

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR
ANSWER TO BE TABLED ON TUESDAY 28th APRIL 2009**

Question

“Would the Minister outline the negotiations, if any, that have occurred with the owners of the Plemont Holiday Village site given the terms of P152/2008, which required that the outcome of such negotiations be presented to the States to enable members to decide what further action, if any, they might choose to take?”

Answer

A meeting took place on 21st January 2009 with representatives of Northern Trust, the company which owns the Plemont Holiday Village site, in order to establish whether or not this company would consider the sale of this property to the Public, and, if so, at what price.

Northern Trust made it clear that whilst, as with any other property in their ownership, they might consider a sale, prior to entering into any negotiation, they intended to proceed with a planning application for either 30 large houses (that number being the officer's recommendation when they previously submitted a scheme for 36) or the scheme they have now submitted for self catering units. Northern Trust also indicated that they considered this site to be a significant investment opportunity, from which they fully appreciated value might only be realised in the long term.

A previous report to the Council of Ministers identified that Northern Trust had acquired the Holiday Village in December 2005 for £4.85m. Current Holding costs, including consultants fees, interest etc have been estimated to be in excess of £6m.

The open market value of the site depends on its current use and the ability to generate an income stream from that use, or any change in use permitted by planning consent. It is difficult to assess the value of the property based on the current building stock without an accurate assessment of the costs of restoration of these buildings to a “fit for purpose” condition. However, it is likely that such costs would be prohibitive, yielding a value significantly below current holding costs. As Northern Trust have already indicated that they would not be prepared to consider a sale which did not produce a return on their original investment, it would be pointless to proceed with a valuation based on current use of the existing buildings.

It is unwise to speculate in an open report as to the price which might be achieved for a purchase by the Public of the Plemont Holiday Village site, as to do so could prejudice the Public's ability to eventually secure a negotiated acquisition price at best value.

The outcome of the current planning application will establish the likelihood of Northern Trust materialising hope value on this property.

Architects representing Northern Trust have requested a further meeting on the 6th or 7th May in order to progress negotiations, following which it is anticipated that it will be possible to provide States Members with an indication of the likely cost of acquiring the Plemont Holiday Village