

STATES OF JERSEY



WATERFRONT ENTERPRISE BOARD LIMITED: DISSOLUTION

**Lodged au Greffe on 25th March 2003
by Senator S. Syvret**

STATES GREFFE

PROPOSITION

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

- (a) to agree, in principle, that the Waterfront Enterprise Board Limited should be wound up as soon as practicable, and that revised arrangements for dealing with the management and development of the areas currently under the administration of the Company, that better meet the needs of the community, be put in place, following a public consultation process and consultation between all relevant Committees of the States;
- (b) to agree that all non-States Directors of the Waterfront Enterprise Board Limited should be removed from office within one month of the approval of this proposition, in accordance with the provisions of Article 30(b) of the Company's Articles of Association, and to request the Policy and Resources Committee to bring forward to the States for approval, within one month of the approval of this proposition, nominations for replacement Directors to serve for a term of office not exceeding the period required to wind up the company's affairs;
- (c) to agree that it is the view of the Assembly that the present proposals chosen by the Waterfront Enterprise Board Limited for the development of the Island Site should be abandoned and to request the Policy and Resources Committee to direct the Directors, in accordance with the provisions of Article 22(a) of the Articles of Association of the Company, to abandon those plans;
- (d) to agree that the development of the Island Site should be reconsidered by all relevant Committees of the States and that public consultation should take place, to ensure that the project meets the best needs of the community before revised proposals are brought forward to the States for approval by the relevant sponsoring committee.

SENATOR S. SYVRET

REPORT

There are 3 reasons why this proposition must be brought forward now. The first is the termination of the Waterfront Enterprise Board. When this QUANGO was established a number of fears were expressed that it would not produce a balanced, cohesive development that met the needs of the community. So it has come to pass. The waterfront developments are in the main, an aesthetic nightmare. The WEB experiment has proven to be a failure. The time has come to replace WEB with a more community-oriented means of determining the future of the rest of the area.

Secondly, the Island site represents one of the last significant development opportunities in the waterfront zone. This is our last chance to save it from the same fate that has befallen most of the rest of the areas under the control of WEB. Steam clocks, pubs, fast food joints, and buildings that may as well be in Basingstoke. It is a virtually unmitigated disaster. Do we want the same approach to ruin the Island site? The public certainly do not.

Thirdly there is the issue of corporate governance. In this respect Members will be aware of significant adverse media reportage concerning the manner in which WEB selected a preferred bidder for the Island site development. Following concerns raised by members of the public I have been in correspondence with the President of the Policy and Resources Committee. He has undertaken to supply answers to questions, but I have not yet been supplied with all of the information I have requested. Members will find my questions to that Committee attached below. I would have preferred to have all of the information before proceeding in this manner but as the Policy and Resources Committee have refused to even give me a deadline as to when the information will be provided, I have had no choice other than to move now. I undertake to produce a fuller report prior to any debate – should such debate prove necessary.

The reason for swift action is twofold. The property in question – the Island site – is publicly owned and WEB is a wholly publicly owned company set up by, and operating in the name of the States of Jersey, which in turn acts on behalf of the Island's people. WEB has made a complete spectacle of itself in its recent dealings concerning the Island site, which in turn reflects extremely badly upon the Island's government. The undenied and un-rebutted media reports of potential conflicts of interest, and contradictory media statements, have caused sufficient alarm for members of the public to ask me to take action. There is a need for swift action to pre-empt the signing of contracts and commencement of deals before the issue of corporate governance has been resolved to the satisfaction of the States and public.

Members will have received a letter from WEB enclosing a letter from their lawyers, Olsens, to the lawyers of Dandara. The letter attempts to rebut criticism from an unsuccessful bidder. Far from providing comfort and clarification, the picture that emerges is one of a variety of overlapping and confused business relationships and contentious procedural mechanisms. This spectacle cannot be allowed to stand in the public's name.

The second reason for proceeding immediately is also to prevent the present proposals from becoming a 'done deal' before this Assembly has had a chance to decide what may constitute the best use of the site for the community. That it is neglected and should be revitalised is not in dispute. But are we really content that a development that may contain yet more shops, fast food joints or yet more alcohol outlets in an area already saturated with them is really what ought to happen to this community property? We may, of course, decide that what the Weighbridge really needs is another 3 pubs, but I doubt it. A number of more cultural and less shallow uses could be found for this site.

I will no doubt be criticised by the Policy and Resources Committee for acting too quickly in this matter. I refer Members to the Jersey Evening Post of both 10th and 12th February and the WEB articles therein and reflect that this is how a company owned by the public is conducting its affairs and we, as States Members, are responsible for it. Such a company must at all times maintain the appearance of complete neutrality in its dealings. Such appearance has been lost.

I reiterate, speed is also necessary to bring these concerns into the political arena in the hope that no binding agreements will be signed before these questions are resolved.

Attached as an Appendix are the questions I have posed to the President of the Policy and Resources Committee. I

have been in correspondence with both him and his Vice-President in respect of these questions but – crucially – neither has been able to commit to a clear deadline by which the answers would be supplied. Regrettably therefore I am left with no choice other than to proceed now given the need for rapid action.

In any event, even if completely satisfactory answers were forthcoming to the questions concerning corporate governance, the days of WEB must be over. It has singularly failed to produce a quality waterfront development and we must now find new ways of engaging the community if we are to salvage something from the wreckage of the lost opportunity that was St. Helier's waterfront.

Financial/manpower implications

It is too early to assess whether there would be any financial or manpower implications for the States arising from this proposition. However, it is likely that if there were any such costs arising from it, these could easily be met by the current budget provision of the Waterfront Enterprise Board Limited.

Copy of e-mail to Senator Walker

Dear Senator Walker

I write to you in your capacity as President of the Policy & Resources Committee, which has responsibility for the Waterfront Enterprise Board. You will be aware of recent adverse media coverage concerning the tendering/bidding process for the development of the island site. For example I refer you to the Jersey Evening Post of both the 10th and the 12th February 2003. Both of these articles state quite clearly that the Chairman of the Waterfront Enterprise Board, Mr. Martin Bralsford, participated in the decision making process pertaining to the development of the island site notwithstanding an apparent conflict of interests. Mr. Bralsford is the Chief Executive of C.I. Traders Ltd., the parent company of Ann Street Brewers. The successful bidders for the development are 'Coolwaters developments Ltd.', who are proposing three pubs in the development. The JEP state that Coolwaters had been in communication with the Managing Director of Ann Street Brewers, a Mr. Paul Smith.

Considering the JEP Articles further, we read that Mr. Scally had originally denied that 'Comprop' – a company upon whose board Mr. Bralsford sits – had made the shortlist. It emerges in the article that Comprop did indeed make the shortlist, though apparently the Board only "fully" considered the bids of two companies, Coolwaters and Dandara Jersey.

A number of important public interest questions arise out of WEB's conduct, the development of the island site and the waterfront more generally, for which I would appreciate answers at your earliest convenience. The questions, though to some extent related, fall into three separate categories.

Conduct of WEB

1. Would you confirm that the professional involvement of Mr. Bralsford with the various companies is as it is described in the JEP. If it is not would you please describe exactly what the relationships are?
2. As P & R are the committee responsible for WEB, on behalf of the government of Jersey, please would you provide a description of the commercial/business interests of all the members of WEB, including Mr. Bralsford, and those of its senior management?
3. Would you please provide a clear description of the methodology and process used by WEB in the bidding/tendering process for the island site development?
4. Would you please describe what rules – if any – govern the need to declare financial interests, gratuities, hospitality etc. on the part of members of WEB or its employees?
5. Has the methodology, process or rules used in determining the island site tendering process differed in any way from the previous waterfront development projects. If so, in what way?
6. Are you, as President of P & R, content with the standards exhibited in this episode, given that the island site is public property and that WEB is an wholly publicly owned company set up by the island's government, to which it is answerable through you?
7. Given that we are dealing with a publicly owned company (WEB) dealing with publicly owned land (the island site) and acting on behalf of the island's government, do you accept that the public must be able to have full confidence in the process and for that reason the bidding/tendering process for the island site development must be re-started from scratch?

The Island Site and Community Issues

1. Would you please inform me of all relevant States decisions pertaining to the development of the Island site. Would you please point me to the section of such decisions that relate specifically to the Tourism Building and the Old Harbour Office?
2. Accepting a long standing wish to see the bus terminus moved to the site, could you please explain the reasoning behind a States decision to seek to foster the creation of more pubs in the area by seeing them included in the development – if such a decision was actually taken?
3. Do you personally consider it in the public interest to see the creation of yet more alcohol outlets in an area already saturated with them and a notorious trouble spot?
4. During the train of decisions that has lead to the proposed development, has advice been sought from the Police, Youth Service, Social Services, and the Alcohol and Drugs unit. If so what was that advice?
5. Notwithstanding past decisions, do you intend to ask your P & R Committee to reconsider the plans for the island site with a view to determining whether the best long term interests of the community – who own the site – are really going to be best served by the creation of more pubs and shops, as opposed to perhaps some more cultural and worthwhile development for this important site?

The Waterfront, WEB and Public Money

1. Has the true market value of the island site been determined by property services and independently for WEB. If so what are those valuations?
2. Please provide a detailed explanation of the financial arrangements between the public interest and the would-be developers, including PPP/PFI details including leases and other agreements etc.?
3. What is the nature of the development deal in terms of public gain on this valuable site and do you personally believe it represents the best possible deal for the people of the island?
4. Please explain how much public money has been spent/invested in the waterfront. e.g. reclamation sites, access roads, infrastructure, maintenance, policing etc.?
5. Please explain how much public money has been recouped in deals from the waterfront?
6. Please state whether money generated from waterfront development/deals has been recycled into other waterfront developments – or is proposed to be so in future – and if so please explain the amounts, from what they arose and what areas they have been spent upon or are to be spent upon?
7. Has money generated from the waterfront been set aside, or put into central funds, and if so what are the amounts and interest generated?
8. Please provide a detailed explanation of the method of procuring the propose bridge.

Although these question appear extensive, the great majority of the information sought really ought to be readily available when calling upon the combined resources of the P & R department, WEB and Planning. I trust that yo will be able to provide me with answers in a reasonable period of time and I thank you in advance for your assistance.

Regards,

Senator Stuart Syvret.