

4.7 Senator S.C. Ferguson of the Chief Minister regarding the revalidation and update of the Trowers and Hamlins' report on the Esplanade development:

Given the speculation in the public arena about the Esplanade development, will the Chief Minister advise whether he has asked Trowers and Hamlins to revalidate and update their report, with particular emphasis on the update of the King Sturge section and, if not, why not? I perhaps should say that I am putting this question to the Chief Minister because I know that he has read the King Sturge report, so has he decided to revalidate and update it and, if not, why not?

Senator I.J. Gorst (The Chief Minister):

The law firm, Trowers and Hamlins, was appointed to review the draft development agreement and lease between the then Waterfront Enterprise Board Limited and Harcourt Developments Limited. That was to provide protection for the public as at that point a third-party developer was responsible for lowering La Route de la Liberation, one of the main routes linking east and west of the Island. There is now no third-party involvement in the development of the Esplanade Quarter and phase 1 does not include the lowering of that road, therefore, it is not necessary to commission an update of that report.

4.7.1 Senator S.C. Ferguson:

However, the masterplan has not been changed with regard to lowering the road and, given that it is 6 years since the original report was prepared, and given the public interest and changes in the economic position, why does the Minister not think it should be updated?

Senator I.J. Gorst:

I think I answered that in my opening answer: at that point, that report was commissioned because there were concerns about whether a third-party developer would be able to deliver the masterplan; that is no longer the case, there is not a third-party developer in place and the lowering of the road, as it commonly referred to, is not included in this phase.

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

I believe the Chief Minister earlier said that no third party was involved. Could he reassure the House, or confirm, shall I say, that the situation regarding Harcourt has now been resolved and that, indeed, there is no third party involved in the Esplanade Quarter development?

Senator I.J. Gorst:

As far as I am aware, it has not been resolved in that it is still the subject of legal proceedings.

4.7.3 The Deputy of St. Ouen:

Could the Chief Minister give us any idea of when the matter will be resolved so that we will be able to confidently progress with the planned development of the site?

Senator I.J. Gorst:

As far as I am aware, we are confidently progressing with the planned development of the site and phases 1 and 2 planning applications have been submitted and approved, one subject to a planning obligation agreement, and I expect that work will begin shortly. With regard to the other matter, as I said, it is still the subject of legal proceedings and I do not know when it will reach a conclusion.

4.7.4 Deputy R.G. Le Hérissier:

I think it is the right development. Can the Chief Minister assure us that the principle that was very loudly proclaimed that development would only move ahead with tenants having signed-up in advance, that that is securely in place? Secondly, will he confirm that the underground car parking will indeed be paid for by private money, given that the whole project again was loudly proclaimed as self-financing?

Senator I.J. Gorst:

As far as I am aware, Senator Ferguson made the decision to ask me because I had seen a copy of the original report, not because I am responsible or deal with the relationship with the States of Jersey Development Company. As far as I am aware, they are still working to that model of securing pre-let buy to the building, and that the money, which, as I understand it, has been used for a cash flow purpose to develop the car parking, will be repaid.

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

I am sure the Minister would agree with me that we should not enter into piecemeal development. What is the difference between the cost model of a third-party developer and the cost model of S.o.J.D.C. (States of Jersey Development Company)? Surely a project, particularly the masterplan and the outcome of the King Sturge report which has previously been noted in this Assembly, was that the whole project was going to lose £50 million. Firstly, the King Sturge report was promised to be released to States Members at some point, so will the Chief Minister direct the Minister for Treasury and Resources to release that report to Members? Secondly, surely out of prudence one should have confidence that if that report was correct and noted a £50 million loss on that large scheme, surely we should have updated figures before we go into the next development?

Senator I.J. Gorst:

As I said, this phase of the development does not cover the lowering of the road; it is well underway due to applications, as I have said, being approved and work will shortly begin. It may be that in due course one may want to review the figures under phase 2, but we are not at that point.

4.7.6 Deputy J.H. Young:

The Chief Minister told us that there is no need any more to check-out the effective financial viability of lowering a road because there is not a third-party developer. Should we conclude from that that we should not be concerned about the ability of our developer - the body that the Minister just needed reminding of, the States of Jersey Development Company - to meet the masterplan requirements to bury that road? Is he saying that we should not be bothered about that and it does not matter if that does not happen?

Senator I.J. Gorst:

What I am saying is that it is being done in stages and the lowering of the road is not in this stage. I understand that the Minister for Planning and Environment has taken advice that it is appropriate to approve the individual block applications and that does not impinge upon the masterplan as a whole.

[11:45]

4.7.7 The Connétable of St. John:

Back in 2009, a proposition was heard in this Chamber about delaying anything happening within that particular Esplanade Quarter and it also asked, if I recall correctly, that it would

be brought back to the House before anything happened. Is the entire project going to be brought back to the House for debate or is it just going ahead?

Senator I.J. Gorst:

As I suspected when the question was asked, it is straying into areas which are not directly under my department. The development is going ahead, as the Connétable knows, because applications have been made, as I say, to build those 2 buildings and in due course a third will go ahead. I do not recall exactly the wording of the proposition in 2009.

The Connétable of St. John:

So the Minister is saying it is not coming back to the House, that is clear.

Senator I.J. Gorst:

The States approved the masterplan, applications have gone into the planning authority. If I might say, I think that it is long overdue. There is a need for first class office space in our community and it is important that we get on because it is going to secure our future economic success. There are issues about redevelopment around the rest of St. Helier and what happens to secondary and tertiary office space and how we might be able to develop those into residential. They are also important issues and it is important that the office development on the Esplanade goes ahead and funds can then in due course be released and part of their application can be for the redevelopment of St. Helier. It is important, I believe, for our economic future.

4.7.8 Senator S.C. Ferguson:

I should perhaps remind Members that money is not part of planning decisions and we are at the moment talking money. As we know, the masterplan has not been changed and needs to come back to the Assembly if we change it. We have also been told from Deputy Le Fondré that the original calculations were that the scheme, including burying the road, will make a £50 million loss. If you include the fact that on 2nd July 2008 the then Minister for Treasury and Resources, Senator Le Sueur, said that the Treasury will commission an independent valuer to give a view of the contract... He also said that he would make that advice available to States Members. Given everything that the Chief Minister has said this morning, does he not think that it is time that that advice should be made available to the Assembly and, if not, why not?

Senator I.J. Gorst:

I personally received a copy of that report because I was invited by the then Minister for Treasury and Resources - if I seem to recall I think it was Senator Ferguson, but I might be mistaken - to take part in that particular review. I was given it under a confidential basis, I signed a confidentiality agreement and I do not recall that the then Minister said that that information would be made public. I will have to go and review that commitment.

Senator S.C. Ferguson:

The Minister for Treasury and Resources, Senator Le Sueur said it on 2nd July 2008 in Hansard.

The Deputy Bailiff:

That is very helpful.