

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY J.H. YOUNG OF ST. BRELADE
ANSWER TO BE TABLED ON TUESDAY 4th JUNE 2013**

Question

Following the recent announcement of the Minister for Planning and Environment's decision to approve plans submitted by States of Jersey Development Company (SOJDC) for their proposed development of part of the Esplanade car park in St Helier Waterfront for private sector offices, will the Minister provide details of –

- (a) the financial appraisal carried out into the financial viability of this development ;
- (b) the assessment of the future liabilities which SOJDC will be taking on behalf of the public of Jersey , in the event of entering into the proposed Planning Obligation required by the Minister for Planning and Environment in respect of this development and how such liabilities will be paid for;
- (c) the economic assessment which has been carried out with evidence of market demand for office space currently and for the period of the Island Plan 2011; and,
- (d) the economic impact of the proposed development given that it will be in direct competition with private developments in the Waterfront area for the same market?

Answer

- a) The States of Jersey Development Company (“SoJDC”) is a States owned entity operating in a commercial environment. Financial appraisals are commercially sensitive and therefore like any business the Minister does not expect them to be disclosed in the public domain. The States of Jersey has appointed a high calibre board of non-executive directors who have extensive businesses expertise and acumen and of whom the Minister has confidence in.
- b) The Minister is advised that the Planning Obligation Agreement for the recently approved No.4 JIFC is solely in respect of the payment to Transport and Technical Services for public transport improvements. The Minister is advised by SoJDC that they have the means to make this payment of £172,000 when it falls due.
- c) The Minister is informed by SOJDC, that in the local market there is potential demand from on-island businesses for approximately 500,000 sq. ft. of new accommodation over the next 7 to 10 years based on lease profiles that are in the public domain. Many of these offices were constructed in the 1980s and are no longer suited to modern office requirements both in size and layout. This provides an opportunity for businesses to re-organise their accommodation into one building that is fit-for-purpose and flexible in order to provide for the accommodation needs of the business in the short, medium and long-term.

- d) SOJDC has advised the Minister that the recent planning application for No.4 JIFC included a full Environmental Impact Assessment and as such the socio-economic impact of the proposed Jersey International Finance Centre development has been calculated and is positive. The JIFC Socio-Economic Impact Assessment also highlights that there may be inward investment (Catalytic Employment Effects) as a result of the JIFC development - there may be additional finance organisations that choose to relocate facilities to Jersey resulting from the proposed development, which could be a positive impact on the Island's economy.

The Minister is advised that there is currently no surplus Grade A office accommodation available in St. Helier which can be a major disincentive to new business looking to set up in Jersey. The Island needs to provide for both on-island business and attract new high-net-worth business to Jersey. Having the right quality and specification of office accommodation is a pre-requisite and the Jersey International Finance Centre (JIFC) can help meet these requirements.

Providing Grade A office accommodation in Jersey also gives businesses a choice of office provision and encourages healthy competition in the marketplace. The Minister is advised that each office development has different designs/specifications/locations and it will be up to the tenants to decide which development best suits their needs.

The Esplanade Car Park site has been identified for office accommodation since at least the year 2000 and there have been various plans and masterplans created in order to deliver this office accommodation. The latest Masterplan for the Esplanade Quarter was approved by the States Assembly in 2008 and an outline planning permission was granted in 2010. SoJDC has confirmed that they are now delivering this Masterplan in phases in response to known demand. A number of other office developments have been brought forward during this period in the full knowledge of what was proposed and approved on the Esplanade car park site.

Finally, SOJDC advise that the JIFC will provide the Island with an identifiable district dedicated to the Island's premier industry. Experience around the world has shown that wherever a jurisdiction makes a successful investment in developing a dedicated financial services district, that region whether it be the Square Mile and Canary Wharf in London or the Dubai International Finance Centre, acts as a significant positive attractor for company location, business flows and jurisdictional substance and reputation.