STATES OF JERSEY



ASSIGNMENT OF A LONG LEASE (SALE) OF THE ROYAL YACHT AL FRESCO AREA BY THE STATES OF JERSEY DEVELOPMENT COMPANY: RESCINDMENT OF MINISTERIAL DECISION

Lodged au Greffe on 26th January 2018 by the Connétable of St. John

STATES GREFFE

PROPOSITION

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

- (a) to request the Minister for Treasury and Resources to rescind the Ministerial Decision <u>MD-TR-2018-0004</u> relating to the sale of the assignment of a long lease (sale) of the Royal Yacht Al Fresco area by SoJDC and instead bring the matter forward for approval by the States;
- (b) to agree that appropriate amendments should be made to Standing Order 168, to provide that any land transactions recommended by a body established by the States to manage land and buildings owned by the public of Jersey must be presented to the States at least 15 working days before any binding arrangement is made;
- (c) to request the Privileges and Procedures Committee to bring forward for approval the necessary amendments to give effect to the proposals.

CONNÉTABLE OF ST. JOHN

REPORT

There are 2 parts to this Proposition: the first is about the ownership of the land, and the second relates to the ways in which public property can be sold.

Part 1

<u>P.73/2010</u>, which the States Assembly adopted on 13th October 2010, was to set up the States of Jersey Development Company ("SoJDC"). Part of the Proposition was that 4 properties, namely – the Bus Station, the Waterfront Hotel (Radisson) freehold, the JEC sub-station and the Weighbridge Square should be returned to States' ownership. A fifth property, namely the Waterfront car park, is to be returned to States' ownership once the new Esplanade Quarter car park is built. These properties should have been passed to States' ownership some years ago, so the Public of the Island could enjoy the income generated by these assets.

There is no doubt from page 62 of the report within P.73/2010 that the properties are listed for transfer to States' ownership, being Jersey Property Holdings ("JPH"). This being the case, the SoJDC does not have the authority to sell assets that are not in their ownership. The Assembly agreed to these properties being returned to JPH, and I ask "why has the Assembly's decision been overridden by the Minister for Treasury and Resources?".

In the case of this particular property, the Weighbridge Square, SoJDC are selling part of a Public Square, which clearly is a significant part of the Island's Public Realm, which should not be sold to speculative investors. On page 68 of P.73/2010, paragraph 1.12 makes it clear that any Public Realm handed back to Jersey Property Holdings must have a revenue stream so as to ensure no long-term operating costs of the property. So having sold the income-generating part of Weighbridge Square, how are the long-term costs of maintaining the Square going to be met?

Part 2

Currently when JPH sells property, a report is circulated to all States Members, usually with a plan and some detail. This enables any States Member to lodge a proposition relating to the report and have the proposal debated. However, in the case of any Arm's Length Organisation ("ALO") such as SoJDC, public assets such as the Weighbridge Square can be sold with ministerial permission, without notification to States Members via a Report. This effectively allows ALOs to sell the family silver without proper notification to States Members. I would therefore ask the Privileges and Procedures Committee to look at Standing Order 168 and report back to the Assembly.

Financial and manpower implications

There are no additional financial or manpower implications arising from the adoption of this proposition.