STATES OF JERSEY

WATERFRONT ENTERPRISE BOARD: APPOINTMENT OF STATES DIRECTOR

Lodged au Greffe on 28th January 2009
by Senator B.E. Shenton

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

(a) to appoint Senator Ben Edward Shenton as a States Director of the Waterfront Enterprise Board Limited until 31st March 2009 to complete the term of office of former States Director Senator James Leslie Perchard;

(b) to request the Greffier of the States to notify the company of the States' decision.

SENATOR B.E. SHENTON

REPORT

If you cannot even get the basics right you have no chance in achieving the ambitious

The States established the Waterfront Enterprise Board (WEB) Limited in 1995 as a separate legal entity to act as a development agency of the States for an initial period of 10 years. This initial period was extended for a further 10 years by the States on 14th September 2005. The WEB Memorandum and Articles of Association provide that unless and until determined by the company by ordinary resolution, the number of Directors shall be 7, with 3 States Directors, 3 non-States Directors and the Managing Director. All States Directors and non-States Directors are appointed by the States, and the Managing Director is appointed by the Board. The States also appoints the Chairman who must be a non-States Director.

Following the resignation of Senator J.L. Perchard, who was appointed as a States Director on 28th March 2006 for a 3 year period expiring on 31st March 2009, it is now necessary for the States to appoint a new Director.

WEB Directors 2008

3 States Directors

Senator Paul Francis Routier	
Mrs Jacqueline Jeannette Huet	Former Deputy – rejected by electorate November 2008
Senator James Leslie Perchard	Resigned 11th June 2008

3 Non-States Directors

Mr. Francis Gerald Voisin	Former Chairman – dismissed by the States Assembly 2008
Jurat John Claude Tibbo	
Mr. Peter Joseph Crespel	

The Waterfront Enterprise Board Limited was set up as a development agency of the States of Jersey and was given full responsibility for the co-ordination and promotion of development in the St. Helier area.

The Waterfront Enterprise Board Limited is wholly owned by the States of Jersey. The company was incorporated on 21st February 1996 with 1 million shares of £1 each. On 18th March 1997, the company's authorised share capital was increased to £20 million.

The States required WEB to provide space on the West of Albert for an international hotel, a leisure pool, housing and public open space.

This important company, responsible for a significant slice of taxpayers' money –

- ***has no formally appointed Chairman;***
- ***is one States Director short;***
- ***is one non-States Director short;***
- ***is represented by one States Director who is, in fact, a non-States Director.***

Some will argue that it is acceptable to run a multi-million pound company in a cavalier and disjointed manner because a new entity will be formed shortly.

Let me therefore remind Members of the promises made by the former Chief Minister on 19th July 2006, when he promised that the appointment of the new Chairman would only be for a matter of months until the new structure was formed. I cannot repeat the assurances made during the *in camera* debate, but fortunately former Deputy Baudains carried on the debate after we came out of the *in camera* sessions and for this I'm grateful.

"The Council of Ministers will be coming forward with a proposition to set up a new property company and we intend to do that in September (2006). Following that – with States' approval – we will engage in a full advertising and properly constructed recruitment process to find the long-term Chairman."

Senator Frank Walker – Chief Minister, 19th July 2006

We are still waiting.

Living in the real world

I bring this Proposition, not because I particularly aspire to the Board of Directors of the Waterfront Enterprise Board, but rather to highlight serious shortcomings in the ability of the Government, including senior civil servants, to undertake a task that is obviously beyond their capabilities. We currently have civil servants working on ideas to extend the runway by building a tunnel at the top of Beaumont Hill, examining a bridge to France, moving the port completely to a new location, building an Art Gallery that will be deserted in winter and put annual liabilities on to future generations, building a financial district ghost-town with an underpass choking with fumes and traffic chaos.

The world today is not a place for dreamers with grandiose plans and little realism. The facts are clear –

- There is not the demand for the planned financial district and without tenants no development will take place.
- Without the jobs created by the planned expansion of the finance sector there will not be the demand for the waterfront housing.
- There does not appear to be the demand for leases in the abattoir shopping centre and it appears to be proving difficult to find tenants. Where is the restaurant that was going to utilise the old Tourism building? How long will this ideal place for a Tourism office remain empty?
- The Anglo-Irish Bank, a company built on credit and leverage, has been nationalised at great expense to the Irish people. Some commentators cruelly stating that the only difference between Ireland and Iceland is one letter.
- In my opinion, public opinion is very much against the underpass. Rather than live on a building site they would prefer quality of life and more open space.
- The designer open space at the Weighbridge is probably the worst-designed area in the world for the money paid.
- The insistence to use a designer (Hopkins specifications) has, I believe, added £5 million of taxpayers' money to the cost of the incinerator.
- Questions remain over the suitability of the preferred developer and this shall be subject to a States debate.
- The Waterfront Hotel is an ugly eyesore in an important area – yet no-one took responsibility.
- The Aqua-splash loses money every year – yet no one took responsibility.
- The Cinema is just a concrete block – yet no one took responsibility.
- The bus station is costing more than was originally envisaged.

- Waterfront car parking is expensive.
- Boat-owners don't have enough space.
- WEB is, evidently, doing work on East of Albert where, I believe, they have no remit.
- etc., etc., etc.

On a more positive note –

The ambitious Hopkins plans will need to be reviewed. There is no point in pretending that the world has not changed, we need to face up to reality.

We are where we are – which never seems near where we should be

So how did we get here?

In adopting P.45/2002 in April 2002 and by 45 votes to 3, the States –

1. *(i) approved the leasing by the public to the Waterfront Enterprise Board Limited of the six areas of land shown outlined in red on drawing No. 1 (Disposal Plan), excluding the areas coloured green, for a period of 150 years, at an annual rental of£1 payable in a lump sum on the passing of the contract,* ***with the land to be used for the purposes agreed with the Planning and Environment Committee and otherwise on such terms and conditions as might be agreed between the Board and the Finance and Economics Committee****;*

   (ii) agreed that the Waterfront Enterprise Board Limited should be permitted to sub-let or hypothecate the land or assign the lease of the land referred to in (i) above, ***on terms to be approved by the Finance and Economics Committee, and with the land to be used for the purposes agreed with the Planning and Environment Committee****;*

   (iii) approved the sale by the public to the Waterfront Enterprise Board Limited of the parcels of, land shown coloured in green on drawing No. 1 (Disposal Plan) being areas of land to be used, ***as agreed with the Planning and Environment Committee****, predominantly for the construction of residential accommodation for the sum of £10 for each parcel and otherwise* ***on such terms and conditions as might be agreed between the Board and the Finance and Economics Committee****;*

   (iv) agreed that the Waterfront Enterprise Board Limited should be permitted to retain any capital receipts from the sale, leasing or sub-leasing of any of the areas of land referred to in paragraph (iii) above and the sub-leasing, assignment or hypothecation of the lease or any part thereof referred to in paragraph (i) above for the purpose of funding further infrastructure work in order to complete the St. Helier Waterfront development ***as agreed with the Planning and Environment Committee, and, thereafter to allocate any surplus receipts to the sinking fund established by the Finance and Economics Committee to meet the cost of the company's share capital****.*

2. It should also be remembered that the company, Waterfront Enterprise Board Ltd., has 2 shareholders: the States, which has the majority of shares issued in its name, and the Treasurer of the States, who has one share issued in his name, as nominee of the States. The shareholders can direct WEB and its Directors through normal company processes at meetings attended by shareholders.

Waterfront Enterprise Board – Appointment of Chairman and Directors

This debate was held in camera– therefore no Hansard transcript is available and it would be imprudent to repeat statements and promises made by the executive whilst in camera.

Fortunately, careful reading of the transcripts of the debate after it ceased to be in camera does give some useful insights.

12.4 Deputy G.C.L. Baudains:
We have had promises that it will only be for an interim period but as we know – from past experiences in the Island Plan – promises count for nothing. It is as worded. Secondly, Sir, it does occur to me that with a planning Supremo recently appointed to oversee Waterfront development, I am beginning to wonder the purpose of WEB's continuance. No reflection on the appointment of the proposed people, Sir, but it does seem to me that there was previous conflict between WEB and Planning because they are basically 2 States' bodies going towards the same ends but by different routes and there is, therefore, a conflict. I can only see that if we continue WEB's existence we will continue that conflict. The report does tell us – and of course it has been expanded on by the Chief Minister – that consideration has been given to the possibility of establishing a new development company. **Now, the Chief Minister has told us, Sir, that with this new development company there will be a proposition in a couple of months and it could be up and running very shortly**. But, that is not exactly what the report says, Sir. It does not say there will be one or there might be one, it says only consideration as to the possibility. Now, Sir, that does sound to me that it is just about on the horizon with the radar that has not yet been installed for fishing boats. Only under consideration, Sir, we cannot prejudge its formation. **Therefore there is, to me, a lack of clarity whether this board is going to carry on for another couple or 3 months or whether it is going to run for 3 years. We do not seem to know.** But, going back to my comments about the Supremo, Sir, it seems to me that WEB is now superfluous and I really do not see why we cannot wind this company up as soon as possible. In that regard, we do not need a high profile Chairman, Sir; we could surely appoint one from the existing board if it is only for the sake of winding it up over the next few months, Sir**. The Chief Minister did tell us that the Chairman is contracted to do – I think it was 40 days a year. Well, it occurs to me, Sir, that if he has only got a couple of months to go – as the Chief Minister did in fact tell us or suggest that would be the case** – that makes about a week's work, so I do not find it very plausible that it would be unlikely to find the Member of the existing board to do the job because the work would be onerous, Sir. Thank you.

The Greffier of the States (in the Chair):
Does any other Member wish to speak?

The Deputy of St. Peter:
A point of clarification – if I may – now that we are out of camera: could I just ask the Chief Minister to confirm that no matter what happens in September – either if we have a new system of WEB or the old system of WEB – a proper system of choice will be made for the new chief?

Senator F.H. Walker:
In answer to that I absolutely confirm that the answer to that is, "Yes".

12.5 Deputy J.A.N. Le Fondré:
I would like to make a couple of points now we are back in the public domain: there are times when I will agree with Senator Syvret and there are times when I am going to disagree with him. He will be pleased to know I am 100 per cent behind him. I do not think I have ever agreed more with what he said previously, and also with the Council of Ministers. I think we are getting hung up on procedure, Sir. Whether or not it is our problem we have got to sort it out. It strikes me that this is the time for someone with enthusiasm and drive. I think we need a practical approach to getting this resolved. Realistically – and I hope I am not stretching the bounds here – if you have already informed someone that they are not being re-appointed you cannot go back and ask them to carry on with the job. I have known Mr. Voisin, in his role as Deputy of St. Lawrence, for a number of years and I, as with everybody else, I can confirm he is a man of great integrity. I think he is probably doing this out of a desire to continue his record of service. Yes, he was a former President of Economic Development and I think that states he has got a huge experience in a variety of area. I would also say I believe he has generally got – and genuinely

got – the interests of Jersey at heart. I believe he has got the enthusiasm, the energy to do the job, and it is energy that we need at the moment, especially when we have a change in the MD that is already happening. The Minister for Planning and Environment has said we are at a key point and I urge Members to support the proposition, in its entirety, so that we can move things forward. Thank you, Sir.

12.6 Deputy S. Power:
Very briefly, 30 seconds: I was minded to not support this but I am supporting the appointment of Mr. Voisi because of the speeches of the Planning Minister and the Health Minister (Senator Syvret).

The Greffier of the (in the Chair):
I call on the Chief Minister to reply again.

12.7 Senator F.H. Walker:
Thank you, Sir. It is not often I get a chance for 2 replies. Sir, we have heard that the process that the States is being asked to consider and approve today is not ideal, and it is not. That, as I have said already, is the absolute view of the Council of Ministers. But, we have arrived at the situation because of timing, basically. We have acknowledged the need to develop, or to structure, a company which will have a wider remit than WEB. We have acknowledged the need for the Chairman of that company to be someone of real property experience. **That is the position that we are moving towards. I think I have already given assurances. I was disappointed, again, with Deputy Baudains who was basically questioning pledges and promises that I had made to the States.** Sir, I would challenge him to come forward with any occasion when I have made a promise to this House that I have not met. That, Sir, is the case. **The Council of Ministers will be coming forward with a proposition to set up a new property company and we intend to do that in September (2006). Following that – with States' approval – we will engage in a full advertising and properly constructed recruitment process to find the long-term Chairman.** In the meantime, we are extremely fortunate that Mr. Gerald Voisin has offered his services on an interim basis because – as we have heard from the Planning Minister – Mr. Voisin is someone with whom he knows he can work successfully. If he is to deliver, not just his vision but the forthcoming reality, I believe, of a world-class Waterfront, then he needs to be able to work continuously – with immediate effect – with someone in whom he has complete faith and who can work, not only with him, and the developers and ex-Deputy Voisin is such a man. So, I do not think there is any need for me to rehearse any more of the arguments, except just to make one point which I made earlier: if they reject this proposition, then the alternatives facing the States are, possibly, if the States would wish a continuation of Mr. Horsfall's term of office; an attempt to appoint another non-Executive Director to the position of Chairman which – because of the 48 days, not one week's work, Deputy, the 48 days the Chairman is committed to– is a very unlikely proposition. Or, we have to look at the structure of WEB, itself, which is not something that is in the public interest. There are hundreds of millions of pounds of public money at stake here and we need an interim Chairman who can work with the Planning Minister to ensure that he is able to deliver the world-class Waterfront that he is determined that Jersey will have. No substitute. No second-class. Determined it will be world-class. So, Sir, I would ask the House to support the proposition and ensure that the Planning Minister can continue to deliver. One more point: Deputy Baudains has said that having appointed a Supremo there was no need for WEB. Well, frankly, that displays an astonishing lack of understanding of the respective roles. The Supremo is an architect. He does not formulate plans. He does not strike contract with developers. He does not value land. He does not enter into arrangements to sell or to lease land. It is an astonishing lack of understanding of what the respective roles are. There is no way that an architectural Supremo can do the job that WEB is charged by this House to do. If it is to do that job and enable the Planning Minister to deliver then Deputy Voisin is an ideal interim Chairman **[Interruption]** – former Deputy Voisin, I beg your pardon – is an ideal interim Chairman and I strongly urge the House, Sir, to support the proposition in its entirety.

Deputy G.C.L. Baudains:
Would the Minister clarify, Sir, that one sixth of 40 is approximately a week?

Deputy D.W. Mezbourian:
Point of clarification if I may? The Chief Minister has twice said that Mr. Voisin offered his services. Would the Chief Minister confirm, please, that Mr. Voisin was approached and agreed, or would he confirm that he did indeed offer?

Senator F.H. Walker:
Gladly. Mr. Voisin was approached following a unanimous decision of the Council of Ministers that he should be so approached. After a number of days of consideration, he agreed to take up the position as I have outlined.

The Greffier of the States (in the Chair):
Very well. The Appel. Therefore the vote is for or against the proposition, that is paragraphs (a), (b) and (c) and the Greffier will open the voting.

POUR: 32	**CONTRE: 10**	**ABSTAIN: 2**
Senator S. Syvret	Senator B.E. Shenton	Senator J.L. Perchard
Senator F.H. Walker	Deputy R.C. Duhamel	Connétable of St. Clement
Senator T.A. Le Sueur	Deputy A. Breckon (S)	
Senator P.F. Routier	Deputy of St. Martin	
Senator M.E. Vibert	Deputy G.C.L. Baudains (C)	
Senator P.F.C. Ozouf	Deputy R.G. Le Hérissier (S)	
Senator T.J. Le Main	Deputy J.A. Martin (H)	
Senator F.E. Cohen	Deputy G.P. Southern (H)	
Connétable of St. Ouen	Deputy D.W. Mezbourian (L)	
Connétable of St. Peter	Deputy S. Pitman (H)	
Connétable of St. Helier		
Connétable of Trinity		
Connétable of St. Lawrence		
Connétable of Grouville		
Connétable of St. John		
Deputy J.J. Huet (H)		
Deputy P.N. Troy (B)		
Deputy S.C. Ferguson (B)		
Deputy of St. Ouen		
Deputy P.J.D. Ryan (H)		
Deputy of Grouville		
Deputy of St. Peter		
Deputy J.A. Hilton (H)		
Deputy G.W.J. de Faye (H)		
Deputy P.V.F. Le Claire		
Deputy J.A. Le Fondré (L)		
Deputy of Trinity		
Deputy S. Power (B)		
Deputy K.C. Lewis (S)		
Deputy of St. John		
Deputy I.J. Gorst (C)		
Deputy of St. Mary		

In Conclusion

The Council of Ministers will argue that it is acceptable to run WEB in the current cavalier manner as its life expectancy is short but, as I have shown above, we have heard that argument before. Given the unrealised promises made by the previous Chief Minister, I believe that this is a dangerous action to take.

Senator Perchard should have been replaced in a timely manner. Mr. Voisin should have been replaced in a timely manner. Mrs. Huet should have been replaced in a timely manner.

This is not a satisfactory way to run a company, and certainly not a satisfactory way to run a Government. If you are going to change WEB, then change it. However, you have to operate the current structure within existing parameters whilst those parameters are in place.

Higher standards are required, and expected.

There are no additional financial or manpower implications for the States arising from this proposition.