STATES OF JERSEY

STRATEGIC PROPERTY MANAGMENT (R.72 /2025): EXECUTIVE RESPONSE

Presented to the States on 29th July 2025
by the Public Accounts Committee

STATES GREFFE

COMMENTS

In accordance with paragraphs 69-71 of the Code of Practice for engagement between 'Scrutiny Panels and the Public Accounts Committee' and 'the Executive', the Public Accounts Committee (PAC) presents the Executive Response to the Comptroller and Auditor General's (C&AG) Report entitled: Strategic Property Management (R.72/2025, presented to the States Assembly on 14th May 2025).

Action Plan and General Comments

Action theme	Actions	Target date	Responsible Officer
Corporate Landlord Model – reinforce strategic framework	• Jersey Property Holdings (JPH) to seek the endorsement and support of the Corporate Landlord Model from the Council of Ministers and top tier Executive Directors to endorse and deliver the mechanisms contained in the Island property estate strategy, Public Finance Manual and recommendations set out in P.93/2005. • JPH to work with States owned entities to incorporate Island Public Estates Strategy (IPES) into their strategic approaches • JPH to ensure that a single model for responsibilities SLA – landlord obligations, Tenant Responsibilities is in place and agreed • JPH to review the CPMB terms of reference • JPH to assess and benchmark performance against stated objectives to be published in the annual State of the Estate report.	Q2 2026	Chief Officer, Infrastructure and Environment
Corporate Landlord Model – operational enablers	• Subject to discussions with Ministers, JPH to work with Treasury and relevant Departments to complete transfer of properties and maintenance budgets to JPH of all relevant Government owned and occupied buildings in consultation with the client. (There may be agreed exceptions to this principle where circumstances make this appropriate). • Subject to discussions with Ministers JPH to work with Departments to review and transfer where appropriate the current Property staff headcount to JPH (There may be agreed exceptions to this principle where circumstances make this appropriate).	Q4 2026	Chief Officer, Infrastructure and Environment

The PAC notes that the target dates for implementation of this action plan are set between a year and 18-months from the date of the report. Noting the risk levels assigned to the recommendations (ranging from medium to in one instance extreme), the PAC would question whether this timescale is ambitious enough to address the concerns outlined in the report.

Furthermore, there appears to be further clarity required on the nature of the improvements that will be made because of the action plan. The PAC would reiterate the findings of the C&AG in her conclusion to the Strategic Property Management report:

> *A strategic focus for estate management has been very slow to develop since JPH was established in 2005. This is despite a range of internal and external reviews arriving at similar conclusions about the lack of strategic focus. The failure to develop and fully implement a strategic approach to property management is a concern which is likely to have had an impact across the States in both financial and non-financial terms which are impossible to assess. A vision and strategy are now in place but much remains to be done to deliver the cultural and other changes required to enable the States to demonstrate that their approach is strategic and aligned across the States of Jersey Group.1*

Noting the number of reviews that have taken place (including the 2021 Estate Management report of the Public Accounts Committee at the time), there is concern that the Corporate Landlord Model being adopted by Jersey Property Holdings (JPH) has still not been reinforced and delivered over the past 20 years since JPH was formed.

Within the action plan, many of the listed actions raise the need for further endorsement and support from the Council of Ministers (COM) and the Executive Leadership Team (ELT). Indeed, within the other considerations for prioritisation within recommendations six and seven, reference is made to the tendency for political intervention to have a negative effect. The PAC would add that both C&AG and PAC recommendations can, and should, be delivered at officer level, with clear responsibilities for their proper implementation. Moreover, the action plan does not clearly map how each recommendation will be addressed. As it stands, the PAC cannot see what specific improvements are expected or how their successful implementation will be evidenced.

The PAC has not received sufficient assurance from this action plan to suggest that these improvements will be made. As such, the PAC cannot state with any certainty that value for money is being achieved in this area. Further follow up will be required on this response and it is the intention of the PAC to write to the Chief Executive and question him further during its next scheduled quarterly public hearing.

Response to Work Planned that Should be Prioritised and Areas for Consideration

Within the C&AG report, alongside the summary of recommendations, the C&AG also outlined six pieces of planned work that should be prioritised by Government and two areas for further consideration. There has been no response provided to these areas by

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the Government within the response. Noting that they contribute ongoing planned work and additional matters for consideration, the PAC shall be writing to the Chief Executive to find out how these matters will be taken forward by Government.

Recommendation One

Recommendation	**R1** Review and update all recommendations related to the Government of Jersey within the 2021 JLL report to ensure that all relevant and current issues are reflected in the implementation of the IPES.
Risk of non-implementation	The JLL report examined the relationship between JPH and JDC, commissioned by JDC. It was not a review of the JPH strategic approach to property. It did however, in its approach find a need for a greater focus on Strategic Planning to ensure that the policies and approaches set out in Estates Strategy can be implemented. It also found that Departments do not have fully developed governance frameworks that set out risk management processes or approvals process. Notwithstanding, it also made some assumptions that are at odds with the current Ministerial intention to complete the process started with P93/2005. The IPES will be refreshed following work on the Long-Term Capital Programme with treasury and other departments. Aspects of the JLL report will be addressed, but to mitigate structural issues inherent in JPH caused by lack of investment
Risk Profile	Medium
Other Considerations in prioritisation	The IPES is a key document, and it will be refreshed following the current work on the Long-Term Capital Programme. It remains the intention of the document to complete the approach to a Corporate Landlord, that P93 commenced, so is addressing a number of issues such as the RSG, condition surveys, data collection
Is the recommendation agreed?	Agreed in part
Improvement theme	Corporate Landlord Model – reinforce strategic framework

The PAC notes that the 2021 JLL report referenced in the response included a number of recommendations relevant to JPH, many of which are still relevant. It is the view of the PAC that there has been no systematic consideration of these, and implementation of change to close the report down. The recommendation put forward by the C&AG suggests that this would be a useful exercise for Government to undertake to address those matters and close off the report. The PAC has not seen any evidence within this response that specific actions are planned to address this.

Recommendation Two

Recommendation	**R2** Implement previous C&AG recommendations and those in the JLL report that highlight the need to undertake a strategic review of JDC to confirm that it remains the most appropriate vehicle and operating model to deliver Government regeneration objectives Iin the longer term.
Risk of non-implementation	The C&AG recommendations should be folded into a wider review of the role of Andium and Ports of Jersey in terms of residential developments, There should be greater collaboration between the Arm's Length Bodies to discharge their core functions, JDC – Development, Ports – Gateway Operations, Andium - Social Housing provision, which will need to be navigated with the support of Ministers and officials. JDC, in the work on the Waterfront, Westward and Fort Regent, are already leading on regeneration.
Risk Profile	High
Other Considerations in prioritisation	A strategic review of routes to service delivery by GoJ is something that has been discussed at a high level with Ministers and described to the Committee in previous correspondence. However, any changes to the delivery model and therefore impact on any SOEs, ALBs or organisations funded by GoJ is subject to ministerial consideration and is not currently being prioritised by the Council of Ministers.
Is the recommendation agreed?	Agree in principle, subject to prioritisation by Ministers
Improvement theme	No specific action at this time.

The PAC is concerned that, without any action to review whether Jersey Development Company (JDC) remains the most appropriate model, the previous C&AG recommendation remains outstanding. It does, however, note that the point made in this response about wider collaboration has merit, but it would also suggest that this is separate from this recommendation and may fit better within the action planned around Recommendation Five of the C&AG report.

There is further concern that no commitment has been provided in relation to the improvement theme (no specific action at this time) despite the Government of Jersey agreeing in principle to the recommendation. The PAC considers it important to see a demonstrated commitment to action at this stage, including engagement with Ministers to confirm the prioritisation of the recommendation

Recommendation Three

Recommendation	**R3** Reaffirm commitment to the corporate landlord model and agree the steps required for full implementation of the model described in P.93/2005 and the IPES.
Risk of non-implementation	MINF is fully supportive of the commitment to Corporate Landlord and ongoing work with JHA reflects the benefits of P93. The commitment also needs to come from other department with estates to avoid a fractured approach and inconsistent application of landlord obligations and a consistent approach to risk management across the whole estate
Risk Profile	Extreme
Other Considerations in prioritisation	There is a tendency for political intervention to serve a specific departmental purpose that can have a negative effect under unintended consequences. This can increase cost to government.
Is the recommendation agreed?	Agree
Improvement theme	Corporate Landlord Model – operational enablers

The PAC notes that the actions identified for this recommendation within the improvement plan require support from COM and ELT in order to be progressed. The other considerations in prioritisation for this recommendation note a tendency for political intervention to serve a specific departmental purpose that can have a negative effect under unintended consequences. Furthermore, the risk profile for this recommendation is stated as ‘extreme’.

Given the fact that the Corporate Landlord Model has not been fully achieved since the formation of JPH in 2005, the PAC would question what is expected to be different by implementing the actions in relation to this recommendation. It shall be following up this recommendation as a matter of priority.

Recommendation Four

Recommendation	**R4** Prepare and implement a policy framework to promote consistency and transparency in rental levels and lease terms.
Risk of non-implementation	The policy currently exists, however, it has a tendency to be derailed by specific intervention for political purposes, tenants resisting rent reviews by seeking intervention from their constituent politicians, that in the past have resulted in propositions that limit the uplift and resulting in disparities in rental levels
Risk Profile	High
Other Considerations in prioritisation	This is a difficult recommendation to effect as generally the levers for departure from a consistent

	approach lie outside of the department and beyond the control of the estates team.
Is the recommendation agreed?	Agree
Improvement theme	Corporate Landlord Model – reinforce strategic framework

The PAC is concerned that this response does not appear to address the fundamental aspect of the C&AG recommendation around implementing a policy framework to promote consistency. Whilst it is noted that the policy already exists, given the risks outlined above, it would question whether the policy should be revisited to address these risks. Consistency is an important aspect to be addressed so that any departures from defined policy are properly approved. The PAC will be following up this point further to gain assurance over how the recommendation will be implemented.

Recommendation Five

Recommendation	**R5** When updating the IPES, ensure there is clear alignment with other Government plans and strategies and those of the States-owned entities
Risk of non-implementation	Whilst alignment with other government departments is the starting point for the Estate Strategy, it must recognise that key initiatives such as carbon reduction are unfunded and can have a disproportionate effect on a department that is materially underfunded in its maintenance budget. It must also recognise that the States owned entities have varying degrees of commerciality inherent in their board structures that can drive an approach to relationships with the government that is more in the entities interests.
Risk Profile	High
Other Considerations in prioritisation	Publicly owned property can be seen as an opportunity to exploit a cheap asset to the benefit of the entity rather than a collaborative opportunity for community betterment
Is the recommendation agreed?	Not Agreed
Improvement theme	Corporate Landlord Model – reinforce strategic framework

The PAC is of the view that the the Island Public Estate Strategy 2021-2035 (IPES) must demonstrate how it aligns with other Government of Jersey strategies and plans and those of States Owned Entities (SOE). At present, however, the IPES is silent on how it achieves this, whereas the SOE plans have provided evidence to show how they support Government of Jersey objectives. Therefore, the PAC finds it difficult to understand how this recommendation is not agreed. This will be followed up further with the CEO at the next quarterly hearing.

Recommendation Six

Recommendation	**R6** Review membership and operation of the Corporate Property Management Board to ensure that it can meet the strategic objectives in the Terms of Reference.
Risk of non-implementation	Membership has been reviewed and is more representative. However, it still suffers because departments can seek to short cut processes or take unilateral action if their desired approach is not adopted
Risk Profile	High
Other Considerations in prioritisation	There is a tendency for political intervention to serve a specific departmental purpose that can have a negative effect.
Is the recommendation agreed?	Agreed
Improvement theme	Corporate Landlord Model – reinforce strategic framework

The PAC is pleased to note that the action related to this recommendation within the improvement plan to review the Terms of Reference for the Corporate Property Management Board is being taken forward. However, noting the response above, if membership of the CPMB has changed and there has still been no improvement (noting in the response that departments can seek to short cut processes or take unilateral action if their desired approach is not adopted) it would suggest that the operation of the CPMB may not be fully fit for purpose. It would suggest that consideration should be given to how this issue can be addressed. Again, this is an area the PAC will be following up further.

Recommendation Seven

Recommendation	**R7** Prepare a detailed plan with clarity on responsibility and timetable, to demonstrate how the detailed tasks and activities in the IPES will be delivered.
Risk of non-implementation	There has been a briefing to ELT and a proposal to take a paper to COM underlining the importance of completing P93. This does however depend on a political acceptance from departments with a vested interest in maintaining a degree of independence in management of their operational estates
Risk Profile	Medium
Other Considerations in prioritisation	There is a tendency for political intervention to serve a specific departmental purpose that can detract from the IPES.
Is the recommendation agreed?	Agreed
Improvement theme	Corporate Landlord Model – reinforce strategic framework

The PAC notes that the recommendation made by the C&AG is clear that a detailed plan with clarity on responsibility and timetable on how the detailed tasks and activities in the IPES should be prepared. The response from Government, however, seems to focus on implementation of P.93/2005 rather than a plan for the implementation of the IPES. The PAC would suggest that this response needs to be reworked to demonstrate how the IPES will be implemented in detail. It shall be following this up further with the CEO at its next scheduled quarterly hearing.

Conclusion

In conclusion, the PAC would again reiterate the following paragraph in the conclusion of the C&AG's report:

> *A strategic focus for estate management has been very slow to develop since JPH was established in 2005. This is despite a range of internal and external reviews arriving at similar conclusions about the lack of strategic focus. The failure to develop and fully implement a strategic approach to property management is a concern which is likely to have had an impact across the States in both financial and non-financial terms which are impossible to assess. A vision and strategy are now in place but much remains to be done to deliver the cultural and other changes required to enable the States to demonstrate that their approach is strategic and aligned across the States of Jersey Group.*[2]

The PAC remains deeply concerned about the lack of strategic progress in property management across the Government of Jersey, despite repeated reviews and recommendations over the past two decades. The Executive Response to the Comptroller and Auditor General's (C&AG) report does not provide sufficient clarity, commitment, or assurance that the necessary cultural and operational changes will be delivered to fully implement the Corporate Landlord Model and the Island Public Estate Strategy (IPES).

While some actions have been agreed in principle, the absence of detailed plans, clear ownership, and defined outcomes undermines confidence in the Government's ability to achieve value for money and strategic alignment. The PAC notes that political intervention and departmental resistance continue to hinder progress, and that many of the risks identified—some of which are extreme—remain unaddressed.

The PAC will continue to scrutinise this area closely and will seek further accountability and transparency from the Chief Executive and relevant officers during its next quarterly public hearing. It is imperative that the Government demonstrates a renewed and urgent commitment to delivering the strategic property management reforms that have long been overdue.

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Chief Executive - Executive Response to C&AG Report: Strategic Property Management

Summary of response:

The Government of Jersey welcomes the Comptroller and Auditor General's report on Strategic Property Management. Strategic property management is defined by the Royal Institution of Chartered Surveyors (RICS) as the 'activity of aligning property assets with the strategic aims and direction of the organisation and adding financial and non-financial value to the organisation as a result'. Jersey Property Holdings (JPH) produced the first Estate Strategy, 'The Island Public Estate Strategy 2021-2035' (IPES) in 2021 to deliver a corporate approach to Strategic Property Management. The report identifies that while this was a positive step, the opportunity is now there to develop and improve the Strategy in line with best practice. The Government of Jersey's response to the report key findings that the Corporate Landlord approach has not been universally embraced and that investment in maintenance in recent years has been at levels below recommended benchmarks are recognised and have already been raised at a senior management level to address and adjust the Government's operational approach to Property Management. This approach has been fully endorsed by the Minister for Infrastructure and, subject to discussions and prioritisation by the Council of Ministers in respect of impacts on portfolios outside of Infrastructure, the actions identified in this response will enable the detailed operational activity to be delivered as intended under the corporate property landlord model as set out in the strategy.

Risk assessment and decision rationale

Recommendations	**Risk of non-implementation**	**Risk profile** *(E,H,M,L)*	**Other considerations in prioritisation**	**Is the recommendation agreed?**	**Improvement theme** *(If applicable)*
R1 Review and update all recommendations related to the Government of Jersey within the 2021 JLL report to ensure that all relevant and current issues are reflected in the implementation of the IPES.	The JLL report examined the relationship between JPH and JDC, commissioned by JDC. It was not a review of the JPH strategic approach to property. It did however, in its approach find a need for a greater focus on Strategic Planning to ensure that the policies and approaches set out in Estates Strategy can be implemented. It also found that Departments do not have fully developed governance frameworks that set out risk management processes or approvals process.	Medium	The IPES is a key document and it will be refreshed following the current work on the Long Term Capital Programme. It remains the intention of the document to complete the approach to a Corporate Landlord, that P93 commenced, so is addressing a number of issues such as the RSG, condition surveys, data collection	Agreed in part	Corporate Landlord Model – reinforce strategic framework

	Notwithstanding, it also made some assumptions that are at odds with the current Ministerial intention to complete the process started with P93/2005. The IPES will be refreshed following work on the Long Term Capital Programme with treasury and other departments. Aspects of the JLL report will be addressed, but to mitigate structural issues inherent in JPH caused by lack of investment				
R2 Implement previous C&AG recommendations and those in the JLL report that highlight the need to undertake a strategic review of JDC to confirm that it remains the most appropriate vehicle and operating model to deliver Government regeneration objectives Iin the longer term.	The C&AG recommendations should be folded into a wider review of the role of Andium and Ports of Jersey in terms of residential developments, There should be greater collaboration between the Arms Length Bodies to discharge their core functions, JDC – Development, Ports – Gateway Operations, Andium - Social Housing provision, which will need to be navigated with the support of Ministers and officials.. JDC in the work on the Waterfront, Westward and Fort Regent are already leading on regeneration.	High	A strategic review of routes to service delivery by GoJ is something that I have discussed at a high level with Ministers and have described to the Committee in previous correspondence. However, any changes to the delivery model and therefore impact on any SOEs, ALBs or organisations funded by GoJ is subject to ministerial consideration and is not currently being prioritised by the Council of Ministers.	Agree in principle, subject to prioritisation by Ministers	No specific action at this time.
R3 Reaffirm commitment to the corporate landlord model and agree the steps required for full implementation of the model described in P.93/2005 and the IPES.	MINF is fully supportive of the commitment to Corporate Landlord and ongoing work with JHA reflects the benefits of P93. The commitment also needs to come from other department with estates to avoid a fractured approach and inconsistent application of landlord obligations and a consistent approach to risk management across the whole estate.	Extreme	There is a tendency for political intervention to serve a specific departmental purpose that can have a negative effect under unintended consequences. This can increase cost to government .	Agree	Corporate Landlord Model – operational enablers

R4 Prepare and implement a policy framework to promote consistency and transparency in rental levels and lease terms.	The policy currently exists, however, it has a tendency to be derailed by specific intervention for political purposes, tenants resisting rent reviews by seeking intervention from their constituent politicians, that in the past have resulted in propositions that limit the uplift and resulting in disparities in rental levels	High	This is a difficult recommendation to effect as generally the levers for departure from a consistent approach lie outside of the department and beyond the control of the estates team.	Agree	Corporate Landlord Model – reinforce strategic framework
R5 When updating the IPES, ensure there is clear alignment with other Government plans and strategies and those of the States-owned entities.	Whilst alignment with other government departments is the starting point for the Estate Strategy, it must recognise that key initiatives such as carbon reduction are unfunded and can have a disproportionate effect on a department that is materially underfunded in its maintenance budget. It must also recognise that the States owned entities have varying degrees of commerciality inherent in their board structures that can drive an approach to relationships with the government that is more in the entities interests.	High	Publicly owned property can be seen as an opportunity to exploit a cheap asset to the benefit of the entity rather than a collaborative opportunity for community betterment	Not Agreed	Corporate Landlord Model – reinforce strategic framework
R6 Review membership and operation of the Corporate Property Management Board to ensure that it can meet the strategic objectives in the Terms of Reference.	Membership has been reviewed and is more representative. However, it still suffers because departments can seek to short cut processes or take unilateral action if their desired approach is not adopted	High	There is a tendency for political intervention to serve a specific departmental purpose that can have a negative effect.	Agreed	Corporate Landlord Model – reinforce strategic framework
R7 Prepare a detailed plan with clarity on responsibility and timetable, to demonstrate how the detailed tasks and activities in the IPES will be delivered.	There has been a briefing to ELT and a proposal to take a paper to COM underlining the importance of completing P93. This does however depend on a political acceptance from departments with a vested interest in maintaining a degree of independence in management of their operational estates	Medium	There is a tendency for political intervention to serve a specific departmental purpose that can detract from the IPES .	Agreed	Corporate Landlord Model – reinforce strategic framework

Prioritised improvement plan:

Action theme	Actions	Target date	Responsible Officer
Corporate Landlord Model – reinforce strategic framework	• JPH to seek the endorsement and support of the Corporate Landlord Model from the Council of Ministers and top tier Executive Directors to endorse and deliver the mechanisms contained in the Island property estate strategy, Public Finance Manual and recommendations set out in P.93/2005. • JPH to work with States owned entities to incorporate IPES into their strategic approaches • JPH to ensure that a single model for responsibilities SLA – landlord obligations, Tenant Responsibilities is in place and agreed • JPH to review the CPMB terms of reference • JPH to assess and benchmark performance against stated objectives to be published in the annual State of the Estate report.	Q2 2026	Chief Officer, Infrastructure and Environment
Corporate Landlord Model – operational enablers	• Subject to discussions with Ministers, JPH to work with Treasury and relevant Departments to complete transfer of properties and maintenance budgets to JPH of all relevant Government owned and occupied buildings in consultation with the client. (There may be agreed exceptions to this principle where circumstances make this appropriate). • Subject to discussions with Ministers JPH to work with Departments to review and transfer where appropriate the current Property staff headcount to JPH (There may be agreed exceptions to this principle where circumstances make this appropriate).	Q4 2026	Chief Officer, Infrastructure and Environment