

3.5 Senator B.E. Shenton of the Chief Minister regarding calculation of area of land transferred to Les Pas Holdings Limited:

Waterfront land funded at £10 million was transferred to Les Pas Holdings Limited in final settlement of a legal action. Was a method of calculation used to assess the area of land required to cover the claim and, if so, what was that method and was it related to any height restrictions imposed in the planning permission granted for the development of the land?

Senator F.H. Walker (The Chief Minister):

The area of land was professionally valued by an independent surveyor under contract to the States. Their valuation was based on the number and quality of apartments and not on the height of the building which would contain them. It should be noted, and I think there are a number of important notes here: (1) the land is no longer in the ownership of Les Pas Holdings and was sold beneath the £10 million valuation to Dandara; (2) Dandara have agreed a joint venture with WEB for an integrated development on the Castle Quay site. The terms agreed for the joint venture mean that any additional development profit arising as a result of any increased development yield on the former Les Pas land would be shared 50/50 with the public; (3) no planning permission has yet been granted for this land; and (4) none of the schemes submitted to date have included tall buildings on the Les Pas land.

3.5.1 Senator B.E. Shenton:

The Chief Minister mentions that the land was sold for below £10 million. Can he categorically confirm that there was no profit arrangement whereby further monies would be transferred to Les Pas Holdings from the development of the land?

Senator F.H. Walker:

I cannot. That was of course a private arrangement between Les Pas and Dandara, but I can reconfirm that any additional development profit or any additional profit arising from increased development yield, half of it will be to the benefit of the public and I very much hope that the Jersey Evening Post, who gave, quite rightly, considerable prominence to Senator Shenton's question and the points he made on the back of it will give equal prominence to that fact because it is a very important matter for the public to understand.

3.5.2 Senator B.E. Shenton:

Will the Chief Minister concede that if towers are allowed on the Les Pas land, the land will be worth considerably more than £10 million?

Senator F.H. Walker:

That may well be the case, but the point is that if that turns out to be the outcome then the public will benefit, as I have already said, by 50 per cent, one half, of any additional development profit.

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

May I ask the Chief Minister how the yield will be calculated, at what stage will the public start to benefit from any additional yield held? How is that yield calculated? Is it calculated after building costs and write offs et cetera? Obviously a bit of a complex question, perhaps. I wonder if he could return the answer to the Assembly at a later date.

Senator F.H. Walker:

The Deputy is quite right, I cannot give a precise answer right now. What I can say is that the return to the public will be calculated on profit and although I have not seen the agreement myself, I do understand that the criteria for that is clearly laid out in the joint venture partnership agreement.

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

Can the Chief Minister advise the House, following on from his reply, how many apartments were previously agreed to?

Senator F.H. Walker:

Is this the 100 apartments? The original valuation was based upon an assumed development of 136 apartments, but that specification was subsequently revised to 100 apartments. Of course it does follow that if that was changed and additional apartments were allowed on the site, and I emphasise again that none of the schemes submitted so far have called for tall buildings on the site, but should that happen, I think that is unlikely but should it happen, the public will get half again on the development of any additional apartments.

Deputy P.V.F. Le Claire:

I just wonder if the Chief Minister would agree to circulate that information on the yield that he spoke of earlier to States Members.

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

Surely would the Minister not agree that any profit to the public can only be achieved after reaching the £10 million point that we have already given away?

Senator F.H. Walker:

That may well be the case, but the States took a decision by 26 votes to 16 that to give the land valued then at £10 million to Les Pas was an infinitely better way forward than to risk losing a legal action with potential loss to the public of some £70 or £80 million, so we are advised. That was a States decision, in my view it was the right decision; obviously in the view of the majority of States Members it was the right decision.