

2.8 Deputy J.A.N. Le Fondré of St. Lawrence of the Minister for Treasury and Resources regarding which States officer made the recommendation to him that he should approve the Planning Obligations Agreement for the Esplanade Quarter Development:

Will the Minister confirm which States officer made the recommendation to him that he, as Minister for Treasury and Resources, should sign a Ministerial Decision to approve the Planning Obligations Agreement for the Esplanade Quarter development and will the Minister confirm the qualifications of that officer for making such a recommendation?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I think the Deputy was then the Assistant Minister with responsibility for these areas so he may know the answer to the question before I answer it. The original draft report was prepared by the Director of Property Holdings on 7th June 2010 and was sent to the Deputy Chief Executive Officer. Following a number of reviews of this document and having taken advice from interested parties, including the Law Officers' Department, the Deputy Chief Executive prepared his final report of 27th July 2010. This final report was also sent to the Director of Jersey Property Holdings for comment on the same day and he responded with some comments - the Deputy Chief Executive of the accounting office of Property Holdings - and he took advice from appropriately qualified property and legal professionals.

[15:45]

2.8.1 Deputy J.A.N. Le Fondré:

So to clarify, it was the Deputy Chief Executive that ultimately gave the advice for the Minister to sign the decision. In making the recommendations, did the officer draw the Minister's attention to the report produced by Trowers & Hamlins, Currie & Brown and King Sturge in November 2008 which identified that the scheme as a whole would make a loss of £50 million? I note those consultants are not included in the written answer to my question as provided today.

Senator P.F.C. Ozouf:

Yes, I was aware of various different aspects and that this is a very significant issue which a number of departments have been involved in. I want to just say one thing, that if there is somehow an aspersion being cast on the Deputy Chief Executive and his qualifications... The Deputy Chief Executive or the Chief Executive of Resources is like the Chief Executive of Health; he must take advice from officials. The Chief Officer of Health is not a paediatric specialist or anything else. They take advice and they did take advice in relation to this issue. I had to be satisfied upon advice as to the financial bonds and guarantees given. These are financial matters, not property matters. The issues of development were for W.E.B. and now S.o.J.D.C. and their advisers. In any event, the legal advice was that there were conditions precedent which almost bind completely any applications being made which brings into force the Planning Obligations Agreement. This has to be - without any qualification - satisfied to the Treasury. So a lot of the issues that are of concern are dealt with later on in the planning applications because of this conditions precedent.

2.8.2 Senator S.C. Ferguson:

The Minister says that he took advice on the proposals. He took advice from the Attorney General and the Assistant or the Acting Chief Executive. Who else did he take advice from?

Senator P.F.C. Ozouf:

There is advice and there is discussion. I take advice from the accounting officer who has an obligation to advise me in relation to a Ministerial Decision and, as the Chairman probably knows, I have a system where the accounting officer or the officer advising me initials the Ministerial box so that they are taking responsibility. So as far as advice is concerned, it is the Acting Chief Executive that advised me. Was this matter discussed with a number of different parties including Planning? I think T.T.S. (Transport and Technical Services) were involved and W.E.B. were involved. Of course, there were many discussions about that but the advice to sign was the Acting Chief Executive.

2.8.3 Deputy J.A.N. Le Fondré:

So again just to make sure I am clear, the Minister did take advice and was aware that the scheme will lose £50 million to the public in signing us up as the landowner to the Planning Obligations Agreement which therefore, given his earlier statement that W.E.B. is integral to the States, would ultimately, I would have thought, leave us exposed if the thing goes belly-up. Will he arrange for the report I referred to to be released in its entirety to States Members as it was previously offered by the then Minister for Treasury and Resources in, I believe, 2008 as part of one of the debates on W.E.B.?

Senator P.F.C. Ozouf:

I know the Deputy has never been a fan of Esplanade Quarter but he must ensure that I think that we are not misinformed in relation to obligations. There is no liability for the States in the planning obligation for £50 million. I have to be satisfied and the Ministerial Decision is clear. The conditions precedent says the leaseholder covenants with the Minister for Planning and the public not to submit any detailed application without the prior written consent of the Minister for Treasury and Resources which, among other things, the Minister for Treasury and Resources in his absolute discretion requires. So let us be clear. All these issues as to whether or not there would be a loss are matters for later and they would not be assigned if they were. There is an absolute conditions precedent which says if the Minister for Treasury and Resources is not satisfied there is not going to be an application even submitted. So there is no issue and I would ask the Deputy to not continue with his strong views in relation to Esplanade Square and basically worrying people to say that there is a £50 million obligation for the States. There is not.

2.8.4 Deputy J.A.N. Le Fondré:

A quick supplementary. Just to clarify, is the Minister saying there is not a loss and that was never reported and does not exist; or is there a loss on the scheme that this Assembly has previously endorsed?

Senator P.F.C. Ozouf:

As the Deputy knows, there is not currently a single developer and there would not be a loss. I would not, and I doubt whether any other Minister for Treasury and Resources would accept a £50 million loss in order to make Esplanade Square. On

the contrary, in fact, there are tens of millions if not hundreds of millions of pounds of value to the taxpayer in relation to the overall issue.

Deputy J.A.N. Le Fondré:

So that is a yes or a no?

Senator P.F.C. Ozouf:

The answer is no and he must not carry on casting aspersions in relation to this matter.