

STATES OF JERSEY

Corporate Services Scrutiny Panel Lime Grove House: Failure to Complete Transaction Sub-Panel

FRIDAY, 2nd SEPTEMBER 2011

Panel:

Senator S.C. Ferguson (Chairman)
Deputy D.J. De Sousa of St. Helier
Deputy C.H. Egré of St. Peter

Witness:

Deputy J.A.N. Le Fondré of St. Lawrence

Also Present:

Ms. K. Boydens (Scrutiny Officer)
Ms. S. McKee (Training Scrutiny Officer)

[14:02]

Senator S.C. Ferguson (Chairman):

Good afternoon, ladies and gentlemen, welcome to this hearing of the Sub-Panel of the Corporate Services Scrutiny Panel into the purchase of Lime Grove, or the abortive purchase of Lime Grove. Now, I believe this is the first time you have been that side of the table ... so you have read the health warning?

Deputy J.A.N. Le Fondré of St. Lawrence:

I am sure I have but I might just remind myself. So basically I have parliamentary privilege?

Senator S.C. Ferguson:

Yes. The transcripts will be recorded and sent to you over the next 2 or 3 days to check the facts, after which they will be a matter of public record. Now, for the purposes of the transcription employees I wonder if you could say who you are and what your position is.

Deputy J.A.N. Le Fondré:

Deputy John Le Fondré and in relevance to here is I used to be the Assistant Minister for Treasury and Resources with responsibility for Property Holdings. Presently I am no longer in that case and I am a normal States Member.

Senator S.C. Ferguson:

Thank you.

Deputy D.J. De Sousa of St. Helier:

Deputy Debbie De Sousa.

Senator S.C. Ferguson:

Senator Sarah Ferguson, Chairman.

Deputy C.H. Egré of St. Peter:

Deputy Collin Egré.

Ms. S. McKee (Training Scrutiny Officer):

Sammy McKee, Training Scrutiny Officer.

Ms. K. Boydens (Scrutiny Officer):

Kellie Boydens, Scrutiny Officer.

Senator S.C. Ferguson:

Right, well I wonder if you could take us through the chronology of your involvement with the Lime Grove purchase, bearing in mind that we had a fairly detailed session this morning. If your information duplicates any of the information we had, you might want to just refer to it in passing.

Deputy J.A.N. Le Fondré:

The difficulty is I missed the first half hour or so of this morning so if I am repeating something that has been said, do move me on, please. I apologise as well, which is never a good start, because it has taken about 3 days to sift through something like 3,000 emails and get them down to something that is manageable. I got to bed exceptionally late last night so I am losing my voice already.

Senator S.C. Ferguson:

We will wake you up if you go to sleep.

Deputy J.A.N. Le Fondré:

I am sure you will. Can I just do a quick summary, as it were, of where I understand ... what my view is on the whole matter, which is that much so it is not terribly long. I think especially given the comments made yesterday, no matter how it is dressed up the responsibility was taken for the project on 19th November, and we will obviously go into that when we get to that point in the file. There was a meeting on that day of which I attended and then a memo was issued that afternoon without any warning and the responsibility was taken away from Jersey Property Holdings by and to John Richardson as Acting Chief Executive Officer and the Minister for Treasury and Resources. As far as I am concerned the deal has failed. It does not matter which way you look at it is not happening, it could and should have happened and that can only be a failure in my book. Up to the point when I was Assistant Minister, or while I was Assistant Minister, the wider project was designed to achieve revenue property savings of £1 million a year. If you want to account of those numbers you can slice them and dice them however you like but keep it as a round £1 million. You know, a rabbit might be pulled out of a hat tomorrow for some new project. It sounds like it would have to be a building one, it is probably going to be a 2 and 3 year delayed. So we have lost those revenue savings for that period of time until that project is implemented. If that was for the whole project that may be reduced because parts can go forward or whatever. So in essence not only am I exceptionally disappointed and, I would say, angry at the failure of the project, it has not happened, it could have happened and it should have happened. I think that is a failure in my book and I have to say I am also angry at what appears to be the - I am going to say - witch hunt in regard to minutiae that we heard very recently. A lot of red herrings were raised and they seem to be trying to cloud what I will call the somewhat more fundamental issues. I hope that puts it into the sort of context of where I am coming from and I hope I will be able to back up a number of those remarks. David Flowers this morning made comments about progress reports. There is a progress report for

2009 in my books which does make reference to the police H.Q. (Headquarters) and value engineering workshops and things like that. What had happened at that point ... have you had the details of the work that was done and the £7 million that was taken off the capital cost of the original project? Very, very simplistically under the previous regime the ... which I think included Lenny Harper and people ...

Deputy D.J. De Sousa:

Is that pre-2009?

Deputy J.A.N. Le Fondré:

Yes, I think so. The police requirements at that point were very much into compartmentalised spaces, lots of cubicle offices, partitions and things like that. For example, and bearing in mind I am a layman, it means things like air conditioning costs, et cetera, are huge. I think that added an extra £2 million on to the project from what I was told at the time. Under the new regime with David Warcup and Barry Taylor the department has had a very good working relationship with them and was able to effectively adopt what I call a line by line approach challenging almost every room area and space that was required. I know that at one set of meetings, in one of the big meeting rooms down the road, I think they taped out 2 areas of 200 square feet and 500 square feet to exaggerate and what you might have had - again an exaggeration - a couple of P.A.s (Personal Assistants) saying: "I want that much bigger space." When you pointed it out to them they said: "Oh, maybe not, I can live with the smaller space." So it was a case of physically taking people down with the Property Holdings Team and with the huge support of the various heads of the departments in Home Affairs and the police and challenging what the original requirements had been laid out.

Deputy D.J. De Sousa:

So you had like workshops?

Deputy J.A.N. Le Fondré:

Yes, I mean obviously that is a completely operational thing but that is how I understood it worked. The ultimate course of that was that a significant amount of space was taken out of the original scheme and it took about £7 million, if you costed that up to ...

Deputy D.J. De Sousa:

We believe a 30 per cent reduction?

Deputy J.A.N. Le Fondré:

I am not too sure at that stage. There was a significant reduction is all I can remember and I always remember ... it is in the progress report, it says it delivers a saving of over £7 million. I can say at that point ... I can always remember because we thought it was very good news at the time and somewhere in here is the first page of the spreadsheet I was sent for my information. It is one tab on a large spreadsheet which gives the kind of indication of what was done. I can at that time I think I had had a meeting with Terry Le Sueur as his Assistant Minister of the day as well and was just passing on the information and Philip Ozouf came in at the same time and he was informed ... you know, there was a potentially good news story there but this was obviously very early days of a project. Now, I presume you will have had the notes and exchanges that went on in February between Mark Grant and the vendors' agents already?

Senator S.C. Ferguson:

Yes, I think they are in here.

Deputy J.A.N. Le Fondré:

The summary is there was a price, the vendors came through with a price and I think Mark does say: "Please tell ..." it is almost along lines of, and almost in that language: "Please tell your client to get real" I think it is. Then obviously you have the letter of 25th March which is without prejudice, subject to contract, sub to ministerial and States approval. Certainly I was informed ... I was not aware of the amount which I do not have a problem with, I was certainly informed of the principle of: "We think buying Lime Grove was a good idea and we want to obtain a period of exclusivity" and we will put a letter in which will be subject to basically those 4 terms that I read out.

Deputy D.J. De Sousa:

Was the Ministry informed at that stage?

Deputy J.A.N. Le Fondré:

Hang on, this was me, and I cannot say exactly when, it was a verbal conversation that I was informed in and I said: "I do not have a problem with that at all.

Senator S.C. Ferguson:

You were dealing with this under delegated authority?

Deputy J.A.N. Le Fondré:

Yes, it was a conversation that was had as part of one of the meetings that we were having at Property Holdings on a variety of matters.

Deputy D.J. De Sousa:

So it was members of the team at Property Holdings that informed you of where they?

Deputy J.A.N. Le Fondré:

Yes.

Senator S.C. Ferguson:

But it was a Holding letter rather than ...

Deputy J.A.N. Le Fondré:

As far as I am concerned very simplistically this is not ... when I say it is not worth the paper it is written on, it is something that you can walk away from at any stage. Subject to ministerial and States approval, obviously the ministerial approval, as I understood it, could either have been me or the Minister for Treasury and Resources and the States approval is obviously the 15-day rule. Certainly in other transactions and ... in my role there I was in and out of Property Holdings very, very regularly. I think I had a very good working relationship with, I would say, all of the team, I would hope, and it was a fairly routine matter at that stage. What I will say, except I do not have the documentation for it, I would hope you do, much later on this letter became an issue and a file note was produced, it was produced after the event but it was a sort of ... it was a recollection file note as it were signed by 2 members of the team, which from my memory did state that John Richardson had been in the building when the letter was received from the vendors on or around, I believe, 31st March. You would have to check the details of that file note, but it was signed off by 2 officers I believe.

Deputy D.J. De Sousa:

Around roughly what date was that?

Deputy J.A.N. Le Fondré:

The file note would have been in respect of somewhere around the end of March. I cannot remember what date it was. It was produced quite some time later because it had suddenly become an issue and their recollection was at the time it was fairly rare to see Mr. Richardson in the building and that is why they remembered the date. Just moving forward ... now bear in mind this is around the Easter break as well and I believe Easter Sunday was something like 3rd or 4th April, somewhere around there so I am presuming - I have not checked out my diary - that that following week would probably have been a break, as it were, or trying to have one and so very shortly afterwards we started ... well basically I have got a meeting request notes just to try and arrange to get a meeting with Anne Pryke and Ian Le Marquand to do some briefings with them on this. This is in April and I think - and this is recollection - the idea would have been to make sure that, you know, we have established this, the thing is coalescing, we are making sure that we have got an in principle view from those 2 relevant Ministers before we start taking it up further.

[14:15]

I do not know what date those happened, I have not got my diary but it does say on 16th April that Senator Ian Le Marquand can attend the meeting at 12.30 p.m. on Monday, Anne Pryke will attend a further meeting at 3.00 p.m. on Monday. So I do recall ... as I say, I do assume that the meetings took place and there was certainly no alarms bells going off whatever happened. What did then happen and is ... again, I have to say I completely disagree with some of the comments that were made yesterday about not being informed. I have a meeting request here which is dated 29th April from 4.30 p.m. to 5.30 p.m., in attendance, John Le Fondré, David Flowers and Philip Ozouf. I know Treasury yesterday seemed to imply that that did not happen, however I have an email dated 4th May which says: "Philip, re the police station. Have you had any queries after our discussion last week? Would you like David Flowers (D.F.) or Ray Foster (R.F.) to attend the ministerial meeting tomorrow?" That is dated 4th May and so obviously the meeting would have been on 5th May. The agenda for 5th May has item 4 under ministerial business, police station.

Deputy D.J. De Sousa:

Do we know if a price was mentioned at this stage?

Deputy J.A.N. Le Fondré:

Now I cannot demonstrate that. I will give you a recollection, and the only thing I can say is that there is a note here from me to David at 9.08 a.m. on 5th May: "Just to say the meeting is meant to be in Ian Black's office, not sure what time we will get to the H.Q." I can recall, because I can visualise the office, if you see what I mean, that after we had a briefly, and my recollection was it David and Ray so it would fit in, that after they had left, so it would have been me, Philip Ozouf, I think Eddie Noel, I do not know if there was any officer present, that a comment was made by Philip about the price. So there was certainly a discussion about the price.

Deputy D.J. De Sousa:

That was in May?

Deputy J.A.N. Le Fondré:

That is my recollection. Put it this way, there was definitely a discussion at some point and my belief is it was on 5th May but I cannot prove it, but we can obviously demonstrate that there was something on 4th June. My recollection of that comment

is along the lines of: "What do you think of the price?" It could even have been: "I think I could get it for less, I will ask around." It was something of that ilk.

Deputy D.J. De Sousa:

Is it likely that this meeting was minuted?

Deputy J.A.N. Le Fondré:

No.

Deputy D.J. De Sousa:

Why?

Senator S.C. Ferguson:

This was 2010?

Deputy J.A.N. Le Fondré:

It was a comment ... sorry, the presentation by David and Ray would not have been, it would have been a presentation. They would probably have the paper. I cannot remember. At one of those meetings ... David certainly used to do boards, this kind of size, to blow the PowerPoint slides up or something along those lines. I would not think you would minute it to be honest. But the comment by Philip was just an informal throw away comment.

Deputy D.J. De Sousa:

But would there be a file note made by what is now the Acting C.E.O. (Chief Executive Officer)?

Deputy J.A.N. Le Fondré:

No, he was not present.

Deputy D.J. De Sousa:

He was not present, right, okay.

Deputy J.A.N. Le Fondré:

No, not in those days, definitely.

Senator S.C. Ferguson:

This was all in 2010?

Deputy J.A.N. Le Fondré:

This is all 2010 and, as I say, in my recollection there were certainly meetings there on somewhere around 29th April to ... certainly, I said: "Look, this is all great, we have got to give Philip a heads up" and so there was definitely a meeting on 29th April or before 5th May. As I said, bear in mind we have got a very conditional position. We have got informal soundings, we have had soundings from Home Affairs and Health to say: "Yes, a principle we are happy with what you are proposing." So then we are going to Treasury, and as a principle that seemed to be fairly okay. You know on 10th May there is a message from David saying: "Mark/Richard, will you please make sure this report is completed and sent to the Minister A.S.A.P. (as soon as possible)." He does say tomorrow morning at the latest and it went out, I think, on 13th May, so 3 days later. 13th May, Ray Foster: "Dear Senator, please find attached an update on the issues raised at our meeting last week regarding police H.Q. proposals. I will ensure you are kept regularly informed of progress." Certainly on that memo ... now the email was sent on 13th May at 0912 and the memo is commercially confidential dated 12th May.

Deputy D.J. De Sousa:

Did it have a price in there?

Deputy J.A.N. Le Fondré:

No, this one says: "The present proposed project will return a ..." it talks about the reduction of £7 million: "The present proposed project will return a surplus of £2 million compared to budget" so in other words going to spend less ... sorry, overall the net result will be that we will put £2 million back. "However, it has a funding requirement to spend more than the allocated budget before recouping funds from disposals. So it is very clear that although the overall project, the gross expansion figure was bigger than was budgeted, the net, because you are bringing in proceeds from other land receipts and things like that which was the way it was going in circle basically, and as David covered very significantly this morning, had been the way that Treasury had appeared to indicated they wanted to go. But it is in black and white that is where we were going, so your gross spend is higher but your net spend, your net result at the end was projected to be a £2 million reinvestment if you like back to the consolidated fund. What it certainly does say there, it says: "An extension has been sought on period of exclusivity with owners, we are awaiting a response." That has been covered this morning. That has got to have been something in writing. Now, Mark responds on 18th May: "Letter on the way confirming a 4-week extension of exclusivity." Mark's comment is that he feels that the vendor really supports this deal.

Deputy D.J. De Sousa:

Mark?

Deputy J.A.N. Le Fondré:

Mark Grant. Philip Ozouf, 3rd June: "Can I have an update of this by 5.00 p.m. on Monday, please." That is to everybody; David, me, Mark Grant, Richard Cheal, Jason Turner, the Deputy Treasurer. Now, the one thing I have to say I could not find in my records around 4th June was that memo but it is attached to a further report, and I have left it in the sequence there. Let us just find ... it was somewhere around 18th, 4th June memo. Lime Grove officers, this is to the Minister for Treasury and Resources, cc me: "Valuation completed by BNP Paribas on an R.I.C.S. (Royal Institution of Chartered Surveyors) red book basis valued at £8.8 million for shell and core only.

Senator S.C. Ferguson:

This is the briefing note of 4th June 2010?

Deputy J.A.N. Le Fondré:

Yes.

Senator S.C. Ferguson:

Yes, we have that in the ...

Deputy J.A.N. Le Fondré:

Okay, the only point just to reiterate is the point it says about: "Snagging report expected next week, this will influence the J.P.H. (Jersey Property Holdings) current offer of £8.75 million subject to contract and approvals."

Deputy D.J. De Sousa:

That was sent to the Minister for Treasury and Resources on 4th June 2010?

Deputy J.A.N. Le Fondré:

Yes. Well, certainly according to this. That, by the way, is an addition, an appendix to a report that was further sent to a number of people, I think again on 18th November 2010, which is the day before the rather crucial meeting. The point about this whole thing is it does tie into the wider context of the office strategy and the whole principle as was elaborated upon ... the very simple principle is the less space we occupy the cheaper it is to run. It is about heating costs and lighting cost and cleaning costs. We have generally only focused on what we call the property costs, which are the ones I have pretty well stated but the experience elsewhere, and including locally, but the statistics from the U.K. (United Kingdom) demonstrate that what is referred to as the operational savings that come out of this can be up to 4 times as much. So if, for example, you are looking at it on the wider scheme, because obviously in my time we were doing the wider scheme, it was £1 million a year property savings. As I said, it depends how you cut that. You are looking at potentially quite significant numbers over and above from the operational savings. As has been demonstrated elsewhere that can be silly things from even like if you go from the situation of everybody or every other person having a printer on their desk or something along those lines, because you are changing the office layouts and the designs and all this type of stuff, you can have a large printer sitting in the corner that everybody uses. That type of stuff can take your printing costs down quite significantly. It is all those type of iterative ideas that people are demonstrating. Ogiers building is a classic, in fact it is a real source of annoyance to me because I have never been in it but I understand it applies all the principles, and we were told they were showing a 20 percent increase in productivity within a month down there. You are thinking: "They are private law firm, why can we as a Government not do it?" That is the principle and it seems to have been - and we will probably get on to that later - in the minds of a very few individuals: "Oh dear, we cannot do that."

Deputy D.J. De Sousa:

But this was all tied up to the office strategy?

Deputy J.A.N. Le Fondré:

Yes, so that is the wider context, the office strategy and then ... so obviously the Lime Grove side, the police HQ reallocation is kind of a mixture because it is operational with cells and things like that. But obviously the whole point of Lime Grove is that ... the one use and I add this simplistically, do not pick me up if the detail is wrong, it is the principles that is the point. Financial Crimes Unit are probably a mainly desk based exercise, so that will be office work. So although they are police, if you see what I mean, or part of the police force, it is an office based system so you can ... you know, a desk is a desk is a desk type of scenario so you can apply those principles. The whole key thing about this was that we had had huge resistance from all sorts of quarters about trying to unlock the office strategy full stop. This morning, as I saw, David waved a number of iterations around. I reckon I have got a stack like that at home. There was one done in February 2009 where C.M.B. (Corporate Management Board) basically endorsed the details but then the whole thing got bogged down again. One of the principles was that if we could unlock with the police you can then - and also it widened a bit - start unlocking it with everyone else. If the police can do it, you can do it. So that was the principle and that then does go into the C.S.R. (Comprehensive Spending Review) because although it has not been booked in the present C.S.R. we already know from our other work that the results of the C.S.R. may be patchy this time around but there is talk of C.S.R. 3 or 4 or whatever going forward and the office strategy is one of your big cost cutting things where there are significant savings to be made.

Deputy D.J. De Sousa:

I asked the Minister yesterday if the failure to secure Lime Grove will have a knock on effect on the office strategy in the C.S.R. and he said: "No, because they are all standalone." Is that the case?

Deputy J.A.N. Le Fondré:

I think it depends is the short answer, and that is not an answer. What we were looking at in my time was that basically we had a pot of money allocated for the police station, this then widened out but at the end of it we had a pot of money left. I think it was slightly smaller but it was still, I think David said, £8-10 million. Obviously my recollection of some of the details has gone because we are August now and I have been out of the loop since January and even before then obviously things were not going right. So you had a pot of money and that pot of money could then have been utilised to start looking what could have been phase 2. David has given you the executive summary, I do not know what date it was, of one of the things and I know elsewhere we have seen other versions of it. If you look, there is about 3 or 4 strands, the police relocation project being the first phase. So to unlock phase 2 you need cash from somewhere. If you can do it from a disposal or something along those lines, fine, but you need the cash from somewhere. This provided the seed corn cash so I would have thought logically there must at least be a delay.

Senator S.C. Ferguson:

Given that you need seed corn cash and given that under financial directions Property Holdings has to have a certain amount before it could start working on this, how much had they got? Had they got enough? Were they going to require more from elsewhere?

Deputy J.A.N. Le Fondré:

Was this for the police project or for the office strategy?

Senator S.C. Ferguson:

For getting the police project going.

Deputy J.A.N. Le Fondré:

Well, the police project, you obviously have the budget of whatever the number was, in the order of £18 million sitting around somewhere and I have to say I pause because I cannot remember if it was £18 million with a transfer this year and therefore ... but it was that kind of number.

[14:30]

As has been pointed out there was a ... although we ...

Deputy D.J. De Sousa:

£17 million.

Deputy J.A.N. Le Fondré:

Stick with the principles, if you see what I mean. Although the work that had been done had taken £7 million off it did not quite bring it down to the necessary funding. In fact I think that is even if you go through the statement here that was made yesterday, which I might come on to later, there are ... it does identify certain gaps and that, I think, was the starting point for bringing the ambulance station in because although that made the project bigger the proceeds released by the site were bigger still and therefore as a net result at the end of it you were within your budget. You did this by utilising the space freed up on Rouge Bouillon I seem to recall by buying

Lime Grove. Because you bought Lime Grove, you flatten the site, you move the ambulance station across, that then gives you ...

Deputy D.J. De Sousa:

Frees it up.

Deputy J.A.N. Le Fondré:

Yes, and it is that type of jigsaw that you are talking about. The difficulty here is there will be a lot of iterations. It is a 3-year project type of thing, there are various options that you can do but the key point was that Lime Grove was fairly integral to all of those options. That was your starting point. If you did not get it you were back to down to a 3 year delay at least. Plus also - and this is a recollection but presumably it is in the numbers that you have been given already - certainly it is in the statement today that the other options that had been looked at were more expensive. Because my initial reaction, I can remember Paul Tucker years ago saying: "We would like to buy Lime Grove" for, I think it was probably, £10 million at that point to move planning into. Also I was not too keen about the idea at all. But it was one of those it never got ... I do not know what stage it ever got to. It was a comment that was made, I think there was some reluctance at that point and it certainly never got to the detail that was done in the period of 2010.

Deputy D.J. De Sousa:

So this would have been way back post when the building was fairly new?

Deputy J.A.N. Le Fondré:

I am going to guess 2007-ish, 2006-ish. I am going to say "ish" I cannot remember. Then it kind of died away, I suppose. I mean there is a record in the timeline saying the States had previously informed ... well, effectively expressed an interest.

Senator S.C. Ferguson:

No, what I was going to say was from what you are saying it appears that you had the police station budget and possibly a bit of spare cash in your own budgets. But there was no prospect of getting any large cash injections from Treasury at that point in time?

Deputy J.A.N. Le Fondré:

No. No, no, Treasury ... it was raised because there was this point ... I think the difference was £2-3 million from what I recall. That is kind of the number that sticks in my head. Certainly the message ... that was done at an officer level is my recollection and the message I had understood certainly was that Treasury were not going to give us any additional money. The reason I left in the file ... there is a couple of things in here that I have suggested ... I am happy to give you the whole lot by the way but ...

Senator S.C. Ferguson:

Super, thank you.

Deputy J.A.N. Le Fondré:

I would like it to be treated ... when I say it is confidential some have got draft numbers which may not be accurate because they may have been just there to have a number if you see what I mean. I would not want those to go out because they are not accurate. There are others where there is direct reference to a transaction, which my understanding is still live, in there which I would not want to go into the public domain. Again, my view on this was even though I was taken out of it it was a very, very good project and I wanted to see it happen, which is why I have never

commented on it up until now. There is a jump here in time but this is now 20th July. I must have bumped into Anne Pryke and Ian Le Marquand briefly and just a check that everybody's still happy and I think what I was saying is let us start getting our heads together because hopefully things are moving forward is my recollection. There is nothing in writing here. I would have been probably a chat in the coffee room or something. Let us get together, and so we start thinking about if this is going to happen what are the communications and things like that that we have got to do. Just as an aside, certainly what was in mind and it demonstrated later on, it was probably going to be a controversial project in terms of ... I think it was Ben Shenton when we gave P.A.C. (Public Accounts Committee) a briefing, I seem to remember him saying: "Your one thing is going to be you have to justify buying a new building to the public." We know it works but ... well I do not want to attribute that comment to him but even if one knows it works as a States Member you have to make sure you have got your communications sorted out for when it goes live. Certainly what I was contemplating at the time, assuming whoever signed off the M.D. (ministerial decision), at that point I was rather hoping, should I say, or assuming it would have been me. My understanding is I did have the authority to do that subject to accounting officer approval. Later on we started putting out the messages to the Ministers, the Assistant Ministers, we then fractionally later spoke to both Scrutiny - you had a briefing if you recall - and P.A.C. and those were all confidential. As my intention would have been, potentially you would have set out that you were agreed States Members on the day that the decision was signed so that ... preferably in advance, but maybe do it in the morning and you sign the decision in the afternoon, if that was practical, but something along those lines. That also gives the ability to inform the relevant staff, like the ambulance people or whoever, what hopefully would be happening. Then you at least hopefully are taking the relevant people with you. Obviously you do a proper press and media briefing as well and explain the whole issue and explain the savings that are coming out and things like that. Hopefully you are starting to mitigate the potential political risk with it being called in. That, I think, is probably one of our roles as politicians, if you see what I mean. So we were talking about it and it really is just a case of getting your heads in gear, we do not need anything to happen but do start thinking about it. Various exchanges going on about arranging meetings, truly exciting stuff, and it looks like a meeting was held on 27 July with Ian and Anne to talk about things. What I will say, and again I have not included in this pack, my recollection is that somewhere - and presumably there are meeting requests, in fact I think they have been referred to in July - there was a briefing given on the overall office strategy. So one comment and one correction. The comment that was made by Nora O'Reilly yesterday was that the briefing in 29th April and/or 5th May was about the overall office strategy. As far as I am concerned they were not specifically about the police H.Q. project. So it was not something that was buried, it was specifically to deal with the police H.Q., as I say it is on the agenda as police project. The briefing that happened in July was about the overall office strategy. The comment I have to say is that in my view - and I have to say I do not know the whys and wherefores - there seemed to be a huge reluctance from the Minister for Treasury and Resources and from John Richardson about the second stage, which was the consolidated office strategy. I have never got to the bottom of it but certainly my recollection of that meeting was when we went through and David was doing the general briefing, Philip was sitting there effectively flicking the pages as we went through it nodding, boom, boom, boom, boom, boom. It was effectively when we were talking about police H.Q. it was: "Go away and get on and do it". I can remember the hand gestures, it was just: "Yeah, fine." It was only when we got to the consolidated office side that he started getting very antsy.

Deputy D.J. De Sousa:

What did that involve?

Deputy J.A.N. Le Fondré:

The consolidated office? This is the problem, John Richardson, in my view, has consistently ... this goes back to probably February 2009 bearing in mind that John was also meant to be head of the Property Management Board or programme board or whatever it is called, which is meant to oversee the property side of things. I have never been entirely sure what the interaction is there. In February 2009, there is quite a large document, about that thick done which was the initial of the strategy. In fact, just by way of background, one of the reasons I wanted to stay as Assistant Minister for Treasury and Resources or for Property Holdings was because I knew the amount of work had been done on this in the 2008-2009 period. It must have been 2008, I guess. I wanted to hit the ground running with this. I have never been called a born optimist before. That particular one was when we were thinking about J.C.G. (Jersey College for Girls) as an office location. The point about it was that you had a site, it was big enough, it had a planning permission attached to it, the States owned it, and it is not that far out of town. If you walk from this door ...

Deputy D.J. De Sousa:

It is on the Ring Road.

Deputy J.A.N. Le Fondré:

Yes, exactly. I walked it, relatively swiftly, in 13 minutes. You see one of the arguments: "It is too far out of town" or: "The traffic ..." it was blocks to doing it. But anyway the point was it was a big enough site for what you want to do - let us not go into the office strategy today - but obviously work was done in terms of examining sites and establishing the principles. Philip did get a bit excited or worked up about the fact how much work has been done on this, but although J.C.G was a recommendation it was saying: "Well, what you now need to do is evaluate it properly. This is high level, this seems okay but you need to do the proper work and put the proper resources into doing it. So my guess is that 70 per cent of the work would have had to be done anyway. But John Richardson seemed to get it into his head, and he has even said it to us on transcript in front of C.S.R. within the last 2 or 3 months because you may remember I pulled him up on, where it was talking about: "It seems to be about doing one big office block." You would have to have a look at the phrase but the office strategy, as far as I am concerned, has always been about trying to get most people within the town area into a building but not all.

The Deputy of St. Peter:

So just to clarify in my own mind, please, when you are talking about Jersey College for Girls, in what context are you talking about it? This is office element not the police station?

Deputy J.A.N. Le Fondré:

Not the police. Well, what happened is sometime before I had said to David: "Look, J.C.G. has gone pear-shaped, because you remember we had had all the debates in the States." David had just come in. We knew the developer was going to spend X on it and we knew we had Y in our budget type of thing, it is worth ... can you just have a quick look, is it any good for the police? It was a comment I had been asked prior and it was very much an off the cuff comment. The response was that no, at that point the opinion was it did not suit the requirements but it might be appropriate for office accommodation.

Deputy D.J. De Sousa:

This was after ... I think it was 2008 before I entered the States and it had been pulled back because it was going to be sold for next to nothing of the value.

Deputy J.A.N. Le Fondré:

We are going slightly off tangent but just to correct that, what happened - and I was not on Island when that happened - the ministerial decision made reference to selling it for a minimum price of £1.8 million with overage or profit. What unfortunately the media picked up on at the time, and I think that is when I came back, was we were selling it for £1.8 million when we were not. I believe when you got to the point where the proceeds would have been coming in, somebody had done the numbers and we reckoned it would have been about £5.3 million, but it was purely about ... that was one of my first early lessons, as it were, about making sure that what is in the ministerial decision is clear and also how you handle how that information is put out. Sometimes you get it right, sometimes you do not but that was a key message that went completely wrong. Yes, so that was the outcome ...

Deputy D.J. De Sousa:

Just remember me here, who was it who that made that ministerial decision?

Deputy J.A.N. Le Fondré:

It was signed off ... what happened was the ministerial decision was signed off by the then Minister for Treasury and Resources.

Deputy D.J. De Sousa:

Which was Senator Le Sueur?

Deputy J.A.N. Le Fondré:

It was Terry. But it was purely the wording, I think it might have been ... I do not know if it was at the end of the report and it probably for the sake of maybe 5 words, it read okay if you knew the subject.

[14:45]

If you did not know the subject and depending how it was handled obviously the message did not go out quite right. That is the way it goes sometimes. So we were talking about consolidated office strategy and there were messages coming through from John from the very early days: "This is about one big central office, everybody in it." No matter how many times we seemed to say: "No, it is not" and read the report or whatever, he seemed to have that in his head.

Senator S.C. Ferguson:

Can we get back to Lime Grove, do you think?

Deputy J.A.N. Le Fondré:

Yes, but the point was where we were in July on that briefing was that was when Philip started getting very antsy about the consolidated office side, he had waved through Lime Grove and then we got some very negative feedback on the office side. How well he fully appreciated it or understood it, I do not know. Sorry, let us get straight back on to track, various meetings going on, a summary of the strategy. Now this version of July 2010 was sent on 27th July: "Current annual property operating costs ..." so this is what was the benefits of the proposals at that time. "The accommodation benefits for this project delivers as follows: new combined police and Home Affairs admin building, new police operations H.Q. and new ambulance station and combined emergency control suite, a new Harbours office at Elizabeth Terminal, the release of South Hill for residential development, the release of a significant area of land for residential development and possibly the release of Pique(?) House for disposal. If my memory serves me right we had not taken into

account Pique House. It was a benefit but we had not quantified it. So in other words we had underplayed some of the numbers here. The current annual property operating costs were reduced by £789,000 and in addition there are annual revenue costs as follows of an extra £481,000. The avoided capital costs. I was wrong, I was speaking to someone the other day and I quoted £13 million. At this point it was just under £8 million but it is still a significant sum. That number does subsequently change and goes up. So the point is there are some quite significant benefits in there of what we were trying to do, let alone obviously where we ... you know, last year and you have got benefits to the ... Tom Buckley covered it about the benefits to the construction industry and things like that. We have generally been briefing Home Affairs and the ambulance and obviously the scheme has got wider now. Certainly I am being told all the way through July, August time - possibly earlier, I cannot remember - that Property at the officer level are talking to the other department that are involved, which would make sense. I know we had a pretty good relationship with Harbours, with Planning and obviously with Home Affairs and E.D. (Economic Development), and Mike King there. So are just to name 4 departments type of thing. So my understanding was that everybody was being informally briefed and were generally on board and happy. John Richardson - and I have no problem with this one because he was right in this instance, I do disagree with a number of his views elsewhere - had said you do need to get political sign off from everyone. That is fine. It is conservative but it is true, and so we were doing that, we started setting up meetings and getting letters ready and that type of thing. In principle what we were doing is we were trying to get the Minister in initially, do a briefing, take them through it, make sure they had understood it anyway, make sure they are happy and at a later date a letter was sent to them.

The Deputy of St. Peter:

So where are we at the moment in time?

Deputy J.A.N. Le Fondré:

I think we are just coming into August.

The Deputy of St. Peter:

2010?

Deputy J.A.N. Le Fondré:

Yes. This is just a note I sent to David on 7th August, I think this must be around Battle of Flowers time: "Key points, Alan Maclean is coming into J.P.H. at 2.30 p.m. on Monday for a discussion/presentation re Maritime House/Harbours. It can be extended later into the office strategy if necessary.

The Deputy of St. Peter:

When these discussions were being had by the Ministers, was the fact that Lime Grove would appear to have been the key to cap it all off mentioned in those briefings? Would it be the natural thing to ...

Deputy J.A.N. Le Fondré:

Lime Grove would have been ... the briefing would have been fairly standard all the way through. To an extent E.D. would not have been interested in Lime Grove so it would have been ... put it this way, I cannot think of any reason why it would not have been included. I cannot say, hand on heart, swear on the Bible, yes it definitely was because I have not got it in writing. I do not like saying that but I am sure it must have been. Why would you not have ... because you were talking about the overall context. Certainly there was a diagram, I remember, which was a bit of jigsaw because it was showing the phasing ... there was definitely a map with arrows on it of

the various moves around and that various buildings, so it would have included Lime Grove in there. So there must have been a discussion within the whole context of it. That is just another decision that was going off at the time. There was a message came back from Ian, and he says Jackie Hilton had been briefed at that point and he has made a comment just to say that ... I am not too sure what happened there, he said: "Make sure that David Warcup and Barry Taylor are happy as to whether the proposed new buildings meet their space requirements." I did forward that to the officers and they kind of said: "Who has he spoken to because we thought they were." That was sorted very, very swiftly. I think there was a communications glitch in there somewhere, a minor one, or it might have been additional space requirements, I do not know. But anyway draft letter going to Ian Le Marquand, or getting ready to be sent to Ian Le Marquand, and this is kind of one you will see going through, which basically is saying: "Dear Minister, thank you for your support." So obviously we are at the end of the presentations. This is around 24th, 28th August. "Here is the complex project which requires the full support of all stakeholders if it is to succeed. However, prior to finalising these documents we wish to set out the key elements of the project and the proposed programme of works in order that you may have the opportunity to raise any further concerns and that they may be addressed before you are committed to the final reports." It carries on and it gives a project summary. The financial benefits have obviously changed slightly in there but they are highlighted. It talks about total annual property savings of just under £1.3 million a year and it gives a phasing. It talks about assuming we had acquired Lime Grove, which at that point was quarter 3, 2010, develop and fit out police administration H.Q., quarter 3 2010 to quarter 2 2011. Whatever that works out to in timing. So if it had gone ahead pre Christmas, yes, they would probably be in there by now. "Phase 5, move the following officers to new police administration offices, quarter 2, 2011." People might say that might be aggressive or whatever it is but certainly ... I have learnt a lot in the last 5 years and I would say my property experience is now much compared to the department's which is obviously that amount. They have got professional people in there in terms of project managers and things like that. Richard Cheal, who is one of the people who was going to be involved or involved, he was responsibility, I think, for the Turner building up at Highlands, the airport control tower - the build I hasten to add.

Deputy D.J. De Sousa:

The new one.

Deputy J.A.N. Le Fondré:

Yes, the new one, not the equipment going inside as far as I am aware and I think even the markets roof. The market roof was a £1.2 million project and I think fit out here is about £1.4-1.6 million, whatever the numbers were. We are not talking rocket science, for want of a better expression, in terms of experience within the department. Now, 9th September, letter from Barry Taylor: "I refer to our telephone conversation of 31st August, I am also grateful for the support provided by Richard Cheal on 27th in helping me to develop an internal plan to assist the project. I have now revisited the detailed schedules provided by Property Holdings in November 2009, have reviewed them with my staff, I can confirm I am entirely happy with the data presented and that the proposal for new accommodation spread over 2 sites at Lime Grove and Summerland adequately meet our space requirements." It talks about a few changes, minor. It talks about Home Affairs going in potentially and: "I have also briefed the Minister for Home Affairs and he is very supportive of the proposal." He has copied the letter from him to Ian Le Marquand. 13th September is trying to arrange meetings with Mike Jackson for T.T.S. (Transport and Technical Services). To a certain extent I would say it was a little bit ... I think we used the expression it was a little bit like herding feral cats at times because you think you

have got everybody corralled with that and then somebody 2 weeks later comes up with a bright idea and goes off somewhere else. You kind of have to pull them in again. But we did get that. The one thing I - it is not a disagreement - did not quite agree with Ian Le Marquand about is he made a comment about the public sector not being geared up or not being able to achieve these types of things. As far as I am concerned we had done it. Everybody in terms of the departmental levels were signed up, in terms of the separate Ministers - obviously other than the Minister for Treasury and Resources - were signed up. Bearing in mind, as I said in July: "Go away and get on and do it." More letters, they are just drafts, a quick revision on numbers. Right, now where we are in terms ... this is my assumption, that in terms of trying to get a business case ready for an accounting officer to sign off on, bear in mind as well that as far as I am aware John Richardson - I had definitely been with him at the briefing in July - I was told he was being briefed fairly often about the whole Lime Grove thing. So I suppose in my view if somebody had had serious concerns about this I would have expected them to raise them a lot earlier in the process.

Senator S.C. Ferguson:

One of the things we heard yesterday was that the Minister had regular briefings with his Assistant Ministers who kept him up to date with things that were going on. How often did you have those?

Deputy J.A.N. Le Fondré:

Funnily enough, the briefings ... the idea was, and I have got a feeling it might have been me pushing it, what we tried to get set up with it was a briefing pre-ministerial decision day, as it were. Sorry, Treasury decisions are basically done on a Monday, probably 2.30 p.m. or something along those lines. Funnily enough it was Philip that said that when he was at E.D. he used to have everybody around the table at E.D. on the morning and discuss all the various issues. Certainly I remember going to a meeting at one point and they definitely used to do that. I thought that was a very good idea. I do remember when the Council of Ministers was being created, or it may have been just after, suggesting are you going to be do that, and he was going to. I remember him saying later, because it had not happened - or sorry my recollection is that it had not happened - and he made a comment: "Well, Treasury do things in a slightly different way." But anyway we did get established and I am fairly certain I sent him an email. The principle of having, I think, it was either a half hour or an hour - I think it was normally a half an hour - pre the ministerial meeting day to discuss issues that were coming up. It was interesting in the early days Philip was not too worried as to whether I attended the Treasury M.D. meetings or not. His view seemed to be I was Property and not necessarily Treasury, if you see what I mean.

Deputy D.J. De Sousa:

Did he communicate that to you?

Deputy J.A.N. Le Fondré:

Only verbally. It is odd because obviously previously ... the relevance is ministries are occasionally a little bit odd in terms of differing Ministers, and I am not talking about necessarily now, I am talking about even in the first 3 years. I know differing Ministers used to have different roles with Assistant Ministers and some of them used to get quite frustrated because there was not really a defined area of responsibility. I suppose from that point of view, certainly I was told I was exceptionally lucky because I had a very defined area and essentially I just got on and did it. So what sometimes used to happen, I have to say, is that it seemed to me that depending whether Philip was in a rush or whatever, or sometimes meetings just happened to

get rescheduled, that these sometimes go eroded into. So you would end up with maybe 15 minutes, it might be pre an important debate in the States, you might end up having a 10 minute discussion on that and a 5 minute discussion on other things.

Senator S.C. Ferguson:

So during the period in time that we are talking about, you did not necessarily have a Monday morning with a 2 hour meeting?

Deputy J.A.N. Le Fondré:

We certainly did not have ... I do not think I have ever had a 2 hour meeting with Philip Ozouf.

Senator S.C. Ferguson:

Okay, sorry, carry on.

Deputy J.A.N. Le Fondré:

But, as I said, the briefings we did make sure happened, are documented in here, definitely happened on the project.

[15:00]

One of the other slight difficulties I had I found that when ... I work on the principle I want to ... establish when it is ... in theory I was meant to start having some role H.R. (human resources) and then I.T. (information technology) and it is not areas that I have ... well I.T. I have a degree of experience in but not from a technical end, if you see what I mean. H.R. I have probably got zero experience in. So from the principle that they are not ... when I say they are not political, they are not ones that generate ministerial decisions regularly at all, whereas property generates quite significant numbers but it is something, as far as I am concerned, that I take the view that if I want to understand this subject they are responsible for so as far as I was concerned you should be having fairly regular meetings with the heads of those departments. Certainly I found that when John Richardson came in it got a lot more difficult to see those individual heads.

Senator S.C. Ferguson:

Can we get back to ...

Deputy J.A.N. Le Fondré:

Sorry, where I was going is that, as David elaborated, John had made it very clear that David Flowers was not to ... that John was going to be the main point of contact so I was certainly aware that there were very regular briefings happening between John and Philip on a very regular basis.

Senator S.C. Ferguson:

But the Minister made it clear to us that political contact should come through the Assistant Minister.

Deputy J.A.N. Le Fondré:

It should do and as I said on the relevant key stages of the project he was briefed and we made sure he was briefed properly.

Deputy D.J. De Sousa:

Can I just keep it there a minute? The Minister made much play yesterday, I cannot quote word for word, that he had a very open and happy team. He did the same at E.D.D. (Economic Development Department) and he did the same at Treasury. He

expected to be constantly kept informed of what was happening in every area so that if anyone was away or he was away somebody was able to pick up and run with whatever was going. So you had regular open meetings where you kept him fully informed?

Deputy J.A.N. Le Fondré:

We had fairly regular meetings. I would not have said there was a huge amount of time allocated to discuss matters. We did discuss some matters and in terms of the Lime Grove project, I would have to say I do not think he ever raised any concerns with me.

Deputy D.J. De Sousa:

But you constantly kept him informed of where you were within the department?

Deputy J.A.N. Le Fondré:

The point was in July we had had the brief, when I say the key brief ... the point I am saying is that he had the regular ... they turned into run of the mill briefings for what was happening that week and a lot of it sometimes was probably political. So was I each week turning around to him saying: "This is what has happened on Lime Grove this week"? Probably not. But, that said, I was certainly aware that there was a very key line of communication that was going up through John Richardson.

Senator S.C. Ferguson:

Surely it is up to you as Assistant Minister to make sure that you communicate?

Deputy J.A.N. Le Fondré:

What I was going to say is that when there were key things happening ... so, that is what we were saying, we had given him the briefing in July, we have given him the heads up of the projects and basically all indications are, let us get on and do it. So then the key role after that is to get the accounting officer to sign off on the business case, that is your main focus because that is your key risk. If you do not get it signed off, and he is the one ultimately who is advising the Minister or me whether ...

Deputy D.J. De Sousa:

He has responsibility.

Deputy J.A.N. Le Fondré:

He has the responsibility.

Deputy D.J. De Sousa:

So if he signed it off and he was not happy it would come back on him not anyone else.

Deputy J.A.N. Le Fondré:

That is, I believe, meant to be the case, it would probably come back on everyone I suspect but, yes, he has to make sure he is ... as accounting officer he has to be happy that the thing is right.

Deputy D.J. De Sousa:

So at what stage was he and the Minister presented with the business case? What was the first instance?

Deputy J.A.N. Le Fondré:

The business case ... see this is depending on what you call the business case, because if you are talking about ... you see, as we said, Philip had ...

Deputy D.J. De Sousa:

By the business case I mean the one that was checked by ...

Deputy J.A.N. Le Fondré:

By Stewart Rowney?

Deputy D.J. De Sousa:

Yes.

Deputy J.A.N. Le Fondré:

Right, because what I was going to say, bearing in mind the business case is that thick, would you expect the Minister necessarily to go through that? I would say that was probably an officer role.

Deputy D.J. De Sousa:

I was not implying that. John Richardson as the officer went through it and this was where the problem came in because he tore it apart?

Deputy J.A.N. Le Fondré:

Exactly. So what I was going to say is at a high level Philip was given ... well, at a high level I think he was given the stuff that was in the office strategy in July. I think he was given some high level numbers before that. He was certainly given the values well before that.

Deputy D.J. De Sousa:

But you do not know that.

Deputy J.A.N. Le Fondré:

We know he was given the values before that on 4th June. When was he given the cash flow graph, I would have to go back and check records. They had been briefed going along anyway, and bearing in mind I think the principle was as well, we had to have the letters ready to ... he would not sign off until he had political sign off in there. So in other words having the sign off by all the Ministers. There was a glitch at one point, so a letter went to Senator Cohen on somewhere around 11th October. Alan Maclean, Paul Routier, 11th October. Keep going, Anne Pryke. Right, Anne Pryke came back with her support 28th September. So physical thick business case, draft, was given to John Richardson on 13th October. What I was going to say is there has been a lot of discussion on the principles of the numbers for quite some time and obviously a lot of numbers have been verified externally and things like that. So in theory by this stage one would assume a lot of it was ... it is kind of how do you work the process? If you have something important coming along, surely you should have a decent understanding at the beginning and coming through, so that when you get to this whole documentation issue, yes, you ask your questions, but provided that is then sorted out, you are ready to go, do you know what I mean? It is what drives what. Do you drive it on having every piece of paper in the right place, or you are looking at your key risks and making sure that the thing is going to work?

The Deputy of St. Peter:

So just again from a political perspective, you have the Minister for Treasury, who has the responsibility politically for his whole remit.

Deputy J.A.N. Le Fondré:

Yes.

The Deputy of St. Peter:

You have responsibility politically for J.P.H., but the nature of the works being carried out is at officer level, and the communication was running between officer and the Treasury through John Richardson.

Deputy J.A.N. Le Fondré:

Yes.

The Deputy of St. Peter:

Would you assume there, as John Richardson was very close to the Minister for Treasury, that he would also be passing information across to the Minister for Treasury?

Deputy J.A.N. Le Fondré:

Absolutely.

The Deputy of St. Peter:

Now, just referring to the business case, and as I recall yesterday, the business case was quite a well-researched document.

Deputy J.A.N. Le Fondré:

Sorry, that was a yes.

The Deputy of St. Peter:

It seemed yesterday to be rubbished - for want of another word - by saying it was a very limited document with no due diligence and no risk assessment.

Deputy J.A.N. Le Fondré:

Well, I do remember discussions being had, and yes ...

The Deputy of St. Peter:

Was this another document that was reviewed independently?

Deputy J.A.N. Le Fondré:

Yes. Now, I think the review was done ... I think it was November or something. Now, the point was that the draft document, it was a draft document that was given to John in mid-October, saying: "Please can you look at this urgently? You know that this is important and time is moving on" and we have now got pretty well ... because the idea was that you get John happy with it and then it would have been circulated effectively to the various stakeholders as well to make sure they were all signed up to it. You will see - I am sure you have got the exchange of emails - that John turns around and says: "Well, I still have not had time to look at it. Can you circulate it to those stakeholders at the same time, with the caveat that this is under review?" Now, in terms of risks at that point and the inclusion of risks, my recollection is that discussions were had, possibly even with Mick Heald, and certainly Ray Foster, as to what else would be required and that again was at an officer level, it is not something I was party to, but my take on it was that as a draft business case, and certainly when you looked at it later on, it looked pretty well put together. That is all I can say.

The Deputy of St. Peter:

You said: "The draft business case when looked at later on."

Deputy J.A.N. Le Fondré:

Oh, sorry.

The Deputy of St. Peter:

No, what alteration, if any, had taken place before it was reviewed by the independent review?

Deputy J.A.N. Le Fondré:

Oh, that I cannot genuinely recollect, I mean, obviously only because I cannot remember when the review took place. I do know that the risk workshop ... there was a point where John did ask for a risk workshop to be done. It would probably have been quite nice for that to have been asked for during the summer months, as an example, because you can do an analysis of what you think the internal risks are. That was done fairly swiftly internally to identify the risk, but when you have got to try and get ... I think Barry Taylor made a reference to sort of a cast of thousands, I think it was, but I know there was a lot of people at the risk workshop. When you try and get that number of people together, it again slows things down. But anyway, I do recall that a major effort was made to get it done quite early and then it had to be cancelled because John was unable to attend, and so it was then put back a further week. But the risk workshop - and I think it has been documented - certainly I was informed that one of the key risks ... I cannot remember if it was one of the top ones, but it was saying a key risk was the fact of the project not going ahead, in other words, they missed out on the acquisition of Lime Grove. Now, the risk workshop itself - well, we are getting a month ahead of ourselves - I think was in the week Tuesday, Wednesday possibly of 19th November; the 19th November was the Friday. We will get to that shortly to see if that is correct, because that was kind of meant to be hopefully the last key outstanding item. Yes. So anyway, the point was on 13th October, a draft business case given. Now, I will say, to be fair to John, which we did not know until slightly later on, he was having some personal problems but it was ... bear in mind that in theory this was a paperwork exercise, you know, the work, the number-crunching had been done, if that makes sense, and what you are now doing is you are bringing all those threads together in a documented thing. What I rather felt is that there seemed to be risks popping out of the ... or concerns or questions being sort of plucked out of the ether in a ... I will not say random way, but it was not ... I did not get the impression that he had sat down methodically, bearing in mind the importance of this, for a morning and worked his way through it. That is purely a personal comment. But he goes on ... he says he will not be around, he will not be back until Monday, which is on ... so it is given to him on the Wednesday, I think. On the Friday he responds. He has not looked at it at that point, and suggests: "Can you send it to the project sponsors?" That is there. Now, the thing that got me concerned is that: "Given the size of this project and the level of interest it is likely to generate, I think you have to set some realistic timescales, and although I appreciate the Lime Grove issue, we are several weeks away from a final decision to proceed and months if Scrutiny want to get involved" at which point I kind of got a bit twitchy, because we have already been through a lot of, as I said, herding feral cats, if you like, and reworking numbers and things like that - I say: "we", the department, although I was involved on the political side - and to suddenly start suggesting that we could be months away from getting a decision, yes, alarm bells started going off in my head.

Deputy D.J. De Sousa:

But it is a well-known fact that even when it comes to the date when the States debate something, it can be pulled during that debate before Scrutiny will see it.

Deputy J.A.N. Le Fondré:

Exactly, that is absolutely fine, but bearing in mind by that point I believe we had already briefed Scrutiny on that informally. Now, that does not preclude Scrutiny pulling it in, but one had a slight ...

Deputy D.J. De Sousa:

By that you mean P.A.C. and P.P.C. (Privileges and Procedures Committee), because they ...?

Deputy J.A.N. Le Fondré:

P.A.C. and Corporate, yes.

Deputy D.J. De Sousa:

Sorry, and Corporate. Because they would have been the only ones that could have pulled it at this stage of going to the States?

Deputy J.A.N. Le Fondré:

At that stage, yes. As we said, there is obviously a political risk there. There is going to be, we have seen it previously, and I think it is one that one gets used to dealing with.

[15:15]

But you have to have measures in place to mitigate that risk, very clearly. But several weeks away from a decision to proceed: bearing in mind the amount of work that had been done in all that year, and bearing in mind obviously presumably I am assuming that the officer level briefings are taking place on a regular basis and we know, as David Flowers was saying, this is a private deal, they are not going to hang around for ever. There had been mutterings. In fact, it is raised that there had been mutterings about State Street or another interested party. Funnily enough, completely unrelated, I was in a social context and I had 2 people standing up beside me starting to have a conversation. One said: "What is happening about this empty building at the end of Green Street, you know, the end of the tunnel?" and the other one says: "I tried to rent it in March, but the States are buying it" and I thought: "Oh, that is interesting." I had not opened my mouth at that point, and it was not somebody from State Street, so it implied to me it was one of those anecdotal feelings that gives you a slightly warm feeling that what you are being told, yes, there is an interest out there, it is being confirmed. Now, the sponsors ... so you will see there is an exchange of emails going on to ... oh, that is just to advise certain numbers. There is an update of moving Customs & Immigration possibly to Elizabeth Terminal, which was obviously something they wanted to do, and then obviously Ian, just as a chaser to me on ... Ian Le Marquand does a chaser to me on 16th October, just saying: "I realise I have not formally replied to Property Services. Both I and the acting police leadership are very happy with the project and want it to be progressed as soon as possible." There was a minor issue raised, but he confirms that it is still flexible: "The last I had heard was that things were with John Richardson, but the process seems to be dragging on. I am very concerned that we might lose Lime Grove through delay, thus sending us back to square one. Best wishes, Ian." I do a reply: "Please rest assured Dave and myself and the rest of the team are fully aware of the urgency. As I am sure you are aware, a lot of time and effort has been spent on this and we would all be devastated if it fell at the last hurdle. It is confirmed that John has undertaken to look at it early next week. I do not know if he has taken any part of it with him over the weekend, but I have asked him to keep me apprised of the state of play" and I am copying him in on the email: "Obviously John, as the accounting officer, needs to be satisfied as to whether there is any significant matter that has been overlooked and whether that impinges on the decision to buy Lime Grove or not." It carries on: "I would be surprised if anything was identified that caused any insurmountable problems." He just says: "Thanks" in response. Then the business case goes to the Chief Officer and the heads of department, so that is

going to the ... I said stakeholders, but whatever the terminology was for the people who are the heads of the various departments. I am losing my voice.

Deputy D.J. De Sousa:

The officers from each of the departments?

Deputy J.A.N. Le Fondré:

Yes. So at that point, we have got no real indications of any issues, apart from obviously we are wanting the business case to be looked at. I cannot remember what date that was, but anyway, 21st October I do a chaser ... yes, my reply was on 17th October, which was the Sunday, and on 21st October, I do a chaser to David Flowers and John: "I am expecting Ian Le Marquand and possibly others to be chasing again on this matter. Could I have an update, please?" On 21st October in the evening, David sends a note to John Richardson: "From our brief conversation yesterday, I understood you were planning to start reading the business case of phase 1 of the office rationalisation programme last night." So I think it was given to him on the 13th. Now, I accept he did have some personal problems in there, and you will see in one of the emails I have suggested that if that was going to cause a delay, could he delegate it to someone else, because ... and, I mean, I have had it directly that, you know, you are in a personal position, you have got a family problem, but of course life carries on out there, you cannot delay things, and so ... and in other circumstances, you normally have some form of system where that work can be set aside for someone to take it over, especially if you do not know how long it is going to carry on for. I am then saying: "If you are in a position to comment, I would be most grateful if you would let me have your feedback A.S.A.P., as I am anxious to produce the final document without further delay, and so far I have received written confirmation of approval of the business case from the police. E.D., H.A. (Home Affairs) and Health, Planning and Environment and T.T.S. have given verbal consent." John comes back on that Thursday, saying: "Halfway through. I will take it home again tonight and try to finish reading it through." On 22nd October, yes, there is a cross, I think, in the emails, which is just I think Ian has chased me on 21st October, just saying: "I am rather concerned that time is now drifting. We still do not have an answer from John Richardson."

Deputy D.J. De Sousa:

21st of?

Deputy J.A.N. Le Fondré:

This is 21st October at 7.34 p.m. in the evening: "If John had had this on Wednesday last week, surely he has had enough time to consider it and form a view by now" and I do chase, and I say ... the chaser I sent includes: "Obviously if you have any concerns, I do need to know, and also so that it can be assessed whether they are of significance to the overall delivery of the project and whether the concern can be resolved." That is when I also raised the personal issue. I mean, I can say even in Eric Le Ruez's day, I have had stuff where ... I think it was Eric. It may have been later, but Eric made the comment on his leaving thing that he had appreciated the fact that you have to be able to ... and that I was flexible, and from the point of view that sometimes you get things that come up that are urgent and you have to move on them. I remember we had an issue when one of the law officers rang up and basically contacted him and said: "We have got a big issue in front of us. It needs to be done within 24 hours. We need an M.D. (managing director)" and so as long as you turn around and say: "Is it your advice that we sign it?" "Yes" then you move. Anyway, the ...

Deputy D.J. De Sousa:

Talking about ministerial decisions, you said fairly early on today that you believed that you, as Assistant Minister, would sign off the ministerial decision on this.

Deputy J.A.N. Le Fondré:

I believed I certainly had the authority to do so.

Deputy D.J. De Sousa:

When the ministerial decision was made to put you in as Assistant Minister and to give you delegated powers, you were delegated to make decisions on those within standing order 168, which is: “The disposal, acquisition, letting or rental of land on behalf of the public of Jersey; (b) the grant or acquisition of rights or servitudes over land on behalf of the public of Jersey; (c) the renewal, extension or variation of any lease of land on behalf of the public of Jersey; and (d) the approval of plans for the construction or alteration of buildings where the work is to be funded wholly or partly by money voted by the States.” But that was within a remit of between £1 million and £5 million, whereas this was £8 million.

Deputy J.A.N. Le Fondré:

Well, that is where I was going to pause. My recollection - and bearing in mind I have been out of the loop for a while on this one - is the limit of that was on contracts, and I think that was ... and I think, from recollection, that is different to an acquisition. Certainly I did ask the question at the time, quite some time earlier on, and advice was sought, but I mean, it was one of those that I certainly was not advised that it could not be me signing it off. That said, the focus, as I said at that point, was to get the business case signed. Your hurdle at this point, you want your accounting officer to sign off. Who then signs it from a ministerial point of view, I do not really mind. You know, it is going to be a recommendation. As I have said in July, again we have just been told: “Get on and do it.”

The Deputy of St. Peter:

So it is the accounting officer sign off, that is the ...?

Deputy J.A.N. Le Fondré:

That is the crucial one from that perspective. I mean, yes, it is always subject to ministerial decision, and if the Minister ... you know, the Minister would be perfectly in his right to turn around and say no, but there were no indications coming through at any time at this point saying: “I have got a problem on this transaction.”

Deputy D.J. De Sousa:

That came later?

Deputy J.A.N. Le Fondré:

Well ...

Senator S.C. Ferguson:

Yes, I wonder, can we move on reasonably fast, because ...

Deputy J.A.N. Le Fondré:

Okay, we have got the one of 22nd October: “I have read the report and in principle the police scheme looks okay. However, I think there are some very significant risks from the information I have received.” This is when he talks about South Hill and the ambulance station. Now, he turned round and said that he had not said something about ...

The Deputy of St. Peter:

Sorry, who is he?

Deputy D.J. De Sousa:

He?

Deputy J.A.N. Le Fondré:

John Richardson, sorry. He had not said something about a 50 per cent reduction in land.

Deputy D.J. De Sousa:

That was this morning.

Deputy J.A.N. Le Fondré:

Yes. Well, all I can say - and we will keep to the order - 22nd October, David sends him a sensitivity analysis and identifying various things on the disposals et cetera. Now, again, on 22nd October, because I send him a note ... yes, I send him a note saying ...

The Deputy of St. Peter:

Just for clarity, could you say ...?

Deputy J.A.N. Le Fondré:

John Richardson.

The Deputy of St. Peter:

Yes, okay. Fine.

Deputy J.A.N. Le Fondré:

“The police scheme looks okay. Hopefully that means from your perspective we can proceed to the purchase of Lime Grove, which is obviously the critical matter at present.” You know, that is still the focus: “The actual details, the harbours move, as far as I am concerned, as long as we have got the overall principle sorted out, is a less risky issue.” You know, standing right back from here, if this project is meant to deliver £1 million a year savings, if we are £1 million out in our assumptions, will it pay for itself within a year? It is what is the bigger risk, what is the risk of not having it? Well, according to the numbers in here, one of the risks is that depending on your delays, you have got an awful lot of backlog maintenance and things like that, to the tune of £7 million to £8 million. That is over a period of time, I think it was over about 10 years, and that number had gone up later on, which you have got to cover. It will not be all in one shot; as I said, it is spread over a period of time. We already heard 2 or 3 days ago we might now have to go and sort out the heating in the building or something, which is going to cost several tens of thousands of pounds. It will be all those type of things building up. So anyway ...

Deputy D.J. De Sousa:

Risk was made a big thing of yesterday as well. Were you aware of any risks to the States of Jersey and taxpayer in regard to what was being proposed with the acquisition of Lime Grove?

Deputy J.A.N. Le Fondré:

Sorry, is that a question you are asking me?

Deputy D.J. De Sousa:

Yes.

Deputy J.A.N. Le Fondré:

No. I mean, as far as I am concerned, this was a major thing for the taxpayer, speaking as a taxpayer, if you see what I mean.

Deputy D.J. De Sousa:

But were you involved in any analysis of the risks?

Deputy J.A.N. Le Fondré:

Of the risk workshop, for example?

Deputy D.J. De Sousa:

Yes.

Deputy J.A.N. Le Fondré:

No. No, and to be honest, I would not. I saw the results and it is documented in here, but again, I would have said ... although I do sometimes get accused of going into detail too much, I certainly would not have been expected to have been present at the risk workshop to go through it. As far as I am concerned, it is definitely an officer issue. What I was going to say is what I do say in my email: "Cash flow/values. What I would be very interested to know is who you have approached re the values in order to assess their experience et cetera. My understanding is that the values used by J.P.H. have been since checked with the professional valuers that the department normally uses, so I would be alarmed that South Hill would show a drop in £5 million in value, i.e. [I have said] 40 to 50 per cent. Are these professional opinions that have been obtained?" Now, this is where I am afraid my frustration starts coming to the fore. It felt like it was phone a friend decision time. Somewhere around here, on ...

Senator S.C. Ferguson:

Can we stick to the facts?

Deputy J.A.N. Le Fondré:

No, no, I am going to tell you why it is a fact. On 22nd October, and it said ... John says: "Sorry." I say: "Well, fine. Can we meet to discuss?" He says: "Sorry, although I have just told you that I am back online, I still have to go to the U.K. this afternoon. Can we meet at South Hill at 2.00 p.m.?" I have got very short notice on this, so I went straight up there. David Flowers was there and I was there and John was there, and it was in, I think, Graeme Hutchison's office, and he kind of said: "Well, W.E.B. (Waterfront Enterprise Board) do not agree with your values, and I have had a friend of mine from [I think it was] Canada who has got property experience seems to think that the property market is a bit flat and does not ... and that either these values do not work ..." basically, it was casting doubt into John's mind. So that, as far as I am concerned, is a fact. You know, it was said.

[15:30]

The meeting was definitely held at South Hill.

Deputy D.J. De Sousa:

Was it minuted?

Deputy J.A.N. Le Fondré:

It was a discussion in the office. No, it was not.

Deputy D.J. De Sousa:

Any file notes made?

Deputy J.A.N. Le Fondré:

No. I mean ... but no, it was not. You are meant to be dealing with someone who is earning, I do not know, £150,000 a year, so ...

Senator S.C. Ferguson:

This is all ... come on. Let us keep out of the emotional stuff, please.

Deputy J.A.N. Le Fondré:

Yes. No, no. Yes, but you are expecting to get professional advice based on professional evidence. Now, if, for example, you are getting ... we have been told this by the Minister for Treasury as well: "I have taken informal soundings." What is the data that those informal soundings are being based on, because it is a bit like you see a doctor at a party: "I have got this illness. Should I ... what will ...?" He will normally tell you: "Go and see your own doctor." If I, as an accountant, am asked an opinion about something or other, you have got to be very, very careful about what you do. So what is happening when we are getting these informal opinions from we do not know who?

Senator S.C. Ferguson:

Okay, carry on.

Deputy J.A.N. Le Fondré:

Yes, and that is the point about evidence.

Senator S.C. Ferguson:

Point taken.

Deputy D.J. De Sousa:

Bearing in mind that yesterday - and we will come to it at the end - in the annex of Senator Ozouf's statement that he made to us yesterday that he calls into question about companies that are used by the States that were used in this case and their dealings with those.

Deputy J.A.N. Le Fondré:

Oh, yes. So where is this information coming from? Anyway, so he is raising doubts about values, which are then feeding into his concerns he is now expressing on the business case. The other point I will say, which is ... well, as far as I am concerned is fact, but - well, no, it is fact - you referred to the East of Albert project this morning ...

Deputy D.J. De Sousa:

The what project?

Deputy J.A.N. Le Fondré:

With what is called is the East of Albert project, Mr. Richardson this morning. It is a slight tangent, but it is relevant, because it is a concern that is raised by John here. The East of Albert project - in fact, the bits I shall refer to are in the public domain - is the phase 2 of it was a 27-year project. It involves huge amounts of expenditure, it is something like £1.2 billion, and in year 17 of that project, from memory, it requires borrowing of something like just under £400 million. The things that were produced and presented to a number of Ministers, including, I believe, the Minister for Treasury, on somewhere around 19th March 2010 - I have to check the date, but it is in here - basically there was a request in there for I think it was about £500,000 contingency, of further spending on this project, including traffic studies and master

planning, and the head of that group was John Richardson. He was the head of that particular project board. What later transpired, it was interesting, is that certain people on that board had not seen the full figures until ... well, until after they were presented to politicians. The cash flows that were in there, the one that demonstrates £400 million worth of borrowing, did not make any allowance for inflation and what they tried to demonstrate at the end of it in cash terms - I am not going to get sucked into assets in and assets out - was it was £1.2 billion of expenditure and basically £1.280 million, in other words £1 million, coming back in. So in other words, at the end of 27 years, after spending £1.2 billion, you have got £80 million back, which I do not think is a particularly large sum, given if you are talking about that huge amount of money, it is not a great return at the end of it. But the point was there was no allowance for inflation in there, and I - and indeed, with Senator Routier at the time - did a joint note to Terry Le Sueur to express the concerns about the project, and one of the concerns was that there had been no allowance for inflation, which is what is called an N.P.V. (Net Present Value) calculation. The other concern was that to have funding of £400 million I have always been given to understand requires a security of 3 times that amount, and so assets, you would need assets of over £1 billion to fund this project, to give security to do this project.

Deputy D.J. De Sousa:

Which is what we are told is the total value of the States assets, everything.

Deputy J.A.N. Le Fondré:

Of everything we own, yes.

Senator S.C. Ferguson:

But should we really be using the hospital as security for a loan?

Deputy J.A.N. Le Fondré:

Well, exactly. It was ...

Senator S.C. Ferguson:

But anyway, can we get back to ...

Deputy J.A.N. Le Fondré:

Well, the reason was one of the queries I raised, okay, on a project chaired by John Richardson was: "Why have you not done any N.P.V. calculations?" All right. In his email of 22nd October, he says: "I think we need to look at how to de-risk the project and ensure that suitable funding can be achieved. Do we have full N.P.V. calculations for this project?" This is a 3-year project: "This is an essential tool and I would want to see them." So as I said, I was getting concerned that there seemed to be like a reactive approach to this, of ... well, he asked for N.P.V. calculations back on a 27-year project, huge. What is going on here? But anyway ...

Senator S.C. Ferguson:

But I am sorry, can we get on with the facts, please?

Deputy J.A.N. Le Fondré:

Yes. That is the fact in the email, because he is asking for them, as a concern.

Senator S.C. Ferguson:

Yes, we have a copy of that from the Minister for Home Affairs.

Deputy J.A.N. Le Fondré:

I was putting that into the context of concerns.

Senator S.C. Ferguson:

Okay.

Deputy J.A.N. Le Fondré:

So that is okay. Now, so we have had the meeting up at South Hill and he is concerned about property values again. At that point, David then obviously updates John Richardson on the valuations on South Hill. It is a very prime site. I mean, obviously it is a high-level valuation, but it is based, I understand, on discussions with planning and things like that. It is deemed to be conservative. Anyway, revised business case is being prepared on 24th October, and identifies various other financial benefits in there.

Deputy D.J. De Sousa:

Is South Hill integral or was South Hill integral into the Lime Grove acquisition, yea or nay?

Deputy J.A.N. Le Fondré:

From memory, the main point was it acted as bridging finance, effectively. This is the point.

Deputy D.J. De Sousa:

But was it integral? Was it essential?

Deputy J.A.N. Le Fondré:

Not for the purposes of Lime Grove, but effectively for phase 2 of the project, if I remember correctly, okay? I mean, there is the graph and it says where it comes in.

Deputy D.J. De Sousa:

Yes. We have that.

Deputy J.A.N. Le Fondré:

John talks about: "Significant gaps in the methodology appear to have been provided." Now ...

The Deputy of St. Peter:

Did he say what those gaps are?

Deputy J.A.N. Le Fondré:

No.

The Deputy of St. Peter:

Because we are getting lots of these big sort of fluffy comments with no depth to them.

Deputy J.A.N. Le Fondré:

Well, in fact, later on in the emails you will see that I sent an email to John confirming the conversation I had had with him, saying: "Can you give us a list or make sure Property Holdings have a list of all of your concerns?" because as you say, they are fluffy. What are these things? Terry comes back: "We have heard it. Is there any merit of securing a long lease?" and he talks about time limits, basically.

Deputy D.J. De Sousa:

When was that?

Deputy J.A.N. Le Fondré:

27th October. Another email you will see from ... I presume ... have you got emails from me in your records? 27th October at 11.00 p.m. in the evening.

Deputy D.J. De Sousa:

Sorry, yes. It is ones you were copied into, mostly.

Deputy J.A.N. Le Fondré:

Oh, right, as opposed to from me.

Senator S.C. Ferguson:

What was the date of that?

Deputy J.A.N. Le Fondré:

27th October, 23:04.

Senator S.C. Ferguson:

Who to?

Deputy J.A.N. Le Fondré:

This is to John with Terry.

Senator S.C. Ferguson:

No.

Deputy J.A.N. Le Fondré:

Okay. That will be on your list.

Senator S.C. Ferguson:

It should be in the files that we are getting from J.P.H.

Deputy D.J. De Sousa:

We have got 4 files that are being delivered from J.P.H. that Treasury only got hold of on Tuesday, Wednesday last week.

The Deputy of St. Peter:

I have to comment at this particular stage, looking in a certain direction, that I have to say that when one requests ... if that is a file note to Mr. Richardson that we should have that, because that is a communication that has come to Treasury. It has not come from Property Holdings.

Deputy J.A.N. Le Fondré:

This was copied to everyone, David Flowers, Ian Le Marquand, Bill Ogle for the purpose of ...

The Deputy of St. Peter:

The point I make just take on board.

Deputy D.J. De Sousa:

We have already got Treasury, so what we are waiting for is Property Holdings, so that is the point that the Deputy is making.

Senator S.C. Ferguson:

No, it is we should already have it.

Deputy D.J. De Sousa:
We should already have it.

Deputy J.A.N. Le Fondré:
You should have it, yes.

Deputy D.J. De Sousa:
We should have it.

The Deputy of St. Peter:
We should have it via Treasury.

Senator S.C. Ferguson:
It is not here.

Deputy J.A.N. Le Fondré:
But basically, I do a quick summary, saying: "We have taken on the project and turned it into something that can be achieved" and the project, what I say is: "It appears to all stack up. It seems capable of being stopped at the relevant stages if necessary" et cetera et cetera: "However, from the perspective of the Lime Grove acquisition, I think it is probably too early to be able to assess 100 per cent of the future risks of such future events occurring and their absolute outcome, but nor do I necessarily think we should be trying to provide a professional opinion of what is the likely implied outcome." In other words, you know, you cannot account for everything, if that makes sense. Now, it keeps going on. David does a response to Terry Le Sueur, which I think was following the comment about doing a lease. I presume you have that.

Senator S.C. Ferguson:
Did that go to Treasury?

Deputy J.A.N. Le Fondré:
Yes, 28th October from ...

Senator S.C. Ferguson:
20 what of October?

Deputy J.A.N. Le Fondré:
28th October at 12.03 a.m.

Senator S.C. Ferguson:
No.

Deputy D.J. De Sousa:
Is this one already in order?

The Deputy of St. Peter:
Yes.

Senator S.C. Ferguson:
It is beautifully in order.

Deputy J.A.N. Le Fondré:

Now, then there is the draft briefing note that I received, which is of a meeting with John Richardson where they have had ...

Senator S.C. Ferguson:

31st October?

Deputy J.A.N. Le Fondré:

Probably. This is the 30th I have got. It is about: "As requested in your email dated 27th October." No?

Senator S.C. Ferguson:

I have got a briefing note from Property Holdings, phase 1, office rationalisation business thing.

Deputy J.A.N. Le Fondré:

No, do not think so. This is a note of a meeting attended by John Richardson and myself, J.L.F. (John Le Fondré), R.F. (Ray Foster), Mark Grant, and for the initial segment of the meeting, I think it must be Paul Harvey, a valuation partner at BNP Paribas. Essentially, my understanding of that meeting - because I was given a verbal update later - was BNP had basically gone through the whole principles of the thing.

Deputy D.J. De Sousa:

That could be in the valuations one then, because they are done into separate folders.

Senator S.C. Ferguson:

Anyway, carry on. We should have it from ...

Deputy J.A.N. Le Fondré:

Okay. He is going through the ... my understanding is that it went through the whole principles, the valuation of BNP, and the agreed action according to this is: "John Richardson confirmed that he understood and was content with the evidence provided in respect of the basis of assessment of the offer price and external valuation, but required the business case to be transparent as to the process used, i.e. offer made on the basis of an internal valuation with subsequent external valuation." Anyway, there are a number of points in there about agreed actions. It is ... take that draft, that is the one that was on my email. We did get a note, as I say, 1st November, [...] but then 4th November, Mark Grant is saying: "The vendor is wondering what is going on." There are further exchanges, internal - David Flowers, Ray Foster, Mark Grant - which is about comments that John Richardson has raised: "What level of authorisation J.P.H. have to make this offer?" and David is just asking Ray: "Will you please confirm ... basically look into any guidance from financial directions?" Anyway, you will see that in there.

Deputy D.J. De Sousa:

We do not appear to have that. It is not in the valuations either.

Deputy J.A.N. Le Fondré:

Okay. Ian Le Marquand then to Terry, Philip and Paul Routier and myself, basically again saying: "There is a very significant danger now of the purchase of the property being lost." Now, I am getting close to the sort of crunch time. On 8th November ... yes, sorry, that email is Ian asking Terry: "Can you convene an urgent meeting of the 6 politicians involved, together with advisors, for Thursday or Friday of next week in order to give some political direction to a process which is in danger of drifting with

disastrous consequences?” As I said, you know, at this stage we do appear to be rather stalled in terms of what is happening with getting this business case agreed. Now, what then happened is my understanding is that in that last week, there is a risk workshop. Certainly John adds some further details. It says about: “Following the note you prepared dated 31st October [this is dated 10th November, so that is 10 days after] resulting from our meeting to discuss the phase 1 office strategy ...” he is basically adding some paragraphs to the workshop that is being held next Tuesday. I then send a note on 10th November to everybody, which is Paul Routier, Terry Le Sueur, Ian Le Marquand, Philip Ozouf, Anne Pryke.

Deputy D.J. De Sousa:

Why Paul Routier?

Deputy J.A.N. Le Fondré:

Because of Harbour’s involvement.

Deputy D.J. De Sousa:

Oh, sorry. Yes.

Deputy J.A.N. Le Fondré:

“In my meeting with John on Monday” so I do not know what day the 10th was: “I have informed him the meeting is taking place at the end of next week, and I have said we will need to have his advice on this matter in time for that meeting in order for us to be sufficiently informed and to enable a political decision to be made one way or another. I also asked John to make sure that all of his concerns have been communicated to Property Holdings by midday of yesterday in order to ensure that J.P.H. have had time to address them as appropriate.” Then I give a take, as I said, on what my view is on the overall situation. Simon Crowcroft pops up his head, because he has obviously heard that things are going on. Some notes that are ... David is just copying me some notes that he has sent to John.

[15:45]

Obviously, notes that the meeting is ...

Deputy D.J. De Sousa:

Simon, I believe, was interested because he keeps banging on about the States and rates.

Deputy J.A.N. Le Fondré:

Yes.

Deputy D.J. De Sousa:

Lack of paying rates.

Deputy J.A.N. Le Fondré:

Again, a chaser to John from me saying: “Please can we have your advice as to whether to proceed on Lime Grove or not by close of play Wednesday, please?” and that was with the view that the meeting was to be held on the Friday, the risk workshop was on the Tuesday. Now, on 16th November - we are getting there - this is from John Richardson: “John, we have just finished the workshop, and subject to some modifications that David will need to make to the cash flow projections, he is going to complete a briefing note for lunchtime on Thursday that I will want to look at then and circulate to everyone in advance of the meeting on Friday. I understand from David that he now has an updated valuation from BNP for Lime Grove which we

need to set out our assumptions in order to justify their position, which is to maintain their current £8.8 million.” In other words, the valuation has been up-rated from June to November: “Apart from this justification, the project can probably go ahead as long as everyone accepts that it might only deliver part and not all of the elements of the risks that have been identified coming to fruition.”

The Deputy of St. Peter:

Just to clarify again, that was sent to Mr. Richardson?

Deputy J.A.N. Le Fondré:

Sent from Mr. Richardson ...

The Deputy of St. Peter:

From Mr. Richardson.

Deputy J.A.N. Le Fondré:

... to me and David Flowers on 16th November.

The Deputy of St. Peter:

So we have not got a copy of that from Treasury, I assume. We will double check on that, because my concern - and I think which I will voice now - is that we did ask for everything from the Treasury and there appears to be developing gaps, and that worries me.

Deputy D.J. De Sousa:

They are important links.

Deputy J.A.N. Le Fondré:

Now, Ray sent me a little note on 18th November showing the stats, House Price Index, which shows: “An overall increase of 5 per cent ...”

Deputy D.J. De Sousa:

Ray, as in?

Deputy J.A.N. Le Fondré:

Ray Foster: “Overall increase of 5 per cent month on month and 2-bed flats holding up in South Hill.” They would probably be flats of some shape or form, so in other words, at this stage, the indication is that we might have a drastic fall in property prices. I will say, just to clarify John’s comments earlier on today, he started off with, as far as I am concerned, this 50 per cent drop, but he did change to: “What happens if you get ... and you do not get all of your money upfront?” As far as I am concerned, my interpretation of that ... or my not even interpretation, my understanding of that meeting was what happens if South Hill falls by ... he said that.

Deputy D.J. De Sousa:

I believe David Flowers did mention about 50:50 risk and it would be big problems for Jersey, and we have also got it in the transcript from the previous person that we have had in.

The Deputy of St. Peter:

We know.

Deputy J.A.N. Le Fondré:

Basically, yes. It is down in here as one of your risks: “What happens if somebody presses the nuclear button?” or something like that. All right. Now, David, on 18th

November at 3.00 p.m. sends to John Richardson various briefing notes, okay, at 14:55. So that is on the Thursday afternoon. I have not seen anything sent out by 7.00 p.m. on 19th November, and I have obviously been copied in on the email, so I think I sent a note to John Richardson saying: "Have the attached been sent out to vendors?" so I have basically circulated it to John and Terry. I had forgotten to click on Philip at the time, so I sent it to him 4 minutes later, but I presume it was sent out ...

The Deputy of St. Peter:

But again, those are sent via email to Treasury?

Deputy J.A.N. Le Fondré:

Yes, and so what those are, those are the briefing notes, office rationalisation business case 31st October, summary of the meeting on 28th October to review the business case for phase 1.

Deputy D.J. De Sousa:

We have got draft briefing note of the 18th. We do not have a complete briefing note that was sent out.

Deputy J.A.N. Le Fondré:

Yes, these are all scanned as drafts, I have to say. I do not know if it was the case that the draft mask had been left on or not. No, check not taken off. They are the 3 notes, basically, and obviously now in the one on 18th November is the risks, 3; and then 2, there are the internal ones which I think Property Holdings have identified, and there is a further one, which I think comes out of the risk workshop, and the: "Achieving political approval on the full project" is identified is 20. The 2 highest risks were: "Delay in delivery planning and environmental consents for South Hill" on as 25. "Political elections in 2011 may impact on the project", 25. The third one down on the list: "20. The loss of Lime Grove acquisition, opportunity lost." Then: "Political support" and then it just goes down.

The Deputy of St. Peter:

But again, just to clarify, the risk analysis you have given to us there, the risk workshop that has been spoken about elsewhere indicated, according to the evidence we have had so far, that the highest risk factor was the loss of Lime Grove. I am just interested why we have this one as 4 down.

Deputy J.A.N. Le Fondré:

I think it is one of the highest. Now, I was not present at the risk workshop, so I do not know how that was put together, but it was certainly on the numbers on this, it is 20 against 25, but that is pretty high.

The Deputy of St. Peter:

I appreciate that, it is just there is a confliction of information.

Deputy J.A.N. Le Fondré:

Yes, it is ...

The Deputy of St. Peter:

But we will be getting the report.

Deputy J.A.N. Le Fondré:

Yes. But it is still a significant risk.

The Deputy of St. Peter:

Oh, yes, I appreciate that.

Deputy J.A.N. Le Fondré:

Yes. Then obviously we have got attached to that is the 4th June memo as well, which was sent. All right, so on the meeting of 19th November, David Flowers sent me a quick note at 9.30 a.m. saying: "David Warcup has just informed me the meeting has been cancelled" and basically ... now, this is a recollection, but obviously a meeting did take place, so I must have had another meeting request, and on that meeting request it was clear it was principally politicians that were present and the ... so my recollection of people who were there was Ian Le Marquand, myself, I think ... I do not know if Eddie Noel was there, Paul Routier, Terry Le Sueur, Philip Ozouf, Bill Ogle, John Richardson. I did have David Flowers and Paul Harvey in the reception of Cyril Le Marquand just in case issues were raised about the valuation and it was a belt and braces approach because I said: "Look, we have got them downstairs. Do you want them to come up and clarify?" Now, Ian Le Marquand did manage to bring David Warcup with him and the meeting was quite interesting because it was mainly between Terry and Ian Le Marquand and I would have said ... I do not recall Phillip saying very, very much at all. He looked tense and that was about it really. He did quiz David Warcup to say: "Now you are happy that this suits your requirements and you will fit in the building?" and all this type of stuff and David Warcup was fully supportive on the whole thing. As I said, I am not aware of any minutes that have been taken. My collection at that meeting was that there was a political support for the acquisition of Lime Grove to go ahead but that the Minister for Treasury and Resources reserved his right to satisfy himself as to the price.

Deputy D.J. De Sousa:

You had 2 officers there and no minutes were taken?

Deputy J.A.N. Le Fondré:

I have never seen any but certainly that is my recollection. So at that point, as far as I am concerned, that ...

Deputy D.J. De Sousa:

So was it an official meeting or a discussion?

Deputy J.A.N. Le Fondré:

It was not a Council of Ministers meeting in that respect.

Deputy D.J. De Sousa:

No, I am not asking that.

Deputy J.A.N. Le Fondré:

No, no.

Deputy D.J. De Sousa:

I am asking if it was a ... obviously you were sent out a meeting request.

Deputy J.A.N. Le Fondré:

Yes.

Deputy D.J. De Sousa:

So it was a fully constituted meeting?

Deputy J.A.N. Le Fondré:

Yes but it was a meeting ... it is not necessarily one I would have expected to have had a formal minute but perhaps a note of what had been agreed there might have been useful. That is just ...

Senator S.C. Ferguson:

Had every Minister there got his officer with him?

Deputy J.A.N. Le Fondré:

No, no, that was the bit ... I had understood that a lot of the officers were coming originally and I had to go back and check my meeting request forms but, as I said, I have got a note from David there saying that: "Dave Warcup has just told me that the meeting has been cancelled" and certainly Ian had previously asked for all advisers to be present.

Senator S.C. Ferguson:

Yes he had, we have seen his email.

Deputy D.J. De Sousa:

So he was told the meeting was cancelled but the meeting was not cancelled?

Deputy J.A.N. Le Fondré:

This was at 9.30 a.m. on that day and then a meeting was held shortly ... I think it might have been 11.30 a.m. or something ... for the politicians, Bill Ogley and John Richardson. Now, who chose to cancel and reorganise I do not know. What I will say as well is that then on 19th November, and it came through at 14:32 in the afternoon without warning, was this memo which if you do not mind for the record I will read out. Well, I suppose this is the note. So sorry, just step back, yes, this does record a decision. It says: "Dear David, The political meeting this morning approved in principle the Phase 1 project as outlined in the business case prepared by Jersey Property Holdings. There are some key decisions that will need to be taken in relation to the acquisition of Lime Grove." Sorry, I will say by the way I think Phillip did at that point also indicate that it was him signing the decision. "And the Treasury and Resources Minister has issued me with an instruction that all further proposals to finalise the acquisition will be conducted through my office and will be for his approval only. As the acquisition for Lime Grove enters its final stage, it is apparent that you and Mark Grant are potentially conflicted in that you have already put an offer into the vendor of Lime Grove." And I do not propose to go there, that was covered earlier on today. "To protect your position, would you please take this as a formal instruction (underlined) that no one in Jersey Property Holdings is to have any further correspondence or communication with the vendor, his agents, or anyone in connection with the Lime Grove property. Please arrange for the formal file and all correspondence, including emails, that have taken place with the vendor and his agents to be passed to me on Monday morning."

The Deputy of St. Peter:

Can I just make 2 comments on this because obviously we are already familiar with that email or that memorandum.

Deputy J.A.N. Le Fondré:

Yes.

The Deputy of St. Peter:

Is it normal for a civil servant to issue an instruction to a political ...

Deputy J.A.N. Le Fondré:

This did not come to me.

The Deputy of St. Peter:

It did not, because David Flowers ...

Deputy J.A.N. Le Fondré:

This is to David Flowers. David has forwarded it to me fairly ...

Deputy D.J. De Sousa:

No, this is to do with files.

The Deputy of St. Peter:

Fine. Now, the next question is you were at that meeting and you just indicated that those might be notes from that meeting.

Deputy J.A.N. Le Fondré:

Yes.

The Deputy of St. Peter:

Was at that meeting the content of that discussed? So my assumption is it cannot be notes of a meeting.

Deputy J.A.N. Le Fondré:

No, no. What I said is that first 2 lines the political meeting this morning approved in principle is correct.

The Deputy of St. Peter:

Fine.

Deputy J.A.N. Le Fondré:

The add-on was that the Minister for Treasury and Resources reserved the right, as I said, to satisfy himself that the price was right. Now, we trust, you could argue, is in there. There is no discussion about taking it away from Property Holdings.

The Deputy of St. Peter:

Fine, thank you.

Deputy J.A.N. Le Fondré:

That is not when I was there and as far as I was concerned, I was there for the full meeting and I left with Senator Le Marquand but we had a chat at Home Affairs afterwards.

The Deputy of St. Peter:

What was the content of this chat? Obviously it would have had something to do one way or the other ...

Deputy J.A.N. Le Fondré:

I think it was along the lines of: "Well, hopefully that is progress." I honestly cannot remember. It was quite an interesting meeting. But what I will say is that I think as far as I am concerned, Property Holdings were taken out on that day.

Deputy D.J. De Sousa:

But you had no inkling at that meeting that there was dissatisfaction with the department and had apparently been ...

Deputy J.A.N. Le Fondré:

There was nothing said at that meeting on that basis.

The Deputy of St. Peter:

Had you had any indication before, as the Assistant Minister with responsibility for Property Holdings, that that might occur?

Deputy J.A.N. Le Fondré:

Oh, that this would occur? Definitely not. No, I was pausing because I was trying to think ... obviously I had had a certain number of meetings with John Richardson at any point and I am trying to think what discussions we had had about the business case. It was tricky because obviously there were ...

The Deputy of St. Peter:

No, the point I am making is the actual removal of Property Holdings from the ...

Deputy J.A.N. Le Fondré:

No, no, bolt out of the blue.

Senator S.C. Ferguson:

Were you given explanations as to why?

Deputy J.A.N. Le Fondré:

No. There was ... no, basically. I think where one goes back to, in fact, it moves on slightly which is the evidence but there had been comments, which obviously I have alluded to already. One had the impression and if you will remember ... let me just go in time and then we will get on to that. There is a note that goes around saying: "Please note. This is what you are going to do."

The Deputy of St. Peter:

A note going around to whom?

Deputy J.A.N. Le Fondré:

Sorry, it is a note going around the department. So David sends a note to Mark Grant, Ray Foster, Tim Craine, Ray Martinson(?).

The Deputy of St. Peter:

Okay.

Deputy J.A.N. Le Fondré:

Saying: "Please respond that due to the significance of this potential acquisition it is to be dealt with by the Deputy C.E.O. and all inquiries are ..." oh sorry, David sent a note informing people of this and then somebody asked what happens if the vendor gets in touch and there is a line referring to John Richardson. Oddly enough, on 9th November, Andy Scate from Planning writes in to say basically we ...

The Deputy of St. Peter:

So the date again?

Deputy J.A.N. Le Fondré:

On 19th November, on that day.

The Deputy of St. Peter:

19th November.

Deputy J.A.N. Le Fondré:

No, on that day that the memo had been received. I think this was received a few days later.

The Deputy of St. Peter:

Did it have a signature?

Deputy J.A.N. Le Fondré:

Basically he signed ... one of the ... signed off by one of the Heads of the Department who had come in. I say that, that was an assumption, I did not read it. It does say: "For the Planning and Environment Department, we will see the resolution of our aspirations to co-locate as much of the department together. I therefore support the move to Maritime House." Now, I sent a note to Phillip on 21st November, that is the Sunday.

The Deputy of St. Peter:

This note is in what format? Sorry to be ...

[16:00]

Deputy J.A.N. Le Fondré:

It is an email.

The Deputy of St. Peter:

Right.

Deputy J.A.N. Le Fondré:

"From John to Phillip, Dear Phillip, After our meeting on Friday, I note that you are going to be signing the decisions on the project. As you know, the project has the potential to be a positive news story as regards reducing the costs and the provision of various social benefits. However, I would just ask you to note that I have been requested by the relevant Ministers to ensure that adequate warning of any public announcements is given to them in order that communications with staff, et cetera, are properly co-ordinated. Should you need any further assistance, please let me know, otherwise I shall wait to hear from you." Phillip responds: "I think the project does have a number of potentially very positive news angles. This is a very large transaction and I want to be absolutely certain that all elements represent the best value for money. I am not yet at that point where I can sign the M.D. but hopefully will very soon. No doubt will be speaking to you in the week. Can you please ensure that during this period, there is no contact between you, Property Holdings, the owners of Lime Grove vendors." I will just note that one of the vendors is a parishioner who I have seen I think 4 times in my life but ...

The Deputy of St. Peter:

You, at this particular point, are the Assistant Minister who is responsible for Property Holdings?

Deputy J.A.N. Le Fondré:

Yes.

The Deputy of St. Peter:

You have just been told via email that you are not to make any more contact with Property Holdings?

Deputy J.A.N. Le Fondré:

No, no, with the vendors of Lime Grove. That was my interpretation, sorry, with the owners of Lime Grove.

The Deputy of St. Peter:

Yes, was that what was going on? The transcript is quite important.

Deputy J.A.N. Le Fondré:

So oddly enough we get a little note from a Siren(?) company which gives an indication about what rents are doing which basically seems to indicate that values are still all okay. That is just the note. Right, you should be aware ... hopefully you have an email on 21st November at 16:39 from David to John Richardson.

The Deputy of St. Peter:

Yes.

Deputy J.A.N. Le Fondré:

In which he does say: "I am not aware the vendors are in a fire sale situation" and ...

Deputy D.J. De Sousa:

Yes, we were going through that yesterday.

Deputy J.A.N. Le Fondré:

I think it is starting to caution on reopening the deal.

Senator S.C. Ferguson:

With a caveat, yes.

Deputy J.A.N. Le Fondré:

Yes. There is a note about dilapidation and things like this. Now, as I said, the whole thing about dilapidation and snagging is definitely a technical area if you see what I mean. I am not going to go into it too much. I think there might be a distinction between who does the work and who pays for it and I think that might have been ...

Deputy D.J. De Sousa:

There were some issues.

Deputy J.A.N. Le Fondré:

I think the point is that even if the States pay for it, it may well have been that the vendor did it. Then it covers the guarantees.

Deputy D.J. De Sousa:

That is what their reply was said this morning.

Deputy J.A.N. Le Fondré:

Yes.

Deputy D.J. De Sousa:

But it will be verified in the transcript.

Deputy J.A.N. Le Fondré:

Now, Sarah will be aware of this but she will not be aware of the note. David and I were asked to come in front of Corporate Scrutiny, I believe on 24th November and we were asked as part of that to give an update on the Police HQ project. So I sent a note which I will read out if you do not mind as a result of a matter that was raised

and it says: "Phillip, you may be aware that Scrutiny have asked us on occasion for more briefings with J.P.H. and I tendered one of those today. At their request, they were given an update on the present status of the Police HQ project. The update was once again received very favourably. However, towards the end, Sarah Ferguson, as Chairman, raised a query concerning the price being paid for Lime Grove. She indicated that a query had been raised over the value of Lime Grove and the query she had received was inferring that the proposed purchase price was £2 million more than the present value. I am unclear what the basis of the £2 million difference was. However, it was necessary to explain that the price as it was marked was supported by 2 external valuations" et cetera. We then informed that Treasury and Resources were dealing with the final steps of the acquisition and this was just to inform him that the query had been raised and how we had responded. The query you raised, had there been any indications about concerns on the value and things like that, in this case, I think we had had these kind of ... I do not know what you want to call them really, but this informal advice on it about ... from John Richardson: "Well, my friend from Canada thinks that or W.E.B. think that." We do not know on what basis the information has been given. So it is of significance the comment that was made about this grubby bit of land - it is in St. Brelade not St. Martin - this morning where you had someone who did not have the full facts commenting on what the value should be but when the value went through is the value that we have been holding out for and this is the point about who is giving an opinion and what is the ...

Deputy D.J. De Sousa:

This the very, very small piece of land that David mentioned and yes, we are well aware of the ...

Deputy J.A.N. Le Fondré:

Yes, and the principle about that is you have got to have the data to be able to properly comment on what the values are. So somebody has just looked at it and said: "Oh, it has been empty for ages" but is not aware, for example, as we were told by Simon Buckley I think it was, that the vendor wanted a single tenant. He did not want to rent it out so therefore as far as they are aware if they are not in the market they do not know it has been sitting there but there have been a number of attempts to rent it.

Deputy D.J. De Sousa:

Plus what has not been public knowledge is that many times since 2000 when it was built, there have been inquiries but for different reasons and as you say the vendor was looking for a certain type of client.

Deputy J.A.N. Le Fondré:

Exactly. So somewhere this £2 million difference has come through and it has been communicated around and also my understanding ... it is not verified, that is the only comment I have got ... is that Phillip had got it into his head somehow or other it could be achieved for a lot less. Now, there is an analysis in here somewhere of the potential values and I think there is a briefing note that David did for me. You probably will not have this because this was sent to me. It is from David Flowers, 18th December to John F: "John, please find attached the final version of the report that you requested" which was basically I had asked him for an analysis, if you like, of what happened on Lime Grove as a summary.

Deputy D.J. De Sousa:

What date was this?

Deputy J.A.N. Le Fondré:

This is 18th December. Just saying this is to wrap things up if you like. We were not communicating with anyone. This is just I wanted something documented down. In there, there is a thing headed up: "J.P.H. opinion on alternative values suggested for Lime Grove." There is note here that says: "J.P.H. was advised by the Deputy C.E.O." which is presumably in that meeting up at South Hill "that W.E.B. had valued Lime Grove at circa £5 million. It asked if the figure would provide the following rental levels" and goes through numbers but basically it works out at something like £12 a square foot or £14 a square foot. It says: "This value does not align with current market comparables which are in excess of £22 and that is excluding car parking. We can only conclude that W.E.B. has assessed the value of Lime Grove House as a fire sale. Since we are not aware of any outstanding loans or other circumstances which might lead to a fire sale, J.P.H. cannot support this view of the value of Lime Grove House." Then we commented on the £2 million comments that we have picked up and essentially if you work that one back which was just done in here, that came down to £16 a square foot which is stated as "the rental value currently being achieved for low grade offices at Beresford House in Bellozanne Valley." So that is kind of I will say the professional views on some of these figures that have been bounced around.

Deputy D.J. De Sousa:

Yet we were told yesterday when the current acting C.E.O. was going through the reasons why he had dissected the business case because he did not feel it was robust enough, he went at great length through and held up 3 pieces of paper and he said: "That is what all the values were produced on."

Deputy J.A.N. Le Fondré:

These 2 comments are that long. So the point is that that I can remember ... I cannot remember there was some discussion where the Minister for Treasury and Resources waved a spreadsheet at me and said: "How much work has been spent on this?" It is a residual land value calculation and essentially it was about a page or 2 pages spreadsheet. It was in a fairly standard format and I assumed that it was one that had been knocked up, as it were, and you just change a couple of numbers and reprint it. Certainly I have got stuff at home which I use for property appraisal stuff on some other stuff I do which just does payback and things and you just slot a couple of numbers in and reprint and it produces it in 2 pages. So the basic principles here for the ... to get an indicative number, I have always understood - as I say, as a layman, I am an accountant, but as a layman if you like in property terms - it is a formula of a certain number of factors. It is property owned, estimated rental yield, it is the square footage in this case, the estimated rental levels and the estimated rental yields and whoa, bang, click, and you come out with a number simplistically. So it would not surprise me that the backup for certain numbers would be a sort of 2- or 3-page thing if it is being done by someone who knows what they are doing.

Deputy D.J. De Sousa:

It was valuing, discounting yield and all of those figures taken into account.

Deputy J.A.N. Le Fondré:

I have to say I do not have a recollection of those particular 3 pages but anyway. There is email from David to John Richardson on 15th December which is in respect of obviously some comments that were made on the 14th apparently. One is again about the communication of the offer and he confirms again that it was done with my understanding, and also the fact he confirms that John was in the office at the time

this thing came in and David was away because he was absent through illness. He also reiterates the point about not incurring too many costs until the deal happened.

The Deputy of St. Peter:

Can you just give us the details of that email just so we can go through it?

Deputy J.A.N. Le Fondré:

Well, you have it. This is 15th December at 16.28. I have done a report and I think, to be honest, that is probably near enough the end of the chronology. The one thing I ... you know, I suppose we then come back down to ... I skipped right forward to this month really or sorry last month as the statement you will see when the deal has gone south. It says it is also difficult ... this is from Minister for Treasury and Resources.

Deputy D.J. De Sousa:

To whom?

Deputy J.A.N. Le Fondré:

Well, it is the press release: "It is also difficult for the States of Jersey since it cannot and should not compete with international finance services, sectors and property matters." Well, the only comment I would say is that that seems to be a bit at odds with obviously the statements were made 4 weeks before when it was announced in the Assembly and things like that. At the end of the day, in conclusion, I think it was a good deal. I think as far as I am concerned even time value of money. If the revenue savings were in the order of £1 million, obviously that was for the wider project, and it has taken us 8 months to get a deal that was £500,000 less, 8 months is three-quarters of a year, three-quarters of a £1 million is £750,000, so it has cost us £750,000 in savings foregone further down the line to achieve £500,000.

Deputy D.J. De Sousa:

To which we will never now know.

Deputy J.A.N. Le Fondré:

To which we will never now know.

Deputy D.J. De Sousa:

We have probably had a 2 to 3-year minimum delay in the start of the ...

The Deputy of St. Peter:

Just as a point of interest again, we were told that there have been possibly up to 2 aborted attempts to get a police station built and that had taken approximately £2 million off the initial budget that was proposed for ...

Deputy J.A.N. Le Fondré:

I do not know the exact number but it is a significant sum ...

The Deputy of St. Peter:

As a consequence of this exercise we will have lost again a considerable amount of money on both officer time, albeit the Treasury and Property Holdings, for what is in effect an increasing cost failure for the States.

Deputy J.A.N. Le Fondré:

I would tend to agree.

Senator S.C. Ferguson:

Have you any idea how much?

Deputy J.A.N. Le Fondré:

I do not.

Deputy D.J. De Sousa:

As far as costs go, because in all the work that has been done by the department to get to where we are, I mean, we know that you used consultants, you used ...

Deputy J.A.N. Le Fondré:

There were some Q.S. (Quantity Surveyors) and all sorts. Was it Colin Smith? I cannot remember.

Deputy D.J. De Sousa:

I got it out just now because I knew I would have to refer to it. You used Rowney ...

Deputy J.A.N. Le Fondré:

Stewart Rowney of Rowney Sharman.

Deputy D.J. De Sousa:

Rowney Sharman. You also used C.B.R.E. (C.B. Richard Ellis) for valuations.

Senator S.C. Ferguson:

No, that was ...

Deputy J.A.N. Le Fondré:

I do not know if we did.

The Deputy of St. Peter:

BNP Paribas.

Deputy D.J. De Sousa:

Oh, BNP you used. So, the C.B.R.E. was before.

Deputy J.A.N. Le Fondré:

Yes.

Deputy D.J. De Sousa:

So, in the time that you were involved you used at least 3 outside companies to assist in the process, so obviously monies would have been paid. Taxpayers' money to pay for that. That money is now lost.

[16:15]

Deputy J.A.N. Le Fondré:

Yes. As far as I can see, yes. I mean, the valuation is pointless because the building is gone. The business case has gone and obviously that is why we did not want to use effectively architects to redesign the internal layouts. That is at the operational level, if you see what I mean, so I did not get too close to that side but I know the point was made to me by David that we did not want to go down that line because of the very risk of it not happening.

The Deputy of St. Peter:

One of the main issues that was brought up yesterday, and the reason why things would appear to have gone awry was the Minister for Treasury and Resources said

there had been a complete and utter breakdown in trust between Jersey Property Holdings and the Treasury. He cited several issues as to failures and also cited personal issues regarding members of staff. Now, we covered one of those earlier today. Another area which did concern me was one which I think you were involved with regarding an email to do with a meal with Senator Cohen. Can you just give us the background to that so we can get the facts tied to that?

Deputy J.A.N. Le Fondré:

Would you like me to do that publicly?

The Deputy of St. Peter:

Yes, I would.

Deputy J.A.N. Le Fondré:

That is fine. I think, as they say, a sense of humour is always important. Unfortunately it seems to have gone awry this time. It was quite literally a joke that was played on me. Not by me, I hasten to add, and I would also say that I had absolutely no problem with it and I do find it absolutely ridiculous that such a fuss was made of it at the time. What happened ...

The Deputy of St. Peter:

It would appear that the fuss was not made at the time, it appears the fuss was made some time after in a report.

Deputy J.A.N. Le Fondré:

Oh, yes, sorry. So, what happened is that as we said we had a meeting with Senator Cohen because at one point he wanted to go up to Howard Davis Farm, rather than ...

Deputy D.J. De Sousa:

For Planning?

Deputy J.A.N. Le Fondré:

For Planning. The difficulty there is that in terms of the context, there is a slight story, but obviously Howard Davis Farm, as you know, there is a huge thing about the dairy. It is a big project and I have been involved in it probably since I first got into the States near enough and it is another jigsaw but it is a jigsaw involving people as well. So, it is the dairy, it is Acorn Industries, it is J.S.P.C.A. (Jersey Society for the Protection of Cruelty to Animals) it is the T.B. Davis family, it is politicians. So, I was very heavily involved in it and you might remember I went to Cape Town at one point to solve the initial thing. I think it has involved something like 3 changes or 2 laws.

The Deputy of St. Peter:

Okay, so we will move beyond that.

Deputy J.A.N. Le Fondré:

So, it is a jigsaw. Freddie wanted to go up there and it was literally just at the time that I think the dairy was being opened. The family was over here and we were just resolving the issue that was going on about pet cremator and the animal carcass incinerator and we were there. We did not really want to go back to the family again because if you want to stick more officers up there it is a change in the covenant ...

The Deputy of St. Peter:

Okay, that is the detail.

Deputy J.A.N. Le Fondré:

It is another complication. So, we did not want to go there. So, essentially we got the meeting. Now, recollections differ. My recollection is that I was not present when the initial comments were made, other people's recollections were that it was me that made the comment, so I will just caveat that. I think it was in a States lunch time and there were some sandwiches in the room and somewhere in there a comment was made: "That is all fine, we are done but you are really going to have to try better at [effectively] your P.R. (Public Relations) providing better sandwiches [or something] if you want to get my support later on." I do not know who made that comment but the next comment that was made ...

The Deputy of St. Peter:

Apparently it was between you and Senator Cohen?

Deputy J.A.N. Le Fondré:

Yes, it was around there. My recollection is I was coming into the room and I was told ... because the comment was made: "Well, do not worry, we will just buy you lunch next time" and the comment ... I cannot remember if I was told as I was going into the room: "By the way, you are buying Freddie lunch" or it was: "Oh, do not worry, I will buy you lunch." Anyway, somebody was told the story and slightly later on a draft letter was sent to me and just says ... I will not say who it was from, it says: "John, draft letter following your meeting with Freddie." The letter is not marked "draft" but the covering email is. It goes: "Dear Minister, I would like to thank you ... items 1, 2, 3 ... [and then finally] John Le Fondré will be delighted to stand you a long and leisurely lunch at Longueville Manor in celebration of the project as a personal thank you for your support." Please note the alliteration in there. I think that they have been someone like Loopy Lou(?) or someone that had been in there. But anyway, what happened is I changed the letter anyway and relatively soon afterwards I sent a comment back to the individual saying: "A couple of tweaks, otherwise if you are happy with this it can go. I have removed reference to certain areas ... [because I think this is literally the day before the opening of the dairy] P.S. X [who had done the first draft] is buying us a very good lunch at some point!" That is on this but has been taken out of the letter. End of matter, as far as I am concerned: "Yeah, right guys, like hell" type of scenario, if you follow. Now, somewhere you have Hugh McGarel-Grove's report.

The Deputy of St. Peter:

Yes, and we have read it.

Deputy D.J. De Sousa:

We have the draft and ...

Senator S.C. Ferguson:

We have both copies.

Deputy J.A.N. Le Fondré:

I was given it under different circumstances, but I was given it officially very recently and I cannot find it for some reason but I did bring a copy with me. The version I have, and I think I was given it electronically as well, has comments attached to it. It is the errors in all the rest of the report and the comment that was made to me in the paragraph that is referred to in there. Basically there is a comment made by the person who gave me that officially was that this was basically libellous and to say when I had seen the context of the report that I was happy would be the understatement of the year. I think incandescent would have been the expression. We might go somewhere else private, if you do not mind, but I rather felt this was

unprofessional. As far as I am concerned if you come across something like that, and I know Philip the other day said I am an internal auditor, or I did internal audit, I have done audit for quite a long time and I have been in the situation where you think you have found something, you go back and verify it. As far as I am aware, well, certainly I had no communications. What did happen is that in January, and this is just after I have been removed from office, as you are aware, an email comes through and I am very happy for you to have these, but probably in confidence, in other words not for publication on the website. You can use your discretion as to whatever.

Senator S.C. Ferguson:

We will check with you before we put things up on the ...

Deputy J.A.N. Le Fondré:

Okay, good. These are my emails, in other words the ones that I was copied in on. Basically it looks like David Flowers had received a copy of the draft Hugh McGarel-Grove report and at that time I had certainly never ... the first formal version I saw of this report was in the last month. But he essentially makes reference to this paragraph and essentially sends a note to Andy Scate saying: "Please can you confirm ..." and I am summarising, you will see the notes: "Please can you confirm that this was a joke [basically] and that the letter which included the offending statement was a draft which was not sent to your Minister." Yes, they come back and he recalls. Essentially there was a fairly major exchange going on over the ... I have started at the wrong one here, 23rd, 24th January, 25th, it keeps going to the 26th.

Senator S.C. Ferguson:

Yes, it was our understanding this morning that that particular version was sent to the Auditor General.

Deputy J.A.N. Le Fondré:

Of the report?

Senator S.C. Ferguson:

Yes.

Deputy J.A.N. Le Fondré:

Again, I might add a comment privately on that, but yes that is definitely my understanding.

Senator S.C. Ferguson:

If we can trundle on a bit, because time is getting on.

Deputy J.A.N. Le Fondré:

What I will just say is obviously both Freddie and myself were exceptionally upset at the inferences that were in there and the point was made ... Freddie was even more peeved off because he had not even seen the letter. He was not involved at all and I was obviously pretty unhappy. As we said the author was Hugh McGarel-Groves. What I will say is I then chime in ... and as you have put it on the record I would just like to put a couple of comments. We were very unhappy that a draft had been circulated to anyone with these comments in and fairly incandescent remarks but essentially I am saying: "I wish to reiterate the comments of Senator Cohen, I am not happy that my name should be bandied around in reports ..."

The Deputy of St. Peter:

Who did you send that to?

Deputy J.A.N. Le Fondré:

I sent this to Freddie Cohen, Hugh McGarel-Groves, Andrew Scate, David Flowers, John Richardson. Now, at some point Bill Ogley comes in. Basically I say I want to see the report of the various drafts and find out who it has gone to. I do get a report which comes back basically saying: "You will have to take this up with John Richardson as the report I prepared was under his instructions and it is his decision who to copy it to" and then he says: "I am amending the report" but as the comment was made this morning the damage had been done by that point. I was later given to understand that it had been circulated, according to Bill Ogley, to a small group of officers but I know that apparently it did include the new Treasurer.

Deputy D.J. De Sousa:

The current Treasurer.

Deputy J.A.N. Le Fondré:

The current Treasurer. Bill Ogley eventually comes through and tries to tone everything down. He claimed it only went to officers: "I will have to say I had an anecdotal comment where it would have appeared to have gone to at least one politician." Bill just says: "I am now satisfied that Hugh's email below corresponds i.e. that this matter is over. This matter appears to have been dealt with and this correspondence should be closed." Essentially it was pretty clear I was not going to be getting anywhere in terms of finding out what was in the rest of the report.

Deputy D.J. De Sousa:

But the Minister and Acting C.E.O. yesterday made a big play on how unprofessional it was, and it should not have happened.

Deputy J.A.N. Le Fondré:

The report was, or the issue?

Deputy D.J. De Sousa:

No, the draft letter that never went.

Deputy J.A.N. Le Fondré:

I mean, let us put it this way, I am sure within all of our emails we will have probably non-politically correct comments. I know I have a number. I am sure I have sent some, in terms of jokes, humour, whatever. I know at work there will be jokes made from time to time and it does not damage the professional relationship between you as the accountant and the partner or whoever it is.

The Deputy of St. Peter:

Just to clarify again, this was a draft which had a joke in it. That paragraph was removed and that was never sent?

Deputy J.A.N. Le Fondré:

No, it was never sent.

The Deputy of St. Peter:

The issue that I have, and perhaps my colleagues have as well, is this was used as a significant part of the case yesterday about the ...

Deputy D.J. De Sousa:

The unprofessionalism of the department.

The Deputy of St. Peter:

The unprofessional attitudes within Property Holdings and specifically outlining 2 of the most ... and the words were used: "Most senior officers." Now, it is not difficult to work out what was meant.

Deputy J.A.N. Le Fondré:

There are 3. Yes, well, all I can say is as far as I am concerned obviously one of those individuals I have dealt with for a long time and the other one is a lot newer. Well, David is here. The comment, I would say, is I think he is probably one of the most professional people I have worked with and if you think about it in terms of experience we had the talks this morning.

Senator S.C. Ferguson:

Yes, so ...

Deputy J.A.N. Le Fondré:

Sorry, just to reiterate, to leave that as a slur I think is appalling.

Senator S.C. Ferguson:

We then received this statement from the Minister for Treasury and Resources which he gave to us at 2.10 p.m., or thereabouts, and told us it was up on his blog.

Deputy J.A.N. Le Fondré:

Yes.

Deputy D.J. De Sousa:

At 2.30 p.m.

Senator S.C. Ferguson:

I think by 2.30 p.m. which seems stretching it a bit but again it comes up with all these excuses, particularly on the second page.

The Deputy of St. Peter:

Do you have a copy of it?

Deputy J.A.N. Le Fondré:

Yes, I dug out a copy and you will see that is the second page of my ...

Senator S.C. Ferguson:

"I have evidence that led me to question conduct by officials within Property Holdings." Then in the appendix he talks about lack of communications, lack of clarity in communications, lack of progress within Property Holdings, lack of clarity over project costs and funding. These sort of comments. What is your response?

[16:30]

Deputy J.A.N. Le Fondré:

I will give you a fuller response privately, if that is okay, only because I would like to go into certain details there because fundamentally I disagree with them. Property Holdings has had a very difficult ride. When I say that we know that the budget has always been under-resourced, I mean, the roles of Property Holdings is to be, if you want, the watchdog, to use an auditing term I suppose, and in terms of property transactions. That puts other people's noses out of joint definitely because you are trying to introduce a new culture and getting people to realise that if you are giving

people land, or you are giving people land of a lower value you are effectively giving them cash in some shape or form, and therefore one is often in a position of exposing, if that is the right word, or showing people the error of their ways perhaps. In other words that projects that they believe are, or at least the one I have just cited, that if there is a serious project there, there appear to be serious risks and so to use that as an example, should you not be perhaps assessing how you get your finances sorted out before you start designing the traffic layout? So, there is an issue from the point of view of how one deals with people you have probably seriously upset. Now, in terms of Property delivering I believe we were on track, and I always caveat that because it depends on timing, so you can sign the ministerial decision in November for a £1 million deal but until it goes through the Royal Court in January, where do you allocate that £1 million in terms, are you entitled or not? But broadly speaking on time differences we were at the very least, certainly my last recollection was, we were on track, on budget to requirements. So, in terms of delivering, performing, the issues we were going through was kind of this oversight role. You are dealing with your day-to-day maintenance stuff and all that sort of thing and I have to say that I can go chapter and verse on this but certainly with David's experience coming through I have understood so much more about the issues we had which I have to say I do not think we as States Members particularly understood before. It is only really in these days that the issue about the huge infrastructure has come to light.

The Deputy of St. Peter:

We have had one indication of the performance of Property Holdings. In a very short summary, how would you describe the performance of Property Holdings?

Deputy J.A.N. Le Fondré:

How have we done, or how do we act? We act ...

The Deputy of St. Peter:

The performance.

Deputy J.A.N. Le Fondré:

We acted very professionally all the way through. Performance wise I think we were doing very well in respect of the resources that we were given. Now, what I will just say is that there are times when things have been blocked or slowed down which unless you understand the reasons for them might indicate some of the things are not happening.

The Deputy of St. Peter:

I am more interested in your overall perception. We can start digging down for huge detail but I do not want you to do that. What I want is your overall perception of performance.

Deputy J.A.N. Le Fondré:

My overall perception is that Property Holdings was doing the job it was asked to do. Could it have been doing it quicker? Yes, almost certainly but you have to take the constraints of some of its actions and some of those constraints, as you will ... notionally I think one of the biggest changes was the change in accounting officer and I believe if you compare the delivery of stuff that had happened before then to afterwards that there was a definite change. So, in other words, would an appropriate business case have been put in place which was acceptable to the former accounting officer? Okay, you have checks and balances et cetera, and would we have been in a position to acquire Lime Grove, my opinion would have been yes.

The Deputy of St. Peter:

Nothing more for me in the public session.

Deputy D.J. De Sousa:

Yes, I have a couple of final ones. We have tried with every witness to be fair and to conduct the hearings in exactly the same way. We have the statement with the annex from the Minister yesterday and it has been uploaded, so it is public knowledge, and we felt this morning before we held our hearing with David Flowers and we had Connétable John Refault as now the Assistant Minister and the Acting C.E.O. and we said to them that we need to give David Flowers the chance to address the issues held within that annex and we have done the same with you now, but to finish off on that because in that annex it does call into disrepute the companies that were used by Property Holdings.

Deputy J.A.N. Le Fondré:

Which page are we on? I have scanned this but I was even reading it at lunchtime again so I have not read it properly.

Deputy D.J. De Sousa:

It starts on page 18.

Deputy J.A.N. Le Fondré:

Where does he call the companies into question? Oh, here we go.

Deputy D.J. De Sousa:

I have so much paperwork here. Lack of clarity in dealings with Property Holdings and Buckley & Co; lack of progress; lack of clarity over project costs and funding.

Deputy J.A.N. Le Fondré:

All right. Do you want me to start at page 18 and go down with my comments, as it were? Page 18 starts off: "The offer was made without the Minister for Treasury and Resource's knowledge." Well, I suppose to the extent the terms the Minister at the time the conditional offer was made I have no idea if he knew about it or not. The point is the conditional offer of getting a period of exclusivity was made with my knowledge and the making of that was not a risk to the public. Bearing in mind we then put measures in place to brief him.

Deputy D.J. De Sousa:

Immediately after?

Deputy J.A.N. Le Fondré:

Within 3 weeks, was it not? What I will say is that again, as I said, as far as the Department are concerned is the Chief C.E.O., John Richardson, knew about matters on and around the dates it was all being made, on 31st March. Now, the comment about on 10th May, I cannot comment on the email but what I will say is that by the 10th of May we had obviously been briefing Anne Pryke. We briefed Ian Le Marquand and we had briefed on 2 occasions the Minister for Treasury and Resources. So, we have made significant progress. Well, we had certainly not not done anything, if that makes sense. I mean, there is a comment and I noted that Senator Ozouf said he had rung up one of the vendors, I think. I have a note somewhere, and I cannot remember where, but he bumped into Simon Buckley in the street and apparently made some comment that he was not too sure about the deal or something along those lines.

Deputy D.J. De Sousa:

But this is hearsay.

Deputy J.A.N. Le Fondré:

There is an email or a note somewhere, I think. There might be a file note. I might come to that but we were nervous at that point. Now, the comment on page 19: "Director of Property Holdings describes the situation as all in all very messy and totally unsatisfactory." That was elaborated on today. Over the page on 20: "At this stage Property Holdings has not costed the snagging and remedial works, nor at that time had they costed lapidations." Now, all we heard from Buckley & Co. and I do not know about the exact figure but the principle is that those issues are minor. I have to say my personal opinion is that a number of the comments that were made yesterday were red herrings. They were focusing a lot in the period pre-November, not so much on what happened subsequent to that point when the deal was taken out of Property Holdings' hands. We had heard from Simon Buckley and I understand Stewart Rowney said similar things, or whoever, that essentially certainly Simon Buckley was saying that their dealings with Property Holdings were professional. That is an independent view, it is not a political person trying to spin it. I will say I had one or 2 comments from people outside when we were dealing with the dairy I had very favourable comments about Property Holdings, much less favourable comments about other departments. Within the property side I was told by somebody who does deal with the department from time to time as far as they were concerned we had a very professional team in place at the senior level. These views are not new. The difficult has been how you address them and that is what I would like to go to later on, but the views in December 2009 a comment at that point came out of the blue to me about individuals in Property Holdings and I did a bit of gathering of information so I spoke to Paul Redfern from Internal Audit and his comment was: "I think you have a very professional team in the senior people there" particularly complimentary about David Flowers. David Warcup, the first time I spoke to him which was on the phone about Lime Grove because I knew at that point there were a couple of options being discussed and I was: "Is this the right way to go?" type of scenario. I basically rang him to ask how he had felt his dealings had been with the department. Very complimentary and basically again reassured that they did support the Lime Grove option, so this is December 2009, because they felt it gave them further, I think it was future proofing.

Deputy D.J. De Sousa:

We know because Buckley & Co. have also said that they always found the department to be professional.

Deputy J.A.N. Le Fondré:

Exactly. Can I just keep going then because this is really one of these windup ones. I also spoke to ... is it Colin Myers, Head of Health and Safety? He gave me a very comfortable feeling on what was being done within Property Holdings at that point on all the maintenance stuff and things like that and basically my recollection, and I do have a scribbled note somewhere but not in here, which is that if Property Holdings were not doing what they were doing Health and Safety might be having to take a different approach with States properties and do not forget they had already, I think at that point or certainly in the last few years, I think its housing have been in the dock at least 3 times and they were starting to up the ante, and this is the really sad thing, Health and Safety is not about comp and wearing glasses it is about people dying ultimately and it is whether it is legionella and things like that and that is why there are certain things that people see: "Why can we not paint this or paint that?" but, sorry, when you have limited resources that is not your priority. Your priority is, using St. James and scaffolding, is whether a lump of metal the size of a bicycle falls off the top and lands on somebody's head. Now, I can tell you, I do not know if it is

still there, but there is a piece of metal the weight of a bicycle which did come off and was caught by scaffolding. So, it is those kind of issues and I know David always said that when he came in he did not find what he had expected to find and that there was a lot of stuff that should not have had to be done that had to be sorted out. So, when I say I have canvassed external views there are a number of views there from people who I would have thought would have told me if there were problems.

Deputy D.J. De Sousa:

The final paragraph on page 20 says: "This lack of clarity and failure to communicate effectively to key decision makers was drawn to my attention by Hugh McGarel-Grove's report in January 2011 in which he also adds a further point about the lack of an independent valuation."

Deputy J.A.N. Le Fondré:

Well, that has been addressed this morning. It says: "Without prior approval by the accounting officer or by the Minister and without verification of an independent valuer" and I think David has covered it and I do not really have any more to add. What I will just say is that the H.M.G. (Hugh McGarel-Grove) report has been described to me as unprofessional. The other comment I would make is the timing of this because that report was done in the last 2 weeks, I understand, of January 2011 and as I have said I do not know what happened to the final version but where are these concerns suddenly coming through? What I am trying to say is why was the whole stuff taken away in November? This is 2 months later. This comment about the £17 lunch. Great effort by Bohemia by the way but as I said I do not know if the £17 is correct or not.

Deputy D.J. De Sousa:

It was portrayed as the blowout lunch and in fact it was a set menu.

[16:45]

Deputy J.A.N. Le Fondré:

Yes, exactly. To me it is a red herring. Well, it is about professionalism. David has commented on that. I do not know if it is accurate but Laura Rowley said: "Well, we only found that out in the last 2 weeks." Well, if you only found out about in the last 2 weeks, how can that have impacted upon your concerns in January? So, it almost felt to me like excuses were being made. That is an assumption, by the way. That was based on what was being said and not necessarily correct. Going to page 21. It says: "With the benefit of hindsight perhaps I should have done more to oversee the work of the Assistant Minister in this area." Well, as I said, at the key points we have documented that we kept him informed and there were never any ... and we will get private comments, but there were never any concerns raised about this project.

Deputy D.J. De Sousa:

Lack of clarity over total project costs and funding.

Deputy J.A.N. Le Fondré:

What page are we on?

Deputy D.J. De Sousa:

It was stated yesterday that as an Assistant Minister and as a Chief Officer of a department that no initial price should have been put forward if the funding was not in place. They were implying that the funding was not in place.

Deputy J.A.N. Le Fondré:

Sorry, where are we?

Senator S.C. Ferguson:

Bottom 2 lines of 21.

Deputy J.A.N. Le Fondré:

Oh, sorry, it is the thing about funding. Well, as we said, certainly I was aware that the intention was to go to a period of exclusivity and bear in mind thinking about in December 2009 I had been told by David Warcup so I must have been aware of it, if you see what I mean. I was certainly aware of the police H.Q. project, that David Warcup said that the Lime Grove acquisition was their favoured option, so psychologically there is something in my mind that I am aware of it. So, get a period of exclusivity and I was told it would be subject to all sorts of conditions so if there was a problem we could walk away from it type of scenario. So, as far as I am concerned it was not a big issue. I rather feel that it is a major mountain being made out of a mole hill.

The Deputy of St. Peter:

Just again to clarify, there was £17.5 million available?

Deputy J.A.N. Le Fondré:

Yes.

The Deputy of St. Peter:

The only concern at the end of the day, as far as the police were concerned, was the alterations that might require funding?

Deputy J.A.N. Le Fondré:

Yes.

The Deputy of St. Peter:

So, there were funds available for the acquisition of Lime Grove?

Deputy J.A.N. Le Fondré:

I mean, the acquisition of Lime Grove there were definitely funds available.

Deputy D.J. De Sousa:

In fact, there had been more funding initially but due to delays £2 million would have been lost?

Senator S.C. Ferguson:

Due to previous projects.

Deputy J.A.N. Le Fondré:

Due to previous projects being aborted. It was not delays.

The Deputy of St. Peter:

Now you can add this one to it.

Deputy J.A.N. Le Fondré:

Yes.

The Deputy of St. Peter:

Do we have time to go into ...?

Senator S.C. Ferguson:

If we just have 10 minutes in private.

Deputy J.A.N. Le Fondré:

Okay. I do not think I have anything else.

Senator S.C. Ferguson:

Do you want a quick comfort break?

Deputy J.A.N. Le Fondré:

Yes, I definitely do.

Senator S.C. Ferguson:

Right. Thank you very much indeed for the public session.

Deputy J.A.N. Le Fondré:

I am sorry for taking so long.

Senator S.C. Ferguson:

Thank you to the public for being so patient.

[16:48]