



STATES OF JERSEY

Corporate Services Scrutiny Panel Jersey Development Company Sub-Panel

THURSDAY, 20 AUGUST 2009

Panel:

Deputy C.H. Egré of St. Peter (Chairman)
Deputy D.J. De Sousa of St. Helier (Vice-Chairman)
Senator S.C. Ferguson
Connétable S.A. Yates of St. Martin
Deputy T.A. Vallois of St. Saviour
Mr. R. Law (Panel Advisor)

Witness:

Mr. D. Flowers (Director, Jersey Property Holdings)

Present:

Mr. W. Millow (Scrutiny Officer)

Deputy C.H. Egré of St. Peter (Chairman):

Well, David, an official welcome but, again, as per usual for the formal record, we will go around the table and re-introduce ourselves, not to you but for the recording system.

Deputy D.J. De Sousa of St. Helier (Vice-Chairman):

Deputy Debbie De Sousa from St. Helier and Vice Chair of this Sub-Panel.

Deputy T.A. Vallois of St. Saviour:

Tracey Vallois, Deputy of St. Saviour.

The Deputy of St. Peter:

Deputy Colin Egré, Chairman.

Mr. R. Law (Panel Advisor):

Richard Law, Advisor.

Connétable S.A. Yates of St. Martin:

Silva Yates, Constable of St. Martin.

Senator S.C. Ferguson:

Sarah Ferguson.

The Deputy of St. Peter:

For the record ...?

Mr. D. Flowers (Director, Jersey Property Holdings):

David Flowers, Director, Jersey Property Holdings.

The Deputy of St. Peter:

Thank you, David. Just again for the record, you are familiar with the numbers and you are happy with it?

Mr. D. Flowers:

I am, yes. Yes, more than happy.

The Deputy of St. Peter:

Fine.

Senator S.C. Ferguson:

The guillotine is on the way out. **[Laughter]**

The Deputy of St. Peter:

Leading straight in with our first question, what will be the principal consideration in relation to the transfer of legal title to the proposed company as in the States of Jersey Development Company Limited?

Mr. D. Flowers:

Well, there are quite a number and looking at it from a Property Holdings perspective, we are charged with delivering an efficient States property portfolio in operational state and that involves inward investment. We have a number of, what we call, spend to save initiatives and we also have to release value to fund established capital investment programmes. So when property is transferred to the Jersey Development Company, it is of extreme importance that there is an appropriate balance between funding the re-provision of States operational assets and generating new public ground through regeneration. So looking at it purely from a Property Holdings perspective, we are concerned to ensure that that balance is maintained. There is very little difference between transferring cash and transferring property assets, so some of those key considerations that we would look at are, firstly, is the property or its value surplus to the States requirements? Secondly, is the site included within a regeneration zone? So is it part of a complex redevelopment? Is the engagement of J.D.C. (Jersey Development Company) the most effective way of delivering the redevelopment of an individual site? Can open market value be delivered in that transfer? So can J.D.C. provide the States with a true value? Are there any significant upfront infrastructure costs which need to be provided by J.D.C. as part of a complex scheme which would require the Treasury and Resources Minister to consider transferring the site at less than open market value? So those are the considerations in transferring property in but also we would be looking at the exit strategy. So what are the procedures for transferring out of J.D.C.? They have to be carefully considered and our proposal is that they are incorporated into development agreements between the public and J.D.C. so, for example ...

The Deputy of St. Peter:

The public and probably your department?

Mr. D. Flowers:

We would advise on that basis. So when will the property be returned? On what terms would it be returned to the public? What provision would be made for the future whole life costs of that property, particularly where you are creating new public ground? We would not expect to receive property back and the ongoing costs of maintaining that property without some provision made by J.D.C. and that would be in order to maintain its sustainability. So those are the primary considerations. There is a need for the Regeneration Steering Group to take into account the broader issues which face the public in respect of the total value which is being transferred and

the Minister for Treasury and Resources is ideally placed to ensure that all aspects of property value are considered when he effectively redistributes wealth.

The Deputy of St. Peter:

So you perceive the wealth return from J.D.C. would come in through the Treasury?

Mr. D. Flowers:

It should come back through the Treasury or it might be considered that some of the public realm goes to Parishes but it cannot be left in abeyance, it has to be considered before the development is engaged upon and incorporated in a development agreement.

The Deputy of St. Peter:

Is it always necessary to transfer the legal title to the company?

Mr. D. Flowers:

No, and I believe the proposition does allow for alternative ways of treating with J.D.C. so really the prime purpose of transferring value is for J.D.C. to be able to fund the pre-contract stages of a major project so they would need to borrow against the property. If we can find, and there may well be some other vehicles that can be used to obtain that funding, then it would not be necessary to transfer the title. It may be that it is better to transfer it at the whole completion project to ensure that what is promised is delivered.

The Deputy of St. Peter:

What other vehicles could be used to achieve that?

Mr. D. Flowers:

Some form of borrowing. As it is, if you transfer property and you transfer the value of that property and J.D.C. borrows against it, it is no different from the States borrowing.

Mr. R. Law:

Do you see any opportunity within the proposal that Holdings can deal with the whole of the issue without the reference or engagement of the J.D.C. to deliver the product because you have talked about, within the operational portfolio, works being carried out?

Mr. D. Flowers:

That is right.

Mr. R. Law:

That may well be, if I managed to do it correctly, a capital project.

Mr. D. Flowers:

Yes, we deal with a number of capital projects and we make inward investment. The advantage of having a dedicated preferred developer, in the form of J.D.C., is that you build a single vehicle of expertise primarily focused on external outward investment.

Mr. R. Law:

They deal with the outward investment but you could be creating the same asset within the portfolio though, could you not, like an officer group, for example?

Mr. D. Flowers:

We could be and the prime intention of J.D.C. is to deal with the more complex land assembly issues around States property where a significant infrastructure is required. We certainly would not be using J.D.C. for a single standalone development. It would add a layer of costs which is not necessary.

The Deputy of St. Peter:

Does anybody else want to ...

Deputy D.J. De Sousa:

Yes, he mentioned true value of the assets, how will this be defined and what guarantees will be in place to make sure the true value is achieved for the properties?

Mr. D. Flowers:

As we do with all of our disposals we take external advice from trained professional valuers and we would look not only at the current use value but also the marriage value which might be delivered, the use of that property combination with other sites and expect to receive that full open market value at the time of transfer unless the Minister for Treasury and Resources decides to transfer it at any less value. The proposition allows for him to do that if he considers that a large amount of infrastructure only is required but that will be completely transparent.

Mr. R. Law:

Can I just ask, in practice who would present that for decision to the Minister?

Mr. D. Flowers:

I would.

Mr. R. Law:

So that you would get, if you like, representation from the company ...

Mr. D. Flowers:

We would assess the value of the site on its standalone basis and as part of a future development and we would look to obtain open market value and we would also look to obtain overage, it may be that we get paid on a deferred basis.

Mr. R. Law:

In preparing your report would you be consulting with the company?

Mr. D. Flowers:

Yes, we would consult with J.D.C., yes.

Mr. R. Law:

You would so that you would be taking on board their input that adding value to it by either agreeing or disagreeing with that input?

Mr. D. Flowers:

Yes, Jersey Property Holdings is required to produce reports to the Minister on transactions which originate from the trading companies, for example and so the Minister always receives a report which is independent and with the benefit of external advice. We are charged with ensuring that the public achieves and maintains full value for its assets.

Senator S.C. Ferguson:

In effect, you would be responsible for preparing the development agreement?

Mr. D. Flowers:

The development agreement would be prepared, I think, for the Regeneration Steering Group with a significant input from Property Holdings. Property Holdings may not be the only input into that development agreement. That is yet to be decided.

Senator S.C. Ferguson:

At the moment we do not know whether it would be tasked to yourselves or J.D.C. or whoever.

Mr. D. Flowers:

I do not believe that the report recommends the development agreement should be written by J.D.C. because J.D.C. is an implementation vehicle and what we are trying to do is to separate out masterplanning from specification from implementation so it would be J.D.C. may have an input into that and many companies in working in partnership with contractors and developers use

their input to ensure that the buildability factor of a project is built in at the earliest stage and that is the true essence of partnership.

The Connétable of St. Martin:

I would like a little bit of fundamental information. States Property Holdings, I understand, have ownership or responsibility for all States properties, is that correct?

Mr. D. Flowers:

That is correct with the exception of social housing.

The Connétable of St. Martin:

What about assets of the Harbour?

Mr. D. Flowers:

Effectively, the public is the owner of the property and the ownership is delegated to the Minister for Treasury and Resources and Property Holdings acts as the landlord for those properties. We have, effectively, granted a long-term lease to the Harbour for their properties and to the Airport so they have the benefit of any income from that property but they also have the liabilities for maintenance but the ownership still lies with the public through the Minister for Treasury and Resources.

The Connétable of St. Martin:

But basically, if I am talking about La Folie Inn, which has been empty for 5 or 6 years or maybe longer, you cannot get your hands on that to dispose of it, is that what you are saying?

Mr. D. Flowers:

Would there have been a number of issues which have only recently been cleared for La Folie and we are now looking with Harbours to ensure that any development on site is co-ordinated with their requirements for the on-going marine development.

The Connétable of St. Martin:

Fine and that would be the same basis for other Harbour properties presumably and Airport properties?

Mr. D. Flowers:

Yes.

The Connétable of St. Martin:

With regard to social housing, of which there are quite a few I believe which are for sale ...

Mr. D. Flowers:

Yes, there are a number.

The Connétable of St. Martin:

You have no input to that at all?

Mr. D. Flowers:

All of the sale transactions and the ministerial decisions, which are passed by Housing, come to Property Holdings. We write a separate report on those transactions and recommend to the Minister for Treasury and Resources the disposal of that site so there is a check and balance on all property transactions.

The Connétable of St. Martin:

If States Housing wished to dispose of property which no longer fits within their requirements, you would check on it. The funds from that sale would go to Housing or Treasury or where?

Mr. D. Flowers:

Theoretically, if a property is not required for social housing purposes it should be transferred back to the public and then Property Holdings could dispose of that property and the assets then

go to the States. In each case, on the disposal of an asset, the value goes to the States and then the States can decide how it wishes to allocate that capital value in a project. It is not ringfenced within any particular department.

The Connétable of St. Martin:

Fine, thank you very much.

Deputy T.A. Vallois:

Can I ask whether you feel, in this diagram on page 6, if your position there you feel fully comfortable with?

Mr. D. Flowers:

Yes, I think the diagram seems to be fine. I think the key is ensuring that the Regeneration Steering Group receives sufficient advice in the execution of its responsibilities.

Deputy T.A. Vallois:

The structure has been clearly defined to clearly understand the way forward?

Mr. D. Flowers:

Yes.

Deputy T.A. Vallois:

Okay. With regards to manpower and finance implications, do you have any in Jersey Property Holdings that will affect ...

Mr. D. Flowers:

We have significant resource issues as many States departments do and we need to ensure that we have sufficient budget to be able to do all of the things we are being tasked to.

The Deputy of St. Peter:

Within the implementation of the establishment of the Jersey Development Company, how do you see your workload changing, if it will change, if that goes ahead as published?

Mr. D. Flowers:

I think there will be an increase in workload. I do not think we appreciated the amount of work which is being done under Standing Order 168 in review of the transactions for other departments and certainly no resource was transferred to be able to do that. That has, over the last year, placed significant strain upon the department.

The Deputy of St. Peter:

If this went through, as is, could your department deal with the extra workload without adding staffing?

Mr. D. Flowers:

I think we would need to add some resource.

The Deputy of St. Peter:

What action has been taken, if any, to meet that requirement in the way of support from the Council of Ministers?

Mr. D. Flowers:

None at the moment. I think we need to review the requirement going forward.

Senator S.C. Ferguson:

Nowhere in here does it say any sort of officer support for the Regeneration Steering Group and it is a little difficult to see how they are going to cope.

Mr. D. Flowers:

I think that it will require significant officer input in order to be able to produce the appropriate development agreements. The Regeneration Steering Group, it being a political body, needs to determine the direction and to approve the proposals and it obviously cannot approve proposals which come directly from the implementation vehicle.

Mr. R. Law:

Can I just get that very clear in my mind, looking at the diagram that we have, to enable them to discharge the function they are going to need it presented to them in a way that they will ask questions and it may require those questions to be addressed by changes, who will they go back to because it seems that there are a number of stakeholders to what is presented at that point and does this structure, as identified, provide for that in a way that there will be no misunderstanding how it will work?

Mr. D. Flowers:

I think, possibly, the diagram might be too simplified and that the presence of the officer group may need to be more overt.

Mr. R. Law:

Sorry, more overt, yes.

The Deputy of St. Peter:

Again, moving down to our main question plan, but what limitations do you think should be placed on the activities of the proposed new company, if any?

Mr. D. Flowers:

I think the company should not be engaging in any agency activities. So we will not be acting as a development agency, which is a much broader remit. It is designed to be an implementation vehicle and, as such, should only be working under the direction of the Regeneration Steering Group. So it will not be going into the market to indulge or engage in projects for which it is not directed to do so.

The Deputy of St. Peter:

Do you see a potential conflict in the role that W.E.B. (Waterfront Enterprise Board) is taking on at the moment, which is a far broader role than would appear to be anticipated in the Jersey Development Company ... do you see any conflict that may occur as the changeover takes place?

Mr. D. Flowers:

I think it will need to be a phased transfer. Obviously the remit for W.E.B. has been not as fully defined as this has, and certainly one of the major objectives since receiving your original report was to make sure that those roles were properly defined and that the new development company was quite clearly in the implementation box, whereas before W.E.B. would be ... was specifying as well as delivering.

Mr. R. Law:

We have had some difficulty with the ... arising from the earlier comments that we have received today and it has exposed some contradiction within the document as tabled. One of those issues is quite simply that there is the implication in the statement that W.E.B. transfers and it then says: "... and all its existing activities" and then other things will be added to that. Now, we have received the benefit of clarification which says no, that is not the case, and this matter will have to be remedied because one is then referred ... and the reason for saying it is not the case is being referred to the memorandum of understanding that follows from the revised articles that are proposed for the company. Now, with that in mind, if I look from the outside, I see the activities of W.E.B. being more in the nature of a property company which is developing, it is managing property, and it is using the surpluses, for example, out of revenue streams to fuel future development activity. So the word "exit" when stated by W.E.B. means nothing as opposed to exit from Property Holdings.

Mr. D. Flowers:

I think I have tried to cover that in an answer to a previous question, which is that the exit strategy needs to be clearly defined in the development agreements on specific projects in that having achieved the development, the property is handed back and any income stream then goes back to the public. J.D.C. is quite clearly a development implementation vehicle which does not hold assets which it does not need to develop.

Mr. R. Law:

But it is managing at the moment property?

Mr. D. Flowers:

Yes, it is.

Mr. R. Law:

It is collecting revenues. That is one thing that is not fitting in with the descriptor that you have articulated for the future. The other thing they are doing, of course, is selling services and they happen to be services, if we look at masterplanning services, that have an ability to either add value or detract value. In other words, if they were selling services to provide more infrastructure in proportion to revenue-producing assets in the traditional sense, that would be the negative side. But all of that, as we understand it, is no longer to be the case.

Mr. D. Flowers:

It will need to be addressed in the transfer. We do receive property ... we have received some property back from W.E.B. We would need to review their total holdings and where an individual property is not part of a future project it would need to be transferred back to the public or it may possibly be to the Parish. I tried to cover that earlier in the brief description of an exit strategy, which is ensuring that when property is handed back that it also comes with some kind of sinking fund to cover the ongoing future maintenance whole life costing.

Mr. R. Law:

But do we see that in here?

Mr. D. Flowers:

I do not believe that is incorporated in the document.

Deputy D.J. De Sousa:

I have one. I am not sure if I am right in thinking this, but some properties that the States hold have been bequeathed by Islanders.

Mr. D. Flowers:

Yes.

Deputy D.J. De Sousa:

Some of them have stipulations of use, do they not?

Mr. D. Flowers:

They do.

Deputy D.J. De Sousa:

Will this be upheld?

Mr. D. Flowers:

Absolutely.

Deputy D.J. De Sousa:

Is there any way [Laughter] ... is there any way that if it was in a regeneration zoned area ...?

Mr. D. Flowers:

We respect all of the covenants that are placed on property and we have had recent examples where property has been bequeathed, it is in a trust fund, what happens to that property has to be agreed with the trustees, and any value goes back to the trust. So there is no question that we would be taking property that has been bequeathed and ignoring the wishes of the donor.

Deputy T.A. Vallois:

Would you agree that this proposition is an extension of the role and remit of W.E.B.?

Mr. D. Flowers:

No, I think that it is putting W.E.B. into a more defined role and I think we have already ... I would accept that the proposition may have some areas of further clarification, particularly in respect of the exit strategies and what goes into development agreements, and those are things we may need to explore.

The Deputy of St. Peter:

David, looking at the schematic of where we are going, there are a few areas which are incredibly critical. The Planning and Environment Department is one; your department is another; the Regeneration Steering Group is another; and sitting in control ... not in control of it, but sitting under the name of all this we have the Jersey Development Company Limited. We know that we may have a problem. Although we need to do something, there is a perception that moving W.E.B., with all its baggage, its historical baggage, into the Jersey Development Company per se and writing it down ... you know, W.E.B. is going to be subsumed by the new company. How do you feel about the perceptions that exist with the way W.E.B. has developed over the last decade or so? I know you have not been here for a decade, but you obviously must have some feel for it.

Mr. D. Flowers:

It is difficult because W.E.B. under various directions, various control, has developed a less than attractive reputation, so that would need to be overcome in the process of establishing J.D.C. I really do not feel that is an area for me to comment on. I have a personal view that I think it is difficult because of the baggage of the past, but I think that the proposition does its best to define a proper structure and a proper way of working in the future, and then how W.E.B. is transferred into that structure is something which was not part of this proposition or my remit.

The Connétable of St. Martin:

So, can I sort of comment because I think you are maybe the third interviewee who has said: "I agree but I am not the person to comment." [Laughter] Yet without some vigorous and confident tackling of this reputation or perception ... no, it is not reputation, perception, public perception, there is a very good chance this thing will not fly.

Mr. D. Flowers:

Yes. I think that possibly the loose structure of W.E.B. and the ill-defined remit has given the public cause for concern, and hopefully the clearer definition of the company into which it is to be transferred should alleviate some of those issues.

The Connétable of St. Martin:

Thank you.

The Deputy of St. Peter:

Certainly your description of the interaction between your department and that of the J.D.C. would indicate that there is far more control and safeguards put in place to stop maverick developments.

Mr. D. Flowers:

I would agree with that.

The Deputy of St. Peter:

One would hope so. [Laughter] Do we have any more questions from the team, please?

The Connétable of St. Martin:

It has been very interesting because I see all the sort of redundant properties around the Island. I would like this thing to operate. I would like to see it be successful. I would like to see some of the stuff around put to good use. I would like to see Haut de la Garenne put into good use again.

Mr. D. Flowers:

It will be.

The Connétable of St. Martin:

It is in my Parish.

Mr. D. Flowers:

I know. [Laughter]

The Connétable of St. Martin:

You know, it is of great interest to me. I do not think I have any more questions. Thank you for your answers.

The Deputy of St. Peter:

Especially that last one. [Laughter] Richard?

Mr. R. Law:

No, nothing further.

Deputy D.J. De Sousa:

I just have one. As a town Deputy - and we have just spoken to the Planning Minister about the masterplan - do you see the town being married with the waterfront successfully or do you see them being separate?

Mr. D. Flowers:

I would hope that they can be integrated. I think it would be wrong for them to be separate, and I think that one of the prime purposes of setting up a vehicle which will focus on the waterfront is to ensure that any consequential effects on the town are taken into account, that one is not developed in isolation to the other. If - when/if - the Esplanade were to go ahead, moving offices down to the waterfront would have an effect upon the town and it is necessary for the States to recognise that and have the opportunity and a vehicle to be able to address the impact upon St. Helier and what may need to be done with property which then becomes redundant. That is extremely important. So, the answer to your question is I think it is extremely important that the 2 are integrated, hopefully more physically and, secondly, that the consequential effects are taken into account.

Senator S.C. Ferguson:

Just one tiny little one. It is not quite on the point, but we are hearing stories that perhaps the recession is hitting the property market in town, particularly the retail and the rents and so on.

Mr. D. Flowers:

Yes, it is.

Senator S.C. Ferguson:

What sort of comments can you make on it?

Mr. D. Flowers:

Well, we are having ... sorry, we are seeing that some tenants are having difficulty in meeting their payments and have approached us with a view to some form of relaxation. We did some analysis for another scrutiny hearing on the effect on the construction industry, and it is quite clear from the evidence that we have that there is a significant slowing down. This was in respect of the fiscal stimulus initiatives. So, I think the effect on Jersey has been slower but it is still quite significant.

The Deputy of St. Peter:

Just a final question from me, David. It is one I have been fed in by my left ear. What is meant by a redundant property? How is it defined or who decides? **[Laughter]**

Mr. D. Flowers:

Well, I need to give you a slightly longer answer to that and give you an example, which is that we are looking at consolidation of the States office accommodation and that will require taking out quite a lot of property to deliver a more efficient state. That will involve quite lengthy negotiations with the departments that are occupying those properties and they will need to see and be convinced of the benefit. The public centrally may own the property but the departments are, in essence, sitting tenants and so I would rather lead them to a better solution than try to force them to a better solution. So, the definition of what is redundant comes not from one party decreeing that it is redundant, but by the associated departments, both the landlord and the tenant, agreeing that it is the best thing to do. You cannot force people out of property.

Senator S.C. Ferguson:

Will this be encouraged by the introduction of the charging system?

Mr. D. Flowers:

Yes, it will because at the moment the departments have the luxury of free good in respect of property so there is no incentive for them to leave the property or to reduce their space requirement. If you had something which did not cost you anything, you would have as much of it as you could, would you not?

Senator S.C. Ferguson:

Absolutely. **[Laughter]**

Mr. D. Flowers:

But if there is a charge - and this has been found to be effective in a number of organisations - then with limited budgets it is seen to be a way of operating more economically. So, as I say, there is not an easy answer to what is a redundant property unless it is sitting there empty, and we do not really have a huge number of empty properties. We have a number of part-vacant properties. Most of the ones which are ... certainly all of the ones which are unencumbered and vacant have been on our disposal list and we have been taking value from them.

Mr. R. Law:

Just a point of clarification, this is in relation to your comment about looking at the big picture rather than just looking at an element of, say, the waterfront for regeneration but considering the impact of any piece of regeneration in relation to the ... and I think you mentioned the town, St. Helier, the waterfront. Do you subscribe to the view that, therefore, in terms of defining a zone or the zone for masterplanning that it should be a clearly defined line on the plan that embraces not bits of ... in little circles, but the entirety of what may be from the water edge right the way through to the north of the town and east and west of that?

Mr. D. Flowers:

It could be. The only danger with that is the boundary would tend to expand to incorporate value for the properties in order to feed the infrastructure investment in part of the zone. So I would prefer to draw that boundary quite tightly initially and it may be that in understanding the effects of the new development you then start to create another regeneration zone.

Mr. R. Law:

So, to understand that, clearly it is not a fuzzy line?

Mr. D. Flowers:

No.

Mr. R. Law:

It starts off at a tightly and more narrowly defined boundary but it is a clearly defined one?

Mr. D. Flowers:

Yes.

Mr. R. Law:

So there is no question of it being a fuzzy one?

Mr. D. Flowers:

I do not believe that that is appropriate. I think it should be a clearly defined boundary because otherwise if it is not seen to be working financially then the boundary might expand to incorporate another site which is outside in order to deliver that value in to pay for infrastructure, and then where does it stop? Does it eventually end up as the whole Island?

Mr. R. Law:

Thank you.

Deputy T.A. Vallois:

How do you see the removal of the redundant parts of States property or assets having an effect on the market for rentals and buying in the business/commercial sector?

Mr. D. Flowers:

Well, we looked at the ... we have done an analysis in the office strategy of the effect of releasing 200,000 square feet of space. Only a small proportion of that would remain as office use; most of it would go back into ... go into an alternative use, probably for residential or some commercial. So, we saw the effect on the office market as only being a 3 per cent increase in space. It is about 1.5 million square feet in total of office space in St. Helier. So, the area that we are proposing to release for continued office space would not make a material effect on that, so I do not think we would be affecting the rents with our activities.

The Deputy of St. Peter:

Anymore, ladies and gentlemen? Well, David, on behalf of the team, thank you for attending and thank you for your open response.

Mr. D. Flowers:

Thank you very much.

The Deputy of St. Peter:

It is much appreciated as usual.

Mr. D. Flowers:

I will probably be back next week. [Laughter]

The Deputy of St. Peter:

Is there something you have not told us? [Laughter]

Mr. D. Flowers:

I believe I am accompanying the Minister for Treasury and Resources.

The Deputy of St. Peter:

We will see you next week, then.

Mr. D. Flowers:

I will see you next week. Thank you very much.