of view this debate has been useful. I think we should proceed obviously cautiously, but I think we should proceed and I will not be supporting this proposition.

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

I will be quite brief. I am sorry, I do have a particular question, which may well have been answered, and it is to the Treasury Minister. Just before close of business last night the Treasury Minister again assured this House he was going to get an independent inquiry done and we would all be able to see the report prior to it being signed. I have 2 concerns. I trust the Treasury Minister but will he be Treasury Minister when this goes through? I mean, we have already been told that the Harcourt court case nothing will be signed until after 8 weeks (I think it is) in September. But you, Sir, as a judge, if you believe that a court case with this much money having already been set aside and it is going to be done in 8 weeks, we are not on the same planet. Whatever way it goes there will be appeals; there will be appeals to higher courts, and this could drag on for years. So we either go with Harcourt with the court case hanging over them or we do not. But that is an aside; my question to the Minister is how are we to know because, again, it is not good enough any more to stand up and say: "Trust me, I am a Minister, you will get this and nothing will happen." Why can we not have a proposition brought back to the States? Why will he not go that far? I cannot let away the remarks from the Housing Minister. He is telling us he needs this accommodation for people on the waiting list or something. Now, this accommodation is one and 2 bed. If my memory serves me right, the statistics of the Unit Housing Needs say we are well flooded with one and 2 bedroom homes at the moment and as for: "Trust me because I have spent £1 and paid £2 back", as the Minister he has also managed to lose £1 million on an estate the Housing Department hope ...

Senator T.J. Le Main:

That is not true at all. Can I just ... Sir, I would like to

Deputy J.A. Martin:

£1 million was lost on Le Squez ...

Senator T.J. Le Main:

Sir, on a point of order ...

Deputy J.A. Martin:

I am not giving way, Sir.

Senator T.J. Le Main:

That is erroneous. Typical J.D.A. (Jersey Democratic Alliance) - erroneous.

Deputy J.A. Martin:

Sir, I will not be bullied by the Minister. He has admitted in the House that Le Squez has lost £1 million and he stood up and apologised. I can assure you when the full estate is finished it will still come out about even and that is land that has been in Housing for over 40 years, and only a Minister who really does not know what he is doing can produce that sort of financial outcome. So I cannot really take the Minister of Housing ... as he said, he does not understand these things. He thinks Deputy Le Fondré does not understand. Well, I am sorry, Sir, Deputy Le Fondré is a qualified accountant and I will listen to Deputy Le Fondré and I think because Deputy Le Fondré has spoken, the accountant has spoken. Who would you trust, an accountant or an ex car salesman on a £1 million deal? **[Laughter]** **[Approbation]** He made me say that because he will not shut up. But anyway, I am glad that Deputy Le Fondré has stood up. He is an Assistant Minister in the Chief Minister's Department so, honestly ... yes, or he was, I do not know the fate of the other Assistant Minister who abstained yesterday or talked against the vote of censure, but I do not think he is looking too healthy at the moment. This has got to be said in public, Sir, I think this is terrible; I really do think this is terrible that an Assistant Minister has the courage to stand up and disagree with the main Minister - as yesterday - and say that maybe all is not too well and we need more information, and, as I say, I do not know the fate of this Assistant Minister's job any more. What I would like to say is just to say that I want something to come back to this House. If the only way to do it is to rescind this proposition I am going to have to rescind this proposition because I am not going to be fobbed off by anybody, a Minister, Chief Minister, to say: "We are going to get an independent report and you will all see it before. I want that independent report and I want it in a proposition brought back to this House or I am supporting this rescindment.

1.16 Deputy I.J. Gorst of St. Clement:

I am pleased that we have left behind the personality politics of the last 2 days **[Laughter]** or at least I was until I heard Senator Le Main this morning. I am also absolutely delighted that accountants suddenly appear attractive, or at least that is my take on it, Sir. Sometimes politicians are disingenuous in what they say to the electorate and to members of the public. For example, the assertion that Government can solve all of society's ills: "Vote for me and things can only get better." We are already beginning to hear that last refrain. Another assertion or comment which is made, Deputy de Faye raised this as well, and that is that every "i" is dotted and every "t" is crossed before any decision is made. Again, this statement is not realistic, not in the private sector, nor can it be absolutely true in the public sector. Members in this House find themselves on a spectrum of those whose answers will not be or cannot always be satisfied to the other extreme, those who always say: "Let us just get on with it." The reality, of course, is that with each decision in this Assembly a tipping point is reached when the majority of Members believe that on balance they have the necessary information to make a decision. Today I suspect that the majority of Members will have reached that point. Unfortunately, as I said during the Deputy of St. Ouen's reference back, I am not yet at that tipping point and I believe that that also is what also Deputy Baudains is trying to say in bringing this proposition. I do not propose to read my speech of that day but Members might recall my concerns about the following issues: the connectivity, the competitive tender process for the parcel to get a site, the demand, the value to be extracted from the site with and without the sunken road and the use of a single developer. In that debate those supporting the Deputy of St. Ouen were referred to as "prevaricators". Yesterday those supporting this proposition were referred to as "wreckers". The reality is that it is a simple matter of reaching an ordered decision. I think some of the difficulties for me have resulted from the wording of the original proposition where Members have been asked to act as a Planning Minister and I, for one, do not believe that that is possible. There are also some areas of confusion regarding the role of W.E.B. and its directors. However, that will be the subject of the following debate. On balance then, Sir, I feel I have no choice but to support Deputy Baudains in Part (a). Let me turn now to Part (b). I will simply say that if Members want the Masterplan they must approve also the land assembly in Part (b). In the previous debate I supported Part 2 because Members had supported the

Masterplan. I hope that I do not hold grudges and that I am prepared to acknowledge and to respect a democratic decision. Today, therefore, if members do support Part (a) and approve of the Masterplan I will then vote against Part (b) to give effect to Members' wishes. It will then be up to W.E.B., its directors and the Treasury Minister who, we heard yesterday, will report back to the States with further reports of independent verification of the deal and the legal agreements.

1.17 Deputy J.B. Fox of St. Helier:

As a Deputy of St. Helier, a resident in St. Helier, I think we have lived through all sorts of proposals over the last 25-30 years for improvements to St. Helier, to land reclamation sites, to what we need to do to Fort Regent and, let us say, the green fields and increase the number of residences and, of course, we need to have a thriving town there for the benefit of the tourists and for the Island, et cetera. The trouble is that if you live in St. Helier you have little pockets of St. Helier that are absolute gems. Some of them are very old, some of them have been regenerated and some of them are brand new; they might look like the old and sometimes they look like the very new. But it is this combination of things when it is done in a proper planned process often between the Department of Planning Environment and, indeed, with the Parish and, indeed, with people like the Société and others. It is the combination that makes it work. The trouble with the waterfront at the moment is that it had had lots of plans but none of it has been made to work and that is why we have had this piecemeal, which is something that we seem to suffer with in Jersey frequently. Things go up and things get pulled down and things get put up for a short term because of the recognition that there is a huge future value for the site; let us buy it on the drawing board, put something up now and we will pull it down later and then when the price has gone up, or when the surrounding area has now been refurbished and built, either renew or refurbish. In the meantime the residents of St. Helier are the ones that suffer in the main. The other thing, of course, that happens is that it goes on year after year and it is very embarrassing when people talk about our lovely Island except for the gateway to it, which is a mess. We have heard for the first time the opportunity of having one of the top of maybe 10 architects in Western Europe being brought here to do a job; to co-ordinate a job and put a master plan that gives us, residents and visitors alike of St. Helier, the feeling that we are going to have one St. Helier, whether it is the old part of St. Helier or whether it is the new part of St. Helier. Unlike some of the other plans, it also will mean that we will still be able to smell the sea and see the sea which in places like Greve d'Azette I am afraid we have lost. If you live behind the big posh apartments on Greve d'Azette in your nice 3 or 4-bedroomed house you cannot smell the sea and you cannot see it.

The Bailiff:

Deputy, are you going to come back to the rescindment motion soon?

Deputy J.B. Fox:

Yes, I am, Sir, because I think the part that I am trying to say is that we are running out of time. We have been through all these discussions, we have been through all this process and, yes, like Queen's Valley, we could go on for 20 years, but we cannot. I am not going to support this rescindment motion. I do many things behind the scenes, as States Members know, without it being in the public domain and I think there a lot of things that have been brought out today, yesterday and during the recent times that could be dealt with behind the scenes to ensure the safeguards of whatever the concerns are that people have. I think that is important. Let us get the Masterplan sorted, let us sort out all the finances. Yes, there will be hiccups on the way, I have no doubt, but I have no doubt that we can sort them all out and let us be proud of St. Helier and our capital of the Island. To do that we need to have one St. Helier; a new St. Helier and an old St. Helier and the new St. Helier, hopefully, will help contribute to making the old St. Helier a better place and certainly a lovely place to live and work.

1.18 Senator F.H. Walker:

I have to say that from where I am sitting accountants do not look too attractive this morning, that is, unless I look at the back of the head of the Treasury Resources Minister. The important thing about this debate, as it was about P.60, is it is not about Harcourt. It is not about doing a deal with Harcourt or any other developer. That is where I think Deputy Le Fondré and others have gone completely off beam in this debate. P.60 was in 2 parts. It was about approving the Masterplan, the physical development of the waterfront and granting a lease to W.E.B. to enable them, with Harcourt or any other developer, to deliver on that Masterplan. P.60 did not - specifically and quite clearly - bind the States or W.E.B. to any deal with Harcourt or any other developer whatsoever. P.60 was about - and this rescindment motion based on P.60 is about - whether or not we move forward or turn our backs on the most fantastic opportunity for Jersey in terms of physical development that we have ever seen; that we have seen in our lifetime and for many years previously. The Masterplan, as Members overwhelmingly endorsed in P.60, is a world-class development put together by world-class people - I did not mean you, Senator Cohen. **[Laughter]** Sir, there is absolutely no reason for those Members who fully supported the Masterplan to change their minds today for as far as the Masterplan is concerned, nothing but nothing has changed whatsoever. I just cannot understand how Deputy Le Fondré managed to vote in favour of it in P.60 and is now voting against. What has changed? Nothing has changed except perhaps, and he seemed to be referring to this greatly and greatly affected by it in his speech, public perception. But public perception is not about the Masterplan itself. The public have been widely consulted on the Masterplan by the Planning Minister who has put together a Masterplan advisory group who have overwhelmingly endorsed the plan and we all saw a letter to the editor from Mr. Binney, who is a well-known environmentalist, a very experienced and knowledgeable environmentalist, saying: "For goodness sake, get on with it." He is reflecting the views of the vast majority of people who have been consulted on the design of the Masterplan. So how on earth, when nothing about it has changed at all, anyone can vote in favour of it last time and vote against it this time, I am afraid I just cannot understand at all. Public perception is concern about Harcourt and the deal with Harcourt because the mistakes that were made, the lack of information, the information that was not disclosed, was about Harcourt. It was not about W.E.B., it was not about the Masterplan, it was not about the lease - nothing has changed. I just cannot understand how Deputy Le Fondré can change his mind so fundamentally on something that remains exactly as it was when he last voted in favour. If it was the right thing to do in P.60 it is still the right thing to do today because nothing has changed in that respect, whatsoever. Even if the Deputy and others do want to focus on Harcourt I will re-emphasise what the Treasury Resources Minister and others have said. No deal can be done with Harcourt without firm bank guarantees - and Deputy Le Fondré referred to up-to-date due diligence - without up-to-the-minute due diligence performed again by PwC, which has always been in the plan, and without all the other guarantees and securities that are included in the heads of terms. If some comments were somewhat over the top in relation to the past PwC report, they will be dealt with. We will have and W.E.B. will have a brand new, right up-to-date due diligence report from PwC before there can be any question whatsoever of signing a deal with Harcourt or anyone else. I said nothing has changed, and in respect of the P.60 it has not. But in respect of a prospective deal with a developer something fundamental has changed and it should be something that persuades Members to vote even more in favour of the Masterplan than they did before because the Treasury and Resources Minister, to approbation, announced yesterday that he is going to insist that he gets independent expert advice on any proposed deal and will reveal that advice to Members before he is prepared to sign off the agreement. So there is even more assurance, insurance, guarantees and security today than there were when Members voted in favour of P.60 just a couple of weeks ago. Deputy Le Fondré referred to economic issues. I do not know if the Deputy has read the economic adviser's report or not. He is nodding and I am pleased that he has. He will have seen the conclusion that the development of the waterfront will add somewhere between £35 million to £50 million to the economy and possibly another £25 million if another leading finance institution comes to Jersey as a result, and that is including full allowance for leakage and for displacement as well - that is after displacement. The Deputy is shaking his head

but the report is very clear, it takes account of displacement. No one but no one is looking to leave the old St. Helier, as Deputy Fox referred to it, behind. This is in many ways as big as an opportunity for old St. Helier as it is new St. Helier. That is what EDAW is all about; that is what the Regeneration Task Force is all about. It is ensuring that with the support of and with the funding from the waterfront, which will not be available under any other conditions, we can regenerate old St. Helier in a way that we have never been able to do in the past, and in the foreseeable future will not again be able to do without the funding from the waterfront development. I really do not understand where the Deputy is coming from. Also, knowing him as I do, and he is currently my Assistant Minister, I cannot understand how he seems to be ignoring not just the opportunity that this represents for Jersey, but the threats that Jersey currently faces from competing finance centres who are providing the banks with the up-to-the-minute offices they need. If we do not do the same then we are just begging for our competitors to pick up these finance institutions because they can offer them something that we cannot. I fail to understand how the Deputy does not seem to be paying any attention to that at all. His balance sheet, I would suggest, would look a darn sight poorer at the end his scenario than it will if we proceed with the Masterplan and reject this proposition. Members voted firmly, overwhelmingly, for the Masterplan, for P.60 Part 1 and Part 2, and there is absolutely no reason today why Members who voted for it last time should vote against it today. In fact, there is even more reason why they should vote in favour today. So, I very much hope that Members will, as they did last time, overwhelmingly support the Masterplan and reject this ill-considered move to rescind it.

The Deputy of St. Ouen:

I did ask in my speech whether the Chief Minister could give an assurance to this Assembly that, indeed, we would debate the St. Helier regeneration strategy as proposed in the report.

Senator F.H. Walker:

There is absolutely no reason why we should not debate the St. Helier regeneration strategy in full at the appropriate time. I have no problem with that at all.

The Bailiff:

Does any other Member wish to speak? I call upon Deputy Baudains to reply.

1.19 Deputy G.C.L. Baudains of St. Clement:

I thank Members for their input. I will not be referring to every speaker that contributed, I never find that terribly useful but obviously I will address some of the queries and comments raised. First of all, Senator Cohen, he has left the Chamber at the moment but I notice when he did leave his hair was getting somewhat greyer than in the last few days, I hope I have not upset him too much. I might do so a little more just now though because I found his speech terribly disappointing. He is such a lovely fellow but unfortunately he has acquired all the bad habits of Ministers. Only a few hours previously to opening this debate yesterday, Members were wringing their hands and agreeing that Ministers did not have universal knowledge and should not treat Back-Benchers as if they were always wrong. Well, that sentiment did not last very long because the Minister launched into an attack clearly written before he had heard my opening speech. His main thrust was that my proposition was against the waterfront development. It is nothing of the sort and I am afraid this is a theme that other Ministers took on as well. My proposition is simply and nothing more than an opportunity to re-debate the Masterplan, only this time - only this time - with all the information the vast amount of which was missing the last time. It is nothing more and nothing less. It is not about changing our previous "yes" vote into a "no" vote but that appears to be what the Minister was assuming. Why else would he have given us a long list of all the things we would lose? We are going to lose absolutely nothing. My proposition does not lose anything. He accused me of negative politics. It is not negative politics; this is a way forward to regain public opinion. That I was attempting to destroy something good: no, my proposition does not destroy anything it merely undoes a decision which we made so that we can make that decision again. That decision we make

may very well be the same decision but at least we can hold our heads up and say instead of under ignorance we made it under good and solid information. In fact, one has to ask whether he was really listening to my speech because his argument was completely unrelated to the proposition. What was the purpose of opposing me? If the Minister's Planning Masterplan is as robust as he claims, it will fly through a second debate with full information unless, of course, things are not quite as rosy as they have been painted. Certainly, he did fail to answer many of the items on my list of missing information. I am not sure if Deputy Le Fondré has had prior sight of my notes but I had a similar analogy and that is if a family member came to any of us and asked to buy a car our first question would be: "What car and how much?" But when it is £0.5 billion cost of development Members are apparently content to give their blessing and entrust the vital decisions to W.E.B., the Planning Minister and the Minister for Treasury and Resources. Well, I have to say by the time the present assessments that we have been promised have been completed we may have a new Planning Minister and Treasury Minister, so we are prepared to trust somebody we do not even know. I really think that is unfortunate. In addressing my query as to why no alternative plan had been produced, the Minister gave 2 answers. First of all: "It is not my job." In that case, I have to ask: "Whose is it?" Secondly, all the architects have said sinking the road was fundamental to the project. I am not convinced by that because, as I said in opening, if it were solid rock in that area the idea would not have been considered. The Minister also suggested that sinking the road creates a £45 million real estate benefit. I have to say, that is nonsense because if that were the case the rest of the site would be hundreds of millions not the £30 million we will be getting, as I explained yesterday, it is not £50 million. The new southern road, the new surface road that is to be built that clearly has escaped many people's attention because it is not far from the present road, will absorb practically as much land as is created by sinking the present one. Sir, the more I look into this plan the more I am concerned about it. Finally, in addressing the Planning Minister's comments, he suggested that a Mr. Binnie was in favour of the new plan. Well, I too read his letter in the *Evening Post* and it is plain he either has not seen or if he has, has not understood the Masterplan because he assumed, as others have done, that sinking the road will provide a seamless pedestrian access, I do not remember his exact words, but that is as near as I can get to what he said. Well, by looking at the plan it is absolutely clear that the Masterplan does not provide a seamless access, there will still be 3 roads across. It is unfortunate that the Minister apparently misunderstood my proposition. I repeat, it is not about rejecting the Masterplan; it is about enabling a re-debate once full information is available. As I said, if the Minister is so sure that his plan really is the cat's whiskers and no one is hiding any information that could be inconvenient, he has nothing to fear whatsoever. Just one thing I did not quite understand that he said was that apparently the world will end if the Masterplan does not go ahead, but shortly after that he said that a fresh analysis will be carried out on the office requirement and if it did not tally apparently it would get his blessing. It seemed to me there was a mutual exclusivity there. On the one hand you have to have the Masterplan and on the other hand: "It might not go ahead if I do not like it." I have difficulty with that. He did claim to know that the public were in favour of the scheme. Well, I have been in this Assembly about 8 years longer than he has and the message I am getting is exactly the opposite. May I suggest he takes a stroll down the precinct and ask ordinary people and if he makes it to the end in one piece I can reassure him that the overwhelming odds will be "no". Perhaps, as Deputy Le Hérisier so eloquently put in a different debate yesterday. The trouble is that our Ministers have become an organisation that talks among themselves a great deal but not with members of the public and, therefore, assume that everybody agrees with them without having the basic facts. They fail to recognise there is a public out there that really is up to here with what they are doing. Moving on to the Treasury Minister, again, this was, unfortunately, a theme, as I said, running all through the various Ministers' speeches. He appeared to be scratching round trying to find reasons to oppose me. He accused me of opposing the Constable of St. Helier's amendment. I said nothing of the sort. What I did do was refer to the ring-fencing of funds from the Esplanade Plan for use in St. Helier and I referred to the fact that would mean that the development was cost-neutral and I was not opposing it. I made no comment whatsoever as to

whether the deal was good or bad. Like the Planning Minister, he appears to assume I am opposing the waterfront development. I am not. I am asking for the decision to be rescinded, not reversed, to enable the decision to be made in the light of full information. I have to say, if Ministers are content for a decision of this magnitude to stand now that we know so much information was incorrect or inaccurate, they are bigger gamblers than I am. The Minister concluded with 2 comments that all safeguards will be in place before the contract is signed and the Treasury will employ an independent valuer. But I have to ask why the broad details of those guarantees were not made available before debating P.60 and why the employment of an independent valuer is only now being suggested? It does seem that squeezing information out relating to this debate is akin to squeezing an old toothpaste tube - much effort with little result. Deputy Le Claire too fell into the trap of assuming my proposition was negative; that it opposed the development. It does not. I was, however, concerned with Deputy Le Claire's reference to the Environment Scrutiny Panel of which he is a member. He inferred the panel has done work on the waterfront issue and indeed the Planning Minister referred to it in his speech yesterday. Well, that is news to most people because I do not seem to have the Environmental Scrutiny Report on the waterfront. If there was one I must have missed it. I was not aware of the public meetings. I can only assume it was one of the cosy chats that the panel chairman had with the Planning Minister that we were alerted to some time ago - yet more dealings behind closed doors. The Deputy also accused me of looking in a driving mirror. Well, I do not know if he is aware, but when you are taking your driving test if you do not look in the mirror fairly frequently you fail your test. So I am not quite sure it is the disadvantage he claims it to be. I thank Deputy de Faye for his kind words regarding the previous suggestion that I had been abusing parliamentary privilege and, also, he has been one of the few to speak to the proposition. He mentioned the connectivity, the value of the sunken road and our famous architects who have endorsed it. I have already addressed that in my response to Senator Cohen. He refuted there would be 3 years of traffic mayhem, as I called it, but I have to say that if he looks at the transcript of the P.60 debate I am sure he will see that during that debate there was mention of 2 and half years, or possibly more, of traffic disruption and it is something which the public are extremely concerned about. He concluded with the comment on the tunnel ventilation, the very powerful fans needed to extract the air. Well, we are all aware of that but what he did do, of course, was fail to answer the question that I posed in my opening speech which is where will the fumes be directed? I did rather flippantly, I suppose, ask whether they would be directed among the new houses and the office blocks but we were simply not told, presumably nobody knows. This is another piece of missing information. It is important because at the moment the fumes are dispersed naturally in the air from the surface road. If they are in a tunnel then they have to be taken out by fans; they are going to be ducted. Where? There is a world of difference whether that ducting ends up just 50 feet away or if you have got to duct it miles away to somewhere where you can deal with the fumes. We are not told. Senator Routier is the director of W.E.B. He said: "We are debating again what we debated only a week or so ago." Well, no, we are not - a completely different proposition. I was at pains in my opening speech yesterday to point out that although I would be using examples to demonstrate where information was incomplete or inaccurate, I did not wish this debate, and nor should it be, a re-debate of the development. According to him, apparently nothing has occurred that might change the previous decision. Good Lord, how can that be? Fresh information is coming to light on a daily basis. Apparently by adopting my proposition we would be losing all those facilities as described by the Planning Minister yesterday. Well, of course, absolutely not. This again is taking the view of my proposition and assuming things that are not in it. It is assuming my proposition is replacing the "yes" votes of P.60 with a "no" vote today. It is not that at all, absolutely not. He was unable to quantify the office requirement, which I found quite extraordinary, which, therefore, tells me that W.E.B. have got no idea either. That information is still missing even weeks after that vote was taken and yet it appears people are relaxed about that. The Constable of St. Helier again stuck to the matter in hand and I thank him for his contribution. He did say, with regard to the connectivity, that I was absolutely right, sinking the road will not create a seamless pedestrian access and he referred to the fact that the Esplanade

will be somewhat busier than it is today and I have to say, as well, I do not think he referred to it, the new surface road that will be created, to the south of the site, not terribly far away from the present road that is going to be sunk, so the connectivity is an illusion. I was rather concerned, when he advised us that the £8 million to buy the underground car park, apparently it will not happen. Just a week ago we were told by W.E.B. that it would. That out of the first chance of the so-called £50 million, £8 million will be spent to purchase the 520 spaces, if I remember correctly, 520 space underground car park. Well, does that, if the Constable of St. Helier was right, does that now mean that we will not be getting the replacement car park for the Esplanade car park? Does that mean that it is not going to be built or that it will be owned by somebody else? I have no idea. Here we have yet more information coming out, if not the 11th hour, but the 59th minute ...

Deputy G.W.J. de Faye:

If the Deputy would be kind enough to give way, it is absolutely 100 per cent guaranteed certain that all the existing parking places that are currently in the Esplanade car park, will be replaced to the exact same number. It is simply a matter of who is operating the car park. That is the only difference that is likely to take place.

Deputy G.C.L. Baudains:

Well, that is helpful, Sir, do you see what I mean by saying that fresh information comes out by the hour? Now, of course, we have another query; one, you know, just a few moments ago, well, a week ago we learnt that the £8 million was going to be spent buying the car park, then half an hour, or an hour ago, we learnt that it was not going to be and now we learn that we will have the car park but that it will be owned by somebody else and not under our control, Sir.

Deputy G.W.J. de Faye:

I did not say that; I said that that course remains a possibility because land can change hands but the numbers of car parking spaces will be replaced.

Deputy G.C.L. Baudains:

I am glad for his intervention, Sir. Now, we are clear about absolutely nothing. [Laughter] You could not make this up. The Deputy of St. Ouen raised a number of queries but they related to W.E.B. and the Treasury Ministry, obviously questions I am not in a position to answer. The Attorney General did his best there and advised that the contractual liability was still in negotiations. So, here again we have information that is not available, cannot be available as it has not been done yet. Deputy Southern majored on the financial and economic case. Did we have sufficient information on this when we adopted P.60? Well, of course obviously not, and again referred to Senator Routier's inability to quantify the office space requirement. Apparently, well, he reminded us that the Senator had said he would have to ask the developer, again, illustrating just how much in the dark we were when we did adopt P.60. That we were crossing our fingers and hoping, and I have to say that as a fairly good analysis of the situation, the Economic Development Minister, I thank him for his contribution - again one who stayed relatively on subject - unfortunately, to some extent, he followed his fellow Ministers by assuming my proposition was directed against the development. It is not. He believes that the officers required, the new officers, will be replacing existing officers from town - a transfer demand - but I am quite sure that may well be the case but, what I am looking for on a project of this magnitude is the evidence behind that. Can it be proved? The question of one developer, he tells us he has given that careful consideration and I have no reason to doubt that. One is needed for the infrastructure, for argument's sake, the tunnel and the car park, I would agree with that. But he disagrees that one developer would create a monopoly in the market place. I believe it will because we are talking about, what is it, 600,000 square feet of office space to be owned by one developer? To me that is a prime chunk of office space and I am not sure that that situation is going to be to our benefit. The Assistant Planning Minister, the Deputy of Trinity, referred to 5 world-renowned architects agreeing that sinking the road was necessary. Well, maybe it is necessary but what I am asking for is where is the

reasoning? Where is the evidence, you know? Are there alternatives? We are simply not told. Everything we are being told is: "Somebody said so, take it on trust." Well, as an engineer, I do not assume a piece of metal is what it looks like; I see what is stamped on the end, otherwise, you know, people die from mistakes like that when their car crashes or their boat sinks. You really need to know what is underlying what you are doing. You cannot take chances. So many times, we know, from past experiences, Islanders suffered from eminent experts who really did a good job but unfortunately that job was possibly not taking into account the unique requirements of a small island. Unfortunately, she then went on to follow her Minister's line of suggestion that my proposition would mean we would lose the wonderful housing and other parts of development, which of course is not so. I am grateful to Deputy Le Fondré, one of the ... I suppose the reason why the Ministers attacked him so much was because he was so right. He hit several nails squarely on the head, focused on the risks, the present economic climate, robustness of the deal, lack of information and of course something which we unfortunately seem to be becoming even more flippant with in this Assembly, is our regard for public trust. The huge amount of damage that has been done to public confidence by our handling of this deal, and I do honestly believe that most Members seriously underestimate that. He went on to say the economic review is over 2 years old and applies to a different scheme, that Members are focused on the visual delights of the scheme, but using my automobile analogy, he then went on to ask what is under the bonnet. He went on to portray a worst case scenario which some people may laugh at but it is not impossible. It may well be that the reality of the situation lies somewhere between the rosy picture we have been painted and that worst case scenario. But we have not got a clue because we did not make the decision based on the necessary information. Where were all the analyses? Where are they now? A few more have been squeezed out in frantic work over the last couple of weeks but we have more information than we had when we debated P.60 but we still have not got all of it. I mean, it is still coming out this morning. He reminded us, of course, of the report which stated that there is no economic advantage in moving offices from St. Helier to the waterfront. Well, bless me, then what is the advantage? As I said in my opening speech, he too had been made aware by the public that a phrase that I used in my opening speech; we have failed to carry the public with us on this one. Enormous damage has been done to public trust. Of course, what my proposition is all about, the only way to restore that public trust is not to throw out the development, as Ministers are suggesting I am trying to achieve, but to revisit it and debate it properly, then the public can realise we have done the job properly with the correct information. Because, as he rightly says, if we do not do that, this will be like the Cavern; it will rumble on for years. I said that in my opening speech. Unless we address our poor performance under P.60, this will be a millstone around this Assembly's neck for many years to come. Now, my good friend, Senator Le Main, what can I say about him? I see the sun is shining on him but maybe not for long. It seems to me, clearly, all the Ministers have had the same briefing. Perhaps this is what is called collective responsibility, obviously, because he followed his Ministers in arguing that we should not reject the development. I will not repeat myself too often by saying that is not what this proposition is about. The Deputy of St. John, I was sad to hear he is not aware of our central business sector, which I thought it was called St. Helier, and the public tells him to get on with it. Well, I have to say one has to wonder who his friends are and he really should get out more. Get on with it; I have yet to hear one member of the public say: "Let us get on with it." I have heard a few Ministers say that, but no members of the public. Yes, he says: "A different planet." He clearly does live on a different planet. I am not sure if it is converging or diverging with planet Earth. Deputy Gorst raised a number of concerns regarding P.60 and reminded us of the issue that he had raised at the time, about the connectivity of the tender process, the demand for the buildings, the value to be extracted from the site, the use of a single developer, and let us face it, none of those issues have been developed. Since we are none the wiser now than we were then, to a large degree some information has come out; we have found out that a lot of information we received was incorrect, we found out a lot of information was incomplete but we did not have robust answers to those issues when we voted on P.60. It is as simple as that. Deputy Fox spoke of the entrance to St.

Helier being a mess. Well, I could not disagree with that and the benefits the development would create. I agree with that as well. Unfortunately then, he concerned me a little bit when he said that he liked things to be done behind the scenes. Well, I would rather they were done in the open, which is what my proposition enables, and is the way to carry the public with us. Finally, Sir, Senator Walker ... this is not about Harcourt and nor is P.60 and, of course, I completely agree. I said so in my opening speech. The proposition is whether we go forward or turn our backs on this world class development. Well, no, it is not, at all. My proposition does not stop the development; it delays it for maybe a few weeks. Well, of course, then there are one or 2 people laughing. Maybe it takes them longer than others to write a proposition, I do not know. Apparently nothing has changed whatsoever. Well, good Lord, I do not know if he has been on holiday again, but has he not noticed the huge amount of information that has come to light since that P.60 debate on every aspect of the development? It is still coming to light; yesterday, today, this morning, half an hour ago. He claims that public perception is about Harcourt, not about the development or the Masterplan. Well, I am afraid he is totally out of touch with public opinion, so I suppose to some degree he is right when he says nothing has changed. But, the public are in fact more concerned about the traffic, the sunken road, immigration as a result of increased office spaces, the effect on St. Helier and other matters, than they are about Harcourt, but clearly he is unaware of that.

Senator F.H. Walker:

Could I ask the Deputy a question? What new information has been provided on any of those specific topics, since the P.60 debate?

Deputy G.C.L. Baudains:

I am sorry, I did not quite catch that?

The Bailiff:

He is asking you what specific items of information have been provided since the P.60 debate?

Deputy G.C.L. Baudains:

Yes, I agree, they have, Sir, but ... [Laughter]

The Bailiff:

He says: "What specific pieces of new information?" is the question.

Deputy G.C.L. Baudains:

Well, which item ... what matters have come forward since that P.60 debate? Well, if I could have notice of that question, I would make a list of maybe a couple of dozen. Where would we start? The PwC (PricewaterhouseCoopers) report, which was made available to us after the debate ...

Senator F.H. Walker:

I am sorry, that is on Harcourt. As the Deputy specifically said, that is not part of his proposition. He referred to traffic, immigration, et cetera. I would like to know what new information he has received on those specific issues, since the P.60 debate.

Deputy G.C.L. Baudains:

The Chief Minister seems to be somewhat confused, Sir. I am not talking about information that has come to light. I was talking, if he had been listening, about what the public is concerned about. [Members: Oh!] The public is concerned about the traffic, the sunken road, immigration and so forth. It is a shame he does not pay attention. [Laughter] The information, which has come to light since the actual debate, touches on many things. I mean, just one example, this morning, about the car park, we ...

Senator F.H. Walker:

That is not new information; that was available when we debated P.60.

Deputy G.C.L. Baudains:

Yes, well, it is quite clear that the Chief Minister knows extremely little about this particular development. I am afraid this is becoming a wider symptom of ministerial government. He tells us that Ministers voted overwhelmingly for parts 1 and 2 of P.60 and there is no reason not to maintain that position. Well, Sir, I really do wonder where he has been the last few weeks. In my opening speech, Sir, I outlined a range of issues, which received no satisfactory explanation before we voted. I would remind Members briefly of those issues that I raised yesterday; why the road has to be sunk, why the design is block instead of linear, the current demand for commercial office space, why only one developer and an up-to-date valuation for the site, which information has just come to us that that will be undertaken. We learnt that from the Treasury Minister yesterday, an up-to-date analysis of the developer, an analysis of allowing one developer to control a large commercial chunk of St. Helier. We had information on that this morning from Senator Ozouf, the Economic Development Minister, that apparently he has looked at that. We do not have the information; it was not given to us. An environmental impact assessment; we are still waiting for it. The effects that a large development would have on tourism, an analysis of the effect that what would effectively be a 10 year building site will have on the gateway to Jersey, analysis of the effect after completion, are the public behind this development and where is the analysis of public opinion? Well, none of those questions have been answered. They remain to be answered. It really is irresponsible to allow a decision to stand when most, if not all, of the information necessary to make a well informed decision was misleading or missing. This is - I think it was Deputy de Faye that raised the issue - the biggest decision ever to come before this Assembly. The construction cost is in the region of £500 million to £700 million and we made that decision based on spin, out of date information and a huge amount of missing information. If, when I had proposed the reference back during P.60, Senator Walker had said: "Yes, there is a billion dollar lawsuit filed in America", instead of denying it, I wonder if my reference back would still only have got 6 votes? I somehow doubt it. I noticed that W.E.B.'s presentation on 25th June, they quoted selectively from the PricewaterhouseCoopers reports; the ones we had received after we had voted and W.E.B. failed to mention the qualifications that PWC put on their work.

Senator F.H. Walker:

Sorry, Sir, he is misleading the States, Sir.

The Bailiff:

The Chief Minister wants to know if you will give way?

Deputy G.C.L. Baudains:

No, Sir, I have done that several times already. On the very first page, PwC state that: "This report contains information obtained from or derived from a variety of sources. PwC has not sought to establish the reliability of these sources or verify the information so provided." On page 5: "The evaluation considers financial approaches associated with previous projects, as supplied by Harcourt. We also considered evidence provided by Harcourt." On page 6 we are told: "Harcourt have a slightly higher than average risk of business failure, as defined by Dun and Bradstreet. In assessing whether development is likely to overstretch, it fails." None of this information was made available to the P.60 debate. Now, presumably what the Chief Minister is saying is that really does not matter. The report goes on to say that W.E.B. should request up-to-date, detailed information concerning valuations, as the valuation is 3 years old. Apparently that does not matter. Guarantees from banks; we were told 3 banks were prepared to underwrite the development and yet one of them apparently has just been rescued. I have raised those issues for 2 reasons, Sir, and that is not to focus on Harcourt, as I am sure the Chief Minister is trying to think - would it not be wonderful if he paid attention - to demonstrate that W.E.B. are still spinning the waterfront deal and not giving the complete picture? To make the point that the PwC reports are riddled with caution,

but only made available to Members after they have voted, because I am pretty certain that had those reports been made available before we voted Members would have been far less inclined to support the proposition. So, what did we get? We had a decision based on information that was either inaccurate, incomplete, or, in some cases, unavailable. Hardly a decision to be proud of. The decision we made could be right. It could be wrong. We simply do not know. We did not know then and we do not know now and, to my mind, to allow a decision to stand in such circumstances is not only foolish and unprofessional but will simply bring this Assembly into further disrepute because I have to ask how low can our credibility sink? I would conclude by saying, and it is a point that many Ministers have confused themselves on, this rescindment motion is not about saying no to the development; it is simply to erase the previous decision, allowing the Council, in due course, to bring the proposition back, hopefully laid out in a better format, for consideration with all the information on our desks. Simple as that. In the meantime, all the relevant information can be collated so that when Members do vote on it the next time, at least they will be properly informed.

The Bailiff:

You would like 2 votes, Deputy, would you? On part (a) and part (b)?

Deputy G.C.L. Baudains:

Yes, separately, Sir.

The Bailiff:

Separately, very well.

POUR: 9		CONTRE: 31		ABSTAIN: 0
Senator S. Syvret		Senator F.H. Walker		
Connétable of St. Clement		Senator W. Kinnard		
Deputy G.C.L. Baudains (C)		Senator T.A. Le Sueur		
Deputy J.A. Martin (H)		Senator P.F. Routier		
Deputy G.P. Southern (H)		Senator M.E. Vibert		
Deputy of St. Ouen		Senator P.F.C. Ozouf		
Deputy J.A.N. Le Fondré (L)		Senator T.J. Le Main		
Deputy S. Pitman (H)		Senator B.E. Shenton		
Deputy I.J. Gorst (C)		Senator F.E. Cohen		
		Senator J.L. Perchard		
		Connétable of St. Mary		
		Connétable of St. Helier		
		Connétable of Trinity		

		Connétable of St. Lawrence		
		Connétable of Grouville		
		Connétable of St. Brelade		
		Deputy J.J. Huet (H)		
		Deputy C.J. Scott Warren (S)		
		Deputy J.B. Fox (H)		
		Deputy S.C. Ferguson (B)		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy G.W.J. de Faye (H)		
		Deputy P.V.F. Le Claire (H)		
		Deputy D.W. Mezbourian (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy A.J.D. Maclean (H)		
		Deputy of St. John		
		Deputy of St. Mary		

The Bailiff:

I now ask the Greffier to open the voting on part (b) of the proposition.

POUR: 9		CONTRE: 31		ABSTAIN: 0
Senator S. Syvret		Senator F.H. Walker		
Connétable of St. Clement		Senator W. Kinnard		
Deputy G.C.L. Baudains (C)		Senator T.A. Le Sueur		
Deputy J.A. Martin (H)		Senator P.F. Routier		
Deputy G.P. Southern (H)		Senator M.E. Vibert		

Deputy of St. Ouen		Senator P.F.C. Ozouf		
Deputy J.A.N. Le Fondré (L)		Senator T.J. Le Main		
Deputy D.W. Mezbourian (L)		Senator B.E. Shenton		
Deputy S. Pitman (H)		Senator F.E. Cohen		
		Senator J.L. Perchard		
		Connétable of St. Mary		
		Connétable of St. Helier		
		Connétable of Trinity		
		Connétable of St. Lawrence		
		Connétable of Grouville		
		Connétable of St. Brelade		
		Deputy J.J. Huet (H)		
		Deputy C.J. Scott Warren (S)		
		Deputy J.B. Fox (H)		
		Deputy S.C. Ferguson (B)		
		Deputy of Grouville		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy G.W.J. de Faye (H)		
		Deputy P.V.F. Le Claire (H)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy A.J.D. Maclean (H)		
		Deputy of St. John		

		Deputy I.J. Gorst (C)		
		Deputy of St. Mary		

Senator S. Syvret:

I do not know if it is of any interest to Members but I was considering proposing the adjournment now. I know it is a little earlier than we normally break but we have major items to begin and it seemed to be at a good point.

The Bailiff:

I was just going to ask Members, Senator, whether they would like to deal with that matter, which is to be dealt with, in camera. It is down at the end of the Order Paper, Projet 101, Reappointment of Comptroller and Auditor General. I do not know if it might be convenient to deal with that now?

Senator J.L. Perchard:

Before we move into camera, may I ask something of you, Sir? We will, after lunch, be moving straight on to P.98. I think it would be helpful for Members if, during the lunchtime, the Attorney General could consider the full consequences of adopting part (a) of the proposition P.98, so that he could inform the Assembly early in the debate, as to the conflict, as I see it, between the Memorandum of Articles, so, the Waterfront Enterprise Board and part (a) of the proposition P.98, so that we do not spend all afternoon wasting our time, Sir?

2. Comptroller and Auditor General: reappointment (P.101/2008)

The Bailiff:

Well, perhaps you would explain that to the Attorney General over the adjournment, Senator, in case he is ... make sure he is fully aware of it? Well, if Members are content to deal with the proposition dealing with the reappointment of the Comptroller and Auditor General, we have to, first of all, read the proposition, Greffier?

The Greffier of the States:

The States are asked to decide whether they are of the opinion - in accordance with Article 41 of the Public Finances (Jersey) Law 255, to appoint Mr. Christopher Swinson as Comptroller and Auditor General for a further period of 5 years, commencing on 1st October, 2008.

The Bailiff:

I ask any members of the media in the boxes to leave the Chamber please and the Greffier to close down the broadcasting, if that has not already happened. I call upon the Chief Minister to propose the proposition.

[Debate proceeded in camera]

The Bailiff:

The vote, technically, takes place in public but I do not imagine that we will get the members of the media back. So, I ask any Member in the precinct who wishes to vote, to return to his or her seat and I ask the Greffier to open the voting. I ask the Greffier to open the voting for or against the proposition.

POUR: 32		CONTRE: 0		ABSTAIN: 0

Senator S. Syvret				
Senator F.H. Walker				
Senator W. Kinnard				
Senator T.A. Le Sueur				
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator B.E. Shenton				
Senator F.E. Cohen				
Senator J.L. Perchard				
Connétable of St. Mary				
Connétable of St. Clement				
Connétable of Trinity				
Connétable of St. Brelade				
Deputy J.J. Huet (H)				
Deputy G.C.L. Baudains (C)				
Deputy C.J. Scott Warren (S)				
Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy S.C. Ferguson (B)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy G.W.J. de Faye (H)				
Deputy J.A.N. Le Fondré (L)				

Deputy D.W. Mezbourian (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy I.J. Gorst (C)				
Deputy of St. Mary				

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

Yes, Members agree; we will reconvene at 2.15 p.m.

LUNCHEON ADJOURNMENT

PUBLIC BUSINESS (continued)

3. Waterfront Enterprise Board Limited: removal of States Directors and Chairman from office (P.98/2008)

The Bailiff:

We come next to the proposition of Deputy Southern, Projet 98 and I ask the Greffier to read the proposition.

The Greffier of the States:

The States are asked to decide whether they are of opinion to refer to their Act, dated 28th March 2006, in which they appointed Senator Paul Francis Routier, Senator James Leslie Perchard and Deputy Jacqueline Jeanette Huet of St. Helier as States directors of the Waterfront Enterprise Board Limited until 31st March 2009 and to their Act, dated 19th July 2006, in which they appointed Mr. Francis Gerald Voisin, as a non-States director and chairman of the company until 20th August 2009 and appointed Jurat John Claude Tibbo and Mr. Peter Joseph Crespel as non-States directors until the same date and (a) in accordance with the provisions of Article 30(b) of the Articles of Association with the company and having noted the resignation of Senator James Leslie Perchard as a director on 11th June 2008, to remove all the remaining States directors from office; (b) to remove Mr. Francis Gerald Voisin as a non-States director and chairman of the company; and (c) to request the Greffier of the States to notify the company of the decision.

Deputy J.A.N. Le Fondré:

May I just make a quick declaration? I should have probably, when we had the appointment debate, Sir, declared that the former Deputy Voisin, I supported him in his election campaign quite heavily. If I recall correctly, I did sign his nomination form as well, Sir. It did not occur to me at the time, on the appointment debate, especially as it was temporary but I did want to make the declaration at this time. I do consider Mr. Voisin to be a very honourable person and I would still sign his form if he ever chose to stand again but that, in conjunction with other wider family relationships with some of the other non-executive directors, I am quite uncomfortable taking part in this debate, Sir. I will be withdrawing.

The Bailiff:

Very well. Deputy Le Fondré declares an interest and withdraws. If I can remind Members that Senator Norman and Deputy Ryan also declared interests in the subject matter of this debate. They are not here but the Greffier has noted those interests. Deputy Southern.

3.1 Deputy G.P. Southern:

I never thought I would be standing up to say how sad I am that my new found colleague in analysis, from behind me, has left this debate, but nonetheless I do. Right, I intend to return the House to the issues of accountability and responsibility and to ask the House where they think that this accountability and responsibility lies, in particular over what I think most Members must agree has not been our finest hour, the last 3 days of debate, far from it and why that has occurred and how it has occurred. Now, yesterday the House decided that, while the Chief Minister was the person responsible for bringing P.60 and the W.E.B. Masterplan and the debate to the House, he could not be blamed for not knowing the detail of the financial analysis which underpinned the whole process, because he obviously was reliant upon those who gave him advice and his information did not cover that, nor was it expected, the House says, that he should have done some digging and tried to find out a little more. The Chief Minister is blameless but that then leaves the question, well, who is to blame? Who can this House hold responsible for what has happened, for the debates which took place without, what I believe and I still maintain, was essential information to this House making a full and proper decision on that basis? How was it then that all this House received was the gloss over that the financial capacity investigations, the due diligence had revealed that everything was fine and none, not a single one of the reservations, serious reservations, contained in the PwC report were given to the House during or before that debate? The Chief Minister was not aware of what was in that report. Well, who was? The board of W.E.B. certainly was and we have been told time and time again, in the debate around W.E.B., that while W.E.B. is an independent company, it is wholly owned by us and wholly controlled by us and, in particular, through our appointment of States Members, on to its board as directors. So, while the Chief Minister was unaware of what was in the PwC report, which is, I believe, essential to the way forward, those directors must surely have been aware. What did they say to the Chief Minister to enlighten him? Apparently nothing. What did they say to us in this Chamber when it came to the debate? They said everything was fine; glowing reports. No mention of any reservations whatsoever. Now, it appears from the most recent interim report of the Comptroller and Auditor General that the chain of command and the responsibilities for States appointed directors is quite complicated. It is so complicated, I cannot for the moment find it. But they are accountable, through the Treasury and Resources Minister for certain aspects, to the Chief Minister for other aspects. They must act in the best interests of W.E.B. because that is why they are directors on W.E.B. and they are also responsible to this House, this Assembly. They have a duty of care to the people of Jersey. The question is, did they carry out that duty of care properly, in the conduct of this particular debate? I believe they did not. They were aware of the PwC report, they were aware of the reservations. They chose to gloss over. They chose apparently not to inform the Chief Minister. I do not know what they said to the Treasury and Resources Minister, if anything at all and they certainly did not inform this House of the contents of that report. I believe, in doing so, they have manifestly failed to properly carry out their duty with respect to this House. I do not exclude Senator Perchard from that duty entirely at all, albeit that he did during the debate recognise that the information was there and that it should have been put in front of the House and he made a valiant attempt to do so. I believe it was only chance that it ended up being delivered to Members too late. It should have been done earlier; we should have known about it. Nonetheless, he did make the effort and recognised that this was a crucial bit of evidence on which we needed to make our minds up. Sir, I believe that States appointed directors failed in their duty and that is the reason for the first part of this proposition. I think it is so serious that we should in fact remove those directors. What then of the position of the chairman, the ex Member of the States, the chairman also appointed by this body? He also surely should have informed certainly the Chief Minister and maybe a wider audience, as to what was going on. Did he not also have that duty to

us to pass on that information? He obviously was communicating clearly with the Chief Minister, because, in terms of his sitting on the board of A.I.B. (Allied Irish Bank) (Channel Islands), he had informed the Chief Minister about that potential conflict of interest and that he was a member of A.I.B. (Channel Islands), on their board, as well as being chairman of W.E.B. He failed, singularly, to inform the board of W.E.B. of that interest. The Comptroller and Auditor General has taken a view on that and he says, on a strict interpretation, Mr. Voisin's appointment to the board of A.I.B. (C.I.) did not represent a conflict of interest as defined by Companies Law and was thus not required to disclose a conflict of interest at board meetings at which W.E.B. transactions with Harcourt were discussed. However, he says, and we have just reappointed him, to much admiration for his integrity and independence, he says: "Notwithstanding this strict interpretation, it would have been wise for Mr. Voisin to make such a disclosure." In discussing conflict of interest and declarations of interest previously, earlier in the week with the Chief Minister, he agreed with me that conflicts of interest and declarations of interest must be strictly adhered to, not just for the avoidance of conflict but for the avoidance of the appearance or the perception of conflict. I believe that is why the C.A.G. (Comptroller and Auditor General) has said it would indeed have been wise for Mr. Voisin to make such disclosure. I believe the chairman recognises this and admits that mistake but that mistake should not have happened. The fact is that W.E.B. took a look at potential conflicts of interest and declarations of interest back in 2003 and decided that it would make a register of interest for its board members. In 2005 it was updated and it was agreed, apparently, from the minutes, that it would be updated annually. Between 2005 and 2008 it was never updated. It should have been. So, the interest of the chairman was never declared until June of this year, when it came to light through other means. This perception of conflict; we have to be whiter than white, it is the perception that matters. It does not matter that the C.A.G. has not found evidence of conflict and distorted judgment; that does not matter. It does not matter that the C.A.G. says: "It seems to me that there is only one occasion on which there may have been a case for suggesting that the decision may have been distorted." Only once. The existence of the potential, the perception is key; confidence is all and perception is absolutely vital in this area. I believe the error that Mr. Voisin made in not declaring his interest was a serious one and I also believe that for that reason alone he should be removed from the post. With that, I maintain the proposition and will take questions.

The Bailiff:

Is the proposition seconded? [**Seconded**] Senator Routier?

3.1.1 Senator P.F. Routier:

Due to various reasons, I have not really had an opportunity to prepare fully for this particular debate. I have been focusing on perhaps more important things of ensuring that the Masterplan can progress. My position is of minor importance as far as I am concerned, but we have a debate to answer and a case to answer. Sir, the case to answer, which the Deputy has said there are 3 issues; (1) whether the PwC report contains information which is important to the proper consideration of the decision to proceed, (2) the extent of States nominated directors' knowledge and understanding of the contents of the PwC report, and (3) their consequent actions, talking about the directors, and statements before and during the debate on P.60/2008. Well, in the previous debate on the censure of the Chief Minister, we have already covered the standing, or should I say the understanding and/or misunderstanding of the PwC report and the fact that it had no relevance to the debates we were having. As the Deputy makes great play of this, it is worth just identifying the serious and poor misunderstanding the Deputy has of the report and his selective use of the report. I do not know how many of these types of financial capacity assessment reports the Deputy has appraised in his business career, but, as a company director of many years experience, I have had the occasion to read a few. The first issue to be dealt with is that they are produced by companies on a totally confidential basis. Although I have a duty to W.E.B. and PwC to observe that confidentiality, I recognise that the contents have been selectively published in this report and proposition. Before I

criticise the Deputy for being particularly selective of one section of the report, it does highlight his lack of knowledge and understanding of that particular section and how important it is to consider the whole report in its entirety, and I hope Members have had an opportunity to read the whole of the report. As I say, not that the report was of any significance or importance to the debate we were having at that time, the Deputy focused on a standard pro forma, which is used by the various companies that provide these reports. He questioned this morning; why did PwC use that particular measure? Well, it is a pro forma they use for every company that they take a view on and it is used, as I say, in all types of reports like this. But, a private company who retains its commercial holdings, as opposed to selling them and increasing the turnover, will not achieve a particularly high score in that particular area. As I say, I do hope Members have had an opportunity to assess the full report and place it in context of all of the matters which the report covers. Having spoken to a number of Members who attended the briefing held by W.E.B. the other day, I am told that they found it very informative and that it cleared up the misunderstandings, which have been promoted in this proposition and in other propositions. The briefing highlighted several more positive comments about the preferred developer, which this proposition fails to bring to Members' attention. As a director of W.E.B., who commissioned the in confidence report, I am obliged to maintain that confidence placed upon us by the provider of the report. I recognise that some of the comments have been published in this proposition, as I said, and I realise, as I have been critical of the proposer for being selective, he may want to return that compliment to me later on, when he is summing up, because I am going to be as selective now. A phrase in the report, which has already been shared with Members at the briefing meeting and that was quite clearly: "Proceed with transaction and monitor carefully." Sir, I have read the report carefully, noted its cautious tone but, having read other reports of this nature, I know that they are usually written in a very careful and cautious manner. I hope Members accept and realise that this report is among other due diligence reports and there is another to be carried out before any deal is concluded. Of course, these due diligence reports are of secondary importance because it will be the bank guarantees that will be the deciding factor. To put it plainly, if there is no bank guarantee, it means there is no signing of any contract and there will be no deal. Even if a due diligence report gave an even higher rating, there would not be any progress on the waterfront, unless there were the bank guarantees in place. I do hope this puts into perspective the relevance of the PwC report and the importance of taking a balanced view of the whole report. So, with regard to the first charge against me; whether the PwC report contains information which is important to the proper consideration of the decision to proceed, I believe it is an informative report but not essential to the decision to proceed. We have already gone over all the really essential checks and balances that we will have in place and the guarantees that will be there, which need to be in place, which will have to be in place before the decision to proceed is made. The second charge; the extent of States nominated directors' knowledge and understanding of the contents of the PwC report, as I have already stated, I have read the full report and my understanding, I am convinced, is more balanced than the Deputy's. As I have said earlier, the report quite clearly says: "Proceed with the transaction but monitor closely." That is what I hang my hat on. Turning to the final charge; my consequent actions and statements before and during the debate on P.60/2008, I thought about this and considered my actions. I believe, when referring to the current preferred developer, I described them as a top company and I still maintain that. They are a top company. If you look at the developments they have been doing around the world, I have had the opportunity to speak to other parliamentarians who have worked with this company in other jurisdictions and the questions I have asked about them have given me nothing but confidence that these are top developers and are quite able to carry out a development. The other comment I made was that they are an experienced developer. That can be taken all sorts of ways. I was very careful when I said this because an experienced developer is an experienced developer which you treat with caution. We know that we have to have all the checks and balances in place which do protect Jersey, the States and the public. I was not as enthusiastic as Senator Perchard and Senator Walker. That was during the original debate and the comments they made but even yesterday Senator Walker's comments were fully aired and he was found not guilty by

every Member except 2 J.D.A. members. I believe I have carried out my duties as a director of W.E.B. in a thorough and careful manner. Being a director of W.E.B. is not an easy task. It takes a considerable amount of time and effort. I have worked with non States directors who really add tremendous value to the company. Their skills and knowledge have enabled the new Masterplan to be brought forward and I am thrilled that the States have finally, finally approved the Masterplan.

[Approbation] As the C. & A.G.'s interim report highlights ... and his opinion is that States Members, and he means any States Member; not the existing States Members, I should make the point. He believes that any States Member could be conflicted and I share that view. At this point may I say that the contributions made to the board by both Deputy Huet and Senator Perchard have been tremendous. I believe that the States owe them both a debt of gratitude. I would also like to say that Senator Perchard's quick reaction to resign from the board at the announcement of the chairman of the board's perceived conflict with his chairmanship of A.I.B. (C.I.) was and is a great disappointment to me. Senator Perchard's skills and knowledge will be missed on the board. I also expressed my surprise at the chairman's announcement but I did decide to find out more before I reacted. Firstly I would like to remind Members that the current chairman did not seek the position of chairman. He was asked by the Chief Minister to take the role as an interim chairman until the board is restructured. At that time it was anticipated it would be for only 3 months. I for one want to thank the chairman for being prepared to serve the Island in the public spirited way that he has. He is an honourable man who has worked tirelessly to progress the waterfront and I am sure he will be delighted that the States have again endorsed the efforts of W.E.B. and especially the chairman. If Members have had an opportunity to read the interim report of the C. & A.G. it has been quoted already but page 22, number 85, that C. & A.G.'s view is the chairman should have disclosed to W.E.B. his appointment to the board of A.I.B. (C.I.) for inclusion in the register of director's interests. He did not do this. On a strict interpretation the chairman's appointment to the board of A.I.B. (C.I.) did not represent a conflict of interest as defined by the Companies Law and, thus, not required to disclose a conflict of interest at board meetings at which W.E.B.'s transactions with Harcourt were discussed. Notwithstanding this interpretation it would have been wise for the chairman to make such disclosure. I have found no evidence that the chairman's failure to disclose this interest distorted W.E.B.'s decisions. I recognise that there are views held that there is a conflict of interest. I have taken note of the comments made by the C. & A.G. and the legal advice given to the board which is also quite clear. There is the obvious clear C. & A.G. and legal opinion that there is no conflict. The chairman does realise he should have declared his directorship and chairmanship of the bank. It was an omission and it is something which he realises he should have done. The chairman does have a deep sense of duty to his Island and from my perspective all his actions have been honourable and carried out in the best interests of the States and people of Jersey. I would suggest that the honourable position for Members to take would be to accept the apology from the chairman for not declaring his interests. It was not done in any deliberate way. The chairman has publicly said that he will be standing aside when the new structure will be recommended by the C. & A.G. in the very near future. The chairman, as I say, is an honourable man with the best interests of the Island at heart. He made an error. From my recollection of board meetings and in hindsight with the knowledge of the chairman's other directorships I cannot recall a time when I consider that he would have been in conflict with any decision making, other than the one which has been highlighted by the C. & A.G. was when we discussed the PwC (PricewaterhouseCoopers) report which mentions the Allied Irish Bank in Ireland and there is a view about the connection with that. I have to say that as far as my position is concerned the Members can make their mind up what they want to do with me. I do not mind in the slightest. I would say to Members that it would be the best thing to do - as far as I am concerned the honourable thing to do with regards to the chairman - is he made a mistake and he recognises that. He should be able to see through the delivery of the waterfront up until ... I mean he is going to stand aside but he should be able to get the recognition for the work that he has put in in bringing forward the waterfront debate. I hope that Members will support him at least.

Senator J.L. Perchard:

I asked a question of the Attorney General before lunch. I wonder if it would be an appropriate time to ask him to advise the Assembly on the consequences of part (a) when set against the constitutive documents of the Waterfront Enterprise Board and the implications of accepting part (a)?

The Attorney General:

Paragraph (a) which seeks to remove the States directors from office is an unusual proposition. The suggestion that shareholders should dismiss the directors without nominating other directors is surprising because it leaves open the question of who will run the company. Article 40 of the company's Articles of Association provides that a quorum for a meeting of directors is 4 of which 2 shall be States directors and 2 shall be non States directors. It follows that if one removes the States directors and does not appoint any other States directors the board of directors cannot hold a valid meeting. Under Article 41 the provision is that the continuing directors or the only continuing director may act notwithstanding any vacancies in their number, but if the number of directors is less than the number fixed as the quorum the continuing directors or director may act only for the purposes of calling a general meeting. The purpose of the general meeting one might think would normally be to appoint new directors but unfortunately the Articles make it plain that directors are appointed by the States. I should just add the shareholders are the Greffier of the States and the Treasurer of the States. So what Members might wish to take into account is that although I think in law there is room for the view that the shareholders can take management decisions on behalf of the company, my own view is that the better view is that in law that is not the position and that because of the way in which the Articles of Association are structured, the shareholders - that is to say the Greffier and the Treasurer - would not be able in law to take management decisions because that is the way the Articles are structured. Furthermore, they would not be able to vote in new directors because the Articles provide that can only be done by the States. Perhaps if I can add a non legal point but one which Members might wish to take into account, would it really be fair on the Greffier and the Treasurer who are apolitical officers to expect them to exercise doubtful powers to run a company in the absence of States direction? The legal advice which I would give to Members of the Assembly is that if paragraph (a) is adopted then the practical consequence is that until there is a States meeting to appoint new directors the company will not be able to take any decisions.

3.1.2 Deputy G.W.J. de Faye:

In the light of what I have just heard it does strike me that the proposition before the House is fundamentally flawed. I really see no great merit in pursuing it. Not only is it flawed in the way that is outlined where it clearly has the ability to paralyse W.E.B. as an operating body but I also believe it is fundamentally flawed because it seems to ignore the existence of 2 other directors who presumably if the States directors are culpable so are the other directors. I think this proposition really is full of some very serious mistakes, Sir, and I would like to propose that we move on to other business.

Senator J.L. Perchard:

A point of order if I may. The Deputy is technically right about part (a) but part (b) of the proposition is still perfectly valid.

The Deputy of St. John:

Can I ask a point of order as well? Presumably if the directors did resign, as soon as this House meets again, provided suitable candidates are available, they can reappoint a board. **[Approbation]** Most boards when they have resignations do not always have people lined up to take those places. That sometimes is done afterwards.

The Bailiff:

Standing Order 85(1) says that a Member may propose without notice during a debate that the States move to a consideration of the next item on the order paper. Paragraph 2 says the presiding officer shall not allow the proposal if it appears to him or her that it is an abuse of the procedure of the States or an infringement of the rights of a minority. It does not appear to me that either of those considerations applies here, therefore, the proposition of Deputy de Faye is in order. But before I put it to the Assembly, I wonder if I might just say from the Chair, having consulted with the Greffier, that if part (a) of the proposition were adopted and the States directors were removed from office there would be the consequences that the Attorney General has outlined until the States were to appoint new directors. If a proposition were to be lodged today it could in theory be debated on the very last day upon which the States is sitting before the recess but I have to warn Members that we are already falling a long way behind in the progress of business which has been set down. There is some doubt at the moment it seems to me as to whether we are going to complete all the business which is down for discussion. Is the proposition of Deputy de Faye seconded? **[Seconded]**

Deputy P.V.F. Le Claire:

May I ask for the appel please, Sir.

The Bailiff:

Very well. Any Member who wishes to vote who is in the precinct should return to his or her seat. The vote is for or against the proposition of Deputy de Faye that the Assembly moves to the next item on the order paper.

POUR: 7		CONTRE: 31		ABSTAIN: 0
Connétable of Grouville		Senator F.H. Walker		
Connétable of St. Saviour		Senator W. Kinnard		
Deputy J.J. Huet (H)		Senator T.A. Le Sueur		
Deputy J.B. Fox (H)		Senator P.F. Routier		
Deputy of Grouville		Senator P.F.C. Ozouf		
Deputy G.W.J. de Faye (H)		Senator T.J. Le Main		
Deputy of St. Mary		Senator B.E. Shenton		
		Senator F.E. Cohen		
		Senator J.L. Perchard		
		Connétable of St. Clement		
		Connétable of Trinity		
		Connétable of St. Brelade		
		Deputy R.C. Duhamel (S)		
		Deputy A. Breckon (S)		

		Deputy of St. Martin		
		Deputy G.C.L. Baudains (C)		
		Deputy P.N. Troy (B)		
		Deputy C.J. Scott Warren (S)		
		Deputy R.G. Le Hérisier (S)		
		Deputy J.A. Martin (H)		
		Deputy G.P. Southern (H)		
		Deputy S.C. Ferguson (B)		
		Deputy of St. Ouen		
		Deputy of St. Peter		
		Deputy J.A. Hilton (H)		
		Deputy P.V.F. Le Claire (H)		
		Deputy D.W. Mezbourian (L)		
		Deputy of Trinity		
		Deputy S.S.P.A. Power (B)		
		Deputy A.J.D. Maclean (H)		
		Deputy of St. John		

3.1.3 Deputy P.V.F. Le Claire:

I think it is quite important, Sir, that we recognise that in a very small Island there is inevitably going to be from time to time chance or accidental conflicts of interest or by family conflicts of interest whereby one is suddenly conflicted or finds themselves conflicted through relationships or through directorships. My position on this is not my position on the chairman as a person. But I am afraid to say that I do not have confidence in the chairman continuing at the helm of the Waterfront Enterprise Board. That has nothing to do with his ability. That has nothing to do with his personality. That has nothing to do with his integrity. In fact it has nothing to do with the question of whether or not his integrity was ever in question. One can speak about whether or not it was an omission, an error of judgment or a mistake on behalf of the chairman not to have declared to W.E.B. his interest when he orally communicated that to the Chief Minister. One could also in turn say that that would have been an omission or an error of judgment or a mistake of the Chief Minister, as he conceded in questions this week, to not have passed that information on to the Council of Ministers. But when you get right down to the very heart of it all, this is what it is

about. It is about whether or not the States are going to make a mistake today or commit an error of judgment. Regardless of what a fine chap he is there is a perception in this community that there is an element of doubt over this revelation. It certainly was brought out fortissimo by the resignation of Senator Perchard; a dramatic move which highlighted the position. For Deputy de Faye to propose to move on to the next item of business, it could be argued that he was trying to move us on to something that was more debateable or practicable or workable, but I think that was merely a mechanism to avoid the debate itself which I think the Island as Members have conceded with me and the others have supported not supporting this motion that this needs to be debated today. We have been told by Her Majesty's Attorney General, Sir, and it should be taken on board that when Members prepare propositions for debate in the States especially on things such as this, they may run them past the law officers and they may run them past the Greffier and with the greatest of respect, Sir, they may even run them past you for approval but that does not necessarily mean that they are going to be workable propositions if agreed upon within the States Assembly. We have seen time and time and time and time and time again hours of debate curtailed into futility because of the fact that these propositions were not run past Her Majesty's Attorney General or Her Majesty's Solicitor General or their officers to confirm that what would, in effect, be agreed upon would be effective in law and what would, in effect, of the desires of the proposer would be the outcome if approved. Her Majesty's Attorney General has made it quite clear to States Members that he and his officers are available to give us that assurance when we put propositions of this nature together and - not knowing what Deputy Southern has done - I would urge Members in the future if they are in any way at all in doubt as to whether or not their propositions are going to be effective, that they do consider the offer of Her Majesty's Attorney General in these matters and pass them to him for approval because - and I do not know if I speak for any other Member - I certainly am sick and tired of standing in this Assembly or sitting in this Assembly and listening to hours of debate to be told that it is curtailed because of a technicality. The technicality in regards to part (a) does not necessarily mean in my view that it would come to a grinding halt. Although I find part (a) is seriously flawed enough for me to not be able to support it, I will however - and I will go on to this in a second - be supporting part (b). If I believe part (b) is successful then I would hope - and I am hoping Senator Routier is going to listen for a second and then he might ... I would hope that if the States approve part (b) that the Senator and the other director would consider their positions and at the very least offer themselves up after resignation for re-election onto the board having given us the opportunity to appoint a clean set of directors because ...

Senator P.F. Routier:

Just to be clear, Sir, I certainly would not, no.

Deputy P.V.F. Le Claire:

Would you say you would, I beg your pardon? Through the Chair he said he would not. Well, there we are. That is fine.

Deputy R.G. Le Hérisier of St. Saviour:

Is the speaker suggesting that in a financial sense the Senator is unclean because that certainly was the implication?

Deputy P.V.F. Le Claire:

I was not suggesting anything of the sort. What I was saying was that I believe that part (a) of the proposition is technically flawed and I believe that it would be unwise and unsupportable to support part (a) but I do believe part (b) is workable and supportable and I would, therefore, say to those directors of the States that are current directors although I would not support part (a) and I was minded not to support part (a) because of the high standing I have of the directors of the States that are there at the moment that if the chairman was to go, they could offer themselves up for reappointment. I would happily propose them although we have heard today Senator Routier would not want it. I would happily vote for them. Sir, we are getting into what is predictably going

to be a nasty debate. Misinterpretation of what is being said rather than what is said. I am not suggesting that anybody has a lack of integrity in this whole affair. I am certainly not suggesting that the chairman or the States directors have a lack of integrity or acted dishonestly. What I am suggesting is it is our duty as the States in my opinion for us to reinvigorate public faith in our due diligence, to say regardless of whether or not there was this perception and regardless of whether or not there was anything going on, we take the matter so seriously that we set aside a judgment of any individual or any action and we do not pass judgment on those but we start again with a clean slate. If you go into the issue itself then it becomes highly critical of the individual and the actions and then there is an interpretation that no doubt we would probably get into - and no doubt we probably will get into - about whether or not the disclosure or non disclosure was such an error that it forms part of the reason or the only reason why we commit to appoint a new chairman. I for one - and I am sure I am joined by most States Members who knew the chairman when he was a States Member - have no doubt of his integrity or his honesty as an individual or his ability to produce a magnificent waterfront Masterplan to be delivered to the States for approval but you cannot smudge the ink on this one. I am surprised - quite surprised - that the chairman has not resigned or offered his resignation forthwith to avoid any consideration of whether or not he is an honourable man, because I believe he is an honourable man. I regret that in considering whether or not we remove the chairman there will be an element of this debate that will focus upon the individual rather than the actions of the position and the mechanisms within the company that have not been adhered to. In the Comptroller and Auditor General's interim report, he notes that at one meeting the chairman did declare conflict of interest for another reason. We know that he declared his interest to the bank. We know that he declared his interest to the Chief Minister. The question remains, therefore, as to why when it has been pointed out quite clearly that there was a strong link to the parent holding company, as highlighted in the Comptroller and Auditor General's report on page 18, that the chairman never declared that interest. This is the damning selective if there is going to be a selective. On page 18 the nature of the difficulty: "In August 2006 the individual became chairman of W.E.B. In November 2006 he became a member of the board of A.I.B. (C.I.) as a prelude to becoming chairman of A.I.B. (C.I.) in March 2007; 63 page 18, A.I.B. (C.I.)'s ultimate holding company in Dublin has a relationship as banker with the group of companies of which Harcourt Development Limited (Harcourt) forms a part." Harcourt undertook the development of the Liberty Wharf site also known as the Island site and the contract from W.E.B. It is also the preferred developer for the Esplanade Quarter site and when the managing director at that time came to see us and we were scrutinising the move from the Tourism Office to a new Tourism Office and we brought up the due diligence issues at Scrutiny in relation to company directors of Harcourt as highlighted in the media, I put it to the then managing director, was the due diligence done? Have you carried it out? Look at the associations that this director has with these organisations and look at this newspaper article that is published in the *Jersey Evening Post* highlighting these organisations and look at the inferences, albeit at arm's length, of these individuals. Has the due diligence been carried out on this company? Yes, it has was the answer from the then managing director. Okay, thank you very much. Satisfied with the answer we moved on. The point is that as far back as then there was an issue about the due diligence of Harcourt expressed to the managing director of W.E.B. by a Scrutiny Panel of the States of Jersey. The answer came back there was not an issue, no problem, checks out fine, due diligence completed, no problemo. So when a subsidiary of a holding company seeks as a director somebody that they know is the chairman of the largest development in Jersey to be a member of their board, does not anybody know that somehow these companies were intertwined in the previous relationships of this development, previous developments on the waterfront site? Of course they do. Maybe they were not connected in knowing and passing on the information but there was knowledge. At best it is sloppy. That is where I come back to my point, which is I do not have a problem with the integrity of the individual who chairs the Waterfront Enterprise Board. I do not have a problem with his ability and I do not have a problem with the integrity, honesty or abilities of the States Members who are the directors. But where I do have a problem is the States of Jersey

saying that we are just going to skip over this and put it down as a mistake because, I am sorry, it is not good enough for this Government on behalf of the electorate that elected us all in our own districts and Parishes to say that we find that acceptable because they are expecting more from us than that. I believe we should not get into the personalities and the murky insinuating assertions that might come from this debate. No doubt they probably will. I strongly hope Members will just focus on our duty of care, our duty of responsibility and our duty of good governance. Good governance requires us unfortunately and regrettably to ask the chairman to resign. If he does not resign, to instruct him in this proposition to be removed and replaced. I personally like the chairman of W.E.B. as an individual. I find this is not easy.

The Bailiff:

Deputy, I am sorry to interrupt you ... interrupt if I may say so a very good speech but I think you are beginning to become repetitious, if I may say so.

Deputy P.V.F. Le Claire:

I promise I am about 2 or 3 words away from finishing, Sir. I will repeat this much. I personally like the chairman of W.E.B., Sir. I find this debate very difficult. I urge Members to respect the individual and debate the issue.

Deputy G.P. Southern:

May I ask a point of clarification of something you before? You said that to replace directors we would have to lodge something by tonight in order to have it debated a fortnight today. Would it not be possible under Article 26(7) 'prejudicial to Jersey' if we were to fail to appoint directors to have the lodging period shortened so that we could get on with a replacement and (a) does not become that serious an issue?

The Bailiff:

The States may reduce a minimum lodging period if they are of opinion that the proposition relates to a matter of such urgency and importance that it would be prejudicial to Jersey to delay its debate. It would be a matter for Members.

3.1.4 Deputy S. Power of St. Brelade:

I am bemused, incredulous and slightly angry. I am still angry after listening to the speech of Senator Routier. I heard from the Senator more or less a ringing endorsement of W.E.B., its chairman and everything it has done in the recent past. I do not know where he has been in the last 2 or 3 weeks but as far as I am concerned - and I think I have used the phrase before - W.E.B. has been sleepwalking for the recent past. If anyone had operated a private or a public company in the way that this company has been run, I would have said that the board of that private company would have been history a long time ago. It brings discredit and it brings distrust and it causes problems for the whole creditability of the States machinery of government when this type of thing happens. I have to tell Deputy Southern this proposition is badly worded. It makes it very difficult to support the proposition but he is going in the right direction. I do not necessarily agree with the wording of part (a) but something has to be done today about this company, this board. I think Deputy Southern has for all the right reasons, he has worded it wrongly, but it is going in the right direction. As Deputy Le Claire has quoted some extracts from the Comptroller and Auditor General's report, I am going to be very brief and quote some sections as well. On page 5, summary of conclusions item 10, I would like to bring Members attention to the fact that it says: "It is evident between 2005 and 2008 while W.E.B. continued to hold the register, though it had been prepared in 2005, directors were not asked by W.E.B. to update their declarations and in practice did not do so. As a result, W.E.B.'s register was not accurate." He - that is the C.A.G. - goes on to say: "I have not inquired as to what happened before 2005." At the bottom of the page in reference to Mr. Voisin on point 14 he says: "In my view Mr. Voisin should have disclosed to W.E.B. his appointment to the board of A.I.B.C.I. Limited ...

The Bailiff:

Deputy, sorry to interrupt you. In fairness to you, I did not interrupt Deputy Southern as I should have done but I do not think it is necessary to use the name. You can refer to the chairman of W.E.B.

Deputy S. Power:

Okay, Sir, I apologise. I will read that again: "The chairman should have disclosed to W.E.B. his appointment to the board of A.I.B. (C.I.) Limited for inclusion in the register of directorates interests and he did not do this." I draw Members attention to section 2, Directors Declaration of Interest Procedures, on page 8, item 19. It refers to a senior officer of W.E.B. whose proposal was considered by an audit committee on its meeting on 20th July 2005 and it says as follows: "Procedures to ensure that the register be kept up to date were discussed. The company secretary had previously intended to circulate to directors each quarter to prompt them to declare changes in interest but another director thought that this should be done on an annual basis. The above notwithstanding it was generally agreed that if there were any changes during that year it was up to the director to notify the company secretary as quickly as possible and this was not done." Section 3, Declaration of Interest Practice item 2, page 9: "No directors who joined the board after the initial declaration of interest had been made in 2005 were requested to make similar declarations of their own interests." This would apply to the 3 directors: Senator Perchard, the chairman and ... "These made a declaration at the time but will rejoin the board on 20th August 2006 after a short gap." Then it says in item 3: "Neither the chairman nor the managing director took any steps before June 2008 to remind members of the board of their obligation to maintain their declarations of interest and requesting them to do this. For example, there were no reminders to directors of their obligations to update their declarations." He says in item 26: "In other words, the register was not updated and may not have even been remembered by members of the board. In any case in its un-refreshed state, the register became less useful." There is another note on item 28 referring to the chairman which is a reference to 11th June 2008: "I am concerned that Senator Perchard claims to have been unaware of any involvement in A.I.B. I, therefore, make a new declaration of my external interests for your files." This was 11th June. On page 11: "It is evident between 2005 and 2008 while W.E.B. continued to hold the register that had been prepared, directors were not asked to update declarations." Sir, those are just some examples. There are large chasms of credibility in the way this company was run and there are chasms of credibility in the due diligence that was carried out and the way it was interpreted. I am not going to go over that because other Members will refer to that. But what I want to know today - and I think there is a moral responsibility to find out what happened - is who put the Chief Minister in the position he was put in? We have not had an answer to that. Or who misled the Chief Minister? We have not had an answer to that. Why do we not know 2 weeks after the proposition P.60 that we are where we are today and we still do not have answers? I do not know and I honestly do not care about the Nevada court case because it is a sideshow, because it is not relevant. But what I do care about is the fact that its existence was denied. That is the relevant point. And what I care about and what I want to know about are the fact that key personnel, either agents or employees of W.E.B., our people in the public service allowed the Chief Minister to get on his feet, to say what he said and to ultimately compromise himself and compromise the integrity of this Assembly. That is simply not acceptable. I also question whether this company, W.E.B., a States owned company has the ability to carry out the competent co-ordination and management of a £300 million plus development or 1.6 million square feet. I simply have reservations about that. The debate on P.60 was turned into a public Jersey farce by individuals outside this Chamber. I deeply resent that. The resulting furore in the media in my view is a wound inflicted on the Chief Minister, that he did not deserve, and it has inflicted another credibility issue on the Assembly, which I do not believe we deserve. I am still angry at the lack of the robustness in the due diligence report completed in May 2007 that was carried forward to September/October 2008. I am angry that this Assembly was presented with information that was out of date again and again and again and that we made a decision about our waterfront which

is largely based on out of date information. I am not going to repeat angry. **[Laughter]** I am angry. Can you guess? I have to find another verb. I am concerned that all the associated propositions of the last 2 days have consumed the time and the work of this Assembly when it need not have happened had somebody been honest. So we are dealing with another credibility problem in this Assembly. The Jersey public are again aghast at some of the decisions that we have tried to make, have not made, tried to rescind, did not rescind and after a day and a half we are still discussing something we discussed 2 weeks ago. I really have concerns about the ability of W.E.B. to get anything right. We all acknowledge, as does the public, that the existing design of the buildings on the waterfront are hideous. This is not the fault or it is not the responsibility of the existing Planning Minister. Some of the sports complex, the multiplex cinema and even the Radisson were not on his watch. But we have to do something about these buildings. Senator Ozouf alluded to the fact this morning that some of them may be demolished at some future date. I want to wrap up and say finally can I remind the Chief Minister that yesterday's rejection of the no confidence vote and yesterday's rejection of the censure motion should in no way be interpreted as an endorsement of Council of Ministers policy. It simply rejected the 2 options we had yesterday. I think that when he chooses his words he needs to choose his words carefully about what this Assembly decided yesterday. This was no ringing endorsement of Council of Ministers policy. It was simply that we did not support those 2 propositions and the public have a choice and the public have the right to decide how they assess us and the Council of Ministers in October and November. We will leave that to the public. I find it extraordinary that Senator Routier and the Chief Minister still find it necessary to endorse and support the board of W.E.B. having considered all of what we have been through in the last 2 weeks. I find that simply extraordinary and I look forward to the Chief Minister's speech. Therefore, I will finish by saying I have no confidence in W.E.B. and I will therefore support the proposition in its entirety.

3.1.5 Senator B.E. Shenton:

I note that Deputy de Faye has moved on to the next item. I am not as angry as Deputy Power concerning this proposition but I do have a number of concerns. Before I was elected as a politician I sat next to the chairman of W.E.B., who was then in the States, at a fairly insignificant function. In my usual tactful way I asked him how he squared up with being a large retailer in St. Helier with also sitting on Regulations and Undertakings whereby you see all the applications for new retail in St. Helier. Obviously he said that he had no problem with it because if there were any applications for retail, he would not take part in the decision which technically is fair enough and is the correct way to respond. Personally - and I am on the board of the co-op so I am obviously involved in retail in that way - I would have had problems sitting on Regulations and Undertakings because although I could remove myself from any decisions being taken with regard retail, I would be made aware of information which would have been very useful to me.

Senator P.F.C. Ozouf:

Can I just ask the Senator to give way?

Senator B.E. Shenton:

Yes, Senator.

Senator P.F.C. Ozouf:

It may be helpful for the Senator to be aware that the former Economic Development Committee and Industries Committee have a protocol whereby officers did not even circulate papers in relevant industries to members of the committee. Deputy Voisin would have I am sure - as I am aware - not been even made aware of applications in which he had a conflict. So information was not routinely given to anybody on the committee in which they had a conflict.

Senator B.E. Shenton:

I have no wish to insult the chairman of W.E.B. I think in many ways this debate is very unfair on him because he does not have the right to reply other than through the other directors of W.E.B. What I am trying to get the point across is there are different perceptions of conflict of interest. We all go through life with perhaps different ideas of what is and what is not a conflict of interest. Certainly as I mentioned before, I am on the board of the co-op, therefore, similarly I would not want to sit on the board of W.E.B. simply because the Waterfront Enterprise Board will have to deal with a certain amount of business to do with retail on the waterfront and it would be wrong of me to be sitting there with my co-op hat on deciding whether we have another supermarket or store or whatever. Senator Vibert mentioned G.S.T. there but G.S.T. does not really affect my position on the co-op because G.S.T. is a tax on the consumer and it is a cost to the retailer.

The Bailiff:

Let us get back to the [Laughter] ...

Senator B.E. Shenton:

Sorry. Absolutely. Anyway as I was saying, I would not sit on W.E.B. because I would feel conflicted because I have retail experience. Now when the chairman of W.E.B. was elected, I voted against his appointment primarily because I thought he was conflicted to become chairman of W.E.B. bearing in mind his influence or ownership of a large portion of St. Helier retail. Furthermore, we must remember that the proper appointment procedures were not followed on his appointment. It was rushed through as an interim measure and it very much reminded me of a sort of gin and tonic and a cosy club type arrangement as opposed to a proper, professional appointment. So there I am as this politician already with the view that the chairman of W.E.B. is conflicted. Then along comes knowledge that he is also chairman of Allied Irish Bank which is providing, or would like to provide, funding to the waterfront. They have said as much in the PwC report. When the PwC report lists the people providing funding, it is not an alphabetical list but they do appear at the top. The argument is that he is chairman of A.I.B. (Channel Islands) wholly owned by A.I.B. plc, therefore, the ultimate ownership of the company through the shareholders is exactly the same. The argument that because it is Jersey and the funding is coming from Dublin is totally and utterly ridiculous. By the same measure you could say that he could become chairman of Harcourt Jersey but he would not be conflicted because the development is being undertaken by Harcourt in Dublin. Now you also have to remember that with regards W.E.B. the public perception is a little bit clouded by the fact that the previous chairman acted as a consultant for Dandara before taking on his chairmanship. So, on that basis, I will be supporting part (b) of the proposition. The chairman is conflicted. I do not care what the law says, he is conflicted. With regards the removal of the States directors I shall not be supporting that. I believe that Senator Routier and Deputy Huet were badly let down by the people at W.E.B. I think they were let down by their chairman and also the Council of Ministers last Thursday. I think I insulted Senator Routier enough [Laughter] that I would not want to continue it. I do think they were badly let down. As Senator Perchard has already said, he was totally unaware of the conflict and I believe he did do the right thing in stepping down. I believe that we have to look for accountability and I believe that the chairman of W.E.B. is not appropriate for the job at this time.

3.1.6 The Deputy of St. John:

I will use 3 words to describe what I think we are debating here and that is perception, good governance and accountability, none of which I think are looking too great in this instance. I think perception is a very important thing regarding the public's perception of what is happening in this House at the moment. This is another example whereby we are doing nothing to perhaps change that perception by not supporting this proposition. I was fascinated by Senator Perchard's chronology of events here and I think it is a very good summary of why perhaps we are where we are. Members have a piece of paper in front of them. It is very clear that the chairman became chairman of A.I.B. in March 2007 and in 2007 again in May suddenly a letter was received by Allied Irish Bank expressing their interest in involvement in the West of Albert development. That

is in the public domain so public perception is: "Hey guys, this looks a bit odd." Is this good corporate governance? I think not. Deputy Power spoke about lack of policies and procedures in reference to the corporate governance of this company, W.E.B., suggesting that their register of interest was not kept up to date or even viewed particularly seriously. That to me, Sir, says a poor view on corporate governance in that particular organisation. This is a company that is wholly owned by the States of Jersey that upheld good corporate governance as a central part of everything that we do in the States and yet here we have a company that has been accused - whether it is proven or not - of not having such high standards of corporate governance and some evidence that that is the case. That concerns me greatly. I think it is very unfair on the chairman that this has occurred because I, like many Members, here know the individual and I would say the same things about him that others have said today. But I am sorry, Sir, the buck stops at the top with the chairman in all sorts of organisations and sometimes it is very unfair but he is responsible for the actions of his board. He is ultimately responsible for the actions of his board. I would say in this case there has been poor corporate governance and there has also been a lack of accountability. Now during one of the debates we have had here in the last couple of days, Senator Syvret - who may be in some people's bad books at the moment - spoke quite eloquently about accountability and about the fact that the Chief Minister had already defended his position on this issue and it was generally acknowledged by Members that he had been let down by the people that provided him with information or not provided with information. Senator Syvret suggested that the people that did that should be accountable. The accusation here is that very body is the directors of W.E.B. and the buck stops with the chairman. I think if we want credibility in the public's eyes then I think the honourable thing to do would be as Senator Perchard has done and resign. **[Approbation]** It disappoints me greatly that sometimes these decisions have to be made in the best interest of that company, of its shareholders which is the people of Jersey and the States of Jersey. That is the honourable thing to do. This is not uncommon across the world, across commerce and across governments. There are things that other boards around the world and in Jersey have fallen for lesser than this. But this, I am sorry, has the public perception of a little bit of a scandal, of poor corporate governance, poor accountability and I think somebody needs to bring to book. In this case it is definitely the chairman and in my personal view it should be the entire board. A clean, blank sheet of paper should be brought out and we should move on. You have already said, Sir, that that is possible in a short period of time. Companies have to be fleet of foot, they have to move quickly sometimes. We should be demonstrating that we can do exactly that. I think we should be asking for resignations here and very quickly finding replacements or asking those Members to put themselves forward for reflection and send out a strong message to the public that we are taking this matter very seriously and we uphold very, very high levels of corporate government in everything that we do. **[Approbation]**

3.1.7 Deputy J.A. Martin:

I have no problem supporting part (b). As has been said, we had a very heated debate in July 2006 and I do not really want to quote but I just remind people that we had to go into camera because it was getting quite personal. Deputy Ryan did ask at the time why this had not gone through the proper channels, the Appointments Commission, as the past chairman did and, at that time, there were several people who applied, all good people with the right credentials who applied when the Senator of the States retired from the chairmanship or was asked to leave, I think we discovered. So that was one. There was no Appointments Commission. All the way through the debate, we were told: "No, do not worry, trust me again, this will only be for a few months and there will be a proper process followed" and I just quote. When we came out of camera, it was the Deputy of St. Peter who said: "On a point of clarification, if I may, could I just ask the Chief Minister to confirm that no matter what happens in September, either if we have a new system of W.E.B. or the old system of W.E.B., a proper system of choice will be made for the new chief." Senator Walker, in answer to that, said: "I absolutely confirm that the answer to that is yes." We are now 2 years down the line and I have asked since in 2 oral questions when will there be a proper appointment of the

chairman of W.E.B. So we only have ourselves to blame because, as Senator Shenton said, it seems in the speeches we did go into camera but what I can remember, and it was said out of camera: "Well, we want this new chairman" - I will not say the name, Sir - "because as the Minister for Planning has said, he is a very nice guy and he feels he can work with him very well." Well, that is very good but if it had been done properly, Sir, there are probably other people out there who the Minister for Planning probably could have worked with and we would have not been in this position today. There were only, I think, 10 people who voted against and 2 abstentions and I was one of them. I was not convinced and poor Deputy Baudains - he can defend himself - but again he was castigated by the Chief Minister for saying: "Well, look, fellow States Members, look at the proposition. Do not listen to what we are being told. Look at the proposition. It says to appoint the chairman of W.E.B. for the next 3 years to 2009." The Chief Minister's reply to that was: "Again, I am disappointed, Sir, with Deputy Baudains. Tell me somewhere whenever I have said in this House that I have not delivered." Well, sorry, Sir, I have just given that example. We were promised in September of 2006 that there would be a proper appointment. It may have been this chairman. It would have gone through the proper channels. I never liked the way it was done. I do not like the performance so far. Somebody is to blame. I am not sure how I am going to vote on part (a) because I do not really want to vote out the States Members but I think they are mad to be still sitting there the way they have been treated by the board of W.E.B. **[Laughter]** They have a proposition from the States to get rid of them and we asked questions of the States Members at the W.E.B. meeting the other day. I am not sure if they did know about these court cases if they had read the PwC report but if they had not, I am very surprised that they were not kept really informed because, as I said, Sir, W.E.B. is supposedly wholly owned by the States. In the last couple of days, that has all turned around and we are now told W.E.B. is a limited company, it has shareholders which, again, is supposedly us but it seems to be acting more and more like a commercial company. I do not have a problem, I know that we have to get the best deal for the waterfront, but we certainly do not have the best people delivering that deal. I have no problem voting for part (b). I need to hear a bit more before I decide for part (a) but, as I say, if I was either one of the 2 remaining States Members on the board, sorry, Sir, I would have gone long ago. W.E.B. do not deserve good hardworking States Members on that board, the way they have treated them.

3.1.8 Connétable D.J. Murphy of Grouville:

I am a bit like Deputy Power but I am not angry, I am cross and I am cross mainly with Deputy Southern who has phrased part (a) in such a way that I cannot vote for it because if I vote for it, the company will probably stop dead in the water without a new director and be left rudderless, for want of a better word, so I am waiting for somebody to come up with a solution to this problem.

Deputy K.C. Lewis:

If the Constable will give way, I would like to point out to him that you have offered a solution, Sir, on the interpretation of Standing Orders.

The Connétable of Grouville:

I am sorry, I do not hear the solution yet. On part (b), I have no problem whatsoever. The chairman should resign. I am sorry, the evidence has been placed before the House. I am not going to go into it any further at all. He should resign and basically I think the 2 States directors should resign as well and offer themselves for re-election as and when we can reappoint 2 other directors. **[Approbation]**

3.1.9 Deputy S.C. Ferguson:

This is a bit of a western proposition; shoot from the hip. It is fairly obvious that there need to be reforms at W.E.B. and, indeed, this is supported by the report by the Auditor General. It would seem, though, that to evict all the directors in haste may not be in the best interests of the Island. We do need to wait for the final report by the Auditor General - and he is working on it already -

before we discuss the reforms. It is clear from his report that the set-up of W.E.B. is faulty and needs addressing, for example, the conflicting accountabilities, but if substantial amendments are undertaken, it will require a further proposition and debate in the States to approve any changes which would include amendments to the Memorandum and Articles of Association. We must also consider whether the structure of W.E.B. is appropriate. Is there sufficient accountability by the organisation itself? Should the organisation be accountable to the property experts who already exist within the States system? Is there sufficient depth of high-level management and expertise within the organisation? Is the current structure appropriate? These are all questions to be considered. Some of the possible answers will be in the Auditor General's report. Some will come from the Council of Ministers, possibly Scrutiny and, of course, it will be subject to the legal review by the Attorney General. As for the chairman, as the Auditor General says, he was unwise. I would suspect that possibly his letter may well be in the post already, but to return to the western theme, the problem is that if we have a wholesale lynching party in a hurry we may be hanging the wrong parties.

3.1.10 Senator T.A. Le Sueur:

I have the feeling that the States is in danger of making a current unsatisfactory situation even worse by taking a hasty decision. The appointment of directors of any company is not a thing to be undertaken lightly. The responsibilities of directors are considerable and to select a director for a job as important as that of the Waterfront Enterprise Board requires a careful, clear and thorough selection process. To suggest that we could achieve that in the space of 2 weeks is, I am afraid, wishful thinking. The appointment of directors is not a 5-minute job or even a 2-week job, not if we want to have the sort of directors which we need if we are going to have an effective Waterfront Enterprise Board. Whether that board is structured in the way that the current one is, which I think many of us would say is unsatisfactory, or whether its structure is improved as a result of the final report of the Comptroller and Auditor General or whether it is improved by a proposition of this House, in any event, the directors of that company need careful, mature consideration; consideration, as has already been said, which will be overseen or vetted by the Appointments Commission and, I repeat, that will not happen between now and the end of this month. It cannot happen between now and the end of this month if it is going to be effective. If Members turn to the comments of the Council of Ministers issued yesterday or this morning, they will see that the final page of that document contains a press release from the Waterfront Enterprise Board in which the chairman has effectively resigned. He has indicated that he will resign but he, likewise, appreciates the need for due process and he says that once that selection process has been done, once we have achieved what we did not achieve perhaps in the past of a thorough proper process, he will immediately stand down forthwith. It is up to us to ensure that that process is set underway as soon as possible in order that we can improve upon a situation but, at the moment, while the resignation of the chairman may be a desirable thing, the timing is not for the moment. It is when we have a proper Appointments Commission in place to appoint that chairman and perhaps new members of the board as well. That remains to be seen, and we have to await the Auditor General's report. What I am merely suggesting, Sir, is at this stage to make a decision this afternoon to remove the chairman or the existing directors would not be a suitable step. It would not make for good government. It would not improve W.E.B. While I am on my feet, I would just say that the summary timelines prepared by Senator Perchard are, of course, very helpful but, of course, there may be other issues which are not on that paper which are also relevant. The fact that not only have Allied Irish Bank written a letter to whom it may concern but so did all the banks and institutions who were prepared to help Harcourt, and I think to single out one bank is perhaps unfortunate, even though I do appreciate that that bank has a relationship with the chairman. **[Laughter]** It is merely raising an issue which in this context is not entirely relevant but that, Sir, I think is secondary to the main issue that the appointment of directors requires far more mature judgment than simply a snap decision to be taken in a matter of days.

3.1.11 Deputy J. Gallichan of St. Mary:

I would echo a lot of the sentiments of the previous speaker just put forward. There is no doubt that there are very serious questions to be asked and I would like to make it clear that I voted to move on to the next item for one reason only and that is the fact that I believe that part (a) of this proposition would have extremely undesirable consequences. It is like medieval medicine, Sir, where sometimes the remedy is just as dangerous as the illness. The board of W.E.B. has been structured in the way that it has, at least in theory, to seek to provide a balance between expertise and States control. It is not good practice to leave the board depleted for a period of at least several weeks, especially when the only directors being removed are those who are the States Members. I have seen the tension that arises when boards which have been structured in such a way become destabilised, even for short periods. I would ask Deputy Southern, who has already brought up the issue of proposals at short notice, if there was some way that he would see fit to withdraw this and to bring it back in short order for consideration without the full notice period. I can assure him that I for one would support that but I consider part (a) to be extremely dangerous as it is now. There is no doubt in my mind, however, about part (b). I have no knowledge of the chairman personally and I have never really dealt with him but that is not the issue. The issue is something that came home to me when we were recently debating certain reforms to the Public Elections Law and I think it was Deputy Hilton then who said it is not only a question of being whiter than white. It is a question of being seen to be whiter than white and to everything that you can do to be seen to be whiter than white; and I believe that probably this failure to disclose was nothing more than an error of judgment but it was a serious error of judgment in an environment where we are looking for clarity and transparency all the way and I think that issue, in my mind at least, is clear. But I am extremely concerned with the proposition as a whole that Members would adopt part (a) for, I believe, the best of reasons, because I certainly do agree. There are extremely serious questions to be answered but those questions do not lie solely at the feet of the States-appointed directors and that is the issue. What we have to tackle here is the board as a whole and the structure as a whole and I certainly will not be supporting part (a). As I say, part (b) is a different matter.

3.1.12 Connétable M.K. Jackson of St. Brelade:

I rise, Sir, to comment on the Deputy's proposition which I think may have merit. My principal gripe is that this Chamber and the Chief Minister particularly were misinformed by W.E.B. and I regard this, as do others, extremely seriously and feel that the respect in which we have been held by the W.E.B. board is somewhat wanting. It must be clearly understood who is boss and, in this case, in simplistic terms, the States of Jersey, this Chamber, is boss. The board of W.E.B. is made up of people of the highest integrity. The perceived conflict of the chairman is, in my view, Sir, really a bit of a red herring by those who wish to undermine the scheme. However, my concern is that even with the clear errors of judgment, mistakes, breakdown of communications, call it what you will, they appear to have done very little to address the misinformation issue in this House. I would have imagined that the board would be kept informed by senior staff at their regular monthly meetings but it would seem that, in the last month, they have failed to do so. I would have expected the board to have reacted immediately after the 5th June debate or 6th June to the blatant failures within their structure and suggest, Sir, that had I been on the board, there would have been cleared desks by the next day. Gross incompetence are words which spring to mind and a simple apology to the Chief Minister is in truth, Sir, just not good enough. If I may draw a parallel, Sir, many years ago, I recall a situation in my line of business where a painter who had been assigned the task of working on the interior of a yacht was found by the yard manager to be fast asleep on board the vessel instead of working. The manager went ashore, collected the employee's card from the office, returned aboard and placed it on the painter's chest to be found upon awakening. Rough justice, Sir, but in the present situation, where the W.E.B. board are acting in a hard commercial world dealing with highly litigious individuals, they cannot carry dead weight and I need to see some action to restore my confidence in the board. No more wishy-washy excuses and I await further contributions to this debate, Sir, with interest.

3.1.13 Senator F.E. Cohen:

As Members will know, I have had tough times with W.E.B., particularly around the time of my appointment as Minister, and there has been, particularly at that time, no love lost between us. However, I find the process of humiliating people deeply distressing and that is what I believe we are engaged in presently. Senator Routier and Deputy Huet are honourable, decent people. In fact, you would be hard pressed to find 2 more trustworthy Islanders steeped in the tradition of public service [**Approbation**] to carry out this important task as directors of W.E.B. They are honourable, good people and they deserve our support. They certainly do not deserve to be removed as directors of W.E.B. The current chairman of the Waterfront Enterprise Board, a former Deputy, is also a good man and a man of great integrity whom I have known for many years. He has indicated that he is prepared to stand down when the Comptroller and Auditor General's review is completed. We all make mistakes. I make lots. His mistake was minor and it was certainly not corrupt and we all know that. He does not deserve to be effectively sacked when he has given notification of his intention to stand down. I therefore will not be supporting either part of the proposition.

3.1.14 Deputy R.C. Duhamel:

Very, very briefly, Sir, just to offset some of the speeches that were starting to build up with a momentum that was in some ways predictable that to go with part (a) means that we are going to find ourselves predictably with our backs against the wall and unable to make sensible decisions to find replacement members for the ones that would be standing down. In particular, the Minister for Treasury says that the appointment of directors is something that takes mature reflection. Well, yes, it probably does and probably would do in the case of a replacement for the chairman of the company but that is not the case for replacement of States Members, absolutely not. We have heard from the Chair that we could quite easily introduce an amendment today to substitute those Members who would be standing down with 2 or 3 other Members drawn from within this House, Sir. It is very, very simple to do. It is not rocket science and I think we should all become rocket engineers.

3.1.15 Senator F.H. Walker:

Although it is not the principal thrust of the report and proposition as drafted, I think it is clear from the way the debate has gone, and a number of the speeches in particular, that the main point of concern is the perceived conflict of interest that the chairman has between his role as chairman of W.E.B. and that of chairman of Allied Irish (Channel Islands). Sir, can I say that I accept - and I know the chairman accepts - the Comptroller and Auditor General's report in full. That report essentially makes it clear, and I absolutely agree, that the chairman made a mistake. There is no question at all. He should have declared his chairmanship of Allied Irish. In fact, he should have asked the board of W.E.B. before agreeing to accept it. That is best practice in the private sector with which, having served on a number of public company boards, I am well aware. He did make a mistake and I think it was a genuine mistake and I am pleased that I think virtually every speaker is not questioning his integrity because certainly I do not think that should be brought into question. I think he was very silly in overlooking his responsibilities and best practice in ...

Senator B.E. Shenton:

Can I just make a point of order? Just a case that he has not notified the board. The board have to sanction that there is no conflict there. Neither was done.

Senator F.H. Walker:

That is not true because the Comptroller and Auditor General has confirmed that the Companies Law has not been broken. The Comptroller and Auditor General is very clear in his report that the Companies Law has not been broken so it is not a question of he had to do whatever. It is, I accept fully, a question of he should have done. There is no question about it. He should have done it. But I can tell the House that I have spent a considerable amount of time over the last 3 or 4 days in discussing with the chairman whether or not he should resign. In fact, I have gone further. I have

even considered - because that is, in effect, what we are discussing today - under the powers of direction that I have available to me, whether or not I should dismiss him myself in advance of this debate. When I was considering that, and if I was to seriously take it on board, what I have to do, and what this House has to do because we are looking at sacking him, is to decide whether, indeed, the punishment, which is the most serious sanction one can apply, fits the crime. Now, I concluded that I could not, in all justice and in all fairness under my powers of direction, sack the chairman for the crime he has committed, the crime of non-disclosure. What I also had to consider is the fact that he has apologised, he has accepted that he should, could and should have done things better and furthermore what I have to consider is whether the dismissal or indeed the resignation of the chairman is in W.E.B. and indeed Jersey's best interests. In coming to that conclusion, I have to look at the chairman's record, the record of the board under his chairmanship, and I have to look at the future best interests of the board and Jersey in terms of how they fulfil their duties. I came to a considered conclusion that I could not justify dismissing the chairman. I came to that conclusion because, as I have said already, the Comptroller and Auditor General confirmed that under the Companies Law, there is no conflict and he has not broken the Companies Law and there is no suggestion in the Comptroller and Auditor General's report that the chairman should be dismissed. The fact that he has not broken the Companies Law is also endorsed by the legal opinion obtained by the board of W.E.B. in the last week or so. I do accept that perception is of huge importance but so is natural justice and fairness and I have to look at the record of the chairman, as do Members overall, but I was amazed when Deputy Southern said perception is everything and the Comptroller and Auditor General's opinion does not matter. Sir, that is exactly what Deputy Southern said and I carefully noted it. The Comptroller and Auditor General's opinion does not matter so we throw out all the expert learned advice we receive and merely take decisions based on perception. Now, I am not diminishing the importance of public perception but nor should we diminish the importance of the expert advice we receive. Sir, dismissal is ...

Senator B.E. Shenton:

Sorry, the Comptroller and Auditor General ... there are only 2 lines on Companies Law and I think by just reading out the first line, the Senator may be misleading the House. I wonder whether he would read out the second line as well.

Senator F.H. Walker:

Gladly, sir. What is says is: "I do not regard this conflict of accountability as a conflict of interest for the purposes of Companies Law. Thus it is not a conflict that requires disclosure." This does not mean, however, that the conflict is not real and does not present difficulty, and nothing I have said suggests otherwise but the fact is the chairman did not breach the Companies Law. He accepts, as I accept, that he has made a mistake and the question is here, taken overall, whether the punishment fits the crime and whether his dismissal is in the best interests of W.E.B., the waterfront and for Jersey. Because it is the most serious of sanctions, we must be convinced that it is indeed a punishment that fits the crime. As Senator Routier said, the chairman only agreed to take on the job under pressure from me. He only agreed to take on the job on an interim basis. He certainly did not agree to take it on because he needs the money and he certainly did not agree to take it on because he needs the hassle of having effectively a public sector chairmanship, because he is not the first chairman of W.E.B. that has come under a severe hammering on the floor of this House and you have to be a brave person indeed to want to set foot in any such position in this day and age. He took the job as a service to his Island. He took the job in a public-spirited way. Let me just take the House back to what the situation was when he took over. He took over W.E.B. after the previous chairman's term of office had not been extended with a great deal of adverse publicity attending on that as well, and he took over after the resignation of the then Chief Executive, so he inherited a position where there had not been a chairman for a while and there was no Chief Executive so it was a company in some disarray. He took over a rudderless ship. Now, what is his record and the record of the board since then? He and they have done a great job in

giving W.E.B. leadership. Now, I see Senator Perchard shaking his head but he, until 2 weeks ago, was a member of that board and is an enthusiastic supporter of the Masterplan that has come forward in the development of which the W.E.B. board has played a significant part. It is not solely down to them, of course, but they have played a significant part.

Senator B.E. Shenton:

I did shake my head but was just on the chronology of events. The rudderless ship, as described by the Chief Minister, was not the case. It was a transfer instigated by the Council of Ministers from one chairman to another.

Senator F.H. Walker:

Yes, Sir, but I also referred to the fact that W.E.B. at that time did not have a Chief Executive because the then Finance Director left shortly afterwards, so it was a rudderless ship. There was no Executive in place at all and the current chairman has done a very good job indeed in moulding the board in replacing the empty positions of the Executive and playing a major part in bringing forward the Masterplan which we have overwhelmingly approved a couple of weeks ago and, in effect, again today. One of the most pressing reasons, I think, for not sacking him today is that, as other speakers have said, he is going anyway. He has confirmed in the press release and he has confirmed to me personally and the board of W.E.B. that he is going anyway. He will go when the Comptroller and Auditor General's final report is received, which is due in September. So for a matter of a few months, we are looking at sacking him and not derailing - I would not go that far - certainly not destabilising but affecting adversely the leadership of W.E.B. and the drive towards creating the waterfront that we have so overwhelmingly endorsed. So we have a choice. We sack him today and then we have to find a new chairman who will take over the reins at a most crucial time in the company's development, or he goes anyway in a few months' time after the Comptroller and Auditor General's report has been received in an orderly manner, giving plenty of time to find a successor and my view is that, whatever the outcome of today's debate, we should start advertising for that successor immediately because it is going to be a short time before a successor is appointed and it has to be. So all this report and proposition will achieve is to sack a chairman who is going anyway in a few months' time, and I ask Members to seriously consider whether that is indeed in the best interests of W.E.B., the waterfront and indeed of Jersey. But Sir, the report and proposition primarily focuses on the handling of the PwC., the PricewaterhouseCoopers report and in this respect, neither the chairman, nor any other board member, has in any way failed in their duty. The conclusion of the PwC report was proceed with caution and that is exactly what the board of the W.E.B. are doing; proceed with caution by getting bank guarantees, an up-to-date due diligence report and insisting on many other securities and guarantees along the way.

Deputy S. Power:

Will the Chief Minister give way for a minute? Can I ask the Chief Minister if he is going to deal with the situation that happened 2 weeks ago, that he was essentially misled, the Assembly was misled, and that is part of the public perception of the problem?

Senator F.H. Walker:

I know jolly well I was misled and, as I have said, I am hopping mad. **[Aside]** Yes, I am angry. **[Laughter]** The actions of being misled, the repercussions of that, any action taken on it is a matter for the W.E.B. board, that is a matter for them. My views have been very firmly and forcibly expressed, both publicly and privately, but we are not talking here about the Executive as such, we are talking about the chairman and we are talking about the 2 States directors and in the context in which I had started to speak, we are talking here about the relevance of the PricewaterhouseCoopers report and taking that which is the major thrust of the proposition, the board have not failed in their duty in any shape or form at all. Proceed with caution was the conclusion of the report confirmed by the Comptroller and Auditor General, exactly what the board of W.E.B. have done. So any suggestion that the States directors have failed in their duty, which

clearly they must have done to deserve sacking as part (a) of the proposal suggests is completely fallacious, totally and completely wrong.

Deputy P.V.F. Le Claire:

May I ask the Chief Minister to confirm that part of their duty was to register their interests?

Senator F.H. Walker:

Part of their duty was to register their interests, okay. That is not what this is about. This is about whether they disclosed information or whether they should have disclosed information contained in the PwC report. Read the proposition. That is exactly what the major thrust of the proposition is and the States directors, and indeed, the non-States non-Executive directors, have not failed in their duty in any respect whatsoever. They have proceeded with caution exactly as the PwC report recommends and the Comptroller and Auditor General confirms. Sir, both the States directors and the non-States non-Executive directors have not done anything whatsoever to deserve sacking. They have done a very good job in again playing their part in bringing the Masterplan forward for consideration by this House. To sack the States directors now would, as other speakers have said, merely lead to upheaval, merely lead to disruption within the company. What is the point and why, because nobody has come up with any evidence to suggest that they failed in their duty, rather the reverse. I pay tribute also to the States non-Executive directors, very much so, and I endorse earlier comments, but I also pay tribute to the non-States non-Executive directors because they certainly do not do it for the money and they have been prepared to put in a great deal of effort and contributed an enormous amount on the Island's behalf. Conversely, if the States non-Executive directors should be sacked - if they should and they should not - but if they should be sacked as the proposition suggests because they have done their job in relation to the PricewaterhouseCoopers report, then the non-Executive States directors should be sacked as well because the board as a whole takes responsibility. But, in fact, I repeat, they have done nothing wrong in this context at all. The error here, the mistake, the crime, call it what you will, the only real one is the non-disclosure of the chairman of his chairmanship of Allied Irish and that is not a responsibility which should be laid at the feet of either Senator Routier or Deputy Huet. They have not, I repeat, failed in their duty at all. So, Sir, I very much hope, and I get the impression, that Members in the main will not support part (a) of the proposition and there is no justification for them to do so. Part (b) is obviously the tricky one because of the perception of a conflict of interest and the fact that the interest in Allied Irish of the chairmanship was not declared and the question there is not whether an error was made, not whether a mistake was made, whether a crime - I use "crime" in the loosest sense - not in any criminal sense legal sense, not whether any of those things were committed. They were. The chairman was very silly in not disclosing his interest. Of that I have no doubt at all but does that justify, given the record that he has of leading this board forward in terms not just the Masterplan but consider the new bus station, consider the offices on the annex, consider Liberty Wharf currently under development, consider Castle Quay where the building, I think, has just started. All projects brought forward by the board of W.E.B. which look to be very successful and very much needed projects for Jersey. So against that record, does the punishment of sacking fit the crime? That is the question that Members are being asked to decide. I have thought about it as fully as any Member of this House, and I mentioned earlier I have discussed with the chairman his resignation. I have even considered using my powers of direction to dismiss him but I have concluded, taking everything into account, not least his record, not least the best interests of Jersey, that for the sake of a few months when he will go anyway, his dismissal is not justified.

3.1.16 Deputy R.G. Le Hérisier:

When Deputy de Faye moved his motion, I have to admit the spirit may have been willing but the flesh was indeed weak and I was prepared to support him because I thought this House was really reaching waterfront saturation point. One of the reasons we are still here, as we have passed waterfront saturation point, is that and it has been very evident since Senator Walker's speech, he has totally avoided the blindingly obvious. There is no doubt that there is a culture of the cosy club

and we have had a lot of talk of nice people. There are a lot of nice people, there are very nice people. Once somebody has been defined as a nice person, they are incapable of doing anything wrong in terms of conflict of interest. That probably started, Sir, despite the disavowal from Senator Ozouf, when the Economic Development or the old Tourism Board used to operate and there were always murmurings that there were people on these bodies who had substantial interests in the industries which they were regulating or which they were promoting. While they may not, as the Senator said, Sir, have seen the relevant papers or whatever, there was no doubt they were privy to pretty strategic and crucial information about that industry which could have been to the detriment of their competitors or that was at least how it was seen. That culture, Sir, sadly, is what has infiltrated other parts of this Government and that is the issue with the chairman, Sir. He is a wonderful person. Of that, perhaps, I have no doubt. As Deputy Martin said, the appointment process basically has led us to where we are today. It was rushed and here we have, Sir, Senator Le Sueur going on about we must do things carefully, we must do this, we must do that. I do not recall him giving that speech, Sir, when the chairman of W.E.B. was appointed. **[Approbation]** Why did he not give us that speech then? There was this conspiracy quite clearly to rush things through because people, it appeared, were not getting on with each other and the situation had to be rectified and it has led us to this situation. I am embarrassed, Sir ...

Senator F.H. Walker:

May I make a point of order?

Deputy R.G. Le Hérissier:

No, I will not take it Sir. I am embarrassed, Sir, for the chairman of W.E.B.

The Greffier of the States (in the Chair):

It is a point of order, Deputy.

Deputy R.G. Le Hérissier:

If it is a point of order.

Senator F.H. Walker:

The point of order is that the Deputy has used the word “conspiracy”, Sir. I do not believe that that is appropriate language.

Deputy R.G. Le Hérissier:

I thank the Chief Minister for drawing people’s attention to the use of the word **[Laughter]** which hopefully will give it greater publicity. I will carry on.

The Greffier of the States (in the Chair):

On the point of order, I think, Deputy, you should perhaps specify the sense in which you mean the word “conspiracy”.

Deputy R.G. Le Hérissier:

I mean conspiracy the operating of people with similar values who may intentionally or otherwise support certain decisions which they would not separately support. **[Approbation]** **[Aside]**

Deputy G.W.J. de Faye:

Is that consensus, Deputy?

Deputy R.G. Le Hérissier:

Yes, thank you, just like consensus. You see it and then you do not see it. What I would also like to say, Sir, is we have reached this situation. The Chief Minister has taken one of Senator Syvret’s debating techniques. He has drawn extreme positions and said: “How could you agree with this

extreme position”, i.e., a crime. He used the word “crime”. None of us would dare to use that word. The face-saving solution, Sir, was quite an easy one. The chairman could have said to mitigate Angry of St. Brelade’s comments: “Look, Sir, I feel I may be in an untenable position. In order that I do not put people into a situation of embarrassment, I would like to resign.” That is all that needed to be said. No one would have had to carry specific blame. **[Approbation]** There would have been a face-saving solution to the situation but instead this has been dragged out. The chairman is wrongly being embarrassed when we could, Sir, have dealt with it in a face-saving way. That is where we have led to because of this nice person culture and we have to defend nice people for the wrong reasons and put them, Sir, in embarrassing situations. On the issue of the States directors, I would support the Deputy of St. Mary. I think they are being held accountable in ways that they should not be. The only evidence I would want to see, Sir, is whether they did argue strongly to this House that the advice of the PwC report was to proceed with caution. I cannot remember every word but I do believe that it was handled more as a public relations exercise than as people who were truly representing our interests, but I am quite prepared to be proved wrong on that point. Let, Sir, the chairman graciously resign, not to prolong this agony and to start cutting back on this cosy club culture which has led us to this situation. **[Approbation]**

Senator P.F. Routier:

On a point of order, the Deputy was asking about where it says ‘to proceed with caution’. I do not know if he has a copy.

The Greffier of the States (in the Chair):

I do not think the Deputy was saying that. The Deputy is asking if the States directors had informed the States of that conclusion. I think that is right, Deputy? Did the States directors inform the States of that conclusion?

Senator P.F. Routier:

I said it was a top company. That is what I said; and an experienced developer.

3.1.17 Deputy C.J. Scott Warren:

I voted for this chairman to be appointed on an interim basis. Sir, I do believe him to be an honourable man but, as has been said, he has been unwise. I would suggest to Members that this debate in public has of itself made his position from today onwards untenable. I would be extremely surprised, Sir, if the chairman now wishes to remain as chairman and while we are debating (a) and (b), I also note the provisional conclusion and recommendation on page 17 number 59.2: “States Members should not be members of W.E.B.’s board unless they may serve as representatives of the shareholder” and, for example, it might be thought appropriate that an Assistant Minister from a relevant department should serve as a director of W.E.B. While I am not going to vote for (a), and probably not for (b), the matters that are in the Comptroller and Auditor General’s report must be fully addressed and fully addressed soon.

3.1.18 Deputy A. Breckon:

I would like to say at the outset that I have had the privilege to work in many public and private partnerships with people from industry. I am going back years, trade and industry, school governors and many other things, and I think it is difficult when we get into these areas because the non-States directors are probably embarrassed by this and must seriously be considering their own position because this debate is not their debate and perhaps they are caught between a rock and a hard place here; and I do not think either of them deserve that and I know them both personally. Discussions yesterday were who is to blame and it looks like really we have arrived at this and we are saying: “Well, it is serious but it is a bit of an awkward time, what do we do, how do we get around this?” So the answer to this is probably no one or maybe one person but we have not arrived there yet. W.E.B. appears to be neither fish nor fowl. When you get somewhere, well, States directors have this responsibility, the important thing is this, it is not that, let them get on

with it. I must say at this stage I have some sympathy for directors of all shapes if they have not known what has been going on and other States Members and officers have been poking their nose in saying: "We have this body that is going to do that" and then others have become involved. On the issue of the chairman, I spoke before we went in camera, and I was not comfortable because of the process. I do not have a problem at all with the person. That was not what it was. I had a problem with the process and I would ask Members to cast their minds back. Not that long ago, the Council of Ministers were saying that W.E.B., for heaven's sake, should be responsible for all States property and leases **[Laughter]** so that is the confidence they had in this. Now, that has been withdrawn in the last 10 days or so but, heaven forbid, where would we be if that had happened? We would have been well in the dark with probably over £1 billion worth of assets in somebody's hands and I am not sure I know whose. Senator Walker mentioned the change of the chairman and we have seen that was in August 2006 and it was supposedly for an interim period and, of course, Senator Perchard has clicked on with a clock and he has moved on and he talked about inheriting a rudderless ship. Now, that was in August 2006. We had no Chief Executive, one had left, the other was not in post and I am aware from a reliable source of an exchange of correspondence, and this is in reference to W.E.B., and I did circulate this to Members. The Council of Ministers interestingly have made comments so you would think they are singing from the same hymn sheet here but not very long ago, one of their number was saying: "I have long held the view that the board are neither holding the W.E.B. M.D.(Managing Director) to account or setting a clear direction. They still appear all over the place and I am not even sure they are up to speed with what is going on. They seem disconnected. An example of this fact is that so and so" (who was a civil servant) "is overseeing the negotiation with Harcourt. The reality is Ministers have been acting as shadow directors. This may not be right but it is a reality." Now, the question is, is that true because if I was a director of W.E.B. and that had been going on, then I would say: "Well, I am wasting my time. Why do we have a body that we say is the agency to do this and then all and sundry are poking their nose in and saying we should be doing this, we should be doing that, that is the direction." As a director, I would have considered my position for about 5 minutes if I had been aware of that. The question is who is or who was running the show and I am still not sure. When we ask a question of W.E.B., it is you cannot say that, the directors are States Members, they have a responsibility, we cannot be told that, so where exactly are we with that and I am not sure we have a clear memorandum of understanding of where we are as a Government with this agency that is driving forward a significant development plan for a part of the Island. I am still not comfortable with that in general terms. Now, if there is a reporting problem there, then we need to sort that out and I would say respectfully that it is neither Deputy Huet's fault nor Senator Routier's. It is a fault with the system. I have no problem with them personally and I do not run things on that level. That is not the way I work, so if they have been compromised by this then this is perhaps because they were not given the information and others were acting unbeknown to them perhaps, but perhaps somebody could put me right on this if it is not true. So I think, Sir, there are problems with this but there should be accountability; so how do we deal with that? We are told that it is too late now. We are coming to the end of session. We are in holiday mode. The clock is ticking. It is very unfortunate to do it but I would not suggest for a minute that Deputy Huet and Senator Routier should be the scapegoats here but what do we do? What do we do? Even the chairman perhaps, I know he is driving it on. He has the driving ambition to take this sort of project and perhaps it is unfair to use him as a scapegoat and give him a kicking if others have been involved, and perhaps unbeknown to him, or took him down a particular road, then perhaps how far should he be accountable? I really have a dilemma with this, especially as an end of term thing, and I can see where Deputy Southern is coming from, but I am not really comfortable with any of it and I am really uncomfortable with the W.E.B. that we have. Perhaps we need to look at that and changing that because we have various rules and regulations that people should be doing that but the transparency, Sir, I would suggest for us as a House and individually is not there, and perhaps we need to look at this again. If it is an agency, then it should be accountable, certainly to the Minister for Treasury and the Chief Minister but then perhaps, apart from by invitation, others should keep

their noses out and should let them get on with it subject to approval from this House which has come in part in the last weeks. I am not sure which way I am going to vote, Sir, but I will listen to what perhaps other may have to say.

3.1.19 Deputy P.N. Troy of St. Brelade:

Senator Le Sueur spoke of the lengthy process that someone who is appointed as chairman of W.E.B. would go through, the selection process, which, of course, is via the Appointments Commission, but one of the problems probably is that this candidate did not go through that process and, of course, that is really part of the whole problem because if the candidate had gone through the Appointments Commission process, I am sure that within that process, existing conflicts and advice on future conflicts might have been given to such an applicant. Of course, the other thing that is vitally important here is that the present incumbent was a previous States Member who is fully aware of the States policy on conflicts of interest. It is not as if it is someone who has come straight out of the business community into W.E.B. and was never fully conversant with conflicts of interest as deemed in this government. **[Approbation]** So I think the incumbent has a greater duty probably than any other as he took up this process. I looked at the timeline that Senator Perchard gave us, which I want to go through, because in August 2006 the incumbent became chairman of W.E.B. and in November 2006 the incumbent became also a director of A.I.B. (C.I.) Limited. Then in March 2007, the incumbent became chairman of A.I.B. (C.I.) Limited also. Then on 11th May 2007, Allied Irish Bank's plc, their registered office Bankcentre in Ballsbridge Dublin, wrote a letter of reference addressed to whom it may concern stating that they are keen to become involved in the West development and provide the necessary funding subject to normal terms and conditions being agreed. Then in October 2007, the Allied Irish Bank's plc letter written on 11th May 2007 and referred to just previously, is presented to the board of directors of W.E.B. as part of the PwC Draft Financial Capacity Report. Then on 11th June 2008, the incumbent advises his fellow directors of W.E.B. that he is the chairman of A.I.B. (C.I.) Limited. Then on 11th June 2008 also the incumbent, for the first time as chairman of W.E.B., submits a declaration of external business interest to be included in the Register of Members' Interests. Then in June 2008, all other board members of W.E.B. submit declarations also, and of course we had in there the resignation of Senator Perchard as well. If there had been a prior connection with A.I.B. (C.I.) before the incumbent took up his position at W.E.B., then as he came into the position he would have declared his interest. But the problem here is he became a director of the Channel Island Bank, a member of the board and then chairman of the bank after he took on the W.E.B. position and for whatever reason he did not declare that. I think it is extraordinary that shortly after he took on these positions with this bank it is an extraordinary coincidence that this bank just happens to write asking to be involved in the finance of these constructions. I am in the building and development industry. I do not get banks writing to me every week offering money. I am looking in my post box on Monday morning, I can assure you, because any donations from banks are going to be extremely welcome and I think there is an extraordinary set of coincidences here. Why did Lloyds Bank not write or Barclays Bank or H.S.B.C. (Hong Kong and Shanghai Banking Corporation) or R.B.S.I. (Royal Bank of Scotland International) or NatWest - I did not want to leave anybody out? To me this is an extraordinary set of coincidences and I think that someone who was an ex Member of this Assembly who is fully aware of the conflict policy should have known better.

The Connétable of Grouville:

I have already spoken, but I wonder if I might assist in some way?

The Greffier of the States (in the Chair):

Briefly.

The Connétable of Grouville:

Thank you.

The Greffier of the States (in the Chair):

So long as it is not a second speech, Constable.

The Connétable of Grouville:

No, just explanatory. I was going to say that a lot of us seem to have a problem with part (a), which as we know is going to cause a huge amount of dislocation to the actual company. Would it be helpful if the 2 directors who are left were to offer their resignations pro term until the new board could be sorted out, until the States could appoint a new board and obviously they would have the right to re-offer themselves as directors as well? But if their resignations were available then it might clear up this problem. Thank you.

The Greffier of the States (in the Chair):

It is a matter for them, I think, Constable. I had you down as already having spoken, Deputy de Faye, when you proposed to move to the next item.

Deputy G.W.J. de Faye:

[Interruption] Well, that is not a speech. Well, Sir, if I had known I would have reserved my right to speak. I think that is an appalling situation to find myself in as I was completely unaware.

The Greffier of the States (in the Chair):

Well, that is the rule, Deputy, I am afraid.

Deputy G.W.J. de Faye:

Well, on that basis I would like to ask Standing Orders to be suspended so that I can properly make a speech.

Deputy P.N. Troy:

Once is enough!

The Greffier of the States (in the Chair):

Well, you are entitled to propose that suspension of Standing Orders. Is that suspension seconded?

Deputy G.W.J. de Faye:

Well, Sir, can I just give the reason why I wish to make that proposition and that is I had not realised that by simply moving what I understood to be a procedural and technical motion that that would deprive me of the right to speak in this Assembly and I cherish the right to speak in this Assembly, Sir. I think it is a very important privilege, not for me, but for my voters and the electorate that put me here.

The Greffier of the States (in the Chair):

Is the proposition of Deputy de Faye seconded? **[Seconded]** Those Members in favour, kindly show? Those against? The proposition is rejected. Does any other Member wish to speak on the proposition?

Deputy G.C.L. Baudains:

It seems to me that most Members have been ...

Deputy G.W.J. de Faye:

Point of Order, Sir. I am very grateful to the Deputy of St. Mary who has drawn my attention to item 85 of the Standing Orders

The Greffier of the States (in the Chair):

Well, Deputy, the rule ...

Deputy G.W.J. de Faye:

...which says that: "If the proposal is not adopted the Member who proposed it cannot make a similar proposal." It does not restrict me from making a speech, Sir.

The Greffier of the States (in the Chair):

Well, Deputy, the longstanding practise of this Assembly I am afraid is that it does, so I am afraid I cannot ...

Deputy G.W.J. de Faye:

Well, Sir, I hesitate to challenge you, but these are the most recent edition of Standing Orders and they, therefore, counteract any longstanding traditions that preceded it.

The Greffier of the States (in the Chair):

Well, I am sorry, Deputy, the ruling of the chair is final and you cannot speak.

Deputy G.W.J. de Faye:

You have really upset my afternoon, Sir. **[Laughter]** **[Approbation]**

3.1.20 Deputy G.C.L. Baudains:

All I can say, Sir, is if he would like to pass me his notes, I will do the best I can for him. **[Laughter]** Seriously, it appears, Sir, that most Members have been dwelling on the second part of the proposition regarding the chairman. So, what I would really like to address is my feelings about the competence of W.E.B. and the way that the chairman and the directors have discharged their duties with regard to that because this is not the first in a line of disasters attributed to W.E.B., Sir. Only a few months ago I believe Harbours were put in a difficult position because W.E.B. had had some difficulty with a land transaction with Dandara. There were some car parking spaces that went missing at the harbour. These sorts of slips appear to happen rather too often, Sir. But it does appear that this latest episode really is monumental; it really is the last straw. I have to say, as a certain other angry Member said, Sir, I was troubled by Senator Routier's speech because it gave me the impression that even now the directors are absolving themselves of any responsibility. Even now they pretend that they did their job well and there is nothing wrong at all.

Senator Ozouf:

He said Senator Ozouf. I do not think I have spoken, Sir.

Deputy G.C.L. Baudains:

I was under the impression I had said: "Routier" Sir, but if I had not; Routier. As I was saying, Sir the last episode really is going too far. The directors do not seem to understand that they have not done their job well and the Senator referred to the presentation just last week by W.E.B. Well, I was there, Sir, and contrary to what the Senator suggested I was not aware of any new information. In fact, what we were given was extremely selective which gave the clear impression that the PricewaterhouseCoopers report backed up their position. I have my own notes of the meeting and the first thing I wrote was: "Self-vindication exercise; expected up-to-date revelations, but none forthcoming." I have the rest of my notes here as well, apart from the ones that were issued. Carefully left out of that presentation, Sir, were all the caveats in the PwC report because throughout that report there were notes of caution throughout it and in that report it advised that most, if not all, of the information contained had not been verified. Let us not forget the report was a year old. But of course that did not prevent the directors of W.E.B. using it as if it supported the picture that they were painting. I found that unfortunate. Now, if we go back to the Nevada issue, Sir, W.E.B. were adamant that no such litigation existed, even though it had been filed over a month previously, which of course as we all know allowed the States to be misinformed and the Chief Minister to be embarrassed and, not forgetting, as I have said, the painting of an unreal picture of the PricewaterhouseCoopers report by 2 of the States directors of W.E.B. It appears that

really W.E.B. has no shame because as other Members have, I think, suggested, if I were the chairman of W.E.B. or indeed the managing director I would have tendered my resignation weeks ago. The managing director believed that apparently it was sufficient to rely on Harcourt to advise him of any change in the circumstances and I just find that incredibly naïve. It does trouble me that both he and the chairman continue to refuse to accept responsibility - well, not completely refuse - but they are certainly reluctant to accept responsibility and it does amaze me. Because in the wider issue - and when I say this I am not just relating my comments to W.E.B. - but in the much wider issue the public are tired of mistakes being made and no one ever being accountable. It is always a miracle; it is nobody's fault and that is what really, I think, rankles because sometimes it is patently obvious that people have failed. Why they cannot accept responsibility is just unacceptable. I think it was yesterday - I cannot remember, we have been here so long - I made a comment attributed to the Mayor of London and I have another one here when he was talking I thought it might be appropriate when he was referring to the previous Prime Minister of Britain when he said that: "Trying to pin something on Blair is like trying to nail jelly to a wall; he is a cross between a greased piglet and Houdini" and I do get the impression - well, it is not an impression - far too often, Sir, no one in Jersey is ever held accountable and I really do think it is time that they were.

3.1.21 Senator P.F.C. Ozouf:

Like some of the other propositions that we have been discussing over the last 2 to 3 days I am a little bit sceptical of the motives behind the reasons why the particular individual is bringing this. I fully accept that other Members have genuine concerns. But I do genuinely think that the effect that Deputy Southern is attempting to ensure happens is that W.E.B. cannot continue with their tasks. I am sorry, but that is the view that I take.

Deputy G.P. Southern:

Is he not, Sir, unfairly imputing motives there; just blatant.

The Greffier of the States (in the Chair):

Senator Ozouf, I think you are coming dangerously near to it.

Senator P.F.C. Ozouf:

Okay, I withdraw any suggestion, but I just point out to Members the effect of the proposition that in my view would render it very difficult or at least when it was lodged it would be very difficult. Sir, I have sat in a number of positions in relation to W.E.B. I am not saying that I know any better than other Members, but I do have the experience of both sitting on the board of W.E.B., having been the planning president in a separate position. I have also sat separately on the, effectively, supervisory body of W.E.B. on policy and resources and I will be totally clear to Members that I think that W.E.B. needs reform. Deputy Breckon quoted from an email. Before that email is leaked further, I confirm for the avoidance of any doubt to Members I was the author of those particular remarks. I do not think that Members should find that particularly surprising that I should hold the views that there should be a reform of W.E.B. If Members think about it very seriously; is it right? Do we have a vehicle that is fit for purpose that has seen so much controversy over so many years in terms of its administration? I think that we need to look at W.E.B. Can it be right that we have had a company that has had how many chairmen, is it - is it 4 or 5 - that has been dogged with endless problems. We have to question whether or not that body is fit for purpose. I am very clear that W.E.B. needs reform. I welcome the C. & A.G.'s report, and I think that out of this must come a proper separation between the policy setting arrangements and implementation. Some Members sometimes can inflate the issue and I think some Members think that W.E.B. is a political committee. Sometimes Ministers like to be involved in both the policy setting and implementation. In W.E.B. here we have exactly this unacceptable, I think, unworkable difference or challenging situation whereby we have got policy set as an implementation. I think there needs to be a clear separation. Funnily enough while some Members have concerns about J.E.B. (Jersey Enterprise Board) that was exactly the separation; a separation between the policy setting by a

ministerial grouping and other Members of the Assembly and a non-political implementation board. Sir, this proposition seeks to put in place the most serious of sanctions against directors of a company. So, we are faced with a company that perhaps is not fit for purpose in its arrangements. The firing of a director is the most serious of sanction that is available to a shareholder which effectively is what we are engaging in this afternoon. We are effectively discharging the duties of shareholder and we are certainly going to be instructing the shareholder of what to do. In many ways we are similarly in the position that we were yesterday when we were sanctioning the Chief Minister. A sanction is almost less severe than the firing of a director. I do not think these States directors deserve firing. Their crime, apparently according to Deputy Southern, has been to misinform the States or perhaps misinterpret the PwC report. As Senator Routier has rightly said, the PwC report said: "Proceed with caution." The directors have absolutely done that. I am afraid it is Deputy Southern who is misunderstanding the PwC report. The States directors have discharged their duties diligently and properly and I do not believe the case has been made for their summary dismissal. If he is maintaining the position that the States directors have not taken on board the recommendations of the PwC report then he is going to have to explain some other reasons why the States directors need to be fired. Sir, some Members have said that this proposition will render the board of W.E.B. incapable of discharging its duties over the course of the summer period and that should be a reason not to vote in favour of the proposition. I do not agree with that. I think the decision on both the directors and the chairman needs to be taken on its merits. If the States decide to fire the chairman then we will have to deal with the consequence of it. So, I remove from consideration anything to do with whether or not the company is unable to discharge its duties and we have to consider the case against the chairman. The chairman has transgressed. There is no doubt that he should have declared his conflict of interest. Some Members of this Assembly would believe that we should all be operating against the higher standards and I would agree with that. Some Members of this Assembly would say that Senator Shenton should not have taken part in a debate on G.S.T. I am not saying he is wrong. It was his decision, but there is obviously a marginal case there. He accepted that G.S.T. does affect food retailing margins. Some people would have said that he should have declared an interest in the G.S.T. debate and withdrawn. He did not do so. A matter for him, but again an issue that whether or not there is a right or wrong, there is a debate. Some Members would say that Senator Perchard should not ask questions about composting, being involved in an agricultural business. He would say that is fine. He has got very angry when it has been pointed out that there is a potential perception of a conflict, but did we sanction either of those 2 Members for these issues? There is no doubt that the chairman should have declared his interest in the certain bank; there is no doubt about that. In the absence of a report by the Comptroller and Auditor General having examined the issue, which he has concluded that while he should have declared it there was no contravention of the Companies Law, he has concluded that it has not undermined the decisions of the board in respect of the matters before the board in relation to this particular contract. In the absence of that I may have made a decision to make a further more difficult potential firing of the chairman. But we have before us a report by the Comptroller and Auditor General which basically has given the conclusion that there was not an issue in relation to the conflict of interest. Now, Members have to examine very carefully whether or not in the light of the findings of the Comptroller and Auditor General that transgression while inappropriate deserves the ultimate sanction of firing. I also would have perhaps said that in the absence of recognition by the chairman of an error, that that perhaps too would have been in a position that would mean that we should have fired the chairman. But the chairman has accepted in full the findings of the Comptroller and Auditor General's report. More than that, he has accepted and has already signalled his intention, even before this issue, that he will stand down when the new arrangements, the strengthened procedures in place for the Comptroller and Auditor General are put in place. Now, I understand the world of politics and the need, some time, to have a political scalp. It was interesting over the weekend that we read of the resignation of the Labour Party leader in Scotland. Not many of the newspapers stated that that was for a transgression of £950 for a donation. Clearly a scalp was required. The rough and tumble of

politics in the U.K. and in Scotland is a tough one. Do we think that transgression of the failure to declare the interest in the bank by the chairman deserves the sanction of firing? If Members do, then they are sending out a very, very high standard, which is maybe a good thing. I personally think that the transgression, because it has been examined by the Comptroller and Auditor General; because the conclusion has been that it did not undermine the contracts that have been made available; the chairman has accepted the findings and he will stand down in any event, does not require and does not deserve the ultimate sanction of firing. Therefore for that reason I will not support part (b) of the proposition and for the reasons that I said before I think there is absolutely no case for firing the 2 States directors.

Deputy C.J. Scott Warren:

On a point of clarification, can I ask, in light of everything that is being said about certain people in this debate this afternoon, why we held the debate to reappoint the Comptroller and Auditor General in-camera this morning?

The Greffier of the States (in the Chair):

It is a simple answer, Deputy. It is a requirement of the Public Finances Law.

3.1.22 The Deputy of St. Martin:

The States have got themselves into present difficulties because we keep appointing wonderfully fine fellows and “jolly hockey sticks, old chap.” Because having elected such people we have got to turn blind eyes every time there is a transgression. The mistake this House makes is we do not appoint people who are unworthy characters; those who are in Deputy Duhamel’s black book. Just think that if on W.E.B. we had people like Deputy Southern, Deputy Le Hérissier, Deputy Duhamel, Deputy Breckon, Deputy Baudains or even people like me. It would be no different whatsoever if we were found to have made a similar mistake because we are not wonderfully fine fellows. We would be given the boot. **[Approbation]** In fact, Deputy Le Hérissier was dead right earlier on. He talked about this cosy club. It is quite true; the cosy club culture does exist. So, of course you make yourself feel uncomfortable, and I am glad Senator Routier is back because I was rather disappointed with his speech this afternoon. In fact if I were to say, really it was almost a taint arrogant really because the Senator made a remark that he had not really given much attention to the proposition because his mind was elsewhere. Well, if I was facing a vote of no confidence or the fact of losing my job I would have given every attention to it. I would have been really focused at it, but quite clearly to come to this Chamber feeling quite blasé, I am rather disappointed because I know that he and I have been in the States the same time. I would have expected him to give serious consideration to what I think is a very serious proposition. So, what I would do is welcome the day when we get honourable, fine fellows accepting their responsibility and maybe taking or jumping ship, rather than wait and sit tight and wait for people like us to point out the errors of their ways. I certainly will be supporting the proposition.

3.1.23 Deputy J.J. Huet of St. Helier:

While I promise that I am going to stay, calm, cool, collected and I am not going to let my blood pressure rise, what I am going to do is go back to Deputy Southern’s report which I believe that we have strayed off of this, this afternoon very much. On this report, Sir, there are 2 items that I wish to respond to. The first is the allegation that States Members sitting on the board of W.E.B. - myself being one of them - misled the States in the debate of the Esplanade Quarter which was at page 60; the second, to the suggestion of a conflict of interest of the chairman. In response to the allegations that the States board members of W.E.B. misled the States during the debate, I wish to point out, Sir, that part 2 of the proposition asked the States to consider the following - and I looked it up to make sure this is correct: “(a) To approve the acquisition by the public of the parcels of land and any interest therein comprising part of the Esplanade Quarter site currently vested in W.E.B. Limited or its subsidiaries and in consideration therefore to approve the leasing by the public to W.E.B. Limited of the entire Esplanade Quarter site by way of a lease of 150 years at a nominal

rent; (b) To authorise the Minister for Treasury and Resources to agree the detailed terms of the acquisition and the lease referred to with W.E.B. Limited; (c) To authorise the Attorney General and the Greffier of the States on behalf of the public to pass any contracts which might be found necessary to pass in connection with the acquisition and the lease.” Sir, the States were not therefore being asked to approve Harcourt as the development company to undertake the scheme. Nor were the States being asked to approve the financial deal with Harcourt. The financial information was provided to the States in order to inform Members of the payment that W.E.B., and therefore the public, would receive if the transaction went ahead in order to provide our States Members with the financial information necessary to insist on taking a decision on the land transfer. Secondly, it is W.E.B.’s responsibility under the Articles of Association and in accordance with States decisions of P.156 of 1995, P.45 of 2002 and P.114 of 2005 to enter into negotiations with private sectors developers for the redevelopment of the West of Albert sites and to bring forward transactions for the approval of the Treasury and Resources Ministers. W.E.B. has undertaken a process of due diligence in order to satisfy itself as to the ability of Harcourt to undertake the redevelopment of the Esplanade Quarter. These reports were produced for W.E.B. as consideration and these reports were considered by the board in the knowledge that the heads of terms require the developer to provide bank or insurance company guarantees for the sum of £95 million thereby financially protecting W.E.B. and the public. These are not performance bonds; they are bank guarantees and this is in the name of W.E.B. as the beneficiary, that W.E.B. can call upon if the developer commits on the event of a default. It should be borne in mind that W.E.B. has had a successful relationship with Harcourt in the development of Liberty Wharf since 2005, a project which the bank guaranteed for £9,500 million. The bank guaranteed it. During the debate much focus was placed on a Harcourt area and not to the essence of what part 2 of the proposition was asking. It was considered by Senator Perchard that it might have helped Members to gain comfort if he was able to show the due diligence report that W.E.B. had undertaken. These reports were meant to allay any concerns as while they recommended further work - they did recommend - they suggested Harcourt to be fairly placed financially. Deputy Southern’s proposition focuses on one extract of the report and that has been taken out of context and while this was not relevant to the substance of the proposition, and it is already out of date, it is important that this test should be read in conjunction with the whole report. Indeed, the report itself provides qualifications as to this measure. For example, a range of historic evidence to support Harcourt’s claim that it will be able to secure and contribute the level of equity funding necessary to progress the proposed scheme and Harcourt has demonstrated a significant track record of delivering and financing major development projects. The Comptroller and Auditor General in his review comments: “The basis of which the PwC report questioned the size of Harcourt was the application of a rule of thumb which was meant to show instances in which W.E.B. should show caution in moving forward rather than to suggest W.E.B. should not proceed.” It was always the intention of the board to produce an up-to-date financial report once the decision of the States had been made and before, Sir, entering into any development agreement. This would be an updated due diligence exercise into the financial capacity of Harcourt to fully take into consideration latest projects and commitments and any impacts that the credit crunch and property values may have had on Harcourt. PwC have been commissioned by W.E.B. to undertake this review. This will include a review of the latest published financial information and a more in depth review of management accounts and cash flows, together with a review of current and future developments, liabilities and asset values and contingent liabilities in order to ensure that the company has the capacity to undertake this scheme. In advance of signing the development agreement, W.E.B. will also need to be satisfied that a bank will provide Harcourt with finance and the necessary guarantees to undertake the development of the Esplanade Quarter and will be seeking a confirmation to this effect. Further, Sir, under P.45/2002: “All land transactions that W.E.B. enters into require the sign off of the Treasury and Resources Minister and therefore the Minister will also need to be satisfied that all necessary checks have been undertaken.” Sir, I do not believe that as a States director of W.E.B. that I have misled this Assembly. I believe the extract of the report has been taken out of context. There are a

number of positive statements contained within the report and this report was not necessary for the States to decide to transfer an area of land to W.E.B. The proposition was not for the States to approve Harcourt. Further, the board of W.E.B. was always going to undertake further due diligence before entering into a development agreement with Harcourt. The second item listed in the proposition is the suggested conflict of interest of the chairman. The W.E.B. board - and I, myself, have spoken to them - has sought legal opinion on this suggestion and the conclusion of this advice is the chairman is not conflicted. The Comptroller and Auditor General has also reviewed the allegation and has concluded, Sir, on a strict interpretation the chairman's appointment to the board of A.I.B. (C.I.) did not represent a conflict of interest as defined by Companies Law and that he was not required to disclose a conflict of interest at board meetings at which W.E.B.'s transactions with Harcourt were discussed. He says: "It is recognised that it would have been wise for him to have made such a disclosure." However he also says: "I have found no evidence that his failure to disclose distorted W.E.B.'s decision." The legal opinion, Sir, is even stronger in that it concludes that: "We are of the opinion that the director did not have an obligation under the Companies Law or the Articles to disclose an interest in this transaction." Sir, as a board member I stood firmly behind the chairman and I agree with both the legal advice the company has obtained and the conclusions of the Comptroller and Auditor General that says there is no conflict. I will also point out, Sir, that in the 13 years history the company so far has had 5 chairmen, 18 other directors and 3 managing directors. Consistency, Sir, is what is needed for a company at this critical time in its negotiations to complete the final land transactions and to deliver to the public of the Island a completed waterfront that it can enjoy, and it will provide much needed office accommodation to support our finance industry and residential accommodation. Sir, I would like to repeat the cash return to W.E.B. from this transaction is forecast to be £75 million of which £50 million is a guarantee. Sir, I honestly believe that the board of W.E.B. works hard to ensure that the activities are in the best interests of the company and that they are also in the interest of Jersey and hope that through the Hopkins Masterplan to deliver a development for which the Island can be really proud. This proposition would mean that the company could not operate for a time as we do not know how long it would be that it would not have a board to consider and approve decisions that could in turn lead - I do not know, Sir - maybe to lawsuits at this critical point. I would like to add, Sir, to that, that I could have resigned when Senator Perchard resigned, but if I had done that and if Senator Routier had done that, the board would have been in that position because there would not have been 2 States Members on board; so, you cannot do that. How could we do that and stand here and face you and say: "We have dropped them into it." We could not do that, so I do not think that maybe one did not agree what was happening, but you just could not walk away from it. You have to stand and stand up to your responsibilities and if you decide to throw me off this afternoon, okay, I take that, but I will at least feel that I have stood up to my responsibilities in this chamber and I did not feel that I could be like a Pontius Pilate and run away from something because it was not what I did not like. I did not like what I had, but it was what I got, so I have to take responsibility for it and I do do so, Sir. Thank you very much.

3.1.24 Senator J.L. Perchard:

I will not say much, Sir, because I think much has been said. I was just a little disappointed to hear the conclusion of my ex colleague on W.E.B., Deputy Huet's closing remarks. She will know how hard I worked on W.E.B. and how passionately I believed in the project and the vision for W.E.B. and she will remember how often, when we talk of resignation, she threatened that and I suspected, Sir, that it may come up today, so I brought all the minutes and I will quote them if she wants to challenge me. Not once, but twice was resignation threatened by the Deputy. I did not want to mention it, but I am afraid I am no Pontius Pilate. I have a conscience and I will explain now why I resigned.

The Greffier of the States (in the Chair):

I hope there was no implication there, Senator, that the Deputy does not have a conscience?

Senator J.L. Perchard:

I did not say that, Sir. Now, I have a conscience and I will explain, Sir, why I resigned from the board of W.E.B. I find this debate extremely painful. Members will know that I was passionate about the waterfront, trying to turn W.E.B. around and I think between Deputy Huet - who I have a great respect for - Senator Routier and our non-executive directors, including the chairman, we were doing a pretty good job. There were tensions at the board; of course there were tensions at the board and there always will be because we challenged each other. But, Sir, what I found very difficult recently, and when I made reference to swimming in murky waters publicly, it was as a consequence of coming to this House and passionately believing what I was saying when I looked at Members in the eye. I, Sir, researched this subject with our executives fully. Deputy Baudains raised some new issues with regards to legal disputes with Harcourt in the United States. I went during the debate again and checked with our executives and asked for them to confirm the information they had given me just hours earlier - well, the night before, Sir - and I said: "Are we absolutely sure that he is being mischievous?" and I was told: "Yes, there are no legal disputes in Nevada." I came and joined Senator Walker, the Chief Minister, Deputy de Faye and others in calling Deputy Baudains' testimony into disrepute and I apologise to him now, again, that I was wrong; I was misled. I was very angry. Like Deputy Power said, I was very angry, but I have not been afforded the privilege of an apology as the Chief Minister has from the executives. I suspect I am not deemed important enough. So, I have accepted, Sir, that I was where I was in the sense that I had misled the House. I apologised to the House and I did that in good faith. Within hours of the temperature around the W.E.B. boardroom rising, I received an email from the chairman saying: "I think you need to know that I am a director of A.I.B. (C.I.) Limited, but do not worry, A.I.B. (C.I.) Limited has no business with any of our developers." Sir, I am party to privileged information at the board of W.E.B. and I know the parent company - which is A.I.B. (C.I.) Limited is totally owned by the parent company - is a significant financier of Harcourt. Sir, I found not only there to be a failure on the part of the chair not to declare, but there was, Sir, as far as I am concerned despite the warm words from the Comptroller and the legal opinion of W.E.B.'s own legal adviser, a huge conflict of interest and let me explain to Members why. A.I.B. (C.I.) Limited is incorporated in Jersey. Jersey is its physical place of business. Its registered office, Sir, is A.I.B. House, 25 Esplanade, St. Helier. A.I.B. Bank (C.I.) Limited is regulated, Sir, by the Financial Services Commission to carry out deposit taking and investment business. The chairman of W.E.B. is also the chairman of A.I.B. Bank (C.I.) Limited. A.I.B. Bank (C.I.) Limited is a wholly owned, as I said, subsidiary of Allied Irish Banks plc which is incorporated in Ireland. The term A.I.B. Group Companies, Allied Irish Banks plc, and all of its subsidiaries, of which A.I.B. Bank (C.I.) Limited is one. Now, okay, the Jersey Branch had never dealt directly with Harcourt. Its parent company and wholly owned parent of the Jersey Branch was involved with financing Harcourt. Now, tell me, Sir, if there is not a conflict of interest? If I am a banker perhaps from another bank - not Allied Irish, but another bank, bank X - and I am tendering for work in Jersey to lend money to Harcourt, now, would I have the same sense of security as Allied Irish may have knowing that their subsidiary in Jersey enjoys the chair of the company that is awarding a third of a billion pound project to a bank? The fact is it is very comforting for the parent bank to know that its subsidiary has a chair that is also the chair of a huge customer and I see, Sir, not the perception of a conflict, but a huge conflict not just a failure to declare this conflict, but there is a conflict. That is why, Sir, I am not prepared to stay on the board while this conflict exists. It is a principle for me. Sir, I had prepared copious notes and I just do not see the point in delivering them to Members. I want Members to understand I get no pleasure from this. I enjoyed my time on W.E.B. and I really wanted to be part, as I say, of the delivery of a magnificent waterfront that we can all be proud of and I want to pay tribute to my fellow directors who I have got a lot of time and respect for. But the circumstances are such that something has to give here and I am not prepared to swim in murky waters. The States must decide if they are prepared to continue with a chairman who, in my opinion, has a huge conflict of interest. It is simply up to Members. I will not be supporting part (a) of the proposition simply because I believe W.E.B. must continue to function and it can function

quite adequately if part (a) is not supported. Part (b), we will lose a director and we will have to appoint an interim chairman, but part (b) would not affect the day-to-day functioning of the company and I will be supporting part (b) of the proposition, Sir.

Senator P.F. Routier:

Could I just ask for a clarification about the Senator's comments about swimming in murky waters? Does that comment relate to any of the other directors?

Senator J.L. Perchard:

Absolutely not; not at all and if there was any implication of that, I regret. Now, this is a publicly owned company and a company that was administered on behalf of the people of Jersey and it must be transparent; it must be open. We should not have anything to hide. Of course there will be from time to time confidential matters that need to be retained for obvious commercial interest, but I am not prepared to be part of a company that is wholly owned by the people of Jersey that is occasionally entering into areas that I am unhappy with. There is no attempt to put any slur on any individual director at all.

3.1.25 Deputy A.J.H. Maclean of St. Helier:

Could I just ask for a bit of clarification, Sir, from the Senator following his speech? I note, Sir, that in the Comptroller and Auditor General's Interim Report on page 20, Section 76 the Senator had suggested in his comments that he just made, that the conflict of interest with the chairman was fairly clear and he made some suggestions about the relationship between A.I.B. Channel Islands and the chairman's relationship with that bank and his role. Sir, under this particular point it makes it pretty clear that the Managing Director of A.I.B. Channel Islands has confirmed to me - that is the Comptroller and Auditor General - that A.I.B. Channel Islands has no banking relationship with Harcourt, thus the chairman of W.E.B. had no interest which could have been in conflict with W.E.B.'s interest, and there was no conflict of interest with the Companies Law that might have been required for the chairman to disclose. There is another issue clearly about disclosure, but I think it was misleading what the Senator was saying, Sir.

The Greffier of the States (in the Chair):

It was the Senator's opinion. I call on Deputy Southern to reply.

3.1.26 Deputy G.P. Southern:

One of these days I will get to sum up properly, but it will not be tonight because I think the more minutes I spend on it, the more votes I might lose because I am aware that people want to get home. **[Approbation]** Quite frankly I would like to thank Members first of all for their contributions because it has been a very good debate today, I think, and in particular I thank Members for rejecting the motion to move on, earlier on. Despite the ruling from the chair, I think that was an abuse and remind Members that this proposition does occur in 2 parts; part (a) and part (b). Of course I will take those parts separately so that people can make their minds up on each. I would point out a comment from the chair says that despite the objections of the A.G. (Attorney General) to say it would be nearly impossible to make anything work in short notice, we could under Article 26(7) prejudicial to the interests of Jersey act very quickly if we need to replace directors or to replace chairmen should we wish to. So, (a) is technically possible. Briefly then, on (a), in particular, the point at issue is not whether the States directors of W.E.B. did their duty by W.E.B. or by anybody else. It is, did they do their duty by this Assembly and by the Ministers they are accountable to? Did they clearly inform them what was going on with the due diligence check and the contents of the PwC report? Did at any stage they say to us: "This says proceed with caution?" Both Senator Ozouf and Senator Walker have said that the report said: "Proceed with caution" and those words were never used by Senator Routier or by Deputy Huet. They said it was a glowing report and we could go ahead safely; not with caution - not mentioned. That was the lack of duty. They should have informed the Chief Minister and then he would not have made his mistake. They

should have informed us and possibly we might have had a different debate, but they did not succeed in performing their duty. On the second issue, I think it is fairly clear and perhaps summed up by the feelings of Senator Perchard that he feels that not only is there a perception of the conflict of interest, but there is a clear conflict of interest which should have been declared, has not been declared and the question is - and on this some Members have talked about: "The C.A.G. is already reviewing W.E.B. It needs restructuring." The question is for us, is that enough if that review takes place and we restructure completely? Obviously that has to happen, but is that enough? Does that mean we do not have to do anything else? No, we have to insist on the very highest standards in our corporate governance and we have to act publicly to do something about what has happened. I would suggest that we can vote for both parts of this proposition, both (a) and (b), and in doing so we will be setting an example to the public of the Island and I call for the appel.

The Greffier of the States (in the Chair):

Well, the vote is therefore to be taken in 2 parts. Initially the voting is on paragraph (a) in relation to the removal of the States directors and the Greffier will open the voting.

POUR: 8		CONTRE: 29		ABSTAIN: 2
Deputy R.C. Duhamel (S)		Senator F.H. Walker		Senator P.F. Routier
Deputy A. Breckon (S)		Senator W. Kinnard		Connétable of Grouville
Deputy of St. Martin		Senator T.A. Le Sueur		
Deputy G.C.L. Baudains (C)		Senator M.E. Vibert		
Deputy G.P. Southern (H)		Senator P.F.C. Ozouf		
Deputy D.W. Mezbourian (L)		Senator T.J. Le Main		
Deputy S.S.P.A. Power (B)		Senator B.E. Shenton		
Deputy of St. John		Senator F.E. Cohen		
		Senator J.L. Perchard		
		Connétable of St. Helier		
		Connétable of Trinity		
		Connétable of St. Brelade		
		Deputy J.J. Huet (H)		
		Deputy P.N. Troy (B)		
		Deputy C.J. Scott Warren (S)		
		Deputy R.G. Le Hérisier (S)		

	Deputy J.B. Fox (H)		
	Deputy J.A. Martin (H)		
	Deputy S.C. Ferguson (B)		
	Deputy of St. Ouen		
	Deputy of Grouville		
	Deputy of St. Peter		
	Deputy J.A. Hilton (H)		
	Deputy G.W.J. de Faye (H)		
	Deputy P.V.F. Le Claire (H)		
	Deputy of Trinity		
	Deputy A.J.D. Maclean (H)		
	Deputy K.C. Lewis (S)		
	Deputy of St. Mary		

Deputy J.J. Huet:

I should have abstained from the first one.

The Greffier of the States (in the Chair):

Too late now, Deputy, but we note your comment which will be noted in *Hansard*. I ask the Greffier to reset the voting system and the Assembly will now vote on paragraph (b) and the Greffier will open the voting.

POUR: 22	CONTRE: 15	ABSTAIN: 2
Senator B.E. Shenton	Senator F.H. Walker	Deputy J.J. Huet (H)
Senator J.L. Perchard	Senator W. Kinnard	Deputy C.J. Scott Warren (S)
Connétable of Trinity	Senator T.A. Le Sueur	
Connétable of Grouville	Senator P.F. Routier	
Deputy R.C. Duhamel (S)	Senator M.E. Vibert	
Deputy A. Breckon (S)	Senator P.F.C. Ozouf	
Deputy of St. Martin	Senator T.J. Le Main	

Deputy G.C.L. Baudains (C)		Senator F.E. Cohen		
Deputy P.N. Troy (B)		Connétable of St. Helier		
Deputy R.G. Le Hérisssier (S)		Connétable of St. Brelade		
Deputy J.A. Martin (H)		Deputy J.B. Fox (H)		
Deputy G.P. Southern (H)		Deputy S.C. Ferguson (B)		
Deputy of St. Ouen		Deputy G.W.J. de Faye (H)		
Deputy of Grouville		Deputy of Trinity		
Deputy of St. Peter		Deputy A.J.D. Maclean (H)		
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy D.W. Mezbourian (L)				
Deputy S.S.P.A. Power (B)				
Deputy K.C. Lewis (S)				
Deputy of St. John				
Deputy of St. Mary				

The Greffier of the States (in the Chair):

I will just put paragraph (c), those Members in favour of adopting it kindly show? Against? Paragraph (c) is adopted.

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

Very well, Vice Chairman of P.P.C. (Privileges and Procedures Committee), the Assembly has sat for 3 days and it is 5.40 p.m. I wonder if you have any recommendations on the way forward?

The Deputy of St. Mary:

Well, Sir, as Members will know there are a number of items still to be debated and my understanding is that if the proposals of such items could be consulted whether they would wish to carry them forward after the next continuation sitting. Because at the moment I understand it that the items listed in the continuation meeting will be taken in that order with any business not debated today going to the end of that Order Paper. There is also, I notice a mention the Minister for Economic Development may wish to move an item and that is to be considered as well - the Draft Supply of Goods and Services which was to be debated on the 15th - to move to the end of the continuation meeting and that, of course, is a matter for the House, Sir.

The Greffier of the States (in the Chair):

So, just my understanding, Deputy, your proposal is effectively you reminded the Assembly Members had agreed to begin next Tuesday with the Energy from Waste debate and you are suggesting that the items listed for the 8th should be taken first and the outstanding business taken at the end of the ...

The Deputy of St. Mary:

Well, my understanding, Sir, is that we would keep the order as on the pink sheet, Sir; that we start with the Energy from Waste Facility, move through the business for the continuation of the sitting and then move back to the business that is left over from today, Sir.

Deputy R.G. Le Hérisier:

Does that essentially mean, Sir, we will meet on the Friday also on that speed?

The Greffier of the States (in the Chair):

The Deputy of St. Martin has plans for the Friday, I think.

The Deputy of St. Martin:

Yes, Sir, if it would help, I am quite happy for my Human Rights one either to be put over to the beginning of September or be put over to the last one and if we feel that we have not the energy to carry on, I would leave it off and ask for it to go on to 9th September, but I am quite happy for that way. That way if we leave it in abeyance; it will sit the last and if we are feeling that we have had enough I will put it to 9th September if the House is happy with that, Sir.

Senator P.F.C. Ozouf:

I did indicate to P.P.C. that the Supply of Goods and Services Law could be taken next week; that is moving it off the agenda of the 15th. Members will no doubt cast their eyes on the 3 pages of matters down for debate or the 2 and a half pages of debate down for the 15th. So, if I could maintain the proposal that the Goods and Services be put at the bottom of the list for the 8th. I fully appreciate that we will not be sitting on the Friday, but if we do manage to get to it, it might focus Members' attention that we might need to have some brevity.

Deputy J.A. Martin:

Yes, Sir, I do not know if we have finished with the 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th business yet, but on the 15th the chairman did ask if P.43 could be moved to the last item of business. It can go just before Deputy of St. Martin's, but it is at the beginning and the report will not be out until the 16th.

The Greffier of the States (in the Chair):

I am sure if Members are content, in accordance with the statement the day before yesterday from the chairman of the Corporate Services Panel, that the Bovine Semen item would be taken at the very end of the agenda. If Members are content to proceed in that way the Assembly stands adjourned until 9.30 a.m. on Tuesday.

ADJOURNMENT