

2.11 Senator T.J. Le Main of the Minister for Treasury and Resources regarding the future of the Property Holdings Department:

Given the difficulties I experienced while Minister for Housing in dealing with the Property Holdings Department and following the Minister's comments at Scrutiny concerning their handling of the Lime Grove House property transaction, what is the Minister doing to ensure that this department is working efficiently and effectively?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I think I have covered quite a number of points on this but I would say that I am disappointed with some aspects of the handling over the police move, going back more than 5 years, and that is an understatement. I recognise the concern over a number of months, perhaps even as long as for 2 years or more about property matters in the States, particularly the difficult relationship that existed between Housing and Property Holdings of which there was fault on both sides in some cases. There are other areas I have to say within Property Holdings that excellent work has been done in relation to improving the efficiency of maintenance, et cetera. Some changes in Property Holdings have already been put in place. I have now changed the processes so that the Treasurer is now aware of all forthcoming Property Holdings' decisions and recommendations and the Treasury team is now regularly briefed on all significant and important matters. At my request a review of the management arrangements in Property Holdings is now nearing conclusion. The outcome of this may well be a change in some internal structures and further changes to processes and protocols. I am confident that this will deliver a more responsive Property Holdings Department and a Property Holdings Department those departments can have confidence with across with States of Jersey. This has been one of my long-standing ambitions. There is a huge amount of work to be done, health, housing, office accommodation, education ...

The Bailiff:

A precise answer if you would please, Minister.

2.11.1 Senator J.L. Perchard:

I wonder if the Minister would just confirm the position his Assistant Minister took over this Lime Grove House proposal, the Assistant Minister with special responsibility for property services. Would he confirm that the Assistant Minister was not in favour of the deal or was the Assistant Minister recommending to the Minister that the deal be approved? If it is the latter, is he, too, in for the chop?

Senator P.F.C. Ozouf:

Let us be clear about which Assistant Minister. The Assistant Minister previously was a supporter, I think it is fair to say, of the October 2010 Business Plan and that was the thing that I was resistant to sign. I was not in a position to sign off that and I said that I think that such an important issue in terms of Property Holdings, such a significant amount of taxpayers' money should be the responsibility of the Minister for Treasury and Resources. The current Minister was in exactly the same position as I. I do not think there is a cigarette paper of difference between us in relation to this last transaction. It would have been alright if it had been certain at up to £8.75 million: we were happy. We were both happy with the £8.25 million as were the officers. I have to say to the Senator that we had a deal at £8.25 million; it was later because of the financial services entity's requirements clearly changing their

own requirements for office accommodation that the vendors decided to lease to another party. So there is nobody for the chop. I want to get on for sorting this out and finding a solution.

2.11.2 Deputy P.V.F. Le Claire:

In June, as I said before, we debated the Island Plan. I would like to ask the Minister what, now, is the effect of this delay and this occurrence in relation to delivery of these affordable homes within the 2 years. Is it not now time to recognise that the States is not adept at delivering these projects? We will not deliver them within the 2 years and we need now to go back to the planning table and approve the sites that were earmarked to be developed within the 2 years because otherwise we will in a housing crisis beyond belief by that time.

The Bailiff:

A concise answer if you would, Minister.

Senator P.F.C. Ozouf:

I hope that we are going to be able to release the land as soon as possible. I think there are other sites that we can release within an immediate and quick timeframe by running parallel processes of getting a planning application, for example Sacre Coeur for housing. We can make progress and I am not going to get into the debate about other greenfield sites. The Deputy knows that I think there are some other sites that should be developed for housing but, obviously, there is no unanimity in terms of that decision among other colleagues in the States.

2.11.3 Deputy M.R. Higgins:

I get confused by the Minister constantly telling us: "We had a deal." You know: "We had come to a deal", and yet if there had been a deal he would be suing the owner of the property for breach of contract, he is not. They sold it to somebody else so you could not possibly have had a deal. Will you clarify the position?

Senator P.F.C. Ozouf:

First of all, they did not sell the building, they leased it. Does the Member want to stand?

The Bailiff:

Yes, Deputy, if you are going to say anything, please stand but in fact the question has been posed so ...

Senator P.F.C. Ozouf:

We had a deal at £8.25 million. There were heads of terms, there were exchanges but clearly - and I offer no criticism at all to the vendors - they were frustrated over a long period of time. The other financial services industry player had a requirement for space which was not in the marketplace previously and they have leased the building. That is 2 parties doing what they want with their own property. So be it, we have lost it, we need to move on in relation to this matter but we did have a deal at £8.25 million with certainty as to some of the dilapidation issues. That was not the case before.

2.11.4 Deputy M.R. Higgins:

Supplementary. Obviously, a deal is different to having a contract and you are gazumped, effectively because you left it too long and you were gazumped, is that not the case?

Senator P.F.C. Ozouf:

Situations change and, I say again, I do not believe the States should be competing with financial services. The fact that a financial services entity leased the building, at what is regarded as a pretty good rent, indicates that this is premium financial services space. It is a very nice building and will be a nice building when the owners have made all the changes that they need and put in Category A fit out. I wish State Street every success in running that building next to their existing locations. A great statement of confidence for Jersey and we will find a solution for the police.

2.11.5 The Deputy of St. Mary:

Coming back to the question, it ends: "What is the Minister doing to ensure this department is working effectively?" I would remind the Minister for Treasury and Resources that he has increased the staff at his own Treasury Department; the thinking, the brainy staff if you like. I would like to know whether any representations were made to him by Property Holdings about the adequacy of their staffing to do the monumental amount of work they had to do.

Senator P.F.C. Ozouf:

One of the problems with Property Holdings is it was never given the budgets that should have happened. One of my criticisms with Property Holdings, and indeed those people that were involved at the time, was that they should have ensured that they were getting the budgets that were in the departments for property matters. So to that extent they were almost unable to perform their duties from the start, but that is 5 years ago. We should have moved on from that. We should have made significant progress in sorting out Property Holdings' matters and we are doing that now. I want to see delivery on the issues, as I said. I want to see progress. This Assembly should expect nothing less.

2.11.6 The Deputy of St. Mary:

Can I ask a supplementary? Who is responsible for the budgets of Property Holdings?

Senator P.F.C. Ozouf:

Me.

2.11.7 Senator T.J. Le Main:

An amazing attack was made by the Minister for Home Affairs upon the Minister for Treasury and Resources on Lime Grove House by saying £8 million was lost. Can the Minister explain this very serious allegation of where this £8 million was lost as claimed by the Minister for Home Affairs?

Senator P.F.C. Ozouf:

I have discussed it with the Minister for Home Affairs and he says that he was misrepresented in relation to that and I think that he was going to ask for the *J.E.P. (Jersey Evening Post)* to print some sort of apology. I have not seen anything. Clearly, £8 million is not going to be lost. I do not know why people attack. That is politics, I guess, but certainly I am going to be working... I have worked very effectively with the Minister for Home Affairs. I will work with his very diligent

Assistant Minister and my Assistant Minister to find a solution just as soon as possible. Perhaps he will have the opportunity of correcting what was, clearly, a misstatement. There is not £8 million lost; in fact we are going to save millions.