

# STATES OF JERSEY

## OFFICIAL REPORT

THURSDAY, 19th APRIL 2007

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## **The Roll was called and the Dean led the Assembly in Prayer.**

### **PUBLIC BUSINESS (...resumption)**

#### **1. Annual Business Plan 2007: Property Plan (P.34/2007) – amendment (P.34/2007 Amd.)**

##### **Deputy P.N. Troy of St. Brelade:**

Before we commence I declared an interest yesterday and I will leave the Chamber again this morning.

##### **The Bailiff:**

Yes, Deputy. Deputy Troy's interest is noted. Now the debate continues on the Annual Business Plan: Property Plan. Deputy Hilton.

##### **1.1 Deputy J.A. Hilton of St. Helier**

Thank you, Sir. I just wanted to make a couple of points regarding the timescales of the proposed sale if the proposition is approved today in regard to 2 and 4 Dumaresq Street and 19/20 Charing Cross. Members will be well aware that this empty site is adjacent to some historic buildings which are at the corner of Pitt Street also. The old Foot Buildings. I understand from this report that... no sorry, the point I wanted to make was that the Foot Buildings have been empty for a very, very long time and certainly from my time on the Environment Committee back in 2003 I believe that there was a tremendous amount of correspondence between the Co-operative in relation to trying to progress this development, but whyever these buildings are left empty their condition is literally deteriorating by the day and I am very, very concerned that such an important row of buildings - I believe they are the only example of late 18th century, early 19th century shops that we have now in St. Helier - I would just implore the Minister to try and arrange a sale of this site so that we can at least move on those historic properties next door. And the only other comment I wanted to make was on the properties proposed for sale in Trinity. I understand from the report that Les Amis have expressed an interest in these properties and Les Vaux are currently negotiating on their behalf. The only point I would make there, I believe that both properties are empty. Les Amis are not in desperate need but obviously there is a need there to have other properties available for group homes, so the point I would like to make there is that again if the proposition is approved today that these properties are disposed of as quickly as possible to enable that particular charity to help those people in the community that they do. Thank you.

##### **1.2 Deputy S.C. Ferguson of St. Brelade**

Following Deputy Hilton I would also note that one of the things that I wanted was one property for a number of small charities to share together so they can cut their administrative costs and perhaps the Assistant Minister for the Treasury and the Property Department could consider this. However, I would agree with the Deputy of St. Ouen to some degree while disagreeing with his conclusions. The enthusiasm of youth: I shall handbag him later. **[Laughter]** I understand his impatience, but it is essential that we take the first step. There is no reason, once our ducks are all in line, that the rate of change and the development of this department should not accelerate and I look forward to confirmation of this from the Assistant Treasury Minister. The Public Accounts Committee considered that the report was an important first step but that further work needed to be done. Fine - fairly commonsensical. And the work that is needed should be in line with the Public Accounts Committee's recommendations. But you have to make a start somewhere and at least a start has been made. The Deputy of St. Ouen has already commented at length on the points raised by the P.A.C. (Public Accounts Committee) and I am not going to repeat them, except perhaps to emphasise that the performance targets for this department - as has been admitted - are not challenging and that to obtain best value for the States it is essential that the department acquires more commercial expertise and this appears to be underway. From our hearing the P.A.C. deduced that certain departments, such as Health and Social Services and Home Affairs, were dragging their feet over the transfer of property to J.P.H. (Jersey Property Holdings). It is essential that all

departments climb out of their silos and work corporately and co-operatively. As I am fond of saying, it is essential that they all hang together or they will assuredly hang separately. It is also essential that good governance arrangements are set in place for J.P.H. as soon as possible and that appropriate performance measures are established. How will we know how it is doing if we cannot measure performance? The programme of property sales, the ones that we have for sale before us now, have been identified for some time. Let us get that going; get those sold for the benefit of the capital account and then start looking at a comprehensive review of the property requirements of the States to see what we do need. I look forward to the strategic plan for Property Holdings which is due later this year. There may need to be some lateral thinking. Members will remember that it was reported that the occupied space per work station in the States was some 26 per cent higher than the U.K. Government office standard and nearly 73 per cent higher than modern office space efficiency standards and that this could translate into a realistic space reduction potential of 54,000 square feet, and in rental terms this is a sustainable cost saving in excess of £1 million a year. This is on top of the planned savings of £1.5 million in the revenue expenditure. It is possible, thinking laterally, that these savings could be achieved with the concentration of all Civil Service departments in one building but perhaps the Assistant Minister for the Treasury could give some thought to this. It would be unrealistic to expect an instantaneous implementation of everything in P.93 or in the Public Accounts Committee report but now that the first step has been taken there is no reason that the pace of change should not accelerate. I consider that it is essential that we support this Property Plan. A first step but an important one, but with the clear proviso that the Public Accounts Committee will be returning to this subject later this year to consider what progress has been made and, if necessary, we have the wherewithal to name and shame. Thank you, sir.

### **1.3 Senator P.F. Routier:**

At the outset of the debate yesterday I declared an interest, but a non-pecuniary interest as I am the Chairman of Les Amis Incorporated which is the charity that provides accommodation and support to people with learning disabilities. Members will see that there are 2 of the properties in this Plan that have been identified for the use of the charity. They will be lived in by Jersey people with learning disabilities. In fact, No. 12 Clos de la Ville has been occupied by residents of Les Amis since the estate was built. The proposal to sell the property to Les Vaux Housing Trust and for the residents to pay rent to Les Vaux is a very good model and it has been working for quite some time and it assists people in living in the community. I should at this time place on record my thanks not only to Les Vaux Housing Trust but also to the Jersey Homes Trust for their unstinting support for people with learning disabilities. Of course my good friends, the Minister and the Assistant Minister for Housing, together with their departmental officers have also made an enormous contribution to the lives of people with learning disabilities by identifying properties for people to live. I also would like to thank the officers of Property Holdings. They over the years have been very supportive of identifying properties for people with learning disabilities and they could not have been more helpful and more professional. Some of the comments yesterday about their skills I have to say I do not share. The other properties in the Plan which are intended to be sold to Les Vaux on the understanding that residents of Les Amis are housed are the 2 houses at Trinity. Both of these properties will ensure that the needs of people with learning disabilities who are currently in need will be met and I echo the comments of Deputy Hilton who said we would like to be getting on with that as soon as possible, because there is a need. I would also like Members to support the sale of these properties to Les Vaux because they will be put to extremely good and valuable community use. While these properties will help to fulfil the immediate need I have to inform Members that the community living plan for people with learning disabilities which has the backing of the Social Policy Steering Group - which is made up of Ministers of all the social departments - does identify that there will be a need for further houses in the future. While I have Members' attention I would like to also put on record that besides the need for homes in the community for people with learning disabilities there is also an urgent need for accommodation for an adult respite

service. I just need to put that down as a marker and I hope Members will be able to help us achieve that. Sir, although I have focused my comments on 2 particular properties I will also be supporting this Property Plan generally because I believe that the properties identified are surplus to requirements of the States and the proposals in this Plan are appropriate. I would suggest to Members that the better use of our assets and careful use of the proceeds of the sales of those assets is part of our overall fiscal plan. By supporting this Plan Members will be protecting the public from higher taxes. Sir, I would urge Members to give their full backing to this Plan.

#### **1.4 Deputy D.W. Mezbourian of St. Lawrence:**

Very briefly, I am sure that all Members would hope to make an informed decision on such major considerations as this Property Plan - indeed on all considerations that we make within the House - and I regret to note the lack of consistency in the information with which we have been provided. Some of the sites show how, why, when and at what cost they were acquired by the States, others give very scant information showing nothing of that detailed background information and I would ask that in future we be provided with a consistent amount of information. I would like to comment on the Hue Street/Dumaresq Street site on page 10. I am sure most Members when they read the words: "That negotiations have been taking place with B.G. Romeril for a number of years" felt that same sinking feeling as I did that we could allow such negotiations to drag on and I look forward to not having to read such statements in future now that the Property Department has been established. Thank you, Sir.

#### **1.5 Deputy A.D. Lewis of St. John:**

I am getting a little concerned that this debate is turning into a discussion about structures and operations and the abilities of Property Holdings in agreeing to dispose of properties which the States no longer have any use for and, of course, in doing so making our assets work much harder for us and reinvesting these funds into the future of our Island. However I make no secret of the fact that I too have had my frustrations in the way that Property Holdings operate. By way of example, I have been waiting some 10 weeks for a reply to a simple bit of correspondence in relation to a property matter concerning Home Affairs. But today is not the day to discuss such issues. Today we simply need to decide as to whether we are going to agree to proceed with the liquidation of these assets or not. Sir, I often hear Members complain about the complexity of reports and the lack of good executive summaries. Well, Sir, I believe for the purpose of agreeing this plan today we have before us in P.34 clear details about each of the properties in question. There is a description about each site, a location plan, details about current and previous use, reasons why the property is no longer required and details regarding any development potential, so I do not agree with Members who have said this is lacking in detail. There is sufficient detail to make a decision, the sort of decision we need to make today. We should, with the task today, approve this Plan. I say that with a very important caveat, however, which will ring true with all Members - perhaps in particular Deputy Duhamel and Senator Shenton - and that is that best value is achieved from the sale of these assets on behalf of the public of Jersey. This is something that we all should ensure happens. As for re-organising, re-structuring and importantly, perhaps, an injection of some real commercial reality in Property Holdings that, Sir, should be left for another day. Sir, I support this proposition and I would urge other Members to do the same. Thank you, Sir.

#### **1.6 Deputy G.P. Southern of St. Helier**

I would like to remind people - remind Members - of where we started yesterday and I wish to thank the Deputy of St. Ouen for focusing on a fair and very central issue that is very concerning. We appear to be drifting on to individual bits of sale and saying what we think should happen to them, *et cetera*, and that is not the central point and not the central issue here today. The Deputy of St. Ouen yesterday sought to convince us, and I think he convinced me, that we are doing this the wrong way around. What we have is a Business Plan with no context, with no Strategic Property

Plan in which to set it. We have a short list of properties we may or may not want to sell-off without an inventory, without a complete awareness, of what we own; because it is not done. Now it seems to me that since the House has been convinced that the proper order of doing things is Strategic Plan, Business Plan, in that order, the Deputy is absolutely correct in saying we cannot possibly just tick this off - tick the boxes and let this go through - because we have no idea, because we do not have the information, of what the Strategic Plan is, where we are going with this. Apart from: "Well, we would like to raise a bit more cash." We could use it better, in general. It seems to me very short-termist and a retrograde step if we were to start doing things, building things the wrong way round and passing business plans before we see the strategy in which to embed them and that fundamental flaw, the inadequacies of what is before us today and what is not before us today in the light of what was set out in P.93 of 2005 means that I do not think we should be proceeding with this. We should say: "Go back to what you set out to do, do it and then come back." It seems to me that this indeed is a piecemeal half-hearted and quite amateurish attempt, the document before us today, and at present I am convinced by the Deputy of St. Ouen to vote against this Property Plan and I will be voting against it unless Ministers can convince me that for some reason or other I should build things the wrong way around and vote for a Business Plan before I have seen hide nor hair of a Strategic Plan.

### **1.7 Deputy C.J. Scott Warren of St. Saviour**

I wonder if you would give me... I would like firstly to clarify the position. I was asked by Deputy Le Hérisier yesterday about health accommodation and this was further spoken of by the Chief Minister and me, but I have since spoken to the Director of Estates regarding accommodation and I think Members would probably be interested to know that firstly we are giving up lease properties; and we own a number of houses still at St. Saviour's Hospital and Le Seilleur and Bailhache Trust properties. And we do have a subsidy system for (j) Category contract staff and people now take properties out in their own name. Nurses are able to rent under (a)-(h) Category as other local people and basically, Sir, there is no problem for accommodation for people, for hospital healthcare workers. I would also obviously comment on the Plan before us here and I feel that this is a long overdue joined-up approach under Property Services but I also feel there should be more information for future property plans coming for us to debate. Thank you, Sir.

### **1.8 Deputy A.E. Pryke of Trinity:**

I too support this Plan and it is all very well to say that we need a list of all the properties, but I am sure there are an awful lot of properties and getting that list will take time and as it has been proved that this is the first tranche I look forward to the proposition being passed. The States do not have a very good history of looking after its own property and I think these ones have been identified as good ones to sell and I support that. Just a couple of observations. I am sad that the Belle Vue site is proposed for sale, as in the Scrutiny Sub-Panel Review we heard that it was earmarked as a nursing home and it is sad that at this time it could have been essential as a nursing home for the rest of the Island, but before everyone jumps up I understand the reason and I am pleased that it does state that it is going to be sold for sheltered housing and I would urge that that is followed through as we have heard from the Minister of Housing that there is a big need for sheltered housing especially in the west of the Island. Regarding Le Rondin Fields in Trinity, just one observation about the Field 823: the Jersey Cider Apple Collection. If people do not know, that is a beautiful field planted full of cider apples and it was planted to commemorate - if that is the right word to use - the great storm in 1987 and I would urge that one of the conditions be that it will be maintained to a very high quality because over the last year/18 months it is a shame to say that it has not been. Just the other area is about the houses in Trinity earmarked for Les Amis. I very much welcome that to be used as a group home and especially the close proximity to Acorn Industries as well as the church and the pub and of course the youth centre. Thank you, Sir.

### **1.9 Deputy J.B. Fox of St. Helier**

Yes, I support this proposition. There are too many buildings in this Island that I feel need some love and attention. There are many that have been left - for various reasons - unoccupied, some of them for considerable amounts of time and I watch with horror as I drive or walk past them and find that they deteriorate. Certainly the States nowadays have to look more businesslike at their property portfolio. £1.6 billion worth of property is a huge responsibility and with the start they have had they should be commended for the amount that they are achieving in trying to catch up and bring these surplus properties forward. However I do worry that the balance between achieving maximum financial results for the States' coffers - which is indeed the public coffers - and the balance of buildings for re-use that will still be very much part of an old community or new community and therefore there is a balance to be struck. We have just heard about a field with the cider apples, again an important part of the local community, but it might reduce the upfront purchase factor. But these are the sort of things that we as States Members, and indeed the public, share that make it of benefit to our Island. Likewise in the proposed disposal list numbered 1 and 2 in particular, talking about Hue Street, Dumaresq Street, Pitt Street, Charing Cross areas. As many of you know, I and the Constable of St. Helier and others spent considerable time fighting to maintain the historic quarter, as I call it, that is there. It is a lovely old historic part of St. Helier and it could be enhanced and certainly the Pitt Street, Dumaresq Street properties that are owned by the Channel Island Co-operative Society will be enhanced but they require the plot of land at the corner. I was hoping that this plot of land would remain open as it is a little gem in itself but the States have made a decision otherwise, but it seems to go on and on and on and I know that Senator Ben Shenton is very keen to move this forward, being one of the Directors of the Co-operative Society but I would also impress upon him that part of the planning gain for the area was to restore the façade to provide a better streetscape than exists at the present time on the front of Charing Cross and I hope that that will be included as part of the planning improvements. Likewise on the back when there were proposals when looking at areas in Dumaresq Street and Hue Street and proposals to swap land around, and hopefully B.G. Romeril being able to finish-off what is clearly an unfinished building, but I hope that when they look at the design side of it that it will be in their power to consider the historic quarter in that particular area and maybe sympathetically design a building which I know that Mark... excuse me, I have just forgotten his surname, the Managing Director of B.G. Romeril will be very keen to do. Likewise with the Co-operative Society this could make an enhanced sympathetic historic quarter that we could be proud to signpost and show our locals and visitors alike that we do care about gems and it does not matter if something has fallen away in the past. We can still restore and compliment old buildings with new buildings but these buildings must provide modern living and working amenities otherwise they will not be maintained or built or restored and therefore it is important that we do not look at areas such as this in isolation, that we look at them in far greater detail. As an Assistant Minister of Education, Sport and Culture with responsibility for youth, I should mention, I suppose, Seaton Youth Centre in Seaton Place which is up for disposal. It no longer fulfils modern requirements for youth facilities and it has several drawbacks which I will not go into now. Previously there has been a promise that the sale of this or the assets from the sale of this centre will be put towards new youth facilities and hopefully restoring other ones, and as you know we have new youth facilities proposed on the Waterfront which is going to be a huge investment and I hope that the honour that was given in the past will still be honoured today. Having said that, Property Holdings have omitted one small States' property within that Seaton portfolio and that is a huge snooker table. It is too large for modern use and I have one or 2 others that may be available, shall we say, for restoration and to be transferred to a very suitable home. If anybody is looking for a snooker table please would they contact me, as I would... we are pooling our resources, yes, because it would be sad to see such valuable assets disappear. They are large but generally speaking in good condition. Thank you, Sir, for allowing the advert.

**1.10 Deputy J.J. Huet of St. Helier**



Is it not quite remarkable, Sir, that in this Assembly that you can have people who are really good friends and yet they hold totally opposing views? I found this report a blast from the past. I really did. It was quite fascinating to read parts of it and the piece I was really interested in - there were a couple - was pages 27 and 28. Now I remember, Sir, that this land was re-zoned for a golf course and this is where I was thinking about the blast from the past, because I think at the same time Goose Green was re-zoned for a leisure centre. So this will tell you how far it goes back. But in 1994, when my first Committee that I was on was Planning - and in those days it was called I.D.C., Island Development. I can remember this particular field and walking around this area in those days, 2 or 3 times and we had people come over from England and officers spent hours of time putting up a golf course. It was very, very interesting, I must admit. I had never been involved in anything like that and I found it quite fascinating, but I kept... the same with the thing on Goose Green, and the back of Romerils, exactly the same. I kept saying, "Should we really be spending all this money and time and getting all these consultants over and everything else, especially the Goose Green one? The man does not want to sell it, unless he can have some houses there." And I said: "We do not own this property at St. Brelade to put this golf course. Why are we spending all this time and money and effort?" and I was told: "Now, listen. You do not understand how business is done. This is how business is done. This is how we should do it." Well, maybe, maybe. Obviously in my youth, as I might say I did not understand, but is that not remarkable? We did not get the golf course. We did not develop Dumaresq Street. Goose Green did not go for a leisure centre. I would like to know, Sir; plain nosiness I suppose you could call it, but like the Deputy for St. Lawrence, I find this short on facts. I am curious to know how much we paid for this field, as it is only worth £50 a year renting, and how much we are going to sell it for. I am very curious because I would like to know the answer to that. Did we buy it as commercial or entertainment or sporting or whatever it was? At what price? And what do we expect to get as a return on it? Or have we landed ourselves with another Sunshine Avenue deal? As I say, pure nosiness, Sir, but I think we have a right to ask. It is taxpayer's money at the end of the day and I would like the answer to it. Thank you very much, Sir.

### **1.11 Deputy F.J. Hill of St. Martin**

It might be appropriate that I follow a blast from the past because I too was in the House in 1994-95 and I was one of the 6 who got it right and who said: "We ought to have bought the property and we should have had a golf course" and I still think there were 47 Members who got it wrong, including, I assume, Deputy Huet who was on I.D.C. at the time and I suppose against the golf course. But I think it would be interesting to find out how much we did pay for that field because it probably is going to cost... or we did pay a lot more than what we are going to get for it now. But anyway, back to the Business Plan. I do support the principle of selling all our properties that we have no need for and I do not have a great problem about supporting this particular Plan except of course the question marks which have been raised - maybe fairly or unfairly - about the way in which Property Holdings... or the efficiency of Property Holdings. I would ask the Minister maybe, in summing-up... and I know the Deputy of St. John has touched on a thing that was not terribly important, but I do think it is. I think it is important that the House knows how in fact the properties are going to be disposed of. Are they going to be handling the sales by Property Holdings or will they be put in the hands of estate agents and if so, will it be a few estate agents or one? Also the fact will it be sold by tender, because I think it is important that we get the best price possible for these properties and also they are sold in a businesslike manner. I think it is quite fair to say the House, and I have said it yesterday, it has not had a very good record of buying, selling or maintaining its properties and I think what we have got to do is to be much more businesslike about it. So in summing-up what I would like to hear from the Minister is how these properties are going to be sold and also an assurance that they are going to be sold in the best... to achieve the best property likely - possible - and also can be sold in a transparent manner, because I do think that those people who want to buy it feel they have a chance of buying a property at the best price and also in a good manner.

### **1.12 Deputy G.W.J. de Faye of St. Helier**

I would like to start today with a good news story about States' property which of course many Members have heard does not have a great reputation. But there is a good news story which started when I catalysed an initiative on the Tourism Development Fund some 4 or so years ago with respect to what is now the Fortifications Letting Project, and from that start inquiries across the Civil Service soon revealed that other departments were going in a similar direction. We just did not know. Thereafter was formed a group drawing-in Property Services, Jersey Heritage Trust, Transport and Technical Services Department, Economic Development: all working together to achieve what is now - has been - an award-winning project with success, with nominations from the British Travel Writers Guild and I am delighted to say that the latest news is that the bookings for this summer are already standing at figures of 80 to 90 per cent. It is, I think, a very useful example of what can be done with some joined-up thinking, some creativity, some pump-priming money from the States and it is all developed into a highly successful project that is meeting and exceeding, I think, the aims that were originally set before it. The reason I tell that little yarn is simply because that is the sort of thing I would like to see Property Holdings develop into. A branch of the States that thinks out of the box, uses a little bit of creativity in how buildings can be better utilised than they are and generally has something of an entrepreneurial and commercial flair about it. I am not entirely sure that we are there yet. But I want to maintain a positive view because I think the general concept is the right thing. But are we really getting that joined-up thinking? To illustrate my point I would ask Members to turn to page 11 of the report where they will see a map of the car parks behind Romerils in Dumaresq Street and Hue Street and I just want to give an illustration of what I call thinking out of the box, and that is if Members look to the north of the drawing, Hue Street, they will see a little sign... a little notification of a car parking area and then they will also see - if they go and look just below where the car park C and car park B is, which is opposite the Post Horn Pub - there is clearly an access way called Shared Access. But the point I put to Members is, if we are contemplating a serious development here, which we clearly are given the scale of the ground plan, do we still need Hue Street? I have already put this point to the Connétable as to whether there is any mileage in order to create an even better proposal for development here as to whether there is a requirement for Hue Street and should Hue Street, or at least a section of it - potentially running from the car park zone at the top down to the shared access area or even further around - should that be simply extinguished and used as part of a straightforward planning gain to establish a nice green lung in the centre of town there, a little piazza area outside the pub and right next to the 2 tall States' flats there? Now, maybe that is a step too far in terms of stepping out of the box and thinking laterally, but I do not think so. In fact I was so positive about it that I have approached the Connétable of St. Helier and discussed it with him, and he thinks it may not be a bad idea. I do not think it is a bad idea, but this is the sort of thinking that I would like to see coming out of Property Holdings in the future, without any one of us having to pop up and make the suggestions necessarily ourselves. If Members would just flip over to page 13, I do want to be very positive about this, because as part of my previous role on the Environment Planning/Public Works Committee I know what an awful lot of work has gone into all the aspects relating to No. 4 Dumaresq Street which has the potential, as Members will be aware, of very successfully restoring the streetscape, both the art deco featured building on the Charing Cross side and the older buildings around Dumaresq Street which have all been researched in historical detail in, quite frankly, enormous academic style. There is quite clearly an obvious solution sitting here with the main neighbour, and that is who all the discussions have been with about how to take the project forward. What I would like, though, is an assurance from the Minister that if we are to, as it were, select a preferred purchaser - which clearly there is one in this case - are we going to suddenly find that Property Services are tied by some obscure piece of States' financial chicanery regulation in that this will have to go out to public tender to get the best price? Because frankly that would utterly destroy all the work that has gone on so far. I think that this is another aspect that I would like Property Holdings to bear in mind in the future. There are, surely, going to be occasions when getting the best price is not the best result. This I have selected as an example of

one where getting the best result for the Island is probably to do a good deal with a single preferred purchaser. If Members would just like to look at page 26, the fields at Le Rondin Farm, and I will make just a brief reference to what it says on the page before without having to trouble Members about turning back. Right at the end of the last page it says: "Redevelopment potential, if any. None", it says. None. Field 864 is in the green zone, the other 5 fields are in the country zone. Well, I have got to say that I am slightly worried about that blanket conclusion on the value of the fields at Le Rondin as having no potential for development, because if I could just draw Members' attention to the fact that immediately above the area marked down as The Fields is a location known familiarly as Howard Davis Farm and there is a very large field there, I think it is marked down as 827 which if I am not mistaken is currently a popularly viewed site as somewhere to put a new dairy. I am told it is slightly to the left. Anyway, this is the general area to where the new dairy may well go. Up at Howard Davis Farm. Now given that level of development there and given that 5 of those fields are in the countryside zone, I do query whether it is simply accurate to say there is no potential for development. Quite frankly I think there probably is potential for a development. It may not be this year. It may not be in 2 years' time but if I had the cash I would certainly be wanting to be bidding for at least Fields 849 and 851 because I have a very good idea that that will be a nice little long-term investment. So I do think that before we make these sweeping statements about no potential for development, hang on, we have not had the latest review of the Island Plan yet, and that could potentially reveal changes. Now I know the Connétable of Trinity is shaking his head at me, but that, I suggest, may be rather hopeful. We just do not know what the Island Plan review will turn up. I am quite prepared to be corrected and told that there is no possibility of any development on those fields, but I am a cynical old bird. But where do all these examples take the thrust of my argument? Really in a number of obvious directions and I will express my concerns directly. I am worried, and it is early days for Property Holdings admittedly, but I am concerned that the move of all departmental property into a single body has given enormous relief to departments who can now simply wash their hands of their previous responsibilities for property and maintenance and so on. So that is jolly good news, but I am concerned though that at the moment Property Services/Property Holdings is looking a bit like one of our famous old silos. I do get the sense of a certain prevailing silo mentality and am not really seeing the thinking outside the box that would encourage me about the way forward. Now I hope to be reassured in that point but I keep bumping into hurdles from various Members' speeches, for example, the clear tendency to want to simply sell-off properties and a clear indication that: "No, no, we do not really want the States to act as landlord." Well, I am slightly puzzled by that approach. I may be suffering from early onset senile dementia but I do not recall when we had the debate in the House about whether we wanted to just stick to sell-offs or whether the States perhaps should be a landlord and take a perhaps more proactive approach to its property portfolio, so I think that is frankly a debate that has yet to be had and certainly I would far rather see Property Holdings taking a broader approach to how property is handled. As I say, I would also like to see a creative approach. I do not want to go into specific details but it seems to me that not only in my experience with the fortifications project where there are a lot of old buildings and towers and bunkers sitting around the Island just acting as attractive and cosy homes for pigeons there are also a number of properties that are in various people's portfolios that probably could realise a lot more money than they are realising at the moment. Now I know that the Minister of Housing is quietly going through his portfolio to look at those and I would encourage a creative approach to some of the properties that we hold, but again going back to the States acting as a landlord, I think we have got a reasonably strong record of that. The Housing Department seems to play that role in a fairly extensive way as far as I understand. So I say we have not had this debate as far as I know and I would not want Property Holdings to adopt a closed approach to how property is sold-off. Finally, as Members will appreciate, I do generally support the concept but in terms of the fine tuning I really do think that the priority in terms of how we handle the States' property portfolio should not be seen from a purely black and white accounting point of view. I think it is absolutely vital that on each property we look in the round, we look for joined-up

thinking and we first of all consider what is the community advantage in how a property - any individual property - may be used? I do not use the words “public interest” necessarily because obviously taking in huge shed loads of cash for a property may well be perceived as being more in the public interest, but I use the phrase carefully, what I describe as “community advantage”, and that goes back to examples I have given where it just might be to the greater community advantage to either have a preferred purchaser, or take a lower price than you might realise in the marketplace. Now, I hope that the Minister can assure us in his summing-up that the new Property Holdings Department is going to show flair, joined-up thinking, entrepreneurial skills and so on, because then I will feel that I can give Property Holdings my full confidence.

### **1.13 Connétable T.J. du Feu of St. Peter:**

Deputy Huet earlier on remarked on 2 very old, hardy annuals that invariably come up from time to time. One was the La Moye land for the golf course, and I would remind everyone that the States took the decision to effectively scupper that plan, so that was really where that one floundered. But it was interesting to hear the mention of Goose Green marshland, which has proved to be quite controversial, because I am quite amazed at what has happened in all the arguments that have prevailed in recent times that nobody has mentioned the work done and carried out by the Bel Royal/Beaumont study group. Now, while I acknowledge that a number of them unfortunately are no longer with us, I can assure you that some of them are, because I was on it, and there are others as well that I could name, but I will not embarrass them. But, anyway, there was a lot of work, a lot of time spent, and there are any amount of reports on the shelves with the planners, which give you every reason why there should never be any houses built on the actual site that has proved all the argument and contention. But I will just leave it there, and let someone else deal with that. Dealing with the current proposal, Sir, there are 2 sites which I have difficulty with. One has already been mentioned by the Deputy of Trinity, namely the Belle Vue site. Now, that one, at the time, was clearly the subject of very bitter - and I mean very bitter - acrimony, discussion, negotiation, and absolute blistering arguments for a long, long period of time, and the entire site was only purchased in the end through the compulsory purchase measures. Now, the compulsory purchase measures on that site is the end product that you see in the housing that currently exists, and it is to the credit of all concerned that what has been produced clearly has provided homes for a large number of people. But the site that remains, which is under 5 vergées of land - which is not really that big an area - I think it would be absolute folly, in my opinion, to let this one go to the highest bidder. There have been a number of proposals. There was a scheme to deal with the residential care, and various units for a medical facility. Given that the area sits within a very heavy and densely populated area of St. Brelade, there is a lot of need - requirement- and undoubtedly that is not going to diminish. That is going to be there for as long as there are people living in that area, there will be a requirement for all sorts of different services which a site like that is invaluable to have as an option, be it land bank or whatever you want to call it or describe it. Now, the general principle of the proposal that is presented today has a lot of merit. I am not going to quarrel with that at all. But I think the balancing act between some of the sites clearly has sadly gone a little astray. What I believe, how we could get a true perspective and value on that particular site, would be very clearly that - with the sale of the majority of other sites which are contained within the proposition, the proceeds of those sales would develop, without selling it off and having a Dutch auction where it is going to be hawked around to the highest bidder, and possibly end up with a lot of argument and all that goes with it in today's climate - we show a productive end to it and build the actual residential units that are required, one, for the care of our elderly residents, and the sheltered housing, which is much sought after now. I know that the Connétable of St. Brelade in the recent past has been highlighting the point and need for such a requirement, and I think we could have a considerable public gain all round if it was treated in an all embracing plan and proposal, as opposed to just saying: “Right, we are going to dispose of this site.” There would be a tangible benefit overall to the Island. We could build it, I repeat, with the proceeds which, in effect, would not mean money being drained out of the public purse, and there

would be a considerable gain to be had from it. Moving now on to the other site which troubles me, I am going into the territory of Trinity. Saying Trinity, I am not going to suggest that the Connétable is on the saintly ground, but I am sure he is, coming from holy Trinity, Sir, but nevertheless, that is a very valuable site, and I am referring predominantly to the land adjoining and adjacent to the R.J. (Royal Jersey) building on the west side of the main road. Now that site is at the moment complete open landscape, open land. It has been under cultivation in the recent past and it is too valuable to separate and have under separate and other ownerships, given the popularity and the great public benefit to which the R.J. building now is being put to. It provides as a vital springboard to so much, not only in the Parish of Trinity, but indeed for the whole Island with so many different... from agricultural shows to events which are staged there, and again the public would be better served with clearly maximising that as opposed to putting it up... as suggested possibly by Deputy de Faye, and could one day end up in development land. I think the open land around there is absolutely vital because if you are going to have, and if the Island is going to stage, something which is going to attract so many to the Island generally - be it shows or events - we are getting limited where we can hold those events and clearly that represents a sensible and beautiful setting for any event, and for many, whatever they depict. Now, what I would like to ask you, Sir, as to when we reach the conclusion of this debate, the manner in how we are going to be expected to vote on these sites. Is it a case of having to vote for the entire list as presented in the projet, or will there be any separation of the sites?

**The Bailiff:**

There is one proposition, and Members must vote on the proposition as a whole, Connétable.

**1.14 Connétable M.K. Jackson of St. Brelade:**

I refer once again to the proposed site of development at Belle Vue, St. Brelade. Members will be aware that the site was originally rezoned for the construction of a residential home, and the States subsequently decided not to proceed with this project for want of funding. I think, in practice - in retrospect - this was probably a good decision, in that the need and demand for residential care has altered to the effect that it has been decided to try to keep people in their homes for longer. This, in fact, has stimulated the need for sheltered housing, which is quite a contentious subject at the moment. The projet refers to the preferred development potential as sheltered accommodation for the over-50s. I have to say I would have preferred that a development brief would have indicated over-60s, but I am sure that with the co-operation of the Housing Minister this can be achieved and a community advantage, to quote from Deputy de Faye, be attained. The Parish supports the sale of the site, or the transfer of the site ownership of the site, in a way that will provide the best numbers to reduce the lists that the Housing Minister presently has for sheltered accommodation purposes. We look forward to working closely with Housing on the matter. Acorn Lodge in St. Brelade, in the corner of the Les Quennevais School site, the sale of which strikes me as being a short-term solution to an education project which they have on the cards at present. Clearly, the States, as has been demonstrated, are not terribly good property managers so, I think, on balance, that would be best disposed of. Field 373, which has been alluded to earlier on at Les Creux, I suppose I have to declare a slight interest in it. My sister has a house adjacent to it, but I do note that the houses adjacent were built subject to the States' ownership so its potential for development as a golf course has been severely reduced. It now accommodates sheep and geese in a fairly inaccessible area and I would think once again its development potential is very limited and value to the States once again limited, so I would support the disposal of that.

**1.15 Deputy R.C. Duhamel of St. Saviour:**

The last 3 speakers have in some way stolen a bit of my thunder, but I think we all tread the same paths ultimately. I should advise the House that Deputy de Faye's suggestion about what could or could not be done on Hue Street was part and parcel of alternative development plans that were considered by previous Planning Committees in conjunction with the Urban Designer and

Architect. That said they do merit further attention. But one of the things, Sir, that really worries me about this proposal is that we are breaking new ground. Now we have been presented, Sir, with a whole selection of properties which we are being asked to give our approval of for disposal. We are also, within the body of the report, Sir, being asked to approve the Annual Property Plan, beginning to give an approval, and certainly moving towards that direction of setting-up the States Property Holdings as a States' trading organisation. Now, in terms of the organisation and how they will carry out their business, and the extent to which this House will have or will not have a say is not determined as yet. If Members turn to page 5, you will see that on the third paragraph before the end: "It is intended in 2007 to seek approval from the States for Property Holdings to be established as a States' trading organisation. If this approval is gained at a later stage, capital receipts will be credited to that organisation's trading fund", *et cetera*. The real thing that worries me, Sir, is that we seem to be being presented with a one-dimensional plan which does really emphasise a single solution for a large number of properties, and that is their disposal. If we read on page 3, under the report, Sir: "The Property Plan for the period to 2011 incorporated into the States' Strategic Plan that was approved in June 2006 contained the following key objectives." I will read 2 of them to remind Members and the public. One of them is: "To ensure that property is used, managed and maintained effectively", and we have heard, Sir, the appalling tales of a number of properties within the administration of the States that we have not really done very much on in terms of the maintenance and we could do, and certainly should do, a lot better in that respect. The last bullet point, Sir, is the one I would like to concentrate a little on, is: "To dispose or extract better value from property that is not contributing satisfactorily towards service delivery or the achievement of the States' objectives." So quite clearly, Sir, in terms of the overall remit of the Property Holdings Department, it is unjust to come to the House and to suggest, as they are doing in Appendix A, a schedule of properties to be disposed of. I am in complete accord with Deputy de Faye that we need a States' Property Holding Service that can think outside the box, can apply creative thinking to particular developments that we have and indeed, Sir, on page 5 of the report it says that this is one of the things that they will be doing. But they have not done it in respect of the properties that appear in Schedule A at the moment. On page 5, Sir, it says under Net Capital Receipts: "In pursuing the primary objectives of more efficient and effective use of States' property assets, Property Holdings will identify properties that are not contributing optimally to the delivery of priority services. This may be through the under-occupation, high maintenance cost, inappropriate size or location, or number of other factors." It then goes on, Sir, to say that having identified such properties: "Property Holdings will determine an appropriate future use, which may be an alternative in-house use, short or long-term lease to a third party, or a disposal." Not just disposal, disposal and disposal, but a whole host of other things which potentially could derive a maximisation of the value of the States' property that we have under our administration. As I say, Sir, I do not think in bringing this proposition to the House that the States are being done any particular favours by the Chief Minister and the Council of Ministers in solely recommending these properties for disposal. A number of Members have referred to the inadequacy of the reports that accompany each particular proposal, and I would like to refer to the inadequacies as well. What I would have liked to have seen is a little bit of thinking outside the box appended to each particular report, to suggest why anything other than a particular disposal of the property was not, in fact, possible. Now, we do not have any of this at all, Sir, other than we are being asked to get rid of these properties at a price to be determined by the Minister on the recommendation of the Property Holdings Department. That, Sir, brings me on to another point. Now, Members will know that I had, and still do have, extreme reservations about whether or not value for money has been found, in terms of one of the large property disposals that was being spoken about in this House a number of weeks ago, that being the Girls' College site. Now, we have mentioned the Le Seilleur Trust building at Oxford Road, and I recall, Sir, when we were debating this particular item a number of years ago I made a speech to suggest that it was not just the capital assets that were going to accrue to the House at any particular time that were important, but we need to be justified in terms of the monies that could accrue being greater than what could potentially accrue if a long-term lease,

which required the person who was taking it over to maintain the building, would be able to place in terms of the States' coffers. Long-term leases do give the States the best of both worlds. Now, we can, through the legal agreements, require the people who are taking it on to maintain the building, should we see fit, and we retain, in particular with the rising property market, the opportunity to release the capital asset at a later point in time. So it does not follow absolutely in terms of property management that a sale is always your best course of action. It certainly does not follow that a disposal of an asset which may have an alternative use, which has not as yet been identified because the process of asking people to think about potential alternative uses has not been carried out as extensively as perhaps it should have done, as we heard from the Deputy of Grouville in relation to educational uses. If we ask a particular department: "Do you want this property or not?" that is not the same as saying: "What uses do you think could be found for this property which might reside within your department or within somebody else's?" So, I am extremely worried, Sir, because we are breaking with tradition, we have new Finance Laws, and we are asking the House today to agree to the disposal of the properties that appear in Schedule A. The House is not being asked to agree to alternative proposals. We are going to dispose of these properties, and I think that is really short sighted.

**Deputy P.V.F. Le Claire of St. Helier:**

May I interrupt the speaker to ask him a question, Sir, if he may give way?

**The Bailiff:**

If the Deputy will give way, you may.

**Deputy R.C. Duhamel:**

Yes, certainly.

**Deputy P.V.F. Le Claire:**

I am very supportive of the moves of the proposition, and I reserve my right to speak on the workings of the Property Holdings Department, which I think have gone great strides towards the right direction. What I would like to ask, Sir, during the course of the last couple of speeches, Sir, especially given the input of Deputy de Faye in relation to the disposal of the properties that are highlighted opposite Hue Street, I am considering bringing forward Standing Order 79 to refer the issue of the car park disposal to our Environment Scrutiny Panel, who are looking at the issues of the Transport Strategy, which is going to consider the disposal of Minden Place Car Park into building another car park in Ann Street, which we have just found out about on Monday. The question, Sir, is whether or not the Chairman of this Panel, which I would possibly consider motioning this to, is speaking, and I wonder whether or not he feels that that is possibly a suitable approach for me to suggest or not?

**Deputy I.J. Gorst of St. Clement:**

It is not my understanding that you can just pick a paragraph or a particular property from this proposition and refer it to Scrutiny. I do not believe that Standing Order 79 would stand in this case, whatever the Chairman of the Scrutiny Panel's view on whether he is prepared to scrutinise that particular property is.

**The Bailiff:**

We will come to that in a moment. You may well be right, Deputy.

**Deputy R.C. Duhamel:**

I need to consider that. I think it might well be difficult, as mentioned by the previous speaker, to unpick this particular proposition in the way that is being suggested. But I do want to get back on to the point I was making, Sir, that we are being asked as a States' body to agree to the disposal of

all the properties that appear in Schedule A. Under the previous system of the States we would have probably been presented with each of these individually. We would have had the opportunity to discuss, along the lines of what is suggested by Deputy de Faye and others, alternative propositions to see whether or not the value that was being asked for, in terms of a disposal, was worthwhile in whatever terms that this House brought to the debate. In asking for us to give a blanket approval to all these disposals I think we are taking away the opportunity of all Members to get involved in the nitty-gritty of each of these particular sites. There are certain community uses that, as Deputy de Faye mentioned, might outweigh a short-term commercial gain in financial terms. Likewise, there might be better deals available which would derive greater income to the States in terms of maximising a financial gain. None of these things has been referred to specifically in any of the papers that are appended to the diagrams within the report. So, it is with that in mind, Sir, that I have extreme reservations about voting for this particular proposal, and would also suggest to the House that if they read on page 3, some Members have already alluded to the fact that this is just a first stab at it. I think we have heard mentioned from the P.A.C. (Public Accounts Committee) that this is Property Holdings' first attempt, and although they have said that they could do better, in fact, the Property Holdings Department will have an opportunity at a later stage to publish a revised and more detailed Strategic Property Plan towards the end of 2007. So, there is going to be more information coming forward at a later stage, and I think perhaps the better way of dealing with the debate might well have been to have waited until that report is published. That certainly will give the opportunity of setting the context for these property disposals, should they remain as property disposals within the broader framework as Deputy Southern was calling for, and the Deputy of St. Ouen. So, I think, unfortunately, I am really of the mind that this probably goes a step too far at the moment. It does not provide the flexibility or the certainty that whatever deals are done by way of asset disposal will be the best deals for the Island, and it removes an element of the ability of this House to make statements or comments in order to bring about a betterment in some particular cases. So, on those grounds, Sir, I think I would recommend that Members do not support the Property Plan, and indeed wait until the revised Plan has come forward at the end of 2007.

#### **1.16 Deputy S. Power of St. Brelade:**

I would like to speak briefly about 3 sites. I would like to start by talking about sheep. On your proposition on page 28 in green there is a field marked 373, and on the previous page it says that the field is presently let on an annual rolling licence to a sheep farmer, the licence fee being £50 per annum. I think, Sir, this is a classic example of an agricultural field being used for agricultural purposes in an agricultural area, and I would wish it to remain like that. So I would ask the Treasury Minister to bear in mind in the tendering process that if the said user of field 373 expresses an interest in purchasing the field for agricultural purposes for sheep that that is borne in mind as much as the tender prices that are offered. A little bit of background on this before I move on, this sheep farmer had 27 lambs born this spring and lost 9 of them because of the weather and the loss of one in 3 is extremely high. I would hope that as this sheep farmer develops his business that he can reduce the mortality rate of his sheep. **[Laughter]**

#### **The Bailiff:**

Deputy, I am sure that all the Members would join with you in that hope, but can we please come back to the proposition and move forward.

#### **Deputy S. Power:**

Moving on from that one, Sir, I want to move on to Acorn Lodge. The Constable of St. Brelade referred briefly to his reservations about Acorn Lodge and its possible disposal and timing, and I would like to make a few comments on that. This house, in my view, sits within the curtilage of Les Quennevais School and is not a separate site, if one looks at the map on page 31. Les Quennevais School is due for a major renovation, expansion and overhaul in the next few years. It



is the secondary school on the Island that is due for a major investment, as it is near capacity. One of the things that worries me about the disposal of Acorn Lodge is that the refurbishment of the school may have Health and Safety issues to do with it, and I believe that if the property is sold before the school is refurbished, that there may be issues that impinge on the redevelopment of the school, so I would ask the Treasury Minister to take that into account as to whether or not he allows it to go forward. Finally, Sir, I move on to what has already been referred to on the Belle Vue site at Les Quennevais. I also have a list of people who have expressed an interest in downsizing and moving on to sheltered housing in and around this site. Most of them are in the over-60s, and I would ask the Housing Minister when this site is delivered that he considers it would be the over-60s rather than the over-50s, and I think that is an important point. I think when the Treasury Minister does go to tender it looks as if it will either be a developer or the Parish or a Trust that will look to develop the site, and I would hope that when the Treasury Minister moves on this that the Parish are given nomination rights on the allocation of these units. So I shall be taking a very deep interest in this site as it progresses through the process, but overall, Sir, I shall be supporting the proposition, irrespective of the mortality rate of sheep on it.

**1.17 Connétable J.L. Gallichan of Trinity:**

It is quite interesting how everybody has various views on property and land. I can only say I am delighted that fields 849 and 851 are going to be transferred to the R.J.A.&H.S. (Royal Jersey Agricultural and Horticultural Society). When I first became Connétable of the Parish, it was a concern to me and to the Honorary Police of the amount of vehicles and the access to the R.J.A.&H.S. As one already realises, this is now the major Island centre for shows and for festivals. It is very rarely it is not used every week, and I did write at that time to I think it was Public Services to see whether these fields could be at some time transferred for the benefit of the R.J.A.&H.S. to give an improved facility there, and I am pleased to see that it has happened. If people are concerned on whether this could be used for development, surely the simple way is that when the contract is passed there is a clause there saying that it is not possible to have property built on this, to keep it as a green lung. I would say there are ways, and all I would say to Deputy de Faye; the dairy to my knowledge is definitely not on field 827; it is to the left of that where, if you looked at the map on page 26 where the outline is - the little blue and the yellow - it is where the tunnels are at the moment, but definitely not on field 827. As for the other fields at Le Rondin on the other side of the main road, of course, these are just meadows and sort of catchment areas, very small fields indeed. I see that may be kept as rural; there is no possibility of building there. I certainly would not support any building or development on these fields in the future, but I am pretty sure that that is not the planned area for development anyway. Well, I hope it is not. I have a field which I have planned for first-time buyers, and I hope that will be the field that will be reserved, Sir, and not these. I fully support the Property Plan, and I do share concerns, Sir, that if we are going to come back with this sort of large projet, 53 individual Members have 53 different ideas, and we could be here for days and days if we have to either say this one should be kept or this one should be improved or this one should have better facilities. There must be a better way forward than just bringing a whole projet with all these properties that we can all just have our different ideas on, but I will definitely be supporting the projet, Sir. Thank you.

**Deputy G.W.J. de Faye:**

Could I say I am very indebted to the Connétable of Trinity for his superior map reading skills?

**1.18 Deputy P.V.F. Le Claire:**

I think I might be guided, Sir, a little bit by the reactions, if I can get them, from the Minister for Transport and Technical Services and the Chairman of the Environment Scrutiny Panel. As I said, Sir, in my introduction, I did want to know whether or not, having considered this morning the points made by the Minister for Transport and Technical Services, Minister Deputy de Faye, about whether or not Property Services is living in a silo mentality, whether or not they have considered

the alternative uses for the car park as been identified in the Hue Street area. The Transport and Technical Services Minister came to the Scrutiny Panel that we sit on, the Environment Services Panel, and with his Chief Officer presented a list of his business for this year and the forthcoming years. We sat there and we had a nice talk with him and his Chief Officer and we came to a mutual understanding that what would be of most benefit for us to scrutinise, in respect of the States getting best value for money from a Scrutiny perspective, was the Transport and Technical Services Transport Strategy for the Island, because we figured that that was probably the most expensive allocation of public money in that area, that we could help to scrutinise and perhaps come up with some better suggestions. One of the things that have been troubling me is the late release of the EDAW Report and why it has taken so long to hit the table. Now, while there are some wonderful things in the EDAW Report, one of the things that came to my attention on Friday, when I had a telephone call from an Assistant Minister, was that the plans to knock down Minden Street Car Park - which is a specific issue within the Transport and Technical Services Transportation portfolio - was going to be satisfied by creating an open space in that area, and knocking down Ann Street's accommodation there in my district where there is, in my view, inadequate housing facilities for people, and creating a car park towards the ring road and moving the vehicles away. Now, on the whole, that did seem to make a lot of sense in many, many respects. I think that offering people in those areas better facilities and more modern facilities is a wonderful thing, especially for people in our district. But I am just a little bit concerned now, and I was not before, but I am a little bit concerned now, that this Property Plan has to be approved *en bloc* or thrown out *en bloc* bearing in mind that it is properties recommended, not necessarily... the wording of the proposition is key: it is we are to approve the annual Property Plan for 2007, including the Schedule of properties recommended for disposal. Not obligatory, but recommended. So, there is always the fall back there, but I am just a little bit concerned that what we are looking to do is knock down Minden Street Car Park because we are told it is in degradation, build a new one in Ann Street, and then get rid of the car park that is sitting in Hue Court that is empty. Why is there not a possibility of building a multi-storey car park there, if we need a new multi-storey car park? Maybe not, but has a serious evaluation been done on it? Well, I am told that because half of it is privately owned it is not possible, and there does not seem to be much enthusiasm for my concerns so perhaps I could shelve most of my concerns but at least I have raised them. I think that is important, to have raised them. Getting back to the overall support of the Business Property Plan; I think, in fairness, although there could be more information, I have seen bigger propositions come before the Assembly in respect of the Waterfront. They had far less, and we did deals for 150 years on those. So, I think they are to be commended in certain respects in the way that they have set out the position for us today. Albeit that there is a lack of information in many respects, there is a lot more information than we have been used to seeing. If you look historically at what we have been getting it has not been as comprehensive as this. If you look at some of the reports and propositions when I first came to the Assembly, they were very small pieces of paper, 3 or 4 or maybe 16 pages, quarter-size like this, with maybe one black and white drawing on the back, and no analysis whatsoever on a cost benefit basis. So I think that while there are recognised needs within the business of the Property Services Department, I think that they are going towards achieving many of the problems that we have had, and I commend them for the work they have done. It demonstrates that they are moving in the right direction. But what I do think is that there is always an argument that we should not sit down as 53 Members and become a planning committee, and Members say that that is a ridiculous thing for us to do because we all have different ideas. But, in this respect, they have demonstrated the histories of the different departments and developments and the properties that we all have some knowledge of, and even on my feet I have been able to pick up from Members very quickly - to my satisfaction - that the historical knowledge and the knowledge of the issues are there for me to be not concerned and to go back to my constituents and say that during the debate I had these concerns but they were shelved by the reassurances of the Housing Minister and the Transport and Technical Services Minister, who negated those during my speech. So would it not be better in the future for us to continue to do this? But in the future for us

to identify approving each an individual one at the final outset, so the same kind of proposition but just the numbers at the bottom. Then *en bloc* we can approve the ones that are non-contentious. There is no problem I can see with much of this, but on the individual issues, for example, the one brought about by Senator Shenton, rather than bringing in an amendment, we would be able to vote that one out based upon its merits and the interaction of Members during the course of the debate. To sum up, Sir, I congratulate the Property Services Department in what they have done. They have come a long way. They need to go a lot further, but they have come a long way in a short period of time. I would like to put across my thanks for Members helping me satisfy myself that there is no need for concern about that suggestion I had, but I would also like to make that point to the Treasury Minister - and the Chief Minister, especially as this is his proposition - that in the future I think it is of value for States Members to debate this but would you please put the numbers underneath the proposition so that we can approve each individual property? And if it is not to be done, then it will have to be done by an amendment.

### **1.19 Senator J.L. Perchard:**

I will be supporting the proposition as I accept that we are taking a first but tentative step towards the rationalisation of the public estate, to unload into the hands of the people we represent property that is surplus to the public requirement. We rightly agreed this in the Strategic Plan, I remind Members. The Treasury and Resources Minister, when making the proposition yesterday did, however, assure the Assembly that there would be no sale of public property from the 2007 Property Plan unless the time was right and the price was right. I should be comforted by this assurance, but I have to say, Sir, that I am not really. I would like to ask the Minister, when he sums up, to advise the Assembly as to what skills he considers are required by the Property Holdings Department to deliver the full financial potential from the sales of property, any property, in the 2007 Plan. Not only the maximum price but the full financial potential. Deputy de Faye, I think, made a very good speech when he spoke about the creative approach, perhaps thinking outside the box, perhaps adding value to a property by joint ventures or seeking planning permission before the sale. I want to know what skills does the Minister think are important for the department to have, and does the Property Holdings Department have these skills in place now to maximise the potential of any sales? Would the Minister also advise the Assembly how he sees the Property Holdings Department evolving? I know on page 5 of the Plan it says that it is intended to seek approval from the States that Property Holdings be established to become a States' trading organisation, but how does he see it evolving to become commercially wise and streetwise in a very competitive and potentially lucrative market? Does he agree, really, that the maximum potential of any sale of public property in future Property Plans, not only this one but in future Property Plans, must be achieved at all times, and can he assure me and the Assembly that the Property Holdings Department as it evolves will be capable of achieving this?

### **1.20 Deputy K.C. Lewis of St. Saviour:**

I will be brief, Sir. I would like to start on page 11 with the Hue Street and Dumaresq Street. Car Park A is listed as having 18 spaces; Car Park B 18 spaces, and Car Park C 27 spaces. These could be lost. As I mentioned on Tuesday, we will be losing eventually the Esplanade car park, which will be built on. Also the car park in Gas Place for the town park. This will just add another 63 spaces to the list. I am in favour of clean air in town, but we cannot uninvent the car. People live in town; people have to come to town to work, and people come to town to shop. The loss of 63 further spaces would be unacceptable. The possible loss of Minden Place, I think, would be a disaster, as previously mentioned. If you close down the car parks within the ring road - you only have to look at anywhere in the United Kingdom, any market town of a comparable size - you will find where they have pedestrianised and closed down car parks. I think you will find if we repeat that in Jersey we will rip the heart out of St. Helier, and this I will vigorously oppose. It would mean the end of the central market, the fish market and all shops around. We cannot expect people to come into town to shop and walk quarter of a mile to the nearest car park. Turning to page 26

and 37, Le Rondin Farm Field to Trinity, and the Mabonnerie House one into Trinity; both the fields and the house are adjacent to the proposed Howard Davis dairy. This is a green zone, so no development, which is good news. I would have thought it prudent to hold on to these properties until such time as the dairy is developed, but as the Constable of Trinity has pointed out, these fields will probably be signed over to the R.J.A.&H.S. This I would fully support. With regard to Belle Vue, I think we need to keep a grip on things there because let us remember what happened in the past, that we had a go-kart track at Belle Vue. What did they do? They built a housing estate directly next door. The noise of the go-karts upset the residents, so the go-kart track was forced to close down. We need these buffer zones for the good housekeeping of the Island. I will be opposing this proposition in its entirety. I think it needs to be taken back and completely rethought.

### **1.21 Connétable A.S. Crowcroft of St. Helier:**

It does seem that the Chief Minister cannot win. Perhaps that is a rule of life in politics, because many people have criticised the Plan for lacking a strategic level, a holistic vision; other Members have criticised it for seeking to dispose of 14 properties in one go rather than dealing with them individually. The Constable of Trinity did say that he thought he could take days to do this, and it is taking days. But how much longer would it take if we had been presented with 14 individual propositions? Members have had the chance to amend the Property Plan, and it is a Property Plan; it is not a Strategic Property Plan. While I enjoyed the Deputy of St. John's contribution, it was about strategy, and this is not it. This is simply the first tranche of properties that the department would like to dispose of, and I find the summaries and the reasons for wanting to dispose of them very clear. I think it is inevitable, while it may be tedious, that Members have wanted to comment on the detail because they are not being given the opportunity to debate these as individual propositions, and so I am going to walk right into the same pitfall - if that is how it seems - and I am going to make a few comments which have not been made before, because I do not believe we should repeat each other, about some of these sites. Deputy de Faye's contributions are always welcome. He is one of these Members who can think out of the box; he has now thought out of the Chamber as well. I know one of his strangest suggestions to me was that we move the Town Hall up to the J.C.G. (Jersey College for Girls) site, which thankfully has not been progressed, because there is not nearly as good a dance floor in J.C.G. But his views about Hue Street and Dumaresq Street, which is the first property listed, do point to, I think, a problem in that first item which is that there seems to be a lack of site assembly going on there. We are asked to dispose of a bit of this car park, a bit of that car park. Deputy Lewis has concerns about that the loss of parking spaces have not been addressed in the report, and I think it does smack of a piecemeal approach. What I would ask the Minister or Assistant Minister to do in their summing-up is to agree that just as the Le Seilleur problem seems to have been solved by the offer of Ministerial getting-together and talking about the future of that important property for the town park development, so I believe it is essential that the Ministers - and I would be pleased to be involved in this one - sit down and look at this whole area of Hue Street and Dumaresq Street, because it is a very important site. It is grossly underutilised at the moment, and there are some very, very exciting things that could be done with that site. If we simply sell-off a couple of the bits of the car park and we do not look at the possibilities for the whole site, bearing in mind it is right next to the Hue Court residential developments, it has tremendous potential to be a real gem in the heart of St. Helier, and I would urge the Minister to agree that before those sites are disposed of we have the same kind of corporate approach that has been promised for the Le Seilleur building. The second site on the list is of course the Hectors' little park that, as Deputy Fox has said, was fought and lost on the floor of the House. Again, I regret that. But what I would remind the Minister is that, possibly in a rash moment, Senator Ozouf did concede that there would be a generous setback of the building line. That is what the traders in the York Street area wish; they want the historic Dumaresq Street to be glimpsed from York Street, and I would remind the Minister that there are now 2 trees growing on the corner of that site, and I would suggest that they both need to be preserved. Deputy Hill was talking - I think usefully - about the way these sites are advertised, and the third site, Seaton Youth

Centre, is a classic example where an advertisement in the *J.E.P. (Jersey Evening Post)* is simply not enough. There are people who do not read the paper, and it is really important, I think, that sites are well advertised in terms of what signs are put up and how long they are advertised for, otherwise the public will claim that they have not had adequate notice about them. The final site I wanted to refer to in particular is the Drury Lane workshop. I have not heard anybody refer to what is going to happen to the charity that currently uses that site. Various speakers have spoken about the use of these sites for charities, but Tools for Self-reliance, currently in the Drury Lane workshop; where are they going to go if that building is sold? There has been, as I said at the beginning of my contribution, some big picture thinking by some speakers, particularly the Deputy of St. Ouen, and I am pleased to see that this proposition promises us a Strategic Property Plan towards the end of the year, though that is a bit vague and perhaps needs to be tightened-up. It is worth saying, of course, and it has been referred to on a couple of occasions, that a big picture has been painted for St. Helier - and that has happened this week - by the EDAW master planners, and although it is not relevant to be talking now about Minden Place car park - some Members have referred to that - it is not being disposed of as far as I am aware in this list of properties. The kind of holistic thinking and ambitious proposals that Members want to see from Property Services is clearly being presented for the whole of St. Helier by the master planners commissioned by the Council of Ministers. While we may not agree with all of their proposals - and I would quite like to go on record as saying that I do not agree with the idea of carving a new road across People's Park - we may not agree with all their proposals, but the reason why we employ people like this is not because they are U.K. consultants; it is because they are used to seeing the big picture, whereas sometimes we can only see the little one. I am reminded of the impressive site assembly that took place and is taking place in the Elephant and Castle area, where a huge area of run-down London is being regenerated with completely visionary thinking, and it is good to know that there is a Jersey boy - now a well respected civil engineer - who is part of that process. I think we will get the big picture for property. It will be good if the Minister could let us know exactly when that is going to happen. But in terms of disposing of this first tranche of properties, and with the caveats that I have made, I fully support it.

### **1.22 Senator F.H. Walker:**

The most important fact underlying this proposition is that we, the States, hold on behalf of the public of Jersey £1.6 billion of property asset. It is our duty to manage that asset in the best interests of the public. It is our duty to maximise or certainly optimise in a variety of ways the value that the property asset realises or accumulates for the public. We have traditionally failed to do so. In fact the States, looking back many decades, have never done so and here at last we are making the first steps towards managing that enormous value, which we hold effectively in trust for the public, in a right, sensible and professional way. Sir, I mention value but in terms of how we manage our property it is not just about selling property and gaining money as a result. It is also about making better use of existing property, and we heard from the Chairman of the Public Accounts Committee - she quoted from the Comptroller and Auditor General's report - that we are occupying far too much property to provide public services, far more than we need, so it is about making better use of property that we occupy or others occupy but which we own. Of course it is also, as we heard yesterday, the opportunity in some cases to provide much needed residential accommodation to Jersey residents if that is appropriate. So there is a whole series of needs here, of objectives, of obligations, that we have got to meet on behalf of the public. I would reiterate what I said in one of the amendment debates yesterday; that even where a sale is appropriate, that does not mean that the value of the property is lost to the public. Exactly the reverse. It means that we can invest the value so generated in better uses, property or other capital applications, better uses for the public. Sir, there has been some confusion, as the Constable of St. Helier mentioned. There has been some confusion. A couple of speakers have confused this Plan with effectively the EDAW plan. The 2 are distinctly and completely different. But can I just say for those who may be concerned, having heard Deputy Lewis of St. Saviour's speech, that the EDAW plan is all about

regenerating not degenerating the centre of St. Helier. There is no question of taking any decisions which will see the market suffer. There is no question of taking any decisions which will see the town centre trading suffer. Exactly the reverse. I mention that, but it is not strictly relevant to this proposition. I mention it is only because it was raised by the Deputy. This Plan is in no way perfect, and I absolutely agree with the Deputy of St. Ouen that it does not go far enough. I am disappointed. I am disappointed at the delays, and I am disappointed that we have not got a more robust and complete strategy available to us yet. There always are, but there have been totally genuine reasons for the delay. There have been problems in transferring property from certain departments to Property Holdings. We are overcoming those, and generally speaking, very nearly have overcome those. In fact one of the delays was caused because the Public Accounts Committee asked the Council of Ministers to delay bringing this proposition to the States so that they could scrutinise it. Sir, I make no criticism; I merely make a statement of fact. Can I assure the Deputy of St. Ouen that he and I and the Council of Ministers have exactly the same objectives in this respect. Exactly the same objectives. There is no doubt at all that this Plan is a step in the right direction. It is only a step; it is not the answer, but I would urge him very much to help us make that step; if he wants to reach the objectives he feels clearly so strongly and, rightly, passionately about, I would urge him to support this Plan as a first step in that direction, knowing then that he will have the opportunity to work with us to ensure that we deliver the full Plan - the full strategy - in a very joined-up and cohesive sense in coming months and years. I would urge him not to vote against this proposition, because a vote against means we do nothing; a vote in favour means at least we make some progress. He and I do not think it is enough, but we make some progress towards achieving the objectives which we both believe in, I think, as sincerely as each other. Sir, the Plan has been endorsed by the Public Accounts Committee and the Comptroller and Auditor General, both of whom have said that it does not go far enough, and I would agree with that, as I have already said. But I would refer Members to paragraph 10 in the Public Accounts Committee report, because I think it sums up the position very well indeed. If I may, Sir, I will quote from it: "Given the limited time available for its preparation in the Committee's view [that is Public Accounts Committee] a sensible approach was adopted to the preparation of the 2007 Property Business Plan. It must be recognised, however, that the Plan represents no more than a first step towards achievement of the policy objectives set out in P.93 of 2005, and that consistent management attention will be required if those objectives are to be achieved." Sir, I could not agree more. I absolutely agree with that assessment. We are always being told by Deputy Southern that we do not pay enough attention to Scrutiny, but I am intrigued that despite the fact that this report has been thoroughly scrutinised, that he is going to vote against it. So he is, just like that, rejecting the findings of one of the Scrutiny Panels, which seems to me to smack a little bit of inconsistency. Sir, we must do better. We will do better now we have got a momentum. If the House approves this proposition, we will have a momentum, and we can deliver and will deliver on the strategy that this House rightly expects and demands. One of the positive things we are doing is adding - I do not mean adding in numbers, but adding to the strength of the Property Holdings Department. An advertisement has been prepared, and it first appears on 21st April in the *Estates Gazette*, and it will appear in other publications in the next week or 2, so that we will ensure that long term we have the absolute expertise in the department that we must have if we are to deliver on the strategy. So that is already in place. But I emphasise again we have to do better, and in this respect I welcome the statement from the Chairman of the Public Accounts Committee that they will be very much staying on the case. We welcome that; we welcome that scrutiny; we look forward to working with them, and we look forward to delivering on the plan in a way they and Members of this House generally expect and demand. Sir, I would urge Members to acknowledge that this is a first step, a first step only. Vote in favour of it so that we can deliver. Vote against it means we make no progress at all and will merely delay the whole achievement, the timetable for achieving our objectives. I would suggest that is a totally negative way of proceeding and does not help us do anything about better managing this massive asset that we hold in trust on behalf of the public.

### **1.23 Connétable S.A. Yates of St. Martin:**

I am going to be extremely brief. This sort of proposition tends to drag you into the leafy lanes of golf courses, cider apple orchards, pool tables, holiday lets, town parks and the previous performance of Property Holdings. But if we have a look at the actual proposition, it is really quite straightforward. The States are asked to decide whether they have the opinion to approve the Annual Property Plan 2007, including the Schedule of properties recommended for disposal in 2007 as detailed in Appendix A. The proposition is asking for permission; permission for the disposal. It is not obligatory to be sold. It is not obligatory; it is permission, so basically they do not have to be sold; they do not have to be sold in 2007. Disposal really means either sale or long lease or the transfer of a property, and all of those could be under conditions. Certainly if a property is disposed of, it does not mean to say it is disposed of with a *carte blanche* planning option. The States will still obviously have a say in how this property is developed. I think it is time to concentrate our minds and deal with this proposition as it is written without side issues. I am inclined to support this proposition, and I shall listen with great interest to the Minister's summing-up, where I hope he will explain how the £15 million to be generated over a period of time will benefit the Capital Fund.

### **1.24 Deputy R.G. Le Hérissier of St. Saviour:**

I thought when I came in this morning it might be the end of the beginning or the beginning of the end, but sadly, most of the morning it seems to have been the beginning of the beginning. But I am sure, Sir, things will come to a fairly rapid end at some point. Just a couple of points, Sir. I would like totally to support the Constable of Trinity, which is a very unusual role to be put in. I think he was absolutely right - 52 or 53 people cannot be property developers, surveyors, evaluators, in their own right, and when we get into these things we clearly, as the Constable of St. Martin said, go up all manner of *culs-de-sac*. One minor point, Sir. I thank the Assistant Minister of Health, but it is to be drawn to the House's attention that in the Audit Report it said: "The big one that is left is Health and Social Services." The actual buildings are under the administration of Property Holdings, but for Health and Social Services we do not have the budget or responsibility for maintaining those buildings yet." So there is still work obviously to be done. I hope this can come to an end very soon and that there will mercifully be a fairly short but utterly relevant summing-up.

### **1.25 Deputy J.A.N. Le Fondré of St. Lawrence:**

I think it probably is appropriate for me to respond, and I will respond to some of the detailed comments. My speech was originally relatively short, but I will try and address some of the comments that have been made as we are going through, on the basis that I am the Assistant Minister responsible for Property Holdings, and I think it is appropriate for me to comment on some of the remarks that have been made. I would like to remind Members of the background, of which we have heard a little bit before. In 2005 the States approved P.93, and that set the foundations for creating the new department. The report accompanying the proposition included various statements, but made the remark: "All organisations, both commercial and not for profit, must make best use of their property to realise both a financial return and to ensure that services are delivered efficiently and effectively. The States of Jersey is no exception. The States have agreed a Strategic Plan which sets out the continuing development of our economy. States' property is a valuable commodity which should be used to support and underpin the States' strategy. The current administrative approach must be changed into a more entrepreneurial and innovative approach which ensures the best use is made of all the property." I think a lot of those comments today have been saying: "Yes, we have got to do that, and we have got to move along together to get to the point of doing that properly." It talks about maximising and implementing opportunities for cost reduction and for extracting capital from the portfolio, and further, later: "In June of last year in part of the Strategic Plan we approved the Property Plan attached to that Plan, which set down the aims of the department as including the extraction of optimum benefit from property assets." It stated: "A change in emphasis with greater focus on the value of property will be vital."

So it is very clear that the new Property Holdings Department reporting to the Treasury and Resources Minister has a duty to extract the optimum benefit from the public's property assets. And Sir, again to remind Members, this Property Plan, was originally lodged, if I recall correctly, in something like July of last year, and Members will recall - and this is not a criticism, I hasten to add - that is deferred from the last year's Business Plan to allow the P.A.C. to consider it. If you think about the practicalities of the situation, the Plan was drafted in approximately May of last year, and that is why the Plan is moderate in form. We were meant to be debating this in September, not in April of 2007. P.A.C. have produced a report on the matter, which Members have seen, as has the Comptroller and Auditor General. I would add, Sir, as both the Chief Minister and the Minister for Treasury and Resources have said, and a number of others, that we broadly agree with the reports and fully welcome the fact that P.A.C. will be returning after the end of 2007 to review performance. I am sure we will hear from them if we are not up to scratch. I see the Deputy of St. Ouen nodding his head quite vigorously at that point. But those reports are broadly supportive of the disposals. They think we should be doing a lot more. Again, a view which we have heard; a number of us are very sympathetic. But again we emphasise the department is still being formed. We are still waiting for the Health properties to be transferred. That is a significant chunk. It is really only after you have got that momentum - that mass together - that you can then start properly dealing with the whole portfolio. To quite an extent, and I will come back to them later, I agree with a number of the points of the Deputy of St. Ouen in terms of the issue of budget transfers, identifying property maintenance, *et cetera*. These are all issues we have inherited and are dealing with, albeit it is taking time. I would look to the likes of the Minister for Health and Social Services and the Corporate Management Board to see whether this process could be speeded-up. I would again remind the Deputy that this Plan was produced early in 2006 and was then deferred for review. To quote from 2 sections of the P.A.C. report: "The Comptroller and Auditor General states in view of the limited time available, the plan was prepared in a sensible and appropriate manner. He adds that although the disposals targets are not challenging, this lack of challenge may well be very wise." Again, it is in the context of when this was all drafted. The P.A.C. report states that the Committee recommends the 2007 Property Business Plan for approval - please take note - and notes: "As we have previously stated, it is a step towards the achievement of effective property management and efficient departmental management." Now there are bound to be teething problems as we go along. Let us try to keep that process moving. What I was quoting from slightly earlier on was a decision approved by myself, which we drafted in November of last year, which relates to matters concerning the valuation of land, and I would like to return to that decision a little more. States' departments should be mindful that Property Holdings will be introducing charges which reflect the true value of the property being used. This alone should bring about a greater efficiency in property use, in that departments will be under some pressure to return a property asset to Property Holdings if the property remains funded from their budget but is not providing any useful service. As Assistant Minister of Treasury and Resources delegated responsibility for property, I wish to remind those both within the States' organisation as well as outside that the full value of land must be recognised. This policy has been required for quite some time, and as noted previously, has been reaffirmed earlier this year. I would emphasise that does not just apply within the States, it is anybody who comes to us from outside the States. We want your money now. That will cover relatively minor things such as way leave agreements and utilisation of lands by anyone. For example, anyone seeking an agreement from us or using States land had better come and contact us at the earliest opportunity. They should be aware that no proposal involving public land or access through such land should be taken for granted and that full market value is likely to be charged. It is no longer the case that the public will find it acceptable - and I think we have heard a lot of that today - to receive a lower value than a private individual would require in most property transactions. There may be economic benefits that are derived from tourism and agricultural charitable projects which require a different approach. However, these will be dealt with on a case by case basis, and for tourism and agriculture will likely require the support of the E.D.D. (Economic Development Department). So I trust Members will be



supportive of that overall position and will hold us to that position of extracting money from the land that we control. Members of P.A.C. have expressed the view that we are not doing enough as yet, and I would probably agree with them. I would also make the point about walking before running, and I think that is the point that the Comptroller and Auditor General was making. To quote again from his report: "The States does not have a history of disposing of properties which may prove to be problematic. It may not be unreasonable to allow time for processes to become established." His summary: "My observations may be summarised in the following way. In view of the limited time available" - in fact, this is what the Chief Minister was saying - "the Property Business Plan was prepared in a sensible and appropriate manner. For reasons I have previously described; the lack of challenge in the Plan, which normally would be unsatisfactory, may well be very wise." So this is a slow process at the moment. But as I have said on a number of occasions, the department is still evolving, and that is taking time. But the process will speed-up. It has to, and it will do. I hope Deputy Ferguson will take this as a confirmation of her particular comments on that matter. I would like to address a few specific points from Members. Deputy Power - and, I think, also the Constable of St. Brelade, and I will try and lump the 2 together if you do not mind - has previously made representation about Parish involvement in respect of the Belle Vue site. I would like to confirm our intention to work with the Parish in providing sheltered housing on that site, and I would add that it is my understanding that if a housing trust, for example, took on the social rental element of the sheltered housing, it is usual practice for the Parish to have nomination rights in that instance. The Deputy of St. Ouen: I have referred to a couple of the Deputy's comments earlier on in the speech, and as I said, I do like the Deputy of St. Ouen, and quite often we agree on a whole variety of areas, yet he did make quite a number of strong comments yesterday, which I do wish to address. I was going to suggest that the Deputy might be a Virgo, who I am told are perfectionists requiring everything to be right from day one. Yes, I am given to understand he is actually a little more on the crabbish side. Life is not always perfection in reality, and I would only need to refer Members, for example, to the dispute we had yesterday over the move of the Harbours workshop to the Bellozanne workshop to illustrate some of the difficulties that the whole change process faces, of which the creation of this department is but one aspect. There is a lot of effort involved in trying to identify work time and budgets in respect of different property maintenance aspects, because the budgets need to be transferred at the same time as the responsibilities. It is no good being the landlord if you have not been given the money to paint the building. To address some of the points in particular. We talked about the criticism of the time it has taken to get where we are, and as we said, the Plan was drafted in May of last year, lodged July and would have been debated in September. But we accept and agree with the point of P.A.C. reviewing that Plan that obviously that is where we are now. We have now appointed an Asset Manager, and the Property Board, made up of the main clients of Property Holdings, will be set up within the next few weeks. There is absolutely no doubt that the capital receipts will be utilised for capital investment, and nowhere in the proposals does Property Holdings suggest otherwise. I think the Minister for Treasury and Resources and myself would be highly reserved about spending significant amounts of capital on revenue items. The initial Strategic Plan had to be prepared in a very tight timescale of a few weeks, and a revised document will be prepared for the end of 2007. In relation to the charging mechanism, which I think is a very important factor that will come through, in practical terms it will initially have to be budget neutral for the lessee departments. It would be unworkable to do otherwise. It is only once it is up and running you can then start fine-tuning the system. The bigger issue of rationalising office space, which is again where we expect to see efficiencies, is only going to be possible after some initial capital investment in additional office accommodation. For example, I think at the EDAW presentation, the C.E.O. of Planning made the comment that the planning site is worth a lot of money, if you think of the location. But we obviously have to find accommodation for that department and for other departments to bring them all together. That is not going to take 6 months. It is probably going to be 2 or 3 years. The transfer into Property Holdings of functions, staff and budgets from other departments has not been straightforward. The Health transfer is most complex and also involves a significant pool of

directly employed staff, many of whom have roles which combine working on the buildings with working on health service equipment, and it is agreed until all those functions have been transferred across, the operational efficiency sought will be difficult to realise. We do obviously hold a register of property assets, and an independent valuation to G.A.A.P. (Generally Accepted Accounting Principles) standards is nearing completion and I believe again that the next stage in that process is due to be completed in the next few weeks, if not the end of this month. I would also address a couple of comments from Senator Shenton and mainly because I prefer to set the record straight when needed. I, too, were slightly puzzled as to why the Oxford Road site was included in the Property Plan when ultimately we did not have responsibility for it and in short - or in simplistic terms - the answer was effectively to be helpful. As the Deputy Bailiff pointed out yesterday, while the Minister of Health and Social Services has the ultimate sign-off on the property, it does still require a States' decision. So it, therefore, seemed logical, at the time, to include it within the list of properties for sale to get that initial permission. Its loss will have no impact upon the targets for Property Holdings whatsoever but potentially it may have an impact upon the Le Seelleur Fund and its plans depending upon how quickly the relevant Senators can work out a way forward. The Senator has previously referred to Mont Mado and the Sunshine Hotel site. Sunshine was a site we inherited. It was acquired in accordance with States' policies at the time and it is intended that any disposal should meet the intended objectives of those policies. It would be fair to say that one of the major causes on that is the parking requirement which was imposed by the Planning Department of the day. Mont Mado Quarry: I am happy to tell people that we have had 55 inquiries on that site, up to Monday. The tender period closes at the beginning of May, so I am happy there is a good level of interest in that site. Now, we will be fine-tuning our approach on those matters, for example, as to when to obtain completely independent advice as to valuation and once we have finalised that approach we will make a decision and put it on the website for Members to see. Now, I would note that for higher-value sites we do seek independent valuations and are in the process of doing so for Mont Mado and a couple of other sites to ensure we have a good comparative base by which to evaluate any offers received. I have been indicated obviously to try and keep the various matters short which I was going to refer to. I will briefly talk about the Dumaresq Street site because reference has been made, by a number of speakers, to that area. Essentially the approach we are following on that site, at the moment, with discussions involving the Planning Minister, is to draw up plans, obtain planning permission, which then gives at least a clean site on which we can then obtain a proper evaluation. In terms of thinking out the box and the suggestions about possibly extinguishing the road and that type of thing, we have looked at doing something creative with that road, which I believe the Planning Minister is supportive of, and I am certainly happy, if required as it were, to involve the Constable of St. Helier in that process as well. I think on that basis I will probably cut it short there. I think there are a whole variety of points that Members have raised. I hope I have addressed some of the main ones. I think I would also make the point that broadly speaking we have about 2,000 properties, that is everything, under our... or say it is about 2,000 properties. What we are proposing here and in the last year, I think was 9 disposals last year and the list before Oxford Road was taken out is 14. We are not exactly talking a major sell-off of States' assets on that basis and accordingly, Sir, I hope that Members will appreciate again the function of Property Holdings is far more than just selling-off a few properties. In fact, as we have said, selling properties is not, in my view, property strategy. It is a means to an end. As I have said on previous occasions, the most important thing for me is the charging mechanism. This will properly introduce the recognition that property has a value and that not utilising property efficiently is costing the States and the taxpayer money. I hope Members will, therefore, join the Minister and myself in supporting this proposition. Thank you.

### **1.26 The Deputy of St. Mary:**

I fully appreciate and endorse the need to rationalise the States' property portfolio but I have to admit that after the first couple of hours of debate, even I was beginning to waiver. I am very grateful, therefore, to the Constable of St. Martin for refocusing my mind on the simplicity of what

we are debating here. I, myself, would have liked more consistent data on the true book cost of the assets we are being asked to dispose of and I would certainly find it helpful, for the sake of good order, if the Minister of Treasury and Resources could confirm in summing-up that such fuller details will be made available in the reports accompanying the individual Ministerial decisions which will be required to finally effect these disposals. Thank you.

**The Bailiff:**

I call upon the rapporteur to reply.

**1.27 Senator T.A. Le Sueur:**

Can I begin, not at the beginning, but with Deputy Ferguson, the Chairman of the Public Accounts Committee, because I think it is only fair, as I did in my introduction, I comment and thank her and all members of her team for the constructive and helpful way that they have gone about their business and the conclusions which Senator Walker read out and which I am quite happy to thoroughly endorse. I do, indeed, thank all members of that team. As the Deputy said, I am reminded of the Chinese proverb that a long road begins with a first step and this is, indeed, much of a first step. In thanking all the members of her Committee, I include the Deputy of St. Ouen because he made some very important and valid points. Unfortunately, I think he was making them generally in the wrong context, because this is a debate about a Property Business Plan, not about the Strategic Property Plan and many of the points he made, while relevant to a Business Plan, are really to do with the strategy that we need to adopt. So, the points he makes are not wrong and certainly many of them we need to pick up and incorporate in that Business Plan and equally, in the subsequent reviews that P.A.C. carry out, they will want to make sure that we are going in the right direction in that road ahead. We have, indeed, an outline - a modicum of a strategy - to the extent that there was a strategy set out in the Strategic Plan and that is the strategy that is put out on page 3 in our report where there are 4 bullet points about 4 key objectives. To the extent that one can call that a strategy, that is the strategic objectives; but it does need fleshing-out and as the paragraph says at the end of the section, it is intended to publish a revised and more detailed Strategic Property Plan towards the end of 2007. I do not want to be more specific but I will simply say it is before 31st December and hopefully earlier still. But we are still in an evolving process. I think one of the points which the Deputy makes and others have made is the need for us to set clear performance targets and that is something which we do need to do but really until we have got a full budget picture, it is not as easy as it might be to set performance targets. We have to start somewhere and we are starting. We have done a lot in the last 12 months. We have now absorbed every department bar one. We are getting a lot more information, but there is a lot of information to achieve and if I have one criticism, it is that, in the past, our lack of information and lack of consistency of information across the departments is fairly woesome. That is something we cannot do much about but we just have to work around it and improve on it. I think that may be why, in some cases, in this particular Property Plan there is more information about some sites than there is about others. It is because we have more information about some sites than others, but I take the point of the last speaker who requests that when we make Ministerial decisions the full background to the purchase and sale and all other relevant information is contained in that decision. Taking then some of the individual comments, and I do not necessarily need to go through all of them because my Assistant Minister has dealt with many of them and other speakers have also done so, but I think the message that came across from Members such as Deputy Hilton and Deputy Ferguson is really not merely do we want to approve this Plan, we want to get on with it as soon as possible. We have been talking about delay and delays have gone for too long. I was reminded when Deputy Huet talked about a field in St. Brelade that she had been looking at on I.D.C. in those days. I think it was back in 1994 or something. I can assure her and members of this House that when I joined the States in 1987 and became a member of I.D.C. we were looking at the Hue Street car park site then and that was 20 years ago. There is a danger that we could still be looking at it in another 20 years' time. No, we now have a strategic joined-up thinking, we now have a clearer

vision where we go. I think Deputy Duhamel was concerned that we were going for wholesale disposal of States' property. There is one pile here. I would remind him and States Members that of the States' property assets, as a rough rule of thumb, I would say we have got something like 90 per cent that we own and use, maybe 9 per cent that we let out and these disposals do not even represent one per cent of our property portfolio. What we have identified - and, indeed, they have been identified for some time now - are a few odds and ends, if you like, of properties which are clearly long past their usefulness as far as the States is concerned. Not usefulness as far as the public of the Island is concerned, but past their usefulness as far as we are concerned and, just like any investment portfolio, you dispose of things which are no longer appropriate to your portfolio and you replace them with other matters more usefully. One of the concerns of Members, which I am happy to reinforce, is that, yes, these disposals need to be used to add to our capital funding. This Property Plan, I reminded Members yesterday, is part of the Annual Business Plan. The Annual Business Plan says that we will spend something like £40 million a year on capital programme. That capital programme has to be funded and, indeed, by disposing of over the period £15 million worth of redundant States' properties, we can invest £15 million into a more useful, modern, needed capital assets and that is why I am really making the point that this Property Plan has to be linked to the Business Plan, has to be linked to our overall financial objectives. There has been talk about the structure of the department and the need to boost it up and do we have the expertise? We do not have the full range of expertise at the moment. We are acquiring that as we go along and that will take time. In the meantime, we have to rely on external advice in many cases and I do not object to that because external advice can be demonstrated to be totally independent but it does come at a cost and if we can do the thing more efficiently and better in-house, then we should be. The Deputy of St. John and others have said that we must have a policy of getting the best value out of sites and the answer is yes, but the best value is not always just the financial value. It may be a combination of financial value and social value and I am very much conscious of that and so, while as Treasury Minister, I have one eye very much on the financial return, I also have a broader remit and that involves looking at the needs of the Island from all perspectives. So, to those who say: "Should we not debate a Strategic Property Plan before we approve a Business Plan?" I would say that would mean that we would do nothing for 12 months or at least 6 months. Is that a good use of our time? Is that a good use of our assets and a good use of our resources? It surely cannot be. We have to have a Business Plan. This, if you like, is better than nothing. In my view, it is a lot better than nothing. It gives us a clear steer. It gives us some financial targets to aim at. It gives us a sense of direction and it enables Members to highlight areas where they think there may be concerns. If there are any Members who feel that I have not answered their concerns sufficiently, I apologise and if they really have a nagging concern, either they can raise it now or see me afterwards, but I do not really want to go through every individual Member's view a second time. As a couple of speakers have said, with a House of 53 planners, we now have a House of 53 property idea people. No doubt, we will also have 53 traffic specialists when we come to a traffic plan. What we have here, for the first time perhaps, is a joined-up Property Plan across all States' departments and, as Deputy de Faye mentioned, there have been instances in the past maybe where we have not spoken clearly enough across departments. That is now starting to happen far more. This is a taste, a foretaste, of even better things to come but in the meantime, Sir, I commend this Property Plan, this part of the Business Plan, as has been said, as a first step. A first step, but a first step in the right direction. I maintain the proposition and I ask for the Appel.

**The Bailiff:**

I ask all Members who wish to vote, who are in the precinct, to return to their seats?

**Deputy K.C. Lewis:**

May I ask in Appendix A, I presume everything is going to be taken *en bloc*, can I propose that the items 1 to 14 be taken separately, with exception of 12?

**The Bailiff:**

I am afraid that is not open to the Assembly. The proposition is as lodged by the Chief Minister and amended by the amendment of Senator Shenton. So, I ask the Greffier to open the voting.

<b>POUR: 39</b>	<b>CONTRE: 6</b>	<b>ABSTAIN: 0</b>
Senator S. Syvret	Deputy R.C. Duhamel (S)	
Senator L. Norman	Deputy A. Breckon (S)	
Senator F.H. Walker	Deputy G.P. Southern (H)	
Senator W. Kinnard	Deputy of St. Ouen	
Senator T.A. Le Sueur	Deputy D.W. Mezbourian (L)	
Senator P.F. Routier	Deputy K.C. Lewis (S)	
Senator M.E. Vibert		
Senator T.J. Le Main		
Senator B.E. Shenton		
Senator F.E. Cohen		
Senator J.L. Perchard		
Connétable of St. Ouen		
Connétable of St. Mary		
Connétable of St. Peter		
Connétable of St. Clement		
Connétable of St. Helier		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. John		
Deputy J.J. Huet (H)		
Deputy of St. Martin		
Deputy C.J. Scott Warren (S)		

Deputy R.G. Le Hérissier (S)			
Deputy J.B. Fox (H)			
Deputy S.C. Ferguson (B)			
Deputy of Grouville			
Deputy of St. Peter			
Deputy J.A. Hilton (H)			
Deputy G.W.J. de Faye (H)			
Deputy P.V.F. Le Claire (H)			
Deputy J.A.N. Le Fondré (L)			
Deputy of Trinity			
Deputy S.S.P.A. Power (B)			
Deputy A.J.D. Maclean (H)			
Deputy of St. John			
Deputy I.J. Gorst (C)			
Deputy of St. Mary			

## **2. Draft Financial Services Commission (Amendment No. 4) (Jersey) Law 200- (P.35/2007)**

### **The Bailiff:**

Very well. We come next to Projet 35. Chief Minister, how do you wish to deal with the matter which is down for the Minister for Economic Development, the Draft Financial Services Commission...

### **Senator F.H. Walker:**

We have a technical problem here because under the States of Jersey Law, I cannot ask an Assistant Minister to another Minister to act as rapporteur. I can ask my own Assistant for my own Assistant Minister but I am advised I cannot ask for another department's Assistant Minister, so I think the only way forward on this is to defer it, if the House agrees, and come back to it at the next sitting.

### **The Bailiff:**

Very well.

### **Deputy A.J.H. Maclean of St. Helier:**

Constable Fisher, the other Assistant Minister, was asked to deal with this. Unfortunately, because the session has run on, he is obviously not here today. He did pass it to me. I assume that Senator Ozouf would have been happy for me to handle that. I am more than happy to do so but I am unsure if that contravenes the regulations.

### **The Bailiff:**

It is perfectly in order for the Assistant Minister to the Minister of Economic Development to deal with the matter if the...

**Deputy A.J.H. Maclean:**

I am happy to take it, sir. I was given it by...

**The Bailiff:**

I am told that this has never happened before but it seems to me that Article 28 of the States of Jersey Law 2005 empowers a Minister to delegate wholly or partly functions conferred upon or vested in a Minister by or under this Law and any other enactment to one of his or her Assistant Ministers. If the Minister for Economic Development is tacitly wishing and able to delegate to his Assistant Minister the duty of presenting this proposition to the States, it seems to me that it is open to him to do so. It seems to me that it is open to an Assistant Minister of the Minister for Economic Development to present the proposition unless, Chief Minister, you wish to take a different view.

**Senator F.H. Walker:**

No, Sir. I was advised that that was not possible and that is why I rose to say so but if it is possible and Deputy Maclean is ready and willing and able to take it then I would be very happy for us to proceed. Alternatively, it is not urgent and if it was held over for 2 weeks, it would not make a great deal of difference.

**The Bailiff:**

Well, I think it falls to the Assistant Minister to decide whether he wishes to carry this ball or not.

**Deputy A.J.H. Maclean:**

Yes, I am more than happy to take it.

**The Bailiff:**

Very well. I ask the Greffier to read the citation of the draft.

**The Deputy Greffier of the States:**

Draft Financial Services Commission (Amendment No. 4) (Jersey) Law. A Law to amend further the Financial Services Commission (Jersey) Law 1998 to give greater independence to the Jersey Financial Services Commission and to make consequential amendments to other laws. The States, subject to the sanction of Her Most Excellent Majesty and Council, have adopted the following Law.

**2.1 Deputy A.J.H. Maclean (Assistant Minister for Economic Development):**

The main change in the amendment is the amendment of Article 15 so as to give the Commission the power to levy its own fees. Currently, the Commission collects fees under a large range of laws. These are the regulatory laws such as the Financial Services (Jersey) Law and laws that govern banking, funds and insurance business in the Island. These laws apply to businesses that are regulated by the Commission. It is proposed that these laws be amended so as to move the ability to set fees under the laws from the Minister to the Commission. The general principle is that the Commission will levy fees under these regulatory laws on a user pays principle so that regulated entities broadly pay the cost of their own regulation. In addition, there will be some leeway in the fees sufficient for the Commission to build-up a modest reserve to be used in the cases of contingency. There are also a number of other laws which the Commission, through the companies' registry, operates on behalf of the States. The most important one from a fee-raising perspective is the Companies Law but these include the Limited Partnerships Law and the Registration of Business Names Law. Currently annual fees payable under these laws accrue to the

Commission which then pays a lump sum to Treasury. Typically, this is in the region of £4 million a year. It is proposed, under the new regime, that the Commission will fix the fees payable under these laws sufficient to cover the cost of administering the laws. However, the Companies Law will be a little different. The Commission will fix part of the fees and the States by Regulations will fix the second part of the fees. In this way, the current sum that is paid to the States will be represented in the future to be far more transparent payment of a value determined by the States, levied annually on each Jersey company. This is more transparent but also allows the Commission to estimate its future cash flow with a greater degree of certainty. I would like to emphasise the reasons why it is important to make this change. Firstly, giving the Commission this power was a specific recommendation arising from the last visit of the I.M.F. (International Monetary Fund). The I.M.F. will visit Jersey early next year and so giving the Commission this power meets the specific I.M.F. recommendations. Secondly, the Commission has recently been the subject of a value for money review carried by the Comptroller and Auditor General. The conclusions of the review were largely that the Commission is well-run and has limited opportunity to reduce its costs. Thirdly, the Commission has a lot of experience in consulting upon its fees and submitting recommendations to the Minister, or before that, of course, the Committee. The Commission has always managed to raise fees in co-operation with the industry and there is no reason to expect that this should change. This amendment introduces an effective right of appeal against inflationary fee increases and the Minister retains the nuclear weapon of a power of direction against the Commission in the hugely unlikely event that the Commission were to raise fees in a manner that was contrary to the greater interests of the Island. The world has changed since the Commission was established and in order to reflect that, it is suggested that the principle of countering financial crime, both in Jersey and elsewhere, ought to be added to the Commission's guiding principles. This reflects what has been the practice of the Commission and the Island, in any event. Similarly, it is proposed to remove from Article 8 and Article 12 of the Law references to the Commission promoting the Island as this is a function that is now carried out by Jersey Finance Limited. The Commission will still play an active role in supporting the finance industry but it will no longer have a formal promoting function. So, in summary, I believe this is a natural stage in the evolution of the Commission into a mature and independent regulator. This is an important piece of legislation, however, in reality, it will change very little. There are significant checks and balances in the proposed new regime and by introducing it now we will satisfy a specific I.M.F. recommendation and thus avoid being marked down by the I.M.F. on an issue that is rarely one of form rather than substance, as I have every confidence that the fees levied upon industry will not alter as a result of the proposed change. A strong and independent regulator, albeit one that is mindful of Jersey's long term economic needs is vital to the continued success of the finance industry. Thank you, Sir.

**The Bailiff:**

Are the principles seconded? [**Seconded**]

**2.1.1 Deputy P.V.F. Le Claire:**

May I just rise to make a brief speech or set of questions? In supporting it, Sir, I would just like to ask the Assistant Minister if it is possible for him today - or at another time - to brief Members on the issues that are set in his speech and are set out within the review that was recently conducted into the activities of the Jersey Financial Services Commission, because there were issues in regard to the review that were not solely in the areas that were just stated. Although they did find them extremely efficient, they also found that they were reviewing on such a broad set of terms that they thought maybe they needed some direction there and I think there is an issue there about how much and what they are doing, so that really leads into the question when they are building-up a reserve from these fees. I understand that it was recently something as high as £10 million in reserve or something and £4 million came to the States. If it is that much still, or if it ever was that much because I am not certain, is not that going to be an adequate reserve in anybody's books or is it too



adequate in that regard? If the I.M.F. did visit and recommend this as one of their recommendations how many recommendations did they make that have not been satisfied that they will find when they come back this year? One thing else I can talk to the Assistant Minister privately about, noting the time.

**The Bailiff:**

Does any other Member wish to speak?

**2.1.2 The Deputy of St. Martin:**

I would just like to draw Members' attention to page 20 and talk about the Limited Liability Partnership Law and some Members in the House remember how difficult it was when that piece of legislation was passed and I would like to ask the Assistant Minister maybe to give some idea how successful this piece of legislation has proved to the Island.

**The Bailiff:**

Deputy, I think this is a matter for debate on the Articles, is it not?

**The Deputy of St. Martin:**

I thought we were doing the preamble, Sir.

**The Bailiff:**

We are doing the preamble. We are doing the principles of the draft.

**The Deputy of St. Martin:**

I thought I might have got that through the preamble. I will wait then, Sir.

**The Bailiff:**

I think that comes later, yes.

**2.1.3 The Deputy of St. Mary:**

I fully support the need to have a robust Financial Services Commission in order to safeguard the local and, perhaps more importantly, the international reputation of what is certainly our most valuable industry. Notwithstanding that I have got a couple of concerns which I hope the Assistant Minister could allay for me in his reply. I know that the Comptroller and Auditor General's report showed that there is really very little scope to reduce the costs of the Commission. I am more concerned about what scope there is for these costs to be increased. In other words, I suppose you could say who will regulate the regulator, bearing in mind that we are going to say that they have to raise fees to cover their costs. How can I be sure that their costs will be maintained at the appropriate level and, secondly, the report speaks about the companies' registry and notes that the fees will be divided transparently into 2 parts? I would just like to clarify, as we look to be setting the current fees as the basis for the new scheme and there is scope to charge an additional fee for companies, how that is dividing the fee? Is it not multiplying? Thank you, Sir.

**2.1.4 Deputy P.N. Troy:**

I want to join others in their comments regarding the fact that we, as a financial jurisdiction, need to remain very competitive and if we allow the Financial Services Commission to raise fees at a rate which may affect our ability to be competitive, it could make a vast difference to the whole industry. I would hope that, in carrying out this function, those at the Commission are aware of the fact that they need to have restraint in the setting of the fees and that they will always carry out full consultation across their membership before raising fees in any high regard because there is a danger that an institution like this, as others have said, their costs can rise like topsy and the easy solution is just to keep on racking-up the fees to cover costs. I think there is a danger there but I just urge that the Economic Development Minister and his Assistant Minister keep a full check on

what is happening because they ultimately have control over our whole industry and we really do have to take care in the way we proceed.

**2.1.5 The Connétable of St. Peter:**

I would like the Assistant Minister to confirm and I believe that I heard his description right that, at the moment, the Commission decide on the fees and recommend to the Minister then to inscribe them officially within the requirement. Could he confirm if that is correct? So, that would imply the Commission then are going to continue effectively to do the same to set their own fees but there will not be a requirement then to go back, in this case, to the Minister under our current system.

**2.1.6 Senator F.H. Walker:**

It may help Members if I referred them to paragraph 3 of the report accompanying the proposition and if I may quote, it says: "This proposal has been the subject of consultation which was broadly supported. However, consultation did show that there were concerns that the Commission should not have an unfettered power to raise fees. The amendment, therefore, sets out a requirement that the Commission publicly consult prior to any increase in fees and if the result of consultation is not supportive, that the issue be referred to a panel of Jurats so that they may consider whether the proposal is reasonable." I would say that should answer the fears expressed by one or 2 speakers.

**The Bailiff:**

I call upon the Assistant Minister to reply.

**2.1.7 Deputy A.J.H. Maclean:**

The Chief Minister has taken my thunder slightly in the answer of those questions but he is absolutely correct. It is perfectly clear that there are plenty of controls within the Law to ensure that fees are appropriately charged and that they do not run away at a rate that it is going to be of a negative effect on our industries. Of course, the other point to raise is that the Minister himself retains the power and ultimate control should this be seen to be the case so there is more than one way in which we can control and ensure that the fees are appropriate and do not, in any way, compromise the Island. That has covered most of the points. I think the answer in reverse to Deputy of St. Peter was clearly: "Yes, I think you were right" and Deputy Troy I think that covers your questions on fees.

**The Bailiff:**

Through the Chair, please.

**Deputy A.J.H. Maclean:**

Sorry, Sir. The points raised with regard to the I.M.F. and the reserves and, in fact, the results of the I.M.F. review, I am more than happy to supply those informations to the Deputy in due course, Sir, and there was a question by the Deputy of St. Mary, Sir, about the fees as to whether or not they were in 2 parts or 3 parts. I think it was fairly clear in the point that I made that, in fact, it is 2 parts the fees are going to be charged in. This change is relatively minor. It is not seeking to make any great differences to what was happening before in terms of the benefits that the States and the Island will benefit in terms of fees received, so the structure is relatively similar to what it was before. I think that covers, hopefully, all the points that were raised. Thank you, Sir.

**The Deputy of St. Mary:**

I am sorry, Sir, could I just ask for a further clarification on my point? What I was concerned about is I believe that we are going to be setting the current fees - the ones currently in existence - as the base line fees to start from. That being the case if we are adding a separate new fee into the companies' registration or annual company fees will that not be an immediate increase? I wonder whether you are not multiplying the fees that those companies would pay.

**Deputy A.J.H. Maclean:**

Sorry, Sir, I thought I answered that. The answer is no.

**2.2 The Bailiff:**

Very well. I put the principles of the draft. Those Members in favour of adopting them kindly show? Those against? The principles are adopted. Do you want to take the Articles in the Schedule *en bloc*?

**Deputy A.J.H. Maclean:**

Yes, please, Sir.

**The Bailiff:**

They are proposed and seconded? **[Seconded]** Does any Member wish to speak? Deputy of St. Martin.

**2.2.1 The Deputy of St. Martin:**

I will just repeat earlier on what I have said, that the fact the Limited Liability Partnership Law on page 20... and those who were in the House at the time will remember how difficult it was, this particular Law - the passage through the House - and many of those, myself included, wondered whether it did any good to the Island's integrity and what good did the particular piece of legislation do for Jersey. Now, almost 10 years on maybe the rapporteur could give us an idea of how many companies registered under this piece of legislation and what sort of revenue has been received as a result of those companies being registered? Also whether, in fact, the fees have ever recovered or that we have received, have ever paid to recover the enormous law drafting fees that had to be incurred to bring this piece of legislation forward. I do not know if he needs more notice than that. It may be a bit unfair but I would ask the question.

**The Bailiff:**

Before I call the next speaker, I do apologise, Deputy Southern, again that I failed to ask you whether you wished to scrutinise the principles of this Bill?

**Deputy G.P. Southern (Chairman of the Economic Affairs Scrutiny Panel):**

I wondered when you would, Sir, but the answer is no.

**2.2.2 Deputy P.V.F. Le Claire:**

I am comforted, Sir, in relation to the Article 5(4) where it says that if during the consultation process a body that has fees levied upon them feels that they are not being charged a fair amount the Commission must refer that, in this Article, to you, Sir, and then request that you appoint 3 Jurats to consider the issue, which I think it an impartial way of doing things and I think that is a good message to send out rather than us being involved in it. Your request to appoint, and it is a request... they must request though; you then appointing 3 Jurats gives us the impartiality that I think any jurisdiction needs to have these days.

**The Bailiff:**

I call upon the Assistant Minister to reply.

**2.2.3 Deputy A.J.H. Maclean:**

The questions that the Deputy of St. Martin has asked are a number of detailed factual points. I am afraid I do not have those details to hand to the moment but I am more than happy to ensure that he is supplied with the information that he requires in due course. Thank you, Sir.

**2.3 The Bailiff:**

I put the Articles and Schedule. Those Members in favour of adopting them, kindly show. Those against? They are adopted and you move the Bill in Third Reading?

**Deputy A.J.H. Maclean:**

Yes, Sir.

**The Bailiff:**

Does any Member wish to speak on the Bill in Third Reading?

**2.3.1 The Deputy of St. Martin:**

Could I just ask, Sir, that when the Assistant Minister sends the information it may go to the whole of the House rather than just myself? I think it may be of interest to other Members.

**2.3.2 Deputy P.V.F. Le Claire:**

I think I would also like to ask that as well, Sir, if I may for my questions on the reserve and the other thing.

**Deputy A.J.H. Maclean:**

Yes, Sir.

**The Bailiff:**

Very well. I put the Bill in Third Reading. Those Members in favour of adopting it, kindly show. Those against? The Bill is adopted in Third Reading.

### **3. Le Squez Redevelopment Phase 1(b): redefinition of boundaries (P.36/2007)**

**The Bailiff:**

We come to Projet 36 - Le Squez Redevelopment Phase 1(b). I ask the Greffier to read the proposition.

**The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion; (a) to authorise the public to enter into contracts or deeds of arrangement with the owners of various properties forming parts of the western boundary of Le Squez Estate in order to redefine those boundaries, with the public being responsible for any costs associated with enclosing any of the boundaries and all resultant legal fees; (b) to authorise to the Attorney General and the Greffier of the States to pass the necessary contracts on behalf of the public of the Island.

**Senator T.J. Le Main:**

Can I ask my Assistant Minister, Deputy Hilton, to take this item please?

**The Bailiff:**

Indeed. Assistant Minister.

#### **3.1 Deputy J.A. Hilton (Assistant Minister for Housing):**

Members may recall that I brought a similar proposition to the States about 6 months ago. Construction work in respect of Phase 1(b) that this proposition relates to is well progressed and legal research undertaken by the Law Officers' Department in preparation for the forthcoming sale of 23 of the refurbished homes has established that there is some degree of uncertainty regarding the exact position of the western boundaries towards a number of the private properties and a couple of commercial entities. It is obviously seen as essential that the boundaries of the site be

properly defined prior to the final completion of the redevelopment of this phase and, therefore, this is the reason why this proposition has been brought to the States this morning. Thank you.

**The Bailiff:**

Is the proposition seconded? **[Seconded]**. Does any Member wish to speak? I put the proposition. Those Members in favour of adopting it kindly... I am sorry. You were a little slow, Deputy.

**3.2 Deputy S.C. Ferguson:**

I am sorry. It has been a long 3 days. I just wondered why this question of boundaries has cropped-up. Is it something where the boundary stones were moved during the reconstruction or what?

**The Bailiff:**

Does any Member wish to speak? I call upon the Assistant Minister to reply.

**3.3 Deputy J.A. Hilton:**

I think it is simply a question over a long period of time that the boundary has moved and the other parties have encroached on the boundary. I went down to visit the site myself on Monday to see for myself and there is uncertainty about the exact location of the boundary stones. I understand the Law Officers have been liaising with the owners of the sites abutting the boundary and they are in full agreement to what is being proposed.

**The Bailiff:**

I put the proposition. Those Members in favour of adopting it, kindly show. Those against? The proposition is adopted.

**4. Rent Control Tribunal: Appointment of Members (P.44/2007)**

**The Bailiff:**

We come to Projet 44 - Rent Control Tribunal: Appointment of Members and I ask the Greffier to read the proposition.

**The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion, in pursuance of paragraph one of Article 3 of the Dwelling Houses Rent Control (Jersey) Law 1946, as amended, to appoint the following persons to act as Chairman and Members of the Rent Control Tribunal for a period ending on 12th April 2008, namely Mr. Ronald Peter Welling, Chairman, Mrs. Mary Gaiger, Mr. Jeremy James Robin Johnson, Mr. David Crespel.

**4.1 Deputy J.A. Hilton:**

Regulation 2 of the Dwelling Houses (Rent Control) (Jersey) Regulations states that the Chairman and Members of the Tribunal shall hold office for a period of 12 months ending on 12th April each year and be eligible for re-appointment. The proposition has been brought forward today to confirm that the 4 people named on the proposition are willing to have their names go forward for a further term of office. I would like to take this opportunity of thanking those individuals for the work they do for the Rental Tribunal. I make the proposition, Sir.

**The .Bailiff:**

**[Seconded]** Does any Member wish to speak?

**4.2 Senator T.J. Le Main:**

I would only like to say that I would like to thank Deputy Breckon on behalf of all the tenants and the work that he consistently does with the Rent Control Tribunal members. They think very, very highly of the partnership they have with Deputy Breckon and I have to say myself, Sir, as Housing Minister, he gives me a huge amount of assistance with people having difficulty over rental deposits that come up occasionally and other issues, particularly in the private sector. I would like to publicly say today how grateful I am to Deputy Breckon who always, always assists me when I seek some help. I would like to publicly thank him for that, Sir.

**The Bailiff:**

Does any Member wish to speak? I call upon the Assistant Minister to reply.

**4.3 Deputy J.A. Hilton:**

I, too, would like to agree with the words of the Minister. Deputy Breckon does do a tremendous amount for those people who approach him who have housing problems and I, too, am very grateful for the work that he does. Thank you.

**The Bailiff:**

I put the proposition. Those Members in favour of adopting it, kindly show. Those against? The proposition is adopted.

**5. Jersey Dental Scheme: appointment of Chairman (P.47/2007)**

**The Bailiff:**

We come to Projet 47 - Jersey Dental Scheme: appointment of Chairman and I ask the Greffier to read the proposition.

**The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion to reappoint Mr. Michael John Touzel as Chairman of the Board of Management of the Jersey Dental Scheme for a further period of 3 years.

**5.1 Senator P.F. Routier:**

I would like to take this opportunity to thank Mr. Touzel as many of you will remember him as a previous Connétable of St. John. He has served on the Board previously and we would like to thank him for the commitment he has given to the Board. I would like to formally propose that he serves another 3 years.

**The Bailiff:**

Is the proposition seconded? **[Seconded]** Does any Member wish to speak? I put the proposition. Those Members in favour of adopting it, kindly show. Those against? The proposition is adopted.

**6. Jersey Appointment Commission: appointment of Commissioner (P.48/2007)**

**The Bailiff:**

We come to Projet 48 - Jersey Appointment Commission: appointment of Commissioner and I ask the Greffier to read the proposition.

**The Deputy Greffier of the States:**

The States are asked to decide whether they are of opinion, in accordance with Article 18(1) of the Employment of States of Jersey Employees (Jersey) Law 200-, to appoint Mr. Kenneth Michael Soar as a member of the Jersey Appointments Commission for a period of 4 years.

### **6.1 Senator F.H. Walker:**

I think it is my turn now. This recommended appointment arises as a result of the term of office of Mrs. Sheila Henwood expiring in February of this year and Mrs. Henwood indicating that she would not be seeking re-appointment. Can I firstly place on record my deep and warm appreciation of the work that Mrs. Henwood has done on the Appointments Commission since its inception? Sir, the Appointments Commission currently comprises Mr. Michael Liston, Mrs. Catherine Elizabeth Rees, Mr. Brian Curtis and Advocate Rose Colley. The appointments process was conducted under, of course, Appointments Commission rules and was undertaken by Deputy Ian Gorst, Mr. Mike Liston, Mr. Ian Crich - who is Director of Human Resources - and they unanimously recommend that Mr. Soar be appointed to replace Mrs. Henwood. So, I will not go through details of Mr. Soar's C.V. (curriculum vitae). They are included in the report and, of course, if any Member wishes to ask questions about that, I will do my best to deal with them. Sir, I make the proposition and in so doing, thank Mr. Soar for being willing to come forward to fill this very important vacancy on this very important Commission.

#### **The Bailiff:**

Is the proposition seconded? **[Seconded]** Does any Member wish to speak? I put the proposition. Those Members in favour of adopting it kindly show. Those against? The proposition is adopted.

## **ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS**

#### **The Bailiff:**

Are Members content to adopt those arrangements for Public Business? Very well. They are adopted. Now, I have notice from the Chief Minister that he would like to make a statement.

## **PERSONAL STATEMENT**

### **7. Senator F.H. Walker (The Chief Minister):**

I would. The statement has been circulated now to Members and it regards the industrial action that was taken by a small group of manual workers yesterday which prevented the free flow of goods into and, indeed, out of the Island through the harbour. I am also putting a fact sheet in front of Members which sets out the factual position with regard to this ongoing dispute to dispel some of the myth and rumour which surrounds it. In short, however, what we have here is action by a very small group of manual worker employees who are attempting to stand in the face of change, whatever the cost to the Island. Members are aware that we have commenced upon a whole series of change initiatives seeking to make more efficient use of public resources. This dispute is about one such change. The Transport and Technical Services Department is, through a simple relocation of one small group of workers from a base at La Collette to one at Bellozanne, able to realise annual savings of £300,000. This is a significant annual saving, a welcome addition to the States' coffers enabling other key frontline services to be maintained and improved. Members will hear many other reasons put forward by the Transport and General Workers Union as to what they consider to be the real agenda behind this proposed change. I deal with those in more detail in the fact sheet. The T.G.W.U. (Transport and General Workers Union) will claim this is about the imposition of new contracts. It is not. An offer to withdraw the new contracts issued has been made if the workers agree to this move of base. The T.G.W.U. will claim that this is about future outsourcing. It is not. The Council of Ministers have given the T.G.W.U. an assurance that no outsourcing of these services would be considered without the matter first being considered by the Council of Ministers. There are no plans to outsource this service. The T.G.W.U. will claim that the matter has not been properly discussed or consulted upon. This is not the case. These matters have been the subject of exhaustive consultation, negotiation and procedure. To hear senior trade union officials call for the employer to enter into discussion is, frankly, laughable. We have been

doing that over this issue for now nearly a year. The whole manual worker joint council disputes machinery has been followed to the letter and A.C.A.S. (Advisory, Conciliation and Arbitration Service) recommended procedures have been followed throughout. There is no reduction or change to the employees' terms and conditions of service other than that they will be based in an alternative location. I find it totally unacceptable that a small group of workers such as this should seek to hold the Island to ransom by flexing their industrial muscle to try and prevent what is a minor and sensible change. Their attitude appears to be: "We will carry on working in the way we always have and in the way we want rather than in the way our employer properly wants without any consideration whatsoever to the waste of taxpayer's money." The workers and the T.G.W.U. gave the employer no notice whatsoever of their intended action. In other jurisdictions, the action taken yesterday would be unlawful. It cannot be sensible in a modern, forward looking, western democracy that critical services and the supply of goods to the public can be disrupted in this way simply because 45 manual workers do not want to move from one workshop location to another. For half of that number, the move is a matter of some 20 yards on the same site. For the other half, it is a short move from La Collette to Bellozanne to a refurbished, modernised workshop. There may be times when industrial action is justified. This is not one of them. Particularly, Sir, as I learnt since drafting this statement that the export of Jersey Royals at the critically early part of the season was totally disrupted yesterday resulting in markets being lost and important customers being deeply upset. That cannot be right either. There may be times when industrial action is justified, but I emphasise again, this is not one of them and I hope the House will join me and the States Employment Board in condemning this action by these workers urging them to accept a reasonable change which is in the Island's best interest and, if necessary, be prepared to stand firm in our opposition to such outdated and damaging industrial action.

#### **7.1 Deputy G.W.J. de Faye:**

I would like to thank the Chief Minister for the statement he has made and to make the House aware that I have received phone calls from extremely irate and frustrated wholesalers and retailers in the Island who had their freight shipments halted yesterday due to this entirely unannounced, unprovoked and unnecessary stoppage which the Chief Minister quite rightly blames fair and square on the trade union representatives and a small core of trade unionists.

#### **The Bailiff:**

Minister, may I just respectfully remind you that Standing Orders allowed for questions arising out of a statement, so you are coming to a question?

#### **Deputy G.W.J. de Faye:**

Just about to come to the question, Sir. However, in the course of this, the Chief Minister will know my deep frustrations because I effectively have no *locus standi* in how these issues can be dealt with. I would be grateful if the Chief Minister would care to explain the difficulty I face in being responsible as Minister for the department, but having no direct control over employees.

#### **Senator F.H. Walker:**

I can confirm the difficulty of the Minister's position. He is, as he said, and as everyone knows, the Minister responsible for the department but the employment of his staff, and these staff in this instance, is by the States Employment Board and any action taken and all negotiations are indeed the responsibility of the S.E.B. (States Employment Board) and not the Minister.

#### **7.2 The Deputy of St. Martin:**

The Chief Minister may be better answered by the Minister of Social Security but when I read here that the actions were unlawful in any other jurisdictions, is there anything that we can do to ensure that these actions become unlawful and we can take some steps to stop it happening again?

#### **Senator F.H. Walker:**



My understanding is that in the Employment Protection Law - the codes attached to the Employment Protection Law - that a strike such as this without notice will be, subject to States approval, declared unlawful.

**7.3 Senator J.L. Perchard:**

Much on the same lines as Deputy Hill just asked, Sir. Will the Chief Minister undertake to bring forward legislation as soon as practically possible to make this type of industrial action unlawful?

**Senator F.H. Walker:**

I think my previous answer suggested that it is not necessary for me to do so. That will be brought forward, as I understand it, in legislation under the Employment Protection Law, brought forward by the Social Security Minister.

**7.4 Senator P.F. Routier:**

Would the Chief Minister accept and recognise and perhaps welcome that the Industrial Relations Law which has to have an Appointed Day Act and the Codes of Practice which are due to be finalised in the next couple of months, which would outlaw this type of industrial action, would he welcome that being brought to the House and will he support it?

**Senator F.H. Walker:**

A very thorough yes. A well-meant and deeply meant yes and yes and I am sure, judging by the feeling of this House, many Members feel the same as I do, as the Minister does in this respect.

**ADJOURNMENT**

**The Bailiff:**

Very well. That completes the business of the Assembly. The Assembly stands adjourned until 1st May 2007.