

2024.05.21

3.13 Deputy J. Renouf of the Minister for Infrastructure regarding the disposal of Government-owned property or land. (OQ.96/2024)

Will the Minister provide an update on what plans, if any, he is considering for the disposal of Government-owned property or land?

The Connétable of St. John (The Minister for Infrastructure):

A number of sites are currently subject to disposal, as identified in the recently published *State of the Estate* report. These include Aviemore, St. Saviour's Hospital, and office space that is going to be freed up with the move to the new headquarters. Any future consideration for site disposals will be supported by the development and delivery of property asset management plans, which will set out the future property needs of all our key services across all directorates and reflected in future Government Plans. Any disposal will then be subject to Standing Order 168 in the normal way; I have committed to Scrutiny that any significant disposal I would plan to brief States Members before lodging a 168.

3.13.1 Deputy J. Renouf:

Just a clarification, really. I heard St. Saviour's Hospital mentioned there; my understanding was that that was being developed as an Andium site. Is he saying that that is a disposal to Andium, or is it a disposal away from Government altogether?

The Connétable of St. John:

It is highly unlikely that it will be a disposal away from Government altogether, but we will look at one of our A.L.O.s (arm's length organisations) to develop that site.

3.13.2 Deputy A.F. Curtis:

I welcome the Minister highlighting that he will consult or brief the Assembly and Scrutiny ahead of any Standing Order 168 on strategic sites. In doing so, will he be able to provide clear evidence of the cost-benefit analysis and the long-term implications on the economic and social standing of the property estate in those briefings?

The Connétable of St. John:

There is a lot to consider before we dispose of any assets. You can only sell the family silver once and if you do sell the family silver, you need to be sure it is the right thing to do. But we do have property, we do have land, that is not a strategic asset to us and there are properties and land which could become a strategic asset. I hope to discuss with the Minister for Treasury and Resources soon the potential to set up a fund where we could release property that is not of value to us but may be of value to someone else, but we could use those monies to buy more strategically important sites.

3.13.3 Deputy A.F. Curtis:

I note the Minister points back to non-strategic sites, but with regard to those strategic sites will the Minister be including within any briefing the economic value, for example, existing rental, potential rental a site has and the longstanding uses or the future uses a site could have for the benefit of the Island?

The Connétable of St. John:

I certainly would, because I would need to be convinced in the first place that releasing a property or an asset was the right thing to do. In order for me to be able to believe that, I would need that very detail the Deputy has mentioned.

3.13.4 Deputy K.M. Wilson:

Could the Minister assure the Assembly that prior to any sale that assets will be revalued so that we get the optimum return on those?

The Connétable of St. John:

I thank the Deputy for her question. I do not plan for us to enter into a fire sale; there is absolutely no need for us to do that. What we are doing is taking a strategic look at our assets. If we are going to release any of those assets, we will want to get the best value from that asset and clearly that would need up-to-date valuations of that asset.

3.13.5 Deputy M. Tadier:

Would the Minister look very carefully at whether in selling and disposing of properties we may inadvertently be encouraging a cycle of bad governance, where we let the depreciation of States assets occur because we have not provided for them? We let properties fall into disrepair, they become less valuable, and then we sell them off under value, when what we should be doing is properly maintaining properties and then deciding on an even playing field how and whether we need those in the future.

The Connétable of St. John:

The Deputy raised a very valid point about maintenance of our assets. I look forward to the day when a Minister for Infrastructure can walk around our whole estate and be proud. Sadly, that is not the case today. Only yesterday, I visited a local school which is in need of some significant work. We need to ensure that we invest in our assets that we have. One of the key performance indicators I have asked the team to develop is I want to know how many empty properties we have each month, because that is a lot of revenue; that revenue could be going into maintenance. We have to manage our properties in a more commercial manner, in my opinion, and I take the Deputy's point on board.

3.13.6 Deputy M. Tadier:

Where property does need to be disposed of - and I do not like talking in these very clinical terms - would consideration be given to maybe a hierarchy of partners that we could seek to deal with, which might include Parishes, arm's length organisations, who may themselves be looking to swap or unload properties that they also cannot maintain?

The Connétable of St. John:

Again, a very valid point from the Deputy. I know in the case of Aviemore that was certainly the case, where discussions were held with the Parish in the first instance.

3.13.7 Connétable M. O'D. Troy of St. Clement:

I do not suppose, Minister, that the sale of our valued assets has anything to do with funding the new multi-hospitals site. Could you clarify the situation there?

[11:15]

The Connétable of St. John:

No, I am looking at looking after our existing estate and the potential to buy strategic sites. I have spoken in the past about the need, in my opinion, for additional car parking in St. Helier, for example, and I think there are other assets which would benefit from additional space. This is about the Jersey Property Holdings' existing portfolio, and adding to that portfolio is nothing to do with the hospital.

3.13.8 Deputy J. Renouf:

I think I heard correctly, but can the Minister just confirm that no sites of strategic value will be sold on his watch?

The Connétable of St. John:

That is not correct. Everything has got a value, whether it is strategic or otherwise. We will need to look at everything in the whole and if it is of strategic value, then the price for any asset would have to be exceedingly good to even consider releasing that site. But I would say that I would not give the Deputy that assurance.