

2024.12.10

3.15 Deputy I. Gardiner of St. Helier North of the Minister for Treasury and Resources regarding an independent review of the States of Jersey Development Company (OQ.244/2024):

Will the Minister advise what plans are in place, if any, to conduct an independent review of the States of Jersey Development Company and if there are no plans, why not?

Deputy M.E. Millar of St. John, St. Lawrence and Trinity (The Minister for Treasury and Resources):

I believe this was the recommendation - as I suspect the Deputy also is aware - from the Comptroller and Auditor General's review of S.o.J.D.C. (States of Jersey Development Company) from June 2020. The appropriate political forum to scope and undertake such a review is the Regeneration Steering Group, which has a political oversight over the activities of S.o.J.D.C. Successive iterations of the R.S.G. (Regeneration Steering Group) and its evolution in the last Government to the Future Places Group have not resolved to consider and pursue the matter, despite an original intention to consider it in 2021, as reported in the response to R.56.

[11:15]

This Government's intention is to concentrate our term on output-focused delivery that brings more immediate and direct benefit to Islanders, for example, creating a plan for town. It seems, therefore, unlikely that a strategic review will be prioritised over other workstreams during this term of Government. That is not to say that S.o.J.D.C. lacks any kind of ongoing review since it reports quarterly on its activities and developments to the R.S.G. and, as shareholder representative, I also meet with the board quarterly. Our focus, and that of the S.o.J.D.C., is on advancing the plans for the South Hill and Waterfront developments and the S.o.J.D.C.'s preparatory work for Fort Regent.

3.15.1 Deputy I. Gardiner:

First of all, I would raise that the Government has accepted it and the body that should conduct this review is actually not the Regeneration Steering Group, because I am looking at the Executive response, it is the new States-owned entity, the Arm's-Length Bodies Oversight Board. I am not sure how this responsibility was passed from the oversight board to the Regeneration Steering Group in the Minister's answer. Second, would the Minister agree that before we continue to give projects to S.o.J.D.C. that was established for specific purposes, we need to review if it has met the objectives it was established for? What else can be done?

Deputy M.E. Millar:

Well, I think there were 3 questions there. I probably cannot remember 3 in my head at one time. The first question was, I believe that whatever was said in 2020 - because I have not read that response - the Regeneration Steering Group is now the body that has political oversight for S.o.J.D.C. Since 2020, that group has not, in its various forms, agreed, my understanding is, to conduct a review. Secondly, it has not done that. We have to reflect that S.o.J.D.C. has delivered some quite significant successes. It was set up to be the Government's commercial developer, with an emphasis on regeneration. In financial terms, it has grown the company assets by 152 per cent to the end of last year, which is an annualised return of 12.6 per cent. The College Gardens development provided 187 new homes, 40 of which were for assisted purchase and 40 for those over 55. The Horizon development delivered 280 new homes, many of which were secured by first-time buyers using the S.o.J.D.C. deposit scheme. The quality of the developments, such as College Gardens as well as the I.F.C. (International Financial Centre) buildings, have each delivered significant public realm and

infrastructure improvements. S.o.J.D.C. is working hard to make further developments and further regeneration in St. Helier. As I said, the decision is with the Regeneration Steering Group and not with me.

3.15.2 Deputy A.F. Curtis of St. Clement:

I note that in the first answer to the first question, the Minister mentioned a strategic review. Of course, the question is about any independent review. But as the Minister is not actively pursuing an independent review of the S.o.J.D.C., is she satisfied that the S.o.J.D.C. operates efficiently, with all the necessary permissions and with robust governance over its operations?

Deputy M.E. Millar:

I believe that S.o.J.D.C. does have robust governance. I would be surprised if it did something without planning permission deliberately. If there was anything that it did not do, it would be oversight. It appears to me, having meeting them regularly, that they have very clear and sound corporate governance.

3.15.3 Deputy A.F. Curtis:

Obviously, minor mistakes are acceptable, but if the S.o.J.D.C. are found to not be competent at core development activities, such as by breaching planning law or by developing plans that do not comply with building regulations, would those be grounds for a review?

Deputy M.E. Millar:

I am not sure whether that is a hypothetical question or whether the Deputy has something in his mind. Clearly, if the S.o.J.D.C. were completely ignoring building regulations or planning, that would have to be looked at, whether it needed a full independent review or whether it could be something that looked specifically at their failures in those specific areas would be a question of fact at the specific time.

3.15.4 Connétable R. D. Johnson of St. Mary:

The Comptroller and Auditor General recommended that the M.O.U.s (memoranda of understanding) concerning all States-owned bodies be reviewed every 3 years. I think it is right to say that the review for the development company will come up for such a review in May next year. Will the Minister confirm that that exercise will be carried out? At the same time, when carrying it out, will she take particular note of the fact that the States Development Company is to take the lead in the development of Fort Regent? Will that necessitate the amendment in any major way?

Deputy M.E. Millar:

I have confirmed several times now, both here and in Scrutiny, that the M.O.U.s are already under review. We are working on the reviews now. The S.o.J.D.C. will meet its 3-year term in, I believe, May next year, and that is something that we will consider. I am not sure whether the M.O.U. currently sets out specific requirements regarding specific developments, but that is certainly something that we could consider. But, in terms of policy, the Regeneration Steering Group reviews the proposals that the S.o.J.D.C. brings forward, and those are considered carefully by that group.

3.15.5 Deputy I. Gardiner:

As the Minister mentioned that oversight of the States of Jersey Development Company is now under the Regeneration Steering Group, I would question what role the Arm's-Length Bodies Oversight Board is playing to oversee our arm's-length organisations in general and S.o.J.D.C. specifically?

Deputy M.E. Millar:

Sorry, can I ask the Deputy to repeat the second part of the question?

Deputy I. Gardiner:

We all know that we have a board for oversight of arm's-length organisations and States-owned entities and the Minister as a shareholder. Now we have learned that the oversight of States of Jersey Development Company moved to the Regeneration Steering Group, so what role is the Arm's-Length Organisation and States owned Bodies Oversight Board playing for managing and oversight of the S.o.J.D.C. and all other organisations?

Deputy M.E. Millar:

I think that is extending the question quite significantly. The Regeneration Steering Group have political oversight of the S.o.J.D.C., I meet them as shareholder representative. The other A.L.O.s and States-owned entities report through other Ministers, depending on the policy framework. I am not sure if that answers the question but maybe I did not understand the question.

The Bailiff:

Very well. Well, that brings the question period to an end and we move now to questions without notice to Ministers. The first period of questions is to the Minister for Justice and Home Affairs.