

21.06.08

13 The Connétable of St. Helier of the Minister for Treasury and Resources regarding the profits generated by the development of the Esplanade Quarter. (OQ.123/2021):

Thank you for your guidance, Sir, and I will ask the question of the Minister for Treasury and Resources. In light of the fact that the States was previously advised that the profits generated by the development of the Esplanade Quarter by the States of Jersey Development Company would be used to fund urban regeneration, will the Minister, as shareholder representative, update the Assembly on the release of such funds for that purpose?

Deputy S.J. Pinel:

I would like to ask my Assistant Minister, Deputy Ash, who has delegated responsibility for the States of Jersey Development Company, to answer the question.

Deputy L.B.E. Ash of St. Clement (Assistant Minister for Treasury and Resources - rapporteur):

For the benefit of Members, the Esplanade Quarter area represents the former Esplanade surface car park on which the 2 I.F.C. (International Finance Centre) buildings and Trenton Square sit and Les Jardins surface car park, which currently remains a car park, was the subject of a masterplan in 2008. The Esplanade Quarter Masterplan, I believe it was known as. The Esplanade Quarter Masterplan was rescinded and replaced with the Southwest St. Helier Planning Framework in December 2019 and the States of Jersey Development Company is currently preparing an outlined planning application to be submitted in September 2021). The proposed plans provide for a mixed-use landscape-led development that includes a significant amount of public infrastructure. The development itself must be self-financing and S.o.J.D.C. (States of Jersey Development Company) is balancing the needs and aspirations of the community with the overall financial viability of this new part of St. Helier. This major urban regeneration project will be demand-led and delivered in phases over a 10-year period from commencement. Proceeds from the early phases of the development will be used to fund the public infrastructure contained in the subsequent phases. Once S.o.J.D.C. has completed the entire development on the Waterfront, surplus funds will then be available for other urban regeneration projects.

3.13.1 The Connétable of St. Helier:

I am grateful to the Assistant Minister for reminding us that it was 13 years ago that the Esplanade Quarter Masterplan was approved. I seek his understanding as to whether the promises made as part of that masterplan, in particular the prediction that between £50 million and £70 million would flow into areas requiring urban regeneration, areas perhaps far more needy to the north of town, areas like Cheapside and Colomberie and so on, that that money would be forthcoming. Is the Assistant Minister saying that those promises, effectively, now amount to nothing and that they have been replaced by a new masterplan?

Deputy L.B.E. Ash:

I am not saying they amount to nothing at all, no. What I am saying is until we have finished the entire development we will not know the exact sums of money that will be ... I was going to say surplus to requirements but obviously they will be required but surplus funds. Interestingly, the latest set of financial statements of S.o.J.D.C. indicates that the Island has benefited from S.o.J.D.C.'s activities since 2012 to the tune of £17.2 million. That is a combination of cash dividends, asset transfers and public infrastructure improvements. It also includes the sum of £5 million that is being

committed for future public infrastructure and that is being allocated for expenditure on projects such as the ... I was going to use the word "ill-fated" but it is not ill-fated because it has yet to appear but the skate parks that are planned, the Midvale Road improvements and a Snow Hill link to Fort Regent. All that money has been set aside already. I would also like to make the point, while we are on the subject of S.o.J.D.C.'s contributions, they do significant additional investments on public realm and infrastructure improvement with their projects well over and beyond what a private developer provides or indeed would be required to provide.

3.13.2 Senator S.Y. Mézec:

Could the Assistant Minister confirm whether when the S.o.J.D.C. is building homes as parts of these developments their primary aim is to generate as much profit as possible or whether it is to address the evidenced housing need on the Island?

Deputy L.B.E. Ash:

Yes, I thank the Senator for his question. I think he knows the answer deep down that it cannot possibly be to raise as much money as possible; that is not their remit. If it was they would not have agreed or via me they would not have agreed to include affordable housing. It is not what the S.o.J.D.C. was there for, it is there to provide a development service within the scope of the Island's interests, not merely to make as much profit as possible.

3.13.3 Senator S.Y. Mézec:

So just to clarify then, based on what he has just said, that the issue of profit and that being devoted to other places in St. Helier for regeneration is inconsequential, is that what he is suggesting?

Deputy L.B.E. Ash:

I am not, I am suggesting that it is not their full remit. If it was their full remit, if the Assembly wishes to say and if the Senator wishes to withdraw his request for affordable housing and the Assembly wish to say that the S.o.J.D.C. should make as much as possible money out of every development they do and with those surplus profits place that towards infrastructure within the community, then I am sure we could accommodate it.

3.13.4 Deputy S.M. Ahier:

The Assistant Minister for Treasury and Resources mentioned the contributions made by the States of Jersey Development Company in previous years, could he inform the Assembly how much they contributed in 2020?

Deputy L.B.E. Ash:

I do not have that figure to hand at the moment, I apologise. I can get that figure for the Deputy, should he wish.

3.13.5 Deputy S.M. Ahier:

Does the Assistant Minister for Treasury and Resources believe that that contribution was zero?

Deputy L.B.E. Ash:

The Assistant Minister for Treasury and Resources does not believe anything of the sort. As I say, at the moment I do not have that figure. If it is nought I will inform the Deputy that it is nought but I will endeavour to get the exact figure for 2020, which is as soon as I can, and I will furnish him with it.

3.13.6 Deputy G.P. Southern:

Could the Assistant Minister define for us here and now what constitutes affordable housing that is supposed to be on the Waterfront?

Deputy L.B.E. Ash:

In answer to the Deputy's question: no, I cannot define that completely. I believe there are considerable definitions of affordable housing, from purchasing with States help, to new buyers, first-time buyers housing, towards community rented housing. It has a wide scope and I hope S.o.J.D.C., together with the Minister for Housing and Communities and indeed together with Senator Mézec, should he wish to contribute, will discuss as to what form that housing should take.

3.13.7 Deputy G.P. Southern:

Can the Assistant Minister seek the agreement and acceptance of S.o.J.D.C. as to what will contribute to affordable housing on the Waterfront?

Deputy L.B.E. Ash:

As I say, S.o.J.D.C. have agreed to produce affordable housing. Affordable housing has a wide remit and it is up to us to discuss this with various parties as to which way we wish to go on affordable housing. There is no easy definition of affordable housing. It is a fairly wide remit and we have to decide to narrow that down a bit.

3.13.8 The Connétable of St. Helier:

I would like to bring my final supplementary back to the original purpose of this, which was not to do anything to denigrate the work of the States of Jersey Development Company. As the Assistant Minister has said, they have done a great deal to enhance that part of St. Helier with open space, such as Trenton Square and hard landscaping around the I.F.C. But does he not agree with me that to, effectively, say that the surplus funds for regeneration of areas like Cheapside, like St. Mark's Road, like Stopford Road, that these areas that desperately need money spent on them are going to have to wait another 10 years until this somewhat grandiose project on the Waterfront is completed? Does he think that is acceptable?

Deputy L.B.E. Ash:

It may be that these monies can be brought forward. It would have to be a discussion that we will have as an Assembly with S.o.J.D.C. But if we are going to get the new housing that we desperately require, it always rather baffles me with this Assembly, is that we sit here and we will have a debate on the housing crisis, as Senator Mézec has used to describe it, and the next moment we are saying that S.o.J.D.C. should put money aside into schemes in St. Helier that are not housing. At the moment we cannot have both. My view would be that we have to sort out the housing crisis and then the nice-to-haves will follow when we find out how much money is left over in the pot.