



STATES OF JERSEY

Corporate Services Scrutiny Panel Jersey Development Company Sub-Panel

THURSDAY, 20th 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)

Witnesses:

Mr. R. Shead (President, Chamber of Commerce)
Mr. A. Morris (Chairperson, Building and Development Committee)

Present:

Mr. W. Millow (Scrutiny Officer)

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

Anyway, gentlemen, welcome. If we can just make our introductions. I am Deputy Collin Egré, in the Chair. Deputy Deborah De Sousa who is my Vice-Chairman, going round the table ...

Deputy T.A. Vallois of St. Saviour:

Deputy Tracey Vallois of St. Saviour.

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, member of the committee.

The Deputy of St. Peter:

Just for the record, if you could please say who you are?

Mr. R. Shead (President, Chamber of Commerce):

I am Ray Shead, President of the Jersey Chamber of Commerce.

Mr. A. Morris (Chairperson, Building and Development Committee):

I am Andrew Morris, I am a committee member of the Chamber of Commerce.

The Deputy of St. Peter:

Again, a formal welcome to you both. Now, you have a little bit of paper in front of you. I do not know if you have come across it before but if you would like to read it, it just gives you the terms against which we operate. Can we confirm we are happy? Right. The purpose of this review, as I am sure you are aware, is to look at the proposal, the setting up of the Jersey Development Company. Our role here is to review its suitability. The corporate panel has already reviewed the previous attempt to do something similar in the establishment of the Jersey Enterprise Board. At that particular point we sent a report out which was reacted to by the executive and they have apparently now moved forward and are now putting forward this proposition for re-establishing a similar job but under the guise of the Jersey Development Company. Have you had a chance to read the proposition?

Mr. R. Shead:

Yes.

The Deputy of St. Peter:

What I would like you to do is just to go through your views about what you think about this particular way forward and then we will try to elaborate further if we feel the need. Over to you.

Mr. R. Shead:

Well, looking at this, we think that the idea of a single agency responsible for the development of States properties which are fairly enormous assets is a good idea, a sort of ... whether you call it Son of W.E.B. (Waterfront Enterprise Board) or whatever but something like that we think is ... there is a lot of property owned by the States, it is something like £1.6 billion of property value, so I am told more anecdotally ...

The Deputy of St. Peter:

It is significant.

Mr. R. Shead:

Yes, a serious amount of money and obviously in these recession-hit times it is really a very sensible idea to make as good a use as possible of that. Looking at the plan that goes on page 6 of the proposition we see how it works. The Chamber is of the view that ... sorry, can I just go back a bit. We were originally involved a few years ago in the Urban Task Force, which in a way was the forerunner of what appears to be happening now and it turns out that over the years the Task Force was good at grass root level, and a number of things that happened in town, Conway Street, especially Broad Street, but it seemed to be more like cleaning up toilet services and things like this around town, small scale things that are important, but the larger issues did not appear to be within the remit of the Task Force. It was important that as stakeholders we were involved, and we are involved and will continue to be involved in whatever form or shape that that may continue with. The thing that appears to us that is missing in this schematic diagram is that there is no stakeholder group at all and the input is all coming from politicians, civil servants, and the paper does refer to an input from organisations but it does not say who they are and we feel that there should be somewhere, and because Andrew is Chairman of our Building and Construction Committee he is much more open to the detail and he will give you his views on this in a bit. But we feel that there should be somewhere in this organisational plan a stakeholder group which obviously we feel at Chamber we should be part of, and that should be formalised within the group because the effects that this may have on business could be quite significant and we would like a role, we feel, representing all the business sectors of the Island, that our input here would be more than useful, necessary and important and it is important for Government to take our views into account and we feel that this is really important. But there does not appear to be anywhere, if you look at this, any sort of provision, if that is the right word, for any stakeholder group of any sort. We think that that stands out as the glaring omission and there should be something within that.

The Deputy of St. Peter:

Just interjecting there, where in the structure that you have mentioned that was on page 6 would you see your particular ...

Mr. R. Shead:

Can I pass that over to Andrew.

Mr. A. Morris:

I think what we are looking for is to cultivate a sort of partnership between business and Government.

The Deputy of St. Peter:

Just while I am focusing in my own mind, I have heard what Ray has said. Whatever structure you wish to put in place to input, where do you see that input being within that schematic structure?

Mr. A. Morris:

It is difficult because I think it has to be in the development brief that the Planning Department undertake, because my understanding is that the Island Plan that is nearly completed will be highlighting the development area. Also the Planning Minister and the Jersey Development Company and Property Holdings have the ability to have a look at other sites which might come forward, so therefore the Planning Department have the ability to generate briefs for these sites which are then presented back through the chain. So I think in order to be at the coal face we need to be part of that development brief, also at that stage, so that we are at the front end of the process rather than the rear end ...

Mr. R. Law:

What I was going to say was I just want to clarify now, because you are talking about the main structure, and it shows that planning and development and the process of delivering the Island plan is the responsibility and it is accountable under Planning and Environment. Does not everyone on the Island have the opportunity of making an input to the Island Plan? The process of its evolution before it is adopted?

Mr. A. Morris:

They have had.

Mr. R. Law:

Is this not what you are asking for?

Mr. R. Shead:

No, we are asking for the stakeholder group to be formalised, to have a position, a plot, if that is the right word, on this diagram. I think that is really the important thing. I mean the Island Plan has gone out to consultation and as a Chamber we have responded to that.

Mr. R. Law:

So is that not the answer to your question?

The Deputy of St. Peter:

What broader input will you be seeing other than that which has just been described?

Mr. A. Morris:

As I said, it is quite difficult to know where we would fit in here and what we want to be is we want to be frontloaded. We want to be consulted before the conclusion has been made.

The Deputy of St. Peter:

So what do you believe the process will be in producing an extra site that would allow some regeneration?

Mr. A. Morris:

Okay. The process I understand from reading these documents is that there will be areas and let us just take a town site, there will be areas in town where the States have property. That property will be held by Property Holdings. The Planning Department would then highlight an area for development. That proposal would be put together by Planning as a development brief. That development brief I believe would be signed off by the Regeneration Steering Group as an accepted brief. That brief then goes back to the Jersey Development Company to see if all the mechanics of it can work and whether they can bring in third parties because some of these sites I understand will not be purely owned by the States, they might be owned by private individuals. Then from that a business plan for that site is then developed and then that gets signed off once again by the Steering Group as: "Okay, let us go for it" and also Treasury have the opportunity to input to see if it is financially viable. That is how I think I understand the process, I think it goes back and forth between some of these bodies.

Mr. R. Law:

If you look at the diagram on page 6 to the left-hand side there is Minister for Planning and Environment with the responsibility for the Island Plan and the plan review which is being undertaken at the present time. The policy guidance and all the other issues that have to be taken into account, those are their responsibilities to deliver planning consents at the end of the day. What I was trying to get the answer to the question that has been posed is, are you seeing yourselves and others as a box on the left-hand side?

Mr. A. Morris:

I think part of it is. I do not think all of it is.

Mr. R. Shead:

You see there is a mention on page 8 under: "Relationships", the middle paragraph that refers to stakeholder groups including other commercial associations and planning bodies as appropriate, but it does not appear that that is ... we would like to see that particular comment, if that is the right word, somehow formalised within this paragraph.

The Deputy of St. Peter:

The comment that you made when you first started speaking, do you feel that there is a broader role for you to take as the Chamber of Commerce, not just purely from the planning perspective and from the building perspective but on the broader field of how anything you do will affect the economy of the Island?

Mr. R. Shead:

Very much so, yes, definitely. I mean we represent all sectors of local business and therefore we consider that our views have an effect on our members, that we should really be deeply involved in this but in a formal ... the point that I was trying to make is that we should be involved in a formal way. There is nothing in this plan at all that shows a box on either side for a stakeholder group which would include us and that is really where we consider ...

Connétable S.A. Yates of St. Martin:

Yes, looking at page 8 and under the paragraph: "Relationships" I did make a note on my copy that the Constable of St. Helier is bringing in an amendment to include the St. Helier Parish Roads Committee as a recognised stakeholder, so why should not the Chamber of Commerce be a recognised stakeholder?

Mr. R. Shead:

If you go further up that page the Constable will be as I understand it and reading this, on the board of the Jersey Development Company anyway, and I do not think I have misread it, but I think he is going to be on the board anyway if you go through ... I saw his name further down.

The Deputy of St. Peter:

In my perception there are 2 major engines in this. There is the Regeneration Steering Group and the States of Jersey Development Company. Those are the 2 driving engines.

The Connétable of St. Martin:

Could I ask another question? Having mentioned the St. Helier Parish Roads Committee as recognised stakeholders or the amendment that proposes that they should be, what would your answer be if you were perhaps invited to be part of the Regeneration Steering Group?

Mr. R. Shead:

That appears to be a political body more than a stakeholder group and that seems to be at a much higher level and therefore in a way I am not sure that it is quite appropriate for us to be there, because that is setting out the guidelines of what wants to be done. Our input, which we consider would be of benefit, is our actual knowledge of on the ground, how it works, if you see the point I am making.

The Connétable of St. Martin:

So you will not particularly want to take part in that group which is as you say political, but you want to have recognition as a stakeholder?

Mr. R. Shead:

As a stakeholder, that is right.

The Connétable of St. Martin:

That is good, thank you.

Mr. R. Shead:

We are clear on that. I do not see us being part of the Jersey Development Company at all. Because if we are involved in the Development Company as board members there would be a conflict of interests ...

The Deputy of St. Peter:

The steering group.

Mr. A. Morris:

We had not considered that, to tell you the truth, because we did not think we would be able to be part of that. It seemed to me to be more of a political steering group rather than a detailed one.

The Deputy of St. Peter:

Can you see the distinction that I am making? The reason why I split the distinction is that I got the feeling that you were dealing with the planning aspects and you were dealing with the broad economic aspects. It is a case of where would you feel comfortable. It is not for me to lead, but from the planning perspective I can understand that but from the economic perspective I do not see that sitting comfortably with the Planning Department.

Mr. A. Morris:

No, I do agree that we are consulted through the planning process. Maybe we need to ensure that the public and also Chamber are consulted during the development of the briefs. I have not seen a version of the new Island Plan or revised Island Plan yet but I would imagine it highlights this area. I do not know if they will have the briefs developed as yet. But the development of them is important, that is one key factor. The other key factor is being part of or being able to inject into the Regeneration Steering Group.

Deputy T.A. Vallois:

Can I just ask with regards to the stakeholder groups, there is a relationship with the stakeholder groups to the Regeneration Steering Group. So your view as a Chamber of Commerce, do you feel uncomfortable with that relationship and would rather be directed to a department rather than to a political body?

Mr. R. Shead:

As I said earlier, I do not think we should be part of the Regeneration Steering Group but our input should go into that group, rather than through to a Government department, because that is the group that is deciding the overall policy and the overall strategy and that is where we should have an input, and also as Andrew has been saying in the planning policy and in the guidance that is coming through as well.

The Deputy of St. Peter:

Okay. Any input on that?

Deputy D.J. De Sousa of St. Helier:

No, not at the moment. I am waiting.

Mr. R. Law:

I was not going to add any further points to that, but you did mention recession-hit times and I think we are all in varying degrees very much aware of that. Would you like to make any comments on that in relation to what is often said, the Island is in a unique position economically. Could you help me understand that?

Mr. R. Shead:

Well, the most important thing is we have no public debt and therefore I think that is very important. But when the States have assets as they have in property if a way can be found to generate an income, a revenue stream, for the States from those assets that I think would be of enormous help, because obviously the tax revenues that are coming in even this year based on last year are probably okay, but next year with the way business is going the amount of revenue the Tax Department is going to get from business and from individuals is going to be lower and there is a gap and we know that there is a budget deficit of probably around £60 million next year and going on for the next few years. If a way can be found of bringing in a further source of income and revenue that should mean that the States have no need for example in a couple of years' time to put up the level of G.S.T. (Goods and Services Tax).

Mr. R. Law:

Do you see that revenue coming direct to the States, to the Treasury?

Mr. R. Shead:

I think so, yes, because the States ...

Mr. R. Law:

As opposed to via the Development Company?

Mr. R. Shead:

Whichever way it goes ... I am not sure it is too important but seeing as the Treasury represent ... the Treasury through costs and services own on behalf of all of us the assets that we are talking about that could be released, so therefore if that generates a revenue stream that must be good for the Island's coffers as a whole.

Mr. R. Law:

What about impact of that picture on rents, for example, of offices, shops? Are they falling?

Mr. R. Shead:

I have anecdotal evidence that rents in some cases are falling, yes. I mean King Street and Queen Street in town are not falling but several subsidiary areas are falling a bit and I am sure that over the next year or so, because I am of the view that the recession still has another year at least until the end of next year, that when rents come up for negotiation and this sort of thing there will be pressure applied to landowners to say: "Hang on a minute, you are getting an income here, do not try and ..."

Mr. R. Law:

Are you finding demand for properties falling, in your experience?

Mr. R. Shead:

My particular area that I know a reasonable amount of is on the retail side for example, there is a constant turnover of retailers in town and there are people saying: "Well, hang on we do not want to pay rents every 3 months or every quarter, we want to pay it monthly to ease the cash flow" and this sort of thing and I can see that this is a trend in the U.K. (United Kingdom) and I can see it being followed here as well, so I would say that the level of rent is probably going to be fairly static, because people are not prepared to pay. There are no takers for high rents and there are a number of developments that we have seen around that are operational now where there is nobody there because the rents that are being charged are quite high, so therefore people are ... businesses are voting with their wallets and their feet and saying: "Hang on, we are not going to pay this, we cannot afford to do this."

The Deputy of St. Peter:

Going back to the role of stakeholders, very early on you mentioned that you felt that Chamber was one of the stakeholders that should be represented. Who are the other stakeholders that you might think should be represented?

Mr. A. Morris:

Good point. We have looked at this. We thought others could be harbours and ports, leisure, education. Some of the key issues for us which are topics rather than stakeholders and you can draw your own conclusions I think, we are particularly interested in parking strategies, particularly with lighter developments, traffic modelling has always been a bugbear for Chamber.

The Deputy of St. Peter:

I was thinking more of being pointed to individual groups rather than topics.

Mr. A. Morris:

Obviously T.T.S. (Transport and Technical Services) needs to be a stakeholder, traffic.

The Deputy of St. Peter:

I was thinking of stakeholders outside of the States environment.

Mr. R. Shead:

The Association of Jersey Architects, people like that who have an input into it. That is the sort of area. I would say people from outside, perhaps the I.O.D. (Institute of Directors), people like this who can put in ... who are non-States bodies but do have an interest in what goes on.

The Connétable of St. Martin:

Yes. I would like to open up a couple of points and perhaps leading up to another little slight different direction, referring to the relationships on page 8 again and I can really assume that you are stakeholders, you will be stakeholders. You are emblazoned across the Royal Square as stakeholders, the Chamber of Commerce, and I am sure that you would fill that position with a great deal of input.

Mr. R. Shead:

At the moment, that is not formalised, that is the point that I am making. It is in here as a stakeholder group, yes, I accept that.

The Connétable of St. Martin:

If this is going to be the case, it is not the case but if it is going to be the case, we are talking about revenue streams and your interest in promoting the revenue to the Island of Jersey into the States Treasury. The first question I think as business people, the Chamber of Commerce, we respect your experience, have you got any ideas of where surplus States property could be

converted into revenue streams? That may be a very fundamental question but I am a very fundamental person.

Mr. R. Shead:

Interesting. I had not really thought of that. My first view, if that is the right word, is that the additional revenue that would come into the States would mean that increased taxation would not need to apply at perhaps the same level that it could well be if there is a downturn in tax revenue, which is what we expect over the deficit. I think that is probably the main area where the additional funds should go.

The Connétable of St. Martin:

As potentially a recognised stakeholder I presume that you would be able to support the Regeneration Steering Group by suggesting such revenue streams to come into the States?

Mr. R. Shead:

Yes, we would.

The Connétable of St. Martin:

As a follow on to that question could you comment on your perception of the performance of the Waterfront Enterprise Board as a producer of revenue streams to the States Treasury?

Mr. R. Shead:

As I understand it I am not sure they have done too much, if I am clear on that. They have cost a fair amount of money over the years and I think they have been running for about 20 years. There are some things to show for it, yes. There is a waterfront, there are facilities, some of them like the cinemas and the nightclub and the bars down on the waterfront and dare I mention it the Radisson, but there are some infrastructure things that have been built down there which are useful and people do come around and see it and this sort of thing. But I am not sure whether it has produced sufficient revenue for the States, I am not sure that it has produced much at all.

The Connétable of St. Martin:

So this is not in your opinion about ... it is not in your opinion a good example of producing revenue from the assets of the Island of Jersey?

Mr. R. Shead:

As a development agency in the area that they have been in, I do not think [so](#)...

The Connétable of St. Martin:

Can I rapidly follow that up by asking that if as I believe the States of Jersey Development Company Limited would subsume W.E.B. within its structure, albeit under a different name, albeit under a different memorandum of understanding, what is your feeling I suppose basically about the States of Jersey Development Company Limited being run by W.E.B.? How do you see that?

Mr. R. Shead:

I do not see that. I do not see that as ... I guess some of the people ... because as I referred earlier, "Son of W.E.B." But I think that I would like to think that the mistakes have been learnt by the politicians, by the States, that an organisation needs a larger input from people and I think that W.E.B. always seemed to us to have been set up as doing things but not ... what is the right word, not involving any stakeholders because they said: "This is what we are going to do, we are going to build this, we are going to build that, we are a development agency" but I think their hands were tied by the fact that as well as being owned by the States they seemed to have to come back to the States every time and say: "We want to do this development" or: "We want to do that" and there seemed to be a lot more ... interference is not the right word but the consultation process seemed to be very convoluted.

The Deputy of St. Peter:

Is secretive the word you are after?

Mr. R. Shead:

Possibly, possibly some parts of it, yes.

The Deputy of St. Peter:

Lacking transparency.

Mr. R. Shead:

Yes. It is transparency and accountability and under this new scheme here there appears to be much more accountability and transparency as well.

Deputy T.A. Vallois:

Just with regards to the current structure that is in place with regards to developing and States properties, et cetera, how does that have a good or bad effect on businesses that you represent and how do you see that changing with this proposal?

Mr. R. Shead:

It really comes back to the input that we have into it. It is a question of how Property Holdings release land to the new company to generate additional income. Obviously that will then provide for industry and Andrew's industry in particular, building and construction, more opportunity for more work.

Mr. A. Morris:

States capital projects are key to the building industry, absolutely key.

Deputy T.A. Vallois:

But have you seen any ... the current structure that we have, do you have any examples of anything that has come about that is good for businesses or anything that is bad for the businesses, and do you see that improving or getting worse with this change and how do you see that changing?

Mr. A. Morris:

A difficult question. When a development happens on the waterfront and has happened on the waterfront, some of it has gone off Island, which obviously is not good for the Island industry. But what it has done is it has created confidence in the industry and in the public and there is almost a void that follows behind it which the local companies fill. So large developments undertaken by the States or by a company run by the States I always believe is a good thing, because it gives the industry and the public and investors confidence in our market, which can only be good. So it is quite difficult to gauge the confidence factor because it does swing with other factors. So it has been good, but what we have always got to make sure is that the on-Island skills that we have, and we have a vast amount of very high level of skills, is always given the opportunity to be involved. As I say there are States projects ...

The Deputy of St. Peter:

If I can just interject, what examples can you give us of group sound development practice that has gone on, and what confidence do you think the public have at the moment with regard to developments, major developments, that have gone on in the Island?

Mr. A. Morris:

I do a lot of Housing Committee work and I think generally the way that has been set up over recent times has been good.

The Deputy of St. Peter:

Beyond the Housing.

Mr. A. Morris:

Beyond the Housing? So are we talking airport projects?

The Deputy of St. Peter:

We are talking about projects that have taken place.

Mr. A. Morris:

Some of the capital projects, like the airport, have been good for our industry because we are using local skills, local labour force, local ...

The Deputy of St. Peter:

But the quality of the product at the end of the day and the public perception of that product, how do you feel that is viewed?

Mr. A. Morris:

I think that is generally viewed acceptably, because we do a lot of projects that just carry on underneath the limelight and are successful because they are brought in on budget and they provide the need of the end user, so yes, I do. The extension to the hospital, the recent extension to the hospital, I think that has been a great success.

The Deputy of St. Peter:

But when we are looking at the big picture, the big regenerations, the waterfront, for example, because that is the example we look at, what do you feel is the perception of how that has been developed?

Mr. R. Shead:

There is a public perception that obviously some of the developments and I think of the hotel as being one, are not perhaps what everybody would be looking for. I think the other public perception is in fact the time factor that it takes, the amount of work that obviously there is still things going on, that it is still a building site. If you look behind the hotel you have storage containers, pallets and all sorts of things which are not very attractive at the Island's main gate of entry if you are coming in south and west apart from if you are coming into town, if you are coming in through the harbour. I think that is perhaps ... you can put that down in a way to one of the failings of W.E.B. that the whole area has not been ... it does not appear to have been developed as a single overall plan. There appears to be just an ongoing ... you have got bits done and then you have got a fairly unattractive bit in the middle that is still not ...

The Connétable of St. Martin:

That was going to be one of my next questions, the next question. I think the question is, with the general disappointment of the public about the waterfront we now have, is it saveable in any degree? Can we convert what we have got, this sad conglomeration of warehousing and containers and awful block hotels and cinemas and things, can we convert it into the garden gate of Jersey, the front door of Jersey where I think being the main sea entry port, it is the gateway to our Island and having been to some places in the world where you arrive in a port and you are instantly aware that you have arrived because of the actual development of the harbour front ...

Mr. R. Shead:

Dare I say like going into St Peter Port.

The Connétable of St. Martin:

I was going to say Hamburg.

Mr. R. Shead:

Okay, fine.

The Connétable of St. Martin:

Hamburg is absolutely brilliant. Now it is such an opportunity to create a sense of arrival at something which is good and yet at the present moment it seems to be you are entering the Island through the back door really, which is not particularly nice. Do you think as a Chamber representative and particularly your colleague dealing with the architectural building and

development, is it saveable, is it in your opinion saveable? Can we convert something where it gives you a sense of arrival to come into our port and into our beautiful Island except through the back door? We are talking about the sea, we are talking about water, the bay, the sea is something which is not measurable in cash but is measurable in ...

The Deputy of St. Peter:

Can we regenerate the waterfront? Well of course coming back to what I mentioned earlier I would like to see the mistakes that are fairly obvious that you have referred to can be rectified. I would definitely like to see this. I would like to think that a new company with a broader sort of base, a broader mandate would be able to do that. Yes, most certainly. To learn from what has happened in the past. I would like to see that.

The Connétable of St. Martin:

Can I get the question answered by Andrew Morris, please?

Mr. A. Morris:

I would hope so. But I think that with having a control to masterplanning and being led more financial than social is probably one of the problems that we have had and I think the proposition of splitting the masterplanning away from the development companies probably is a good one, because the Planning Department will look at it hopefully in terms of more social, cultural and environmental provision than in just a financial provision. So I think that mechanism of allowing the Planning Department to masterplan gives a glimmer of hope that we should be able to do that. It is whether they have the ability and can bring in the skills to deliver that, that we are all happy with, is another question.

Mr. R. Law:

In order to deal with that issue, though, could you deal with it in the terms of the skills? Because the understanding or the inference of what you are saying is the Planning and Environment Committee do not have enough skills, but am I right in thinking that the existing W.E.B. provides skills to the States and one element of the States that they provide skills to is the Planning and Environment Committee, is it not?

Mr. A. Morris:

Well, they do, but they are in charge of their own destiny at the moment.

Mr. R. Law:

Are you suggesting it is proposed that they will not do that in future?

Mr. A. Morris:

Well, the proposal is that the masterplan will be put over to the Planning Department, is it not?

Mr. R. Law:

But if the Planning Department do not have the resources to do that work, as I understand it they commission the task to external bodies, firms.

Mr. A. Morris:

Yes.

Mr. R. Law:

One of those is a company, W.E.B., is it not?

Mr. A. Morris:

It is, but W.E.B.'s mandate is to produce commercially viable projects. Is it not good to take that away from the process of the design of these areas so that it is led more socially and architecturally, rather than 6 storeys because it makes sense in terms of money?

Mr. R. Law:

So is that saying, or are you suggesting, that they are not going to be engaged hereafter for that work of supporting Planning and W.E.B.?

Mr. A. Morris:

It does not appear to be in the proposition.

Mr. R. Law:

Or I should say the Jersey Development Company.

Mr. A. Morris:

It would appear to be in this proposition and I think that is probably a better way because I think you will get an impartial view of how our Island should be developed through an open process of hopefully consultation with the public.

Senator S.C. Ferguson:

I was just wondering, we seem to be concentrating obviously because the biggest portion is in the town, but this particular remit will apply to States property anywhere in the Island. We think the airport, I am not totally sure. What do you reckon that Chamber could bring to the rest of the Island development as opposed to the highly commercial town element?

Mr. R. Shead:

In a way it is the basis of our representation. We represent businesses all over the Island and in all sectors as well, therefore I would have assumed from reading this that they did talk about the airport here, that There is land at the airport which is perhaps not used necessarily for airport operational use that are owned by the States and there are other areas that are owned by the States and it gives this sort of wider perspective on how this should be developed, because at the moment they do not appear to be being developed at all.

Senator S.C. Ferguson:

So you have got a fairly strong agricultural section, have you?

Mr. R. Shead:

No, because that is obviously represented by the J.F.T.U. (Jersey Farmers Union) very much so, but we do have representation among some of the agricultural industry through the farm shops and some of the farm shops, the major ones, are members of Chamber, so we do have that sort of agricultural input, let us put it like this. So for example the Dairy is a member of Chamber so we know from them how things are going, they give us a lot of input as to what is happening in the countryside, let us put it like that.

Deputy T.A. Vallois:

I was just wondering whether you could in your view say what the regeneration zone is and how the masterplanning of that regeneration zone would be continued in a normal developing ...

Mr. A. Morris:

I think currently we have ... I am looking more into town now rather than the waterfront. I think the waterfront is very easy to define. If you look into town we have certain urban blocks that are defined by streets, a streetscape, that have been developed. So when you look at a streetscape you get varying heights of buildings, varying styles. In my mind I believe that we are looking at a block or an area of town where we have the opportunity to look at it as a total site. To give us the ability to make sure we get maximum value and maximum benefit from a singular development which brings on these other parties, maybe property owners are within that, so that we end up with something that is well put together in terms of divisibility, not ending up with a honey shop on the corner, providing the right density and mix, so I see it as the opportunity to look at certain parts of town, certain blocks within town to deliver a well composed and a well put together package.

Deputy T.A. Vallois:

You mentioned: "certain". Say if it was you putting the issues of the Jersey Development Company and you had a regeneration zone, could you give an example of what you believe that regeneration zone is and how you would do it?

Mr. A. Morris:

I think it is very hard to generalise. I think in different parts of town different things are required. For example, I think that on the north of town at the moment which is being looked at the important strategy there is multi-use, bringing in small businesses, also residential and perhaps some retail, and I think car parking and links into town are extremely important. So when you are looking at certain areas there I think that is probably different from when you look towards maybe around the hospital, because around the hospital you have the ability to work within an urban block in isolation. So I think to answer your question each area will have its own issues and a remit to solve, and to provide what is missing in the area and bring to that environment some sort of diversification. Because the wonderful thing about St. Helier is we work, we eat, we entertain and we live all within this lovely area we have got and we must maintain that. We do not want dead areas, we do not want just offices, we do not want just hospitals, we do not want just residential. We want a diversity and I believe that is the opportunity we have to use urban zones. And it will answer other parts of the jigsaw puzzle in terms of sustainable industry for us, in terms of tourism for example.

The Deputy of St. Peter:

How close a definition do you think there should be on the actual area covered by a zone, the regeneration zone? How definitive should it be?

Mr. A. Morris:

I think it should be fairly definitive within an area but I think parts of it will need to go fairly global. The Chamber have always had an issue with traffic and pedestrian thoroughfares through town, because we do not believe that you can look at one area without considering how it flows through town.

The Deputy of St. Peter:

So an area beyond the fringe, not coming in but going out?

Mr. A. Morris:

I think beyond the fringe are very important. I think if you consider one block I think you need to look beyond the fringe to know not only how to establish a brief but also to know what impact you are having on the area in terms of traffic, impact on other businesses, impact on other hotels, impact on footfall to car parks et cetera, so you do need to take it outside of the regeneration area.

Mr. R. Law:

The picture I am getting if I have understood you correctly is that you are looking at parts of St. Helier like the north of town and you have mentioned that as an example, but do you not consider there is a relationship with the waterfront and a much wider area? Are they not all interrelated?

Mr. A. Morris:

Yes, they are, and that is why I say you do have to take it beyond, beyond the development site or the development area. The waterfront is key, it is very key, because if we make a mistake down there we could desert King Street and Queen Street.

Mr. R. Law:

The idea if you take your transport to be connecting not only with the wider Island but with the waterfront and other areas adjacent perhaps to the waterfront and St. Helier. Does that in your mind, because I do not think you have answered a part of the question which was put which was saying define the area, in other words do you see this as clearly identified on the map as the zone that within the zone there are pieces of work like north of town, but they all have to relate to the whole?

Mr. A. Morris:

Yes.

Mr. R. Law:

Is that how you see it, because I am somewhat confused?

Mr. A. Morris:

Yes, I do.

Mr. R. Law:

So you do see a very clear line on the map, a defined line or do you not?

Mr. A. Morris:

No, I feel there are certain key issues within St. Helier which need to be tackled before we look at defined zones and that is about traffic management, car parking and footfall. I think we need to have a strategy because when you then look at a defined line of development that then falls into the framework of town. Does that make sense?

Mr. R. Law:

Well, you have said it. I am struggling with this concept that you are accepting that we should relate ... St. Helier relates to the waterfront and wider areas because they interrelate, they interact with each other and if you do something wrong in one part it can have a negative impact elsewhere, or a beneficial one of course. So that in looking at it you need to clearly identify that zone and then see how to create benefit to the whole of the zone by obviously dealing with it in phases or defined areas within that, so you would be masterplanning in detail, as you mentioned, that is what I am suggesting, in the way that you were describing things in the first instance. But you are putting it the other way around to me, as I understand it, you are going to not have any clearly defined zone and you are going to look at a whole lot of things and then decide what the parameters are.

Mr. A. Morris:

Not quite. I think you need to look at St. Helier as a whole in order to establish what the known issues are. I think we do need to do that. I think looking at areas in isolation do not help. For example does the ring road work? Yes or no? If it does not perhaps that needs to be sorted out. Do we need satellite car parking or do we need major car parking?

Mr. R. Law:

The picture I am developing in my mind listening to the conversation on both sides here is what we are saying is we have almost got a development zone and then we have got an effective zone that sits outside the development zone, so you are looking at how the 2 interact, but we have not got them defined anywhere.

Mr. R. Shead:

That would be surely part of the overall Planning Group and the masterplan to take that into account?

The Deputy of St. Peter:

Correct. Deputy De Sousa?

Deputy D.J. De Sousa:

My question has been asked.

The Connétable of St. Martin:

Now we are off the architectural bit, on page 12: "The composition of the space of Jersey Development Company Limited shall comprise an independent chairman, a managing director, a finance director, a non-executive director appointed by the Minister for Treasury and Resources and 2 non-executive directors with relevant financial banking and commercial and/or property

expertise.” The next paragraph deals with the scope of activities, 3 bullet points and it ends up with a little important sentence: “The States of Jersey Development Company Limited will continue the existing activities of the Waterfront Enterprise Board Limited.” So going back to the composition one would think probably you might be putting the name of the current managing director of W.E.B. into the managing director of the new proposed Jersey Development Company Limited. The question is, is it going to work? Is that going to work?

Mr. R. Shead:

I am not sure that that is clear from what is said and what is stated here, that the current M.D. (Managing Director) will be the M.D. of the Jersey Development Company. I am not sure.

The Connétable of St. Martin:

Point taken. Will it work if it is?

Mr. R. Shead:

A difficult one there because in a way ...

The Connétable of St. Martin:

You have got to be a bit more specific than that.

Mr. R. Shead:

Yes, I accept that. I am choosing my words carefully here. I guess that, how can we put it, the buck stops here with the current M.D. What has happened has gone on in the past under his watch and the decision that has to be taken, not my decision, not our decision of Chamber, is whether or not the current M.D. would be the correct person to be M.D. of the proposed new company. That is a very difficult one to call.

The Connétable of St. Martin:

I concur with you, but would you also agree that that particular appointment of Managing Director of the new proposed Jersey Development Company Limited is crucial?

Mr. R. Shead:

Oh very much so, yes, because as the chief executive he sets the tone. I think it is very crucial, very crucial indeed, yes.

The Connétable of St. Martin:

Thank you.

Deputy D.J. De Sousa:

In my opinion looking at this it is basically a change of name from W.E.B. to the Jersey Development Company. I have read through the report and recommendation and it looks as though W.E.B. as it is is just going to be moved along. At length you said that W.E.B. has not worked but you said the idea of this is better than W.E.B. but if it is W.E.B. moving and it is just really a change of name, is it not, why do you see this working when W.E.B. does not?

Mr. R. Shead:

Because I would like to think that over the nearly 20 years that W.E.B. has been in existence that I mentioned earlier the things that have not worked there will be taken into account by the way that this diagram on page 6 into the J.D.C. (Jersey Development Company) seems to me, and Andrew will correct me if I am wrong, but it seems to me quite clear from the input that went into W.E.B. The way that the Ministers, the steering group, the way that Property Holdings and Planning, the way that everybody feeds this into the development company is quite different and I would like to think that the errors or the lessons over the past 20 years with W.E.B. have been learnt here. Plus of course the stakeholder group fitting into it somewhere along the line.

Deputy T.A. Vallois:

Can I ask what your views are on the management of the risk for this company in developing?

Mr. R. Shead:

Risk management, that is an interesting issue for the States because I am not quite sure that across the body of the States and I guess in Treasury in particular because they control the purse strings, there is sufficient, as we know from other examples, risk management. That is something that the Treasury has to take on board and from what is being proposed at the moment so long as I would consider there are sufficient and competent people to do that, that is very important to have risk management and risk management of capital projects. That is very important and this would be something, whatever might happen, that the Jersey Development Company would do. There will be somebody, there needs to be overall financial control from the Treasury over the funding, very much so, so that we do not have a repeat of, dare I mention what has gone over the years and everything like this. I think that is very important, that there needs to be risk management of, effectively our money, with the effect that any development might have on the public finances. I think that is very important indeed.

Deputy T.A. Vallois:

With regards to the risk, do you believe the Government are taking more risk than what the U.K. Government takes as viable?

Mr. R. Shead:

Completely different way of working, I would say. The nearest equivalent that pops out in my mind of the J.D.C. is something like the Docklands Development Corporation in London and that has taken, and is still taking, 20 or 30 years or even longer. It goes back to the 1970s but it is working. I am wearing my business hat, I go there once a year for a wine exhibition and I take the riverbus down to Canary Wharf and go along and that area, there is no doubt about it is a very attractive area, but it has taken lots of ups and downs to get it there and it is still not developed now and it is a very long term project. This is a long term project, this is something that is going to be with us for the next 30, 50 years or more. So therefore the idea ... it is very difficult to compare with the U.K. Apart from the Docklands Development Corporation I do not know too much else about it, but we come back to the whole idea of risk management. It is what it does to the Island's future and this is what I consider to be very important, and therefore you need to have the public interest represented through the Treasury in risk management, in financial risk management.

The Connétable of St. Martin:

I have got one more question. I am referring back to page 6 which is the diagram and all these boxes and different titles on the boxes, and going back to the practical situation when somebody gets a bright idea, for instance, who thought of the idea of disposal of the Girls' College? I mean it is a good idea. Now in these boxes where do you see the ideas factory, the good ideas factory and who is going to be in charge of the ... where is it going to be in there?

Mr. R. Shead:

Good point.

Mr. A. Morris:

When I looked at that, that is the first thing I looked at in the diagram because I draw pictures so I always look at something pictorial. So I looked at that and I could not answer that question from that. I struggled. So when I read the text I think it became clear. I think that the ideas are coming from the Planning Department, that is how I read it, which I thought was quite peculiar because I thought you would need somebody to say: "This is a proposition, what do you think?" and then give it to the Planning Department to sort out. So I do not think the idea is: "Here is an idea, let us go ahead and produce this project." I think it is undefined.

The Connétable of St. Martin:

So it is a good question but not answered. Difficult to find any charge.

Mr. A. Morris:

Yes, and that is the point. I thought when they were looking at W.E.B. on page 17, if I read this right, one of the suggestions was it was a single Minister rather than a group of Ministers.

The Connétable of St. Martin:

The group should be accountable to a single Minister?

Mr. A. Morris:

Yes, and I was wondering why that sort of ...

The Deputy of St. Peter:

What do you think are the problems with that statement?

Mr. A. Morris:

I am not too sure about the history but I think that a single Minister being responsible might have been difficult, because of the financial responsibility to the Jersey Development Council. I think within the Regeneration Steering Group there should be a person specific to that rather than the Chairman.

The Connétable of St. Martin:

Can I just interrupt, because that comment is in a summary of findings which refers to the review of corporate governance of the Waterfront Enterprise Board Limited and is a finding of the Comptroller who made the findings recommendations, that W.E.B. is incompliant and that W.E.B. should be accountable to a single Minister. I am not quite sure how that refers to the new proposed company.

The Deputy of St. Peter:

This is W.E.B. as opposed to J.D.C.?

Mr. A. Morris:

Yes.

Mr. R. Shead:

Maybe that is one of the lessons that needs to be learned, perhaps? Just a view, sorry.

The Deputy of St. Peter:

We may have just missed that in the flow of conversation.

Mr. R. Shead:

Sorry, I said maybe that, what happened or what was proposed for W.E.B., was perhaps something that could be learnt in the establishment of the new company.

Deputy D.J. De Sousa:

From the last question you were asked where you thought the ideas were coming from. Who do you feel from looking at this proposition is the main accountable person? Is there one person there that is accountable?

Mr. A. Morris:

Accountable? No, it is not one person, no.

Deputy D.J. De Sousa:

Who do you feel is accountable in this structure?

Mr. A. Morris:

In this structure I think it would be the Jersey Development Company because they put together the package but they do not put together the idea. The idea is given to them by the Planning Department brief. I do not know if that is the way it should be.

Mr. R. Law:

Yes, it is really when you were referred to the composition, the independent Chairman, Managing Director, Finance Director et cetera, do you think that structure will deliver all that is set out as the

role of J.D.C.? Do you think that is the right answer? There is some hesitation. I am not talking about individuals here, we are talking about ...

Mr. R. Shead:

No, but with the input that is set up here in the plan, with the input that the J.D.C. will have, therefore I think that again, stakeholder group, I think that it could well work, yes. I think there is a different background to the J.D.C. than to W.E.B. in terms of who feeds into it, and that includes, at the top level, the States itself and the States Assembly. I think that is important, but the one thing I would add to the earlier question is the Minister, who I think is responsible, because it is States money, is the Treasury Minister. It is Treasury and Resources.

Deputy T.A. Vallois:

Yes, because it is States money or because J.D.C. would be ...

Mr. R. Shead:

Well, because J.D.C. would be developing projects of land that are currently owned by the States. In effect the Treasury through Property Holdings and the Treasury Minister is, I would say, the accountable Minister.

Deputy T.A. Vallois:

And because it is Property Holdings and he has sign off for the property?

Mr. R. Shead:

Yes, and Property Holdings releases to the J.D.C., to the proposed J.D.C., the property to be developed.

The Deputy of St. Peter:

All right. Any further questions from the floor? Anything you would like to add to what you have said to date?

Mr. R. Shead:

No, I think we have covered in great detail our views. Thank you for listening to us.

The Deputy of St. Peter:

If I can thank you on behalf of the panel for coming to talk to us, we have found what you have said very useful, I can assure and we will be using that for some of the basis of further questions that we will be asking of our colleagues in the States and the States Departments. Again, thank you very much indeed for your assistance in this.