

**WRITTEN QUESTION TO THE MINISTER FOR
TREASURY AND RESOURCES BY THE
CONNÉTABLE OF GROUVILLE**

ANSWER TO BE TABLED ON TUESDAY 3rd JULY 2007

Question

What processes for the sale of States' property has the Minister put in place following the recommendations made (and accepted by him) in the review of the proposed sale of the former Jersey College for Girls site (S.R.10/2007)?

Answer

The Corporate Services Scrutiny Sub-Panel when reviewing the proposed sale of the former Jersey College for Girls endorsed the recommendations of its adviser, which were accepted by me. I set out the nine recommendations below with my comments on each in italics.

Recommendations

1. The States should review their method of property disposal to establish the correct method appropriate to a specific site.
Property Holdings policy is to decide on the most appropriate method of property disposal on a site specific basis.
2. The States should determine a criteria statement to enable them to consider proposals where a straightforward sale of a property is not possible.
Property Holdings will submit a disposals strategy for approval as part of a Strategic Property Plan to be considered by the States early next year. The strategy will include proposals for managing the disposal of complex and high value properties.
3. Marketing strategies should be considered for any disposal prior to advertising and a decision made as to whether such marketing should be carried out in-house or an external agent/surveyor appointed.
Property Holdings currently applies this policy.
4. Where informal discussions are carried out prior to any formal marketing, the details of such discussions should be documented and the rationale for choosing the parties approached clearly stated.
Property Holdings currently applies this policy.
5. Where a disposal property requires a development brief the States should provide its Officers with clarity upon priorities relating to planning, economic viability, uses and social issues which may affect the brief.
When determining the most appropriate use for a property that has been identified for disposal, Property Holdings takes full account of all relevant information to inform the development brief. Development briefs are amended in order to reflect changing prioritise, an example of which is the Belle Vue site identified in the 2007 Plan.
6. In choosing a purchaser or preferred developer or joint venture partner the States' Officers need clearly defined goals and objectives to enable them to consider fairly each offer/proposal.
Property Holdings' overriding objective is to extract optimum benefit from property assets- this is not restricted to financial benefit. The choice of disposal route, through sale or development, will support this objective.
7. Legal advice should be sought at an early stage so that the choice of a preferred developer can be

documented so that both parties have security in proceeding with a scheme.

Should Property Holdings enter into this type of agreement in future, legal advice will be taken at an early stage.

8. Where disposals are for whatever reasons complex and/or likely to take a period of time to reach an outcome independent advice should be obtained at appropriate stages in respect of values.

Property Holdings currently applies this policy.

9. Prior to the choice of any purchaser/preferred developer, due diligence should be carried out on the parties concerned to establish their financial standing and their ability to deliver their proposals. Whilst it is accepted that this may have to be duplicated at a later stage where a scheme such as the one under consideration takes a significant period of time to reach fruition, it is imperative at the outset that the chosen party is the right one from the beginning.

Property Holdings will continue to apply this policy, where appropriate, in particular for transactions which are not simple purchases.