

2.10 Connétable D.J. Murphy of Grouville of the Minister for Treasury and Resources regarding valuation of the former Jersey College for Girls site and negotiations for sale:

Would the Minister advise Members of the outcome of the valuation prepared by Donaldsons, a U.K. surveyor, of the former Jersey College for Girls' site and also of any further negotiations with regard to the sale of this site?

Senator T.A. Le Sueur (The Minister for Treasury and Resources):

I suspect that some Members may not be aware of Donaldsons, but this firm is a market leader in the U.K. on advising public bodies on all property matters. It has a Europe-wide operation. It has valued the JCG (Jersey College for Girls) site with the existing planning permission at £2,129,000. This valuation and a similar valuation previously received from Drivers Jonas who have considerable local experience, confirms for me in my intention to pursue negotiations with Grange Developments Ltd with a view to securing a deal which will secure a minimum land price of £1.8 million, plus a share of sales values above a certain figure, otherwise known as an overage payment. Such overage deals are not uncommon and are being used, for example, in respect of the Waterfront development. I believe that this agreement for JCG will bring a total return to the public in excess of £3 million. I intend in the near future to present a report to the States which sets out the reasons why I intend to proceed with the sale of the JCG site subject to a further assessment of risk. At the same time I intend to make a new Ministerial Decision varying my decision of 16th February as a result of the legal advice I have taken to examine the terms of the development agreements to minimise the risks of entering into an overage agreement and, in particular, to ensure that the £1.8 million base price is at no material risk at all. Sir, the valuation report is a large document and, rather than sending it to Members, it is available to see on request. But I will make a full copy available to the Connétable of Grouville for the benefit of the Scrutiny Panel which he chaired, as well as a summary of the legal advice which I hope to receive shortly in respect of the contractual risks.

2.10.1 The Connétable of Grouville:

Would the Minister please advise me whether in fact he would put this out for tender in order to establish a price? I am not happy at all with £2.1 million.

Senator T.A. Le Sueur:

I have followed to the letter the recommendations of this Scrutiny Panel. They requested that we obtained an independent valuation on certain terms. We adhered to that request, Sir, and I am complying with that formula. I do not intend to take any further action such as the Connétable suggests.

The Bailiff:

Final supplementary, Connétable.

2.10.2 The Connétable of Grouville:

It is well known, Sir, that the actual valuation of a property or asset relies on the price that somebody is willing to pay for it, and I would suggest to the Minister that perhaps he would try a tender process of some type in order to establish the true value.

Senator T.A. Le Sueur:

I suspect that what the Connétable is really saying is he does not like the professional valuation which has arisen. I am afraid, Sir, I have taken the advice and I am going to use it.