

24th February 2008

Deputy C H Egge
Chairman
Corporate Services Sub Panel
Morier House
St Helier
JE1 1DD

Dear Deputy Egge,

Jersey Enterprise Board ("JEB")

I refer to your invitation for submissions on the above matter. The first thing I should say is that I found it a little difficult finding out what JEB was all about. There was no background reading on your site and a search of www.gov.je for "Jersey Enterprise Board" produced the following: -



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Jersey Enterprise Board

Economic Development is responsible for the development and implementation of a comprehensive strategy for the development of the Island's emerging industries.

States of Jersey, Cyril Le Marquand House, PO Box 140, The

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Therefore I think the first question for the sub-panel should be what is JEB? I note also that your terms of reference call for a review of the interaction with States Property Holdings. This is a good idea because from the press release (on 27th September 2007) for the appointment of the second chief in States Property Holding's brief life we read the following: -

"David Flowers, a former Group Property Director at Royal Mail has been appointed the new Director of Property Holdings for the States of Jersey.

Reporting to Ian Black, the Treasurer of the States, David will lead a team of more than 50 property professionals responsible for managing all aspects of the States portfolio which consists of over 900 buildings. His responsibilities will also include the

procurement of new developments, the disposal of surplus land and property, planning and delivery of the maintenance of all property, commercialising property services, and ensuring the effective utilisation of States buildings.

The States has embarked on a review of the management of Jersey's £1.6 billion property portfolio and in 2006 set up a new central Property Holdings Directorate. In line with many organisations with significant property interests Jersey recognises that major savings may be derived from effective central management of its property assets and this appointment is a major step forward in achieving this objective.

Ian Black, the Treasurer of the States is pleased with the appointment, "David is a property expert with extensive senior management experience in both the public and private sector. I am confident that he will be able to identify operational efficiencies and achieve excellent value for money from Jersey's property assets whilst supporting the delivery of improved public services.

David himself is equally enthusiastic, "This role has many parallels with my previous position at Royal Mail and I am looking forward to similar challenges in an equally complex public sector environment". "

A key question must therefore be what will Mr Flowers be doing following the creation of JEB?

I also believe that before a new quango (quasi- non-governmental organisations) is created careful consideration should be given to the success of WEB. I think most islanders would regard what we have ended up with at the waterfront has not been what they hoped for. How much of this is down to the organisational model? I attach my recent submission to the Planning Minister regarding the latest proposals, which record my concerns. Generally I am worried about the growth of quangos in Jersey public life.

It is important that the terms of reference for JEB are considered carefully. If JEB has the standard objectives for a company i.e. "maximisation of shareholder value" it may miss the opportunity to create greater value for Jersey than something that is purely economic i.e. building offices because they generate more money rather than houses which the Island needs to accommodate its citizens and address inflationary pressures.

Your sub-panel should also consider the costs and benefits of JEB and any compensating savings in WEB or States Property Holdings. I agree with Deputy Ferguson regarding auditing arrangements for JEB but given the potential size and one off nature of the transactions your sub-panel should consider whether this amendment though welcome is sufficient.

I am sorry my submission is so brief but the lack of more easily obtainable information about the proposed activities of JEB makes that almost inevitable.

Yours sincerely,

Kevin C Keen

11th January 2008

Senator F. E. Cohen
Minister for Planning & Environment
Planning & Building Services
South Hill
St Helier
JE2 4US

Dear Senator Cohen,

Master plan for the Esplanade Quarter

I refer to the above consultation process and should be grateful if you would take the following into account in your deliberations.

I recognise and welcome your efforts to address past mistakes in the development of the waterfront area and to do this in a timely fashion. You probably know better than anybody how very disappointed Islanders are with the waterfront, particularly the cinema and associated buildings. I also agree with your desire to do something about the road separating the new St Helier from the old. If this can be achieved at a reasonable cost and risk it would clearly make a great deal of difference over the long term. Clearly this issue should have been addressed years ago but I recognise if it is not dealt with now, it probably never will.

Having said that I do have a number of concerns, which are as follows: -

- 1) It is very disappointing to me that a much more imaginative purpose could not have been established for this unique site. I appreciate that a predominantly office and residential based development will be the most profitable and lowest risk for the developer but in my view it would have much more preferable to see this land used to diversify our economy. A substantial indoor tourist attraction (a new reason to visit Jersey), conference centre, business school (with on site student accommodation), technology park. A development that creates new long-term value for Jersey or at the very least does not take value away from elsewhere in the Island. This is a one off opportunity for the States to invest in our infrastructure and economic diversification it must not be missed.

- 2) As I understand it the traffic impacts of this development is still “work in progress”. Before the scheme can be presented to the States I believe it is essential that all traffic implications are determined and potential problems solved, including the concept of a large underground roundabout, easterly traffic flows from Gloucester Street and any safety issues arising from such a large tunnel. As an aside I found the illustrations with accompanying directional arrows on page 13 of the presentation document quite misleading.
- 3) I am concerned about the environmental impacts from such substantial excavations.
- 4) This site clearly has a substantial existing value and I think it should be disclosed to assist in assessing the very short summary of project benefits (just four paragraphs) on section 3.1. The States are effectively selling a very valuable asset, surely a more comprehensive and independent assessment should be provided? This assessment should include the financial strength of the developer and the strength of the various guarantees offered.
- 5) In relation to the sale (or granting of a very long lease) I am concerned that the States are ceding control to one single company and therefore taking on a substantial risk in this regard. I am not aware that the land and proposed development has been offered by open tender which is surely the best way to maximise its value.
- 6) On the matter of risk. In my view there should be a more comprehensive evaluation of all risks and how they are being managed- execution, credit, environmental, etc.
- 7) As you say the development of such a major tract of land will have a substantial impact on the rest of St Helier and it is essential to understand exactly how the proceeds from any development will be used to regenerate the rest of St Helier.
- 8) I do not agree with the assertion made on page 39 that there is insufficient existing space for restaurants or retail. Evidence to back this statement up should be provided.
- 9) I would like to have seen a more comprehensive illustration of the design of the buildings, their height etc. The block style illustration does little for me to convey the fact such a well known architect has produced them.
- 10) As the “de facto” sponsor of the development and the Minister authorised to approve it I applaud your intention to take the proposal to a full States debate. I trust that some mechanism will be put into place to resolve any conflicts (real or perceived), which arise after eventual States approval.

In conclusion whilst I commend you for your efforts in progressing this project in a more timely fashion I do not believe that what is presented is sufficient to make an informed decision on such a unique and major project. In addition as I have already said I am very disappointed that a much more exciting use has not been proposed for the site.

Yours sincerely,

Kevin C Keen