

2.6 Senator B.E. Shenton of the Minister for Treasury and Resources regarding the commercial valuation of beachfront land in St. Brelade's Bay:

Would the Minister explain how a commercial valuation of £10,000 was reached for a prime piece of beachfront land in St. Brelade's Bay, with views over the beach, given that the buyer was going to use it for commercial purposes?

Deputy J.A.N. Le Fondré of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):

The site in question was to be utilised as a bin store and the use would have been restricted solely to that purpose with a restrictive covenant being put in place. Therefore, with no direct commercial use, the amount that a business would wish to pay for the land was significantly reduced. I think it is quite important to clarify a couple of other matters. Firstly, that decision was never finalised on the basis that when the documentation was placed in front of me to consider and due to earlier representations received, I decided to investigate matters further. Also, contrary to certain publicised comments, this was communicated to certain interested parties at the time. I was away on annual leave very shortly thereafter and it had been my intention to discuss the matter with all parties on my return. Indeed, there were certain exchanges of emails with me while I was away. Those discussions have now taken place and I believe that a compromise has been reached and is being investigated to ensure it is feasible.

2.6.1 Senator B.E. Shenton:

Where did the valuation of £10,000 come from?

Deputy J.A.N. Le Fondré:

Two comments: firstly, the figure arrived at was in negotiation with an officer of my department. To give an indication, it would equate to approximately £18.50 per square foot. Now, by comparison, the highest commercial tender received recently for a public site with planning and by law consent for a 36-unit residential development was approximately £37 per square foot. Bear in mind that is a commercial residential as opposed to a bin store with restrictive use for a bin store. So, clearly, the purchaser of a residential site would expect to yield a lot more profit per square foot than a purchaser of a bin store. Also as a guide, which is on existing use, the entire St. Brelade's Bay part, I am told, was valued at £17,000 in 2007 based upon existing use.

2.6.2 The Deputy of St. John:

Can I ask the Assistant Minister was the valuation of the apartment block he was referring to on the seafront, as this particular site is?

Deputy J.A.N. Le Fondré:

I do not have the information to hand but all I can say it is a comparison on something with residential use as opposed to a bin store with restrictive use which means that the use could never be changed away from a bin store for the future. It does help to add we have - I will call it a principle rather than a policy if you see what I mean - a statement of principles evaluation that has been in place within the department since 2006 and is placed on the website for everyone to see.

2.6.3 Deputy M. Tadier of St. Brelade:

Does the Deputy acknowledge that no consultation was carried out with either of the Deputies of District No. 2? Indeed, it was only due to the good work of my fellow Deputy that I think this was stopped. Does he also acknowledge that this is an example of the worst of the Jersey way where deals are almost done on a nod and a wink without any proper consultation of elected Members and constituents?

Deputy J.A.N. Le Fondré:

I need to go slightly back to the details but my understanding was that representations came from other political representatives of the parish in the other direction, in other words, in support of the scheme, which is why it has become quite interesting. I would rather not go into the full details of that one, I do not think, because I need to delve into the facts, but that is my understanding. In terms of consultation as to whether an approach was made to my department or whether an approach was made to Planning, I am not entirely clear on the process; I picked it up when a representation was made to me by the relevant parties. Thank you.