

2015.06.23

5.2 Deputy M. Tadier of the Chief Minister regarding the development of the Esplanade Quarter:

Is the Chief Minister satisfied that the statement made by the Minister for Treasury and Resources on 4th February 2014, when he told the Assembly that he was “absolutely clear with S.o.J.D.C. (States of Jersey Development Company) that their buildings are to be progressed on a fully-let basis in order to reduce the risk” was accurate?

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

In 2010 when this Assembly approved a proposition to establish S.o.J.D.C. there was a clear requirement for a sufficient level of legally-binding pre-lets to fund the cost of construction. In 2014 the former Minister’s answer to a supplementary question was given at a time when negotiations were underway for a tenant to take 100 per cent of a specific building. It appears that the answer was alluding to those negotiations. However, to focus on one answer is to ignore the many other debates where it was made clear that the requirement was for sufficient pre-lets. For instance, on 10th September 2013: “The office developments will be demand-led with construction only proceeding with pre-lets in place. This is in accordance with P.73/2010 and the memorandum of understanding.” On 13th May 2014: “There is a level of pre-lets that are required before any of the buildings can go ahead.” Sufficient but not necessarily 100 per cent. Again, on 9th December 2014, we heard: “A sufficient level of legally-binding pre-lets to fund the cost of construction in the first phase of this scheme.”

5.2.1 Deputy M. Tadier:

It will appear that the Chief Minister adopts a policy of mushroom growing when dealing with the Assembly. So from his answer, can the Chief Minister just reconfirm that it was the case that Senator Ozouf at the time was absolutely clear that the building should be progressed on a fully-let basis? But not only that but S.o.J.D.C. had fully understood that and, thirdly, that this States Assembly has, from that point until a couple of weeks ago, also been working on the assumption that that development would be progressed on a fully-let basis, because nothing came back to the Assembly at any point from the shareholder representative, either the previous or the current one, to tell the Assembly otherwise?

Senator I.J. Gorst:

No, I do not. It is quite clear from even those 3 extracts that I read in my opening statement that that was not the case. We can continue to take a sentence out of many, many supplementary answers in a situation that we are continuing to change. As I said, at that point it was expected that a particular building would have been pre-let to 100 per cent but it has always been my understanding, and it is clear in the memorandum of understanding, that there would be sufficient pre-lets to fund the cost of construction.

5.2.2 Deputy G.P. Southern:

Would the Minister expect that such an important and significant understanding would appear in any minutes or notes taken from the meeting referred to on 4th February 2014 or not? Is he surprised that they are not in existence?

Senator I.J. Gorst:

I have not seen the minutes but if we take into fact the context that S.o.J.D.C. were, as I understand it, at that point in, extending negotiations with a tenant to take on 100 per cent of a particular building. I am not necessarily surprised that there would not be a line as the Deputy might be intending but that does not mean that that conversation was not around that particular issue because I have no doubt that it was.

5.2.3 Deputy G.P. Southern:

Is the Minister confident that the understanding, which was significant, was made between the relevant Minister and the board of S.o.J.D.C?

Senator I.J. Gorst:

We have to take the answer that the Minister gave in the context of everything that he said in that supplementary answer and not just take one line out of context, which I fear that we are in danger of doing. Because if we look at the many supplementary answers and the many answers that the Minister had to give on this issue, it becomes clear, I think, that the 100 per cent pre-let was in relation to the particular tenant for a particular building and therefore we need to look at the M.O.U. (memorandum of understanding) and other comments that were said both before and after that particular date.

5.2.4 Deputy M. Tadier:

Well I am glad that it has taken even a few weeks for the Council of Ministers to get their story straight on this one because the Minister for Treasury and Resources, only last week and the week before, was telling us that he assumed that the former Minister for Treasury and Resources was mistaken. But we have the Chief Minister today telling us after a few weeks that the former Minister for Treasury and Resources was not mistaken, he was absolutely correct, and that things have changed since that. Does the Chief Minister genuinely expect us to believe his answer when the former Minister for Treasury and Resources stated that the buildings are to be progressed on a fully-let basis with no mention of this particular contract with this particular tenant? There was no context provided in that answer given on 4th February. Is it not the case that the Minister for Treasury and Resources was correct and that S.o.J.D.C. just chose to move the goal posts and for the current Minister for Treasury and Resources not to come back to the Assembly and do his job to tell us, and that this Council of Ministers is not to be trusted and that the S.o.J.D.C. is completely out of control?

The Deputy Bailiff:

Well, there are a number of questions there, Deputy. Which ones would you like the Chief Minister to answer?

Deputy M. Tadier:

I think a "yes" would be sufficient for all of those answers.

The Deputy Bailiff:

Well which question would you like the Chief Minister to answer, Deputy? Very succinctly, please.

Deputy M. Tadier:

I would like to ask the Chief Minister whether he agrees in the round that the political oversight for S.o.J.D.C. has been negligent on their behalf.

Senator I.J. Gorst:

Absolutely not. The memorandum of understanding makes it absolutely clear. Sometimes when Ministers are put on the spot about something that somebody else has said, they do not have the details in front of them, they do not have the entire transcript in front of them, they might not be able to give the full answer that they are able to give upon appropriate research in considering all of the answers and all of the facts before them. I think it is about time that this Assembly acknowledged that for at least 5 times it has voted and asked S.o.J.D.C. to develop the waterfront site. We know that some Members do not accept that and that is their absolute democratic right to do so. But to try and suggest that the Assembly has decided anything other than development on the waterfront site I think is disingenuous and I do not think that we should do it. A pre-let is in

place, it is sufficient to fund the cost of construction. We should allow that building to be developed and then we will wait for the Scrutiny report. Thank you.

Deputy M. Tadier:

Not relevant and that means that we can mislead the Assembly if we choose to.

The Deputy Bailiff:

Deputy, if you please. This is question time and you have had your final supplementary question. Could I remind, Members, please, that questions are supposed to be succinct? That is provided for in Standing Orders and they should be one question at a time. They should not be multiple questions.