



## **Public Accounts Committee**

Estate Management /

Performance Management

### **Witness: Director General, Infrastructure, Housing and Environment**

Monday, 12th July 2021

**Panel:**

Deputy I. Gardiner of St. Helier (Chair)

Senator T.A. Vallois

Connétable J.E. Le Maistre of Grouville

Mr. G. Phipps

Dr. H. Miles

Mr. P. van Bodegom

Ms. L. Pamment, Comptroller and Auditor General

**Witnesses:**

Mr. A. Scate, Director General, Infrastructure, Housing and Environment

Mr. T. Daniels, Director, Jersey Property Holdings

[14:01]

**Deputy I. Gardiner of St. Helier (Chair):**

Good afternoon and welcome to the public hearing today with the director general of Infrastructure, Housing and Environment, Andy Scate, who is also the chair of the Corporate Asset Management Board. Welcome to Tim Daniels, the director of States of Jersey Property Holdings. Before we go around and introduce ourselves, for the benefit of the public, I would like to mention our reasons that

we are holding today a public hearing. The P.A.C. (Public Accounts Committee) is conducting a review into estate management because the States own around £1 billion worth of property and we want to see a comprehensive strategy and implementation plan for managing an estate of this size, which includes assessing and prioritising what all the departments need in the short, medium and longer term. Whether we need to acquire more property or land or better utilise what we have. or sell some other properties that we do not need anymore. For the properties we currently own, we also need to see a comprehensive property management and maintenance programme and will be asking around these themes and who is responsible for the delivery. Let us go around the table and introduce ourselves. Deputy Inna Gardiner, chair of Public Accounts Committee.

**Senator T.A. Vallois:**

Senator Tracey Vallois, a member of the Public Accounts Committee.

**Mr. G. Phipps:**

Graeme Phipps, independent member of P.A.C.

**Dr. H. Miles:**

Helen Miles, independent member of P.A.C.

**Director General, Infrastructure, Housing and Environment:**

Andy Scate, the director general for I.H.E. (Infrastructure, Housing and Environment).

**Director, Jersey Property Holdings:**

Tim Daniels, director of Jersey Property Holdings.

**Comptroller and Auditor General:**

Lynn Pamment, Comptroller and Auditor General.

**Connétable J.E. Le Maistre of Grouville:**

Constable John Le Maistre, States Member of the P.A.C.

**Mr. P. van Bodegom:**

Paul van Bodegom, independent lay member of P.A.C.

**Deputy I. Gardiner:**

We will start with estate strategy. As we are all aware, the public estate strategy was finalised and published in January. Actually it is published properly in March, I think, the final draft that we have

seen. But it lacks a plan of implementation and also does not include the strategy setting out what property is needed and what should be sold or repurposed. Why is that?

**Director General, Infrastructure, Housing and Environment:**

The strategy effectively is a way of working through which we make those property decisions. The outcomes and the outfits from the process that we are applying effectively will result in, for instance, a list of properties that we need or do not need rationalisation, that sort of thing. It is a live way of working through which we assess our ongoing needs. It does not prejudge the situation to say this is the answer upfront but this is our methodology through which we assess service needs. The estate is here to deliver public service through. It assesses those needs and then we approach the way of working through our Corporate Asset Management Board. It comes up with a way of assessing needs through a process, looking at the properties that we have - are they suitable, are they not suitable - to come to a conclusion. That is why it has not got an upfront or a list of properties that we are going to either dispose of or acquire.

**Deputy I. Gardiner:**

I understand that, thank you for your response. We were waiting for the public estate strategy to be published for almost 3 years since the C. and A.G. (Comptroller and Auditor General) report from 2018, P.A.C. report 2019, it has been published. In June the C.E.O. (chief executive officer) told us that we would be looking at the implementation of the States strategy in a few years. Why such a non-urgent timeline and what are the obstacles to fast implementation?

**Director General, Infrastructure, Housing and Environment:**

What I can say, I think it is live now. It is a live document and a live way of working. Elements of the strategy are being put into practice now. So the Corporate Asset Management Board, I mentioned in a previous answer, is one of those in the sense that it is now meeting. It is a forum through which service departments can come and express their property needs. That is working. I think the full result of the strategy is going to take a while to turn. It is quite a big tanker to turn around. It is going to take a while for us to get there. But I think the building blocks are starting to be dropped into place now. It is live. We are adopting it. We are however building the resourcing around it, certainly the people resource which we need to deliver this. But also some of the performance framework that goes around it as well. They are in the process of being filled out.

**Director, Jersey Property Holdings:**

The estate, if you like, is a cycle, it is a circular beast. So you have to break into it at some point in time. But everything does not start at that point. There are properties that are coming towards the end of their life, there are properties at the beginning of their life. So what we are trying to do is we have a way of working, we have a way of approaching. We have broken into the cycle and we are

now starting to use the strategy, the concerto, the bits and pieces approach, if you like, that we are inculcating. We are trying to use those now to start to shake the future. So we are adjusting some of the challenges. We recognise that with the hospital as an ongoing project, a number of other major capital projects, they have all got land implications, we have estate implications, so we need to see how those play out to then give us the freedom to start taking decisions on the real estate that is attached to those projects.

**Deputy I. Gardiner:**

I appreciate the answer. The question: the implementation of the strategy has been agreed? What are the most important implementation elements currently? It is important to understand, there are, like you said, the capital project but I think the capital project we agreed more than 6 months ago. It is critically what we have.

**Director, Jersey Property Holdings:**

What we are trying to get to is a position where we understand the state of the process of real estate. We do not currently have the ability to look across our entire portfolio and to measure premises against each other in terms of cost effectiveness, value, the costs to occupy, so what we are starting to do is to get that information into a position where we can say in the context of the real estate if, say, the Education Department come to us and say they are conducting a review, they want a new school, we can then look across the portfolio and say, okay, in terms of the schools that are operating these are areas that we might focus that because they are currently not as efficient as they might be. Then to solve a problem, if you like, we can look across the rest of our estate and say: "Here we have premises and buildings that are suboptimal and that they would be right for exploitation, for redevelopment or refurbishment."

**Deputy I. Gardiner:**

I would like to get out and going back to you. What plans currently do you have in place going forward to implement estate strategy; where we are?

**Director General, Infrastructure, Housing and Environment:**

In parts of the document - I will bring them up in front of me here - we have got some timelines in there in terms of what we will do by when. In section 6 of the estate strategy it lists such things ... I have mentioned the Corporate Asset Management Board is one of them. There is a timeline approach to the strategic challenges, objectives, all the way through: customer objectives, financial objectives and so on and so forth. For instance, the first one is the Corporate Asset Management Board, we have on the list there, so we do that by quarter 3 2019; so that is in place for instance. I would refer back to that list in the strategy, and we will need to update some of them because we have had COVID come along and kick us in the shin, so to speak, on our timescales. We have a

list of things within the strategy that we would expect to deliver by when. That would be our starting point.

**Deputy I. Gardiner:**

Do you have the resources in place to implement the strategy?

**Director General, Infrastructure, Housing and Environment:**

No.

**Deputy I. Gardiner:**

What are your restraints with the resources?

**Director General, Infrastructure, Housing and Environment:**

The primary one is personnel. We are shy of around 30 per cent of staff in Property Holdings. It does vary but across I.H.E. at the moment we have a vacancy factor of about 25 per cent in various areas. We are seeing that appear in many departments. Whether it be in our engineering services or whether it is one of our regulation services, we are seeing quite high percentages of vacant jobs. Property is one of our biggest areas or highest areas of vacancy.

**Deputy I. Gardiner:**

Is it more than 30 per cent in Property?

**Director General, Infrastructure, Housing and Environment:**

Yes, for me the worry is that that is our biggest risk. I do not think there is a risk of mindset within the organisation around behaving differently around this property now. I do not think there is a risk of that concept of Property Holdings being the Property Department or indeed people transferring that property to us to manage. I think we have got through a lot of that sort of mindset now. My biggest worry is having people to deliver the tasks that we need. We are currently going through our restructuring within Property, our new Property structure is out for consultation. But the challenge would be to fill those roles when they get ...

**Deputy I. Gardiner:**

Why is there a challenge to fill those roles?

**Director General, Infrastructure, Housing and Environment:**

I think that the main reason is our market competitiveness and our cost of living, I would say. I think we have tried in a number of areas recently within Property to try and recruit people but we have just had zero applicants effectively for some of those jobs. Estate jobs being one of them within

Tim's team. It is just an example of where we have been out to recruitment and we have had no applicants. Well, we have had applicants but we are not paying anywhere near what they are getting in the private sector so for me it is about our competitiveness but also trying to attract people to the Island, if we are going to do an off-Island recruitment. It is simply the cost-of-living issues that we are facing.

**Deputy I. Gardiner:**

What about the local talents or investing in development of the local talent?

**Director General, Infrastructure, Housing and Environment:**

We would love to go and hook a fully qualified seasoned property professional who can hit the ground running for us. We are not competitive in terms of we cannot pay the rates that the private sector here are currently paying. So property is a booming industry and we are part of that industry but we are in competition with people who can pay more of a base salary or offer other benefits. Our only solution in the longer term to a number of our problems in recruitment is to grow local. It does take a little longer but we do need to get proper school leaver jobs. I would call them proper trainee jobs, so to speak, to people who are not graduates yet but school leavers, train them up, and we are doing a bit of work now that has started with our People Services, H.R. (Human Resources) Department, to look at whether it be internships, whether it be sponsored degrees, whether it be proper A-level trainees or sort of college leavers, all the way through to graduate entry. It is a risk for us. It does appear on our risk register on people. But it is probably the thing that keeps me up most of the night, I think.

**Dr. H. Miles:**

When we asked last year about how you can reassess the viability and deliverability of estate projects needed by the whole of the public sector, and reprioritise accordingly, your estates directors told us that the process of prioritisation is generally identified by the key using department or using organisation. In other words, the department utilising that particular piece of land or that building. Do you consider that to be an adequate approach?

**Director General, Infrastructure, Housing and Environment:**

The concept of need has to start with the service department who is delivering the service. We do need to get involved in the conversation obviously not too late in the day.

[14:15]

I think it needs to be an earlier point ... a decent enough time in the process. But the concept of need does have to start with that delivering department, whether it be the education service or any

blue light services, or whatever it might be, they need to have an idea of what the service needs now and what their longer-term service direction would be. From which we can then translate whether there are property implications of that and we can then use our asset management approach to then compare their need against what we currently have and go through the process of matching one against the other. The initiation has to start from a service end. We need, for instance, a new school. We have burgeoning school roles. We have this: "Can you help us out please?" Then we get involved fairly early on in terms of the property side of the conversation. I think it has to start with that service department.

**Dr. H. Miles:**

Is the property services side of things proactive in going out and asking departments what their needs might be?

**Director General, Infrastructure, Housing and Environment:**

I think we would probably like to do more than we are now, if I am being honest. Some of that is down to people. The Corporate Asset Management Board is the vehicle whereby that is meeting regularly and we have good representation around the organisation on attendance. That is the place where, as we are going on, we are seeing that is the forum where property discussions are being held. Some departments I think are learning from each other as well, so some departments are a little bit more seasoned on this than others, I would say. As that continues I think we have got more awareness that that is where I need to go if I have got a land employment.

**Director, Jersey Property Holdings:**

One of the key members of the Asset Management Board is Steve Skelton from the S.P.3 (Strategic Policy, Performance and Population) looking at the Island Plan, and that is also the vehicle to understand what the future requirements are and so there is an increasingly closer working between the policy future looking and the Corporate Asset Management Board and Jersey Property Holdings.

**Dr. H. Miles:**

In terms of information gathering, sharing, and subsequently acting on the information as it comes through the Corporate Asset Management Board, do you use any kind of standard tools to make those decisions or is it just whoever shouts loudest?

**Director General, Infrastructure, Housing and Environment:**

It is a bit of both. A large example we have got at the moment is around primary school needs in St. Helier. That is an issue now. Clearly Education come from a position of what they think they need in terms of numbers on the school roll and predictions. We also then apply building standards and site standards through the process to match the need against something physical in terms of

this is what a 3-form, 2-form school should have, and then there is the practical stuff behind the scenes in terms of matching that requirement against estates that we have currently got.

**Dr. H. Miles:**

It sounds like you have got a bespoke Jersey-fied version then. So you do not use an industry standard tool to make those sorts of assessments?

**Director General, Infrastructure, Housing and Environment:**

On the school issue - Tim is going to tell me the name of it - but there is a proper design for size of schools, for instance, which we will apply to go through that process to assess need. Equate it to size effectively. If we have a one-form entry, 2-form entry it needs this sort of space.

**Dr. H. Miles:**

Does that fall within any legislation or is that just kind of a best practice guide?

**Director, Jersey Property Holdings:**

At the moment it is best practice. The guide is Building Bulletin 103, an evolution of Building Bulletin 99, which sets out the specific requirements of best practice. You will forgive me, I am not sure if it is a legal requirement in the U.K. (United Kingdom), but it is certainly something that is adopted as best practice here.

**Dr. H. Miles:**

Can you explain to us how or when you are going to prioritise existing properties so what property you are going to acquire, what you are going to dispose of, what you are going to do to repurpose?

**Director General, Infrastructure, Housing and Environment:**

In terms of what we have currently got, where we spend our money, so to speak, on our current estate is driven by our planned maintenance or reactive maintenance and some health and safety issues. It is also driven by any surveys that we have had done on those premises. Some of it is reactive because we have issues that are showing as red lights in places, whether there have been incidents or there has been a health and safety issue or we have had a survey that says there is something required. There is a lot of practical lifting around that bit of it, which directs our activity. What we acquire, it really should come out of the process whereby we have assessed our estate, there is still an apparent need but we do not have anything to match it within the estate therefore we have to look at something new.

**Dr. H. Miles:**

Do you have an example of a recent one where you have acquired something for a public service?



**Director General, Infrastructure, Housing and Environment:**

Certainly over recent times, certainly the last 2 or 3 years, we have acquired private leases in terms of enabling us to move our office estate around so that we have been able to get out of buildings. I guess we could use Broad Street as an example of that as an acquisition or a lease acquisition, 28-30 The Parade is also on a lease, which was leased for a specific reason. In the first instance, that building was around the hospital project mark 2. It needed office space so we needed to rent something. What it has enabled us to do is give us a bit of headroom within our office estate to be able to move things around so that we are ready to go into our new building when it is built. I guess that will be a couple of examples.

**Director, Jersey Property Holdings:**

The new Les Quennevais School is an area that we effectively had to procure new land to develop. I think that was sort of a scale where there is nothing that we had within the estate that would meet the bill in the geographical requirements. That is an example. It is also an excellent example of the challenges that are faced in the sorts of procurements for practical terms, the difficulty of getting hold of plots.

**Dr. H. Miles:**

But with a good result because the lovely new school there on the site.

**Director, Jersey Property Holdings:**

Yes.

**Director General, Infrastructure, Housing and Environment:**

Although not an easy one to go through. The pressures of acquiring new, certainly new greenfield, is pretty difficult, so I think which has resulted us just on the offices, taking leases on existing buildings.

**Dr. H. Miles:**

In terms of disposal of property, disposal of what would effectively be a States asset, what is the thought process behind that? What criteria are you using to dispose of your property assets?

**Director General, Infrastructure, Housing and Environment:**

Ultimately the criteria, the final question we have to ask ourselves, is: is this required anymore for public service use? Is it truly not required or not? Do we not need this building anymore? Then we go through a process of effectively going through the political decision-making process at that point, then it goes to the Regeneration Steering Group, which is the political board that sits above the

Corporate Asset Management Board, and then ultimately a Minister for Infrastructure decision to sell, if it is that, or transfer. But more often than not we are transferring or repurposing but a lot of buildings are currently tied up with the office modernisation programme effectively, so we are going to see a rationalisation of our office estate as a result of that project, and we have probably got a good at least 10 buildings behind that ready to be released physically or released from the leases that we have on them.

**Dr. H. Miles:**

Again, in terms of evidence gathering for that to make sure that Ministers have robust information upon which to make decisions, are you using any kind of tools to do that?

**Director, Jersey Property Holdings:**

Part of the challenge that we face at the moment, if I may, is that the value of a premises has to be measured in the plans and what we are trying to get to is an understanding of the community value or an equivalent value if we ascribe the site to social housing or to affordable housing. How do we measure that? This is not going to result in the same cash deposit into the Treasury but nonetheless that is a very valid and valuable community and society value. At the moment, we do not have a vehicle or protocol for assessing that. It is something that is very clearly on our list of priorities.

**Dr. H. Miles:**

So that is something that you would be working towards so that you have that consistent?

**Director General, Infrastructure, Housing and Environment:**

I would hope that in applying the strategy and the processes within it we are leading to evidence-based decision-making on our property. That basically infers that we have a clear need, we have assessed the current estates, we can or cannot meet it within that estate. Either we have repurposed something to meet the need or we have had to acquire new. The process also demonstrates that frankly these buildings, some of them, are costing us too much and they are not efficient enough. We are getting evidence therefore to base our decisions. So that is why we are taking that out of our estate and releasing it or we are repurposing it for something else.

**Dr. H. Miles:**

When do you think that is going to be in place?

**Director General, Infrastructure, Housing and Environment:**

I think the challenge is getting the K.P.I.s (key performance indicators) all together and operating. We are getting there. We are getting more property data as each month goes forward. Probably Tim would ask me to say when I get my 30 per cent of jobs filled we can go a lot quicker but it is

literally a bit like that, at the moment. I guess we are trying to do as much lifting as we can around our performance frameworks. Not just in this service but in other areas as well to make sure that they are, I guess, relevant performance indicators that we are using.

**Dr. H. Miles:**

Last year you also told us that it was difficult to prioritise your estate needs in advance due to waiting for the decisions around the new hospital and also the new office building. Those decisions have now been made. So what are the blockages that are left for you to implement your strategy in that area?

**Director General, Infrastructure, Housing and Environment:**

I think we have a really clear - so if we look at the office scheme itself - so we know what we are building, where we are building it, we know what size it is, we know who is going in, we know consequently what the buildings behind that are being released accordingly. The challenge we have on that, if I use that as an example, is any aspirations on release, if I can put it in that way. So we are very clear that we are going from a wide number of buildings into X number of buildings, and as a result we should be able to release a good 10 or so buildings. There is a "but" or a "however" because then obviously there are other people's aspirations about what those buildings could be used for, and if the States is coming out of one we will get constant or continual pressure to have another bright idea: "Can we use it for something else or can we use this?" There is either public aspiration that goes back into those buildings. Do we ever really make a property decision: "We are absolutely going to get rid of those dozen buildings because that is what we have decided to do"?

**Dr. H. Miles:**

Hence needing a tool.

**Director General, Infrastructure, Housing and Environment:**

So we are hoping the process we are going through here with the strategy, the data, the evidence, we need to nail on those decisions to make sure they are implemented. Otherwise we end up with bits of real estate hanging around and other people come up with some very bright ideas what they could be used for. There is always a lot of ideas about property. There is a charity needing something or another organisation needing something? We come under a lot of pressure in Government then to make that happen and give people a home or whatever it may be. I think the best we can do is making sure we are transparent upfront. The office project we are pretty clear what those buildings are, that are being exited, and we do need to codify that into firm decisions so that we do release those buildings and get out of them. Release the leases, sell them off, to realise the benefits that we said we were going to realise.

**Dr. H. Miles:**

I am going to hand you over to Paul now.

**Deputy I. Gardiner:**

We have one follow up.

**Senator T.A. Vallois:**

You mentioned in your answers around the Health and Safety Law. Now I am not quite clear in terms of the ... I am clear in the governance structure that you described. I am not clear, because that is a legal requirement unlike the best practice model, so your reporting and your requirement for priority in terms of property under the Health and Safety Law, is there a different governance structure to that? So to the States Employment Board, to the Council of Ministers?

**Director General, Infrastructure, Housing and Environment:**

Yes, health and safety incidents in our property that are related to property ultimately still find their way to the States Employment Board as the employer. If there is a health and safety incident that is due to a building failure or a building issue, then effectively that does get translated to the States Employment Board because they are the one effectively being called to account in court for the organisation. What that really does for us in the property side, it red flags an immediate need if there has been a health and safety case that has gone to court and it has been proven it is a building issue. Then it gets more stars in terms of where the money is spent. So it does get greater priority. That translates practically into the team and the department that they then prioritise that as part of the reactive and planned maintenance that we have to do. It bypasses: "Is this a good thing to do or not?" because sometimes if it is a building failing that has caused the health and safety issue then that has to get fixed pretty quickly effectively.

**Director, Jersey Property Holdings:**

The H.S.I. (Health and Safety Inspectorate) flagged a challenge with water safety management recently and we managed to find somebody suitably qualified to be a responsible individual to join the team to take on water management and we started to address the H.S.I.'s concerns, but that was by prioritising resources over other recruitment. So at the moment it tends to be firefighting where the need arises.

[14:30]

**Mr. P. van Bodegom:**

We will just move on to risk now, if that is okay. You mentioned earlier that you have been exiting properties, there are empty properties, have you calculated the risk and cost of holding on to these empty properties?

**Director General, Infrastructure, Housing and Environment:**

I do not think we have a full value on that, if I am being honest. We are pretty clear what the risks are. The longer we hold on to properties not being used it becomes a liability, either through health and safety or through management of access. I look at South Hill as a really good example of that up on the hill. We have had to board it up. We have been having people getting entry to the building. It has not been appropriately breaking the thing up, and running around vacant buildings is kids, that sort of stuff. The longer we hold something it is a liability, absolutely, from a physical perspective. We have to spend money securing it and then monitoring it. Also there is a perception and an image risk for us, as well as Government, because it is sitting there and it is a very clear image for everybody that we have vacant estates. The key to us is to make sure once we have made that decision that this is no longer required, we have to get into that execution as soon as. On that site particularly we are waiting, I guess, for the planning just to firm up to see where we think the value is going to be then we can get that transacted with the development company who have effectively taken that site from us. How we transact within Government around property is something that it is not so clear in the estate strategy but is something certainly as a department we want to get into and improve how we are making property decisions. We go through a Standing Order 168 process. We do need to look at how that is working for us and how do we go through that transaction. Can we transfer things far more quickly upfront and get the value later? That would work from a public perception because then we see things moving. It is quite hard at the moment for us to undertake that sort of thing because then we - in lodging papers to the States Assembly in terms of what the property transaction is - are then very unclear what the transaction is and what public value we are getting from it because the value has not been set at that point. We would like to do it a little bit further upfront on that so I think we have to redesign how Standing Order 168 works for us and involve more ... I call it a cross-party group and I do think the purpose of Standing Order 168 is to get a better political sounding on that property decision. It either gets called before the Assembly or it does not. I do think there is something more practical we can design so the Minister gets the comfort of a property transaction but mainly speeds it up. That might well be involving this committee, it could be involving Scrutiny, it could be involving other vehicles that we have within the Assembly to give the Minister the comfort. The purpose of Standing Order 168 is am I making the right decision here because it is that failsafe to the Assembly. That is something we absolutely want to look at.

**Mr. P. van Bodegom:**

The asset management plans and the up-to-date assessments are still a work in progress. How can you manage risk? Is there a traffic light system? Are there properties that are on your radar as presenting a risk?

**Director General, Infrastructure, Housing and Environment:**

Yes, if we go for a risk-based approach on the project, so each of the big projects we have got on have their own risk registers and risk processes around them, whether it be the hospital project or the office project. It is sort of programme-based risk that we have got running there. If we have a building that is absolutely failing because of ... health and safety risks would be the real example, but if we know a building is unsafe or it has fire issues or it has radon issues or it has asbestos or legionella or whatever it might be, that does drive our usage of it. Those sort of processes, to a degree, just get ramped up that we need to move people out. We have a duty as an employer to make sure people are in decent accommodation. That risk would apply through just the day-to-day management of those properties.

**Mr. P. van Bodegom:**

Would you say you are acutely aware of which ones need attention?

**Director General, Infrastructure, Housing and Environment:**

I think we are. I think we have a lot of property. As the data sort of gets stronger around what we are using, but Tim will answer if ... which ones have the greatest fire risk, which ones where we know we have got the biggest water issues in, which ones do we know we have got the biggest asbestos issues in. I think we have a fairly clear idea where those properties sit. The art of it then is behind that is what are we doing to mitigate some of that risk. We do have actions on all of those fronts in various bits of our buildings.

**Director, Jersey Property Holdings:**

I also think that the challenge is to go from managing and mitigating the risk in our ownership to how do we defray that by disposing. Then I think we get a bit more into the sort of political decision-making and the process of actually saying: "We no longer need X." It could be housing, it could be blue light, it could be public realm and then breaking down and trying to determine for disposal which of those competing requirements it should go to. As I said, the Corporate Asset Management Board or the Treasury, we need to get ourselves into a position where we have a prioritised list with risk, requirements, the fiscal and commercial issues, and then the societal issues, so we have a clear almost bar chart that says: "On the balance of our understanding and our knowledge and the estate and the requirements, we are going to do this with this" and that makes the Standing Order 168 process a bit more manageable because we are not saying: "We think we need to dispose of this"

so therefore we set off bright ideas. We have got a reasoned logical understandable and executable plan for what we are going to do.

**Director General, Infrastructure, Housing and Environment:**

Obviously property is an asset class of what we have got, we have got many tens of thousands of assets across government, and as part of our process around the ... it is on the back of the integrated technology solution but we will be building our asset management capability around asset replacement and investment. That will also cover property assets. As part of that the intention is to have an enterprise asset management team. Enterprise just means cross-government asset management team based within I.H.E. whose role is to translate and advise on asset management approaches. Whether that be a piece of electronics equipment, which has an asset value, or a pumping station or a building, the aim will be to get a much more rigorous approach to quality of asset, what the maintenance spend on assets are, what the replacement of those assets are, so that it should drive where our capital programme goes. We should be able to say: "This is what the capital programme is" at any one point in time based on the evidence that we are collecting, whether it be building assets or drainage assets or whatever. That would direct where the money should be spent really.

**Deputy I. Gardiner:**

I am agreeing with the process of things, we all agree on the process of how it should work. Let us go to a very specific example, La Folie. How many years it is empty? What needs to happen on your level, political level, that a decision will be made? What is stopping the decision being made? Let us just get it specifically to get an understanding for the public.

**Director General, Infrastructure, Housing and Environment:**

Thankfully it is no longer ours. That is now with the Ports of Jersey as an asset.

**Deputy I. Gardiner:**

But it is a public asset. It is Ports of Jersey, it has been transferred to Ports of Jersey, it is still owned by the public. So the public are asking: "What is happening with that property? What are the plans for that property?" Or Piquet House. Is it still ours?

**Director General, Infrastructure, Housing and Environment:**

That is definitely still ours, yes.

**Deputy I. Gardiner:**

Give us an example why it still has not been resolved? Why nothing has moved forward? What is stopping it? What are your challenges? Because the process I agree how it should work, but it does not work somehow.

**Director, Jersey Property Holdings:**

I think Piquet House in particular is a bit of a challenge and it had been identified for disposal awhile ago and a proposition was passed to say it should not be disposed of, it should be retained for community use. Trying to find a community use for it proved to be a bit of a challenge. It is currently in use and it is just about to be ... there is a very light refurbishment about to occur so that the Home Affairs victim support team can start to use it. It is a use that is clearly in the community benefit, community value, and it is trying to find a suitable use for the premises.

**Director General, Infrastructure, Housing and Environment:**

I think the challenge, and so looking at Piquet House as an example, we have had is that we came to a conclusion some time ago that that was not required anymore within government service. It was scheduled to be disposed of, effectively. So we have gone through the process of identifying need. It clearly was not required. It was listed for disposal. We have had some private interest at the time to take it off our hands. Then we are at the behest of a States proposition, which tells us not to do that. So effectively we go full circle and we were told not to do that. One of the risks we do face are propositions being lodged independently into the Assembly, which of course there is a right to do, but the risk we have got is if we are going to undertake an asset management approach or an estate strategy approach with evidence to come to a decision, it is always potentially put at risk by a proposition being lodged for other reasons. We have a very live one at the moment around one of our properties, which is about a rental level, which we are renegotiating a lease. That is now subject to a States debate about the lease level that we are going to apply to a property, which I would contend is not an appropriate forum to have that conversation. I guess we always have the risk of something circumventing our best intentions really and the process that we have designed.

**The Connétable of Grouville:**

Was Piquet House not going to be used for a juvenile court? Was that the idea a couple of years ago?

**Director General, Infrastructure, Housing and Environment:**

Yes, so we have come full circle with some of our estates because if we keep it long enough then another need may appear at another point in time. We then assess it against the need later on. If we had done what we were intending to do probably back about 2013, I think, when we made that decision previously it would not be in our ownership anymore. It would be in private ownership. It just typifies, if we keep ... I have called it before like the back shed mentality to property. If we keep



it long enough it will come in handy. There has been an element of that with all of our property. It is a bit of a truism because if you do keep assets long enough you still have them to be assessed against a new need at some point in the future. However, you have to carry it in the meantime and you have to spend money and keep them safe in the meantime.

**The Connétable of Grouville:**

The money you would have generated in 2013 would have accrued a lot of interest.

**Director General, Infrastructure, Housing and Environment:**

It would have done, yes.

**The Connétable of Grouville:**

Not only would you have not been spending money on leaving it empty you would have also had some income.

**Director General, Infrastructure, Housing and Environment:**

In that regard it sort of shows the problem of having too much estate because the more you have there is always somewhere you can put something. Our challenge is to make sure that when we do - I go back to the office scheme - rationalise the estate we do get rid of estate because if we do keep it or we have not got a repurposed sublet or whatever it may be, we have carrying costs and there is always a potential for it to be coming back again. I would not say come back to haunt us but it does feel like that sometimes.

**Mr. P. van Bodegom:**

I was going to follow on with that. So the maintenance required annually, do you have a cost for that?

**Director, Jersey Property Holdings:**

I have a budget and it tends to be inadequate. There is about £7 million, a mixture of reactive and planned maintenance but, as we have just heard, it tends to get allocated to the most pressing and prominent needs and what we need to get to is a condition survey, which we have planned for next year, to determine exactly where the requirements are and then start to feed into our disposal plan. But at the moment, the challenge I face is that our maintenance is reactive and it is not strategic and it is not designed with the most effective management of the assets in hand.

**Mr. P. van Bodegom:**

Would you say there is a backlog in maintaining?

**Director, Jersey Property Holdings:**

Yes.

**Mr. P. van Bodegom:**

How long do you think that backlog is?

**Director, Jersey Property Holdings:**

Obviously I do not know. I think it was assessed maybe 15 years ago and I think it was tens of millions. But we have not looked at it. We are not looking at it at the moment because with the hospital and the office we know that the estate is going to change, and I think that is a process that will go through once we have started to get an understanding of how the estate is going to evolve. We can then look at those buildings that we are fairly sure we will be retaining and then starting to balance the needs, which will give us the ability to then go to Treasury with a properly costed schedule and say: "In order to do this, this is what we need."

[14:45]

**Mr. P. van Bodegom:**

Earlier, you mentioned incidents that had happened in and around properties that had not been maintained. Have there been any insurance claims pertinent to those?

**Director, Jersey Property Holdings:**

I do not think so.

**Director General, Infrastructure, Housing and Environment:**

I do not know, is the honest answer. Undoubtedly there will be insurance claims against Government and I guess some of the issues we face are whether it is the building at fault or it is people using the building that has created an issue. But I honestly do not know where we are, if there has been or has not been.

**Mr. P. van Bodegom:**

Your estate director told us that he is confident that he can demonstrate best efforts to determine if buildings within the estate comply with disability legislation and the works that would be required to bring certain buildings up to that standard. Is this work now complete and you share his confidence?

**Director, Jersey Property Holdings:**

Yes, it is not complete though. Property Holdings are responsible for physical access and there is legislation in 2007 that salvaged the physical accessibility. The more recent disability discrimination

also includes aspects such as training reception staff and soft areas of managing people with special needs. Clearly those fall outside of the Property Holdings remit. So in terms of the physical access, we have completed a survey of the key buildings that have public access to them. But, as I say, that is from a physical access perspective. What we are now doing, and unfortunately interrupted by COVID-19, we have been trying to get the local charity, Liberate, who are a diversity and inclusivity charity, to go around and do reviews and assessments of those key buildings. It is not just about do doors need mechanical access, it is about assigning colour systems, layout and a much more holistic view of what is required. Those reviews are still ongoing, in particular the Liberate education reviews. They will tend to get programmed for the summer because the schools are not going to be in operation and it will be easier to get access. We are working through. We do have money in the Government Plan for the next 2 years to support those reviews and also any work that needs to be done. But again I should highlight that it is not just the physical access, there are also works that the tenant organisations will need to undertake. That work is also resourced.

**Mr. P. van Bodegom:**

You mentioned 80 per cent of premises have been surveyed. Has that figure increased?

**Director, Jersey Property Holdings:**

At the moment we are only looking at those buildings with public access. At the moment, in terms of physical access, I believe we have undertaken all the physical surveys. What we do not have yet are the full Liberate reviews and we are probably about 40 per cent of those.

**Mr. P. van Bodegom:**

You mentioned Liberate; any other groups that you have been talking to about access?

**Director, Jersey Property Holdings:**

No, it has all been with Liberate at the moment. Though the Minister for Social Security has a working group and they may have been speaking to other organisations I am not aware of. But certainly, from my perspective, Liberate are the only organisation that we have been working with.

**Deputy I. Gardiner:**

Any follow-ups on the risks? I have one, if not. We have seen some of the reports from Liberate and they are very detailed, they are very good and they have something that can be done in the short term and something that can be done in the medium and the long term. Do you have plans in place going forward for implementation based on the reviews that have been done over the last year and a half?

**Director, Jersey Property Holdings:**

Yes, we do. But at the moment, as I say, what I have are the physical access requirements ...

**Deputy I. Gardiner:**

No, the Liberate, I am talking about the Liberate reports, which suggested X, Y, Z; very specific. Do you have written plans to implement what Liberate has already suggested?

**Director, Jersey Property Holdings:**

The point I am trying to make is the review recommendations from Liberate are not physical access. I have no power over tenant organisations. So if it is talking about signage or if it is talking about colour schemes or way of greeting, then I do not have that power to implement a change in a light switch or something. But what we are working towards is part of an overall working group on accessibility to start to understand the ...

**Deputy I. Gardiner:**

I understand. Who has the power to change the switch if it needs to be put down for the level that, if you are a person with disability, can switch on? Who has the power? Who is responsible for this? For these sort of changes?

**Director General, Infrastructure, Housing and Environment:**

The starting point will be what reasonable adjusting is being recommended, whether it be a physical access and some physical building works as an adjustment and is that reasonable for the building. Or is it more of a service adjustment in terms of how the service is delivered from that building or for a member of staff or whatever it may be. So we have to, as part of that process, understand is this this landlord's job because it is a building issue or is it going to be something within the building that it is the tenant organisation's responsibility.

**Deputy I. Gardiner:**

But I am saying, for example, the States Assembly, government building at Broad Street, which is a public building, if Government is responsible. So have you looked through the reviews that already have been submitted by Liberate and created the plan going forward? I do not mind if it is by Jersey Property Holdings or who is responsible within the government building to address very clear straightforward recommendations from the Liberate. So is a plan in place?

**Director, Jersey Property Holdings:**

So, as I say, we have a plan for physical aspects of the building. But what we do not have is, if the recommendation is that the receptionist should have the ability to sign, communicate in sign language, then that is not something that I can ...

**Deputy I. Gardiner:**

I understand. Can we see the plans for the physical changes that have already been recommended last year for the Liberate? Can you share with the committee on whatever?

**Director, Jersey Property Holdings:**

I can show the ones we have, yes.

**Deputy I. Gardiner:**

Okay, thank you. We move to the Corporate Asset Management Board.

**Mr. G. Phipps:**

A lot of talk about the estates and the issue of who is responsible for what roles and responsibilities. It is pretty clear. But you are the director general of Infrastructure, Housing and Environment and the chair of the Corporate Asset Management Board, so you are a good guy to talk to about these things. So the Asset Management Board is made up of senior officers and it is mandated to work out a comprehensive plan for the estate strategy, including determining the property needs of each department in the short, medium, long term. This raises the question: do you wait until they provide it or do you take the initiative to ask the question? Ultimate responsibility is the question there. In reports to the Regeneration Steering Group, which is the political arm, or maybe another word for it would be the Government Asset Management Group, as we look into the future versus the past. A question, who is the head of the R.S.G. (Regeneration Steering Group) and who are the members of that group?

**Director General, Infrastructure, Housing and Environment:**

The R.S.G. is chaired by the Chief Minister. We currently have the Minister for Infrastructure in attendance, the Minister for Treasury and Resources, we have the Constable of St. Helier. We have the Minister for Economic Development, Tourism, Sport and Culture. That is the political membership currently. The Minister for Housing and Communities is just joining. The Minister for Housing and Communities has been to the last 2 Regeneration Steering Groups. So, effectively, it is chaired by the Chief Minister.

**Mr. G. Phipps:**

It is interesting that you have the Constable of St. Helier, given its past, because the R.S.G. started as a political oversight when developing the waterfront with specific focus on that area. So were there new and improved expanded mandate roles and responsibilities of R.S.G. and is this document clear and published?

**Director General, Infrastructure, Housing and Environment:**

The R.S.G. is something we need to review and look at. From the officer side, we are clear that the estate strategies are gaining momentum. What I would like to see is a Government political property board, which is very clear that it is there to make property decisions. At the moment the R.S.G. gets conflated with the Regeneration Steering Group - it is called the Regeneration Steering Group - it steers regeneration strategy as opposed to making property decisions. Now is the time to review that. The R.S.G. was set up when we had created the States of Jersey Development Company to give it direction. Subsequent to that, we have incorporated Ports, we have incorporated Andium, and so it is very much time for that group to be revised. We are doing a bit of work with colleagues in our policy department, S.P.3, around what is the future of regeneration resource that Government has. So there is likely to be a function being created in our policy team around regeneration strategy, which is a helpful grouping to inform a political group to talk about regeneration strategy. As opposed to what we require from the C.A.M.B. (Corporate Asset Management Board) perspective, which is political assurance on property decisions, which the 2 are separate. The R.S.G. at the moment has got to a point where it does need to be updated and revised in light of those changes in circumstances.

**Mr. G. Phipps:**

So would your view then be, if this were done properly between C.A.M.B. and this group, you would basically encompass all of the assets that are either directly or indirectly controlled by the Government?

**Director General, Infrastructure, Housing and Environment:**

Yes, I would like to see a political board to give effect to property decisions. We need to improve that property decision-making role from the political side. Because it has been conflated with the regeneration strategy side of things. So that is an action that needs to be followed through with.

**Mr. G. Phipps:**

How is it working today? What are some of the examples where it is working or not working?

**Director General, Infrastructure, Housing and Environment:**

There is a bit of confusion, if I am being honest, about which group is making decisions. Because ultimately property decisions are within the remit of the Minister for Infrastructure. It is a Minister for Infrastructure decision through Ministerial Decision, which is effectively lodged as part of the Standing Order 168 process. So what the Minister for Infrastructure needs is a property board to give him comfort - it is currently him - around making that decision. That is not the same as the Government's wider strategy or policy position on where it wants town to go or the Island to go. How it deals with its assets in line with the strategy is separate from just mundane property decision-making.

**Mr. G. Phipps:**

It would be interesting for us to see, and maybe this is something we could come back to. But what would be the 3 top implementation challenges you see working between yourself and with this board to ensure that this vision of yours is carried out?

**Director General, Infrastructure, Housing and Environment:**

I will start with one and then I will get to 2 and 3. But what we are trying to do here is to be as transparent as possible about the assets and the estate that we have. What best use are these put to publicly? For me the biggest risk is that it is left to officers or a Property Holdings function to make all of those decisions on behalf of Government. It puts it in a very difficult position to do so. It is like asking our I.T. (Information Technology) Department to solve everybody's I.T. issues without the client departments telling them what their needs are. For me, the biggest risk we have is it seems to be the Property Holdings Department's job to resolve all of those issues. So therefore my number one ask is to have more cross-political complexion to how we are making property decisions on our estate so that we can transparently say: "Yes, that is in the interests of the Island, therefore we are going to do that." At the moment we do get quite a number of independent views on property being taken, which invariably leads to propositions in the Assembly or a potential dilution of the journey that we are on. So for me it is one big ask rather than 3 in there.

**Mr. G. Phipps:**

It is an ask but it is also in your role probably, you are the best suited to bring that forward. Would that be fair to say?

**Director General, Infrastructure, Housing and Environment:**

I do. It is certainly incumbent on me and my department to be coming forward to say this is how we think this could work more easily for the Government or more transparently. How do we go about making some of these decisions? So if we have a lease review, we have a very live example at the moment. I want to give people, or certainly the body politic, confidence that we have done the right process at the right time, that we have assessed it for the right reasons, therefore that is why we have produced that decision. For me, whether it is a lease renewal or it is a disposal of a site, I want people to feel comfortable that we have not got rid of something too quick and we have not been too tardy at getting rid of it either.

[15:00]

**Mr. G. Phipps:**

It sounds like a very important initiative that the public is looking for, the timely release of this information. Here is another one. When asked about how you deal with competing priorities in the absence of this, we have the strategy, the implementation, you do not have all the asset management plans, et cetera, in place. We were told by the director of the States last year that the Corporate Asset Management Board would put together a list of these prioritised items. Do you have an active list now of the top lists that you are working on?

**Director General, Infrastructure, Housing and Environment:**

Effectively, the capital programme, which is expressed in the Government Plan, is in fact our list of where we are going to spend money on our capital properties, whether it be new property or enhancement of our assets. So effectively the capital programme does do that to a degree. We are doing a bit of work at the moment, working with Treasury on how you get into the capital programme. At the moment there is a very long list of projects. I cannot hand-on-heart say that we have a prioritisation around all of those lists. I cannot tell you whether entry number 20 is more important than entry number 5. So we are building a prioritisation matrix with Treasury to get you into the programme, so you are going to need to go through a number of tests. If you want to build something new or you want to invest in something new, you have to go through a number of tests to prove that it is required, and that it is more important than us putting our money somewhere else.

**Mr. G. Phipps:**

You have to start somewhere and when do you think your first pass of this, what specific date would this be done by?

**Director General, Infrastructure, Housing and Environment:**

At the moment the capital programme is fairly evenly divided around departments. Everyone gets a piece of the pie so to speak. What we need to do, it will not be for this Government Plan's cycle because that is pretty much upon us now, but certainly for next year's Government Plan I would like to have designed, working with colleagues in Treasury, but we also have a portfolio management office whose job it is to manage our portfolios across Government. To be clear, what sort of gateways you need to go through before you get any money. So for me it is really important that we have a capital programme that says, if you do need a new school, you have gone through the steps that show that you have firstly identified the need, you have gone through some pre-feasibility and feasibility to inform what it is. It then informs the cost of that before you ask for the money. At the moment we have some schemes in the capital programme that we have loosely called markers on a sunbed, so to speak. It is: "I want to put a marker down to get into the capital programme."

**Mr. G. Phipps:**



So you have this process of identifying the criteria, then you go through and make sure that those ones are there. Then once you have that then you have your first working level list, or at least a basis of prioritisation; is that correct? You will have that in place sometime next year?

**Director General, Infrastructure, Housing and Environment:**

Yes, we need that in place for the next Government Plan cycle, which is going to be summer of 2022.

**Mr. G. Phipps:**

You should have that with these criteria. Okay, thank you.

**Senator T.A. Vallois:**

In terms of the political decision-making body you were talking about, I have to question what is the point in R.S.G.? What is the point in Corporate Asset Management Board? Because no disrespect or anything like that, but how many reviews and how many boards and how many bodies do we need that do not make decisions or nothing happens out of them? You can probably see my frustration.

**Director General, Infrastructure, Housing and Environment:**

Yes. The C.A.M.B., effectively the officer group, it is right that we have it so that we have a roundtable conversation around services as to who is getting what, what people's needs are, et cetera. So we produce some recommendations as to this is what we think we should be doing. The property board of Government does need to make decisions. That is what we would ask it to do as officers, is to say we need confirmation that this disposal is okay, this acquisition is okay, this major capital programme is okay. So we need to be clear, if it is still the Minister for Infrastructure making the decision, the property board needs to make a very clear recommendation of endorsement to the Minister for Infrastructure to make that decision.

**Senator T.A. Vallois:**

It appears there is a certain dysfunction somewhere here at the top where everyone else is trying to get on and do, you have reactivity to certain things. But there are a lot of tests you have been talking about. There are people in charge who are able to do: "You have to do this." You have the treasurer who is in charge of the money. You have the principal accountable officer who is the chief executive officer. They are part of this formation for the Corporate Asset Management Board.

**Director General, Infrastructure, Housing and Environment:**

Yes, I would probably describe where we have been, some of the symptoms we have around independent propositions being lodged in the Assembly to make property decisions, is an indicator to me of the disconnect in the system.

**Senator T.A. Vallois:**

But to be fair that does not happen very often.

**Director General, Infrastructure, Housing and Environment:**

No, it does not, but it does put a flavour on property decision-making that we are never quite sure that the decision is going to be made because there is always a risk that a proposition will come in. So for me that is an indicator of a disconnect between the public, our body politic, and the decision-making that we need to make sure that it is a firmer, transparent, evidence-based process, whereby people can understand why that recommendation has been made or that decision has been made. So for me it just shows a bit of a disjoint. That is the bit we need to fix, in my view.

**Director, Jersey Property Holdings:**

If I may as well, part of the challenge is that we have a very aspirational programme at the moment and what we need to do is to get, with the Treasury, to a position where we have a much more affordable plan. That will start to then do away with some of the friction about: "He who shouts loudest gets the project." Because it does tend to be a bit adversarial at the moment, rather than having a collective view of a programme that can be delivered, timeframes that it can be delivered in, we tend to have a view of there is a lot of stuff that we want to do, how do we then start to put that into shape to achieve it? Talking about the gateways and making sure that the requirements from the user department or the commissioning organisation are well thought through and it is not just: "We need a new school", it is: "We need a 2-form entry school and it needs to be servicing this ..."

**Senator T.A. Vallois:**

That is a perfect example. You were asked before about is the approach adequate that we are asking the tenants of those buildings to come to yourselves. My argument is you have a principal accountable officer who is ultimately accountable for expenditure of monies. Is there a direction that says every tenant we have has to compile and provide a needs assessment based on fact, not political will but fact, to Property Holdings? So there is an ability to take direction and require accounting officers to account for the money that they spend. Is that happening?

**Director General, Infrastructure, Housing and Environment:**

Yes, so I will answer that with my other hat on effectively, which is while I am in charge of the property bit, I am also in charge of lots of services that have property requirements themselves. So

there is a need for each department to have some clarity as to what its direction is. It is incumbent on the D.G.s (director generals) of departments to work with their teams as to what is their future. So I use an example of sport at the moment, we know we have some assets in our sports estate, which are coming to the end of their lives, whether it be Fort Regent, whether it be Les Quennevais Sport Centre or Springfield, as just some examples. So we know that by the time they get to the end of their lives we need a plan to replace them, otherwise we are going to have sport centres not functioning. So we know that Les Quennevais is needing either a major rebuild or major refurb or a reconfiguration in about 7 to 10 years' time. That is where the life of that asset is. So, from a departmental perspective, we are putting together our sport strategy, which is Inspiring Active Places, which seeks to look at that longer-term vision for sport, so we know what our assets are going to be in that period of time. We then can drop that strategy into the capital programme and our property conversations to say that is what our need is. So it is incumbent on the service department to be clear where their direction of travel is. It is either a direction of travel related to the assets they currently have, which are getting worn out and need replacing, or it is a growth service. For instance, if I look at the solid waste services that we run, we know the state of play down at La Collette as to what we need asset-wise. We either choose to be in that business or not or we do something else around the estate. So we have the same issues with our liquid waste services, which has prompted the replacement of the sewerage treatment works as an asset. So it goes back to that sort of asset management approach of knowing what you have, and only the services really know what they have, and how they want to use them going forward. But that vision should be driven by the service. We then translate that need into what is your real-estate requirement? Do you have a people requirement? Do you have an I.T. requirement? Those sort of things. So in that sense Property is a corporate resource that helps the service department deliver.

**Dr. H. Miles:**

That is quite a nice segue in because talking about corporate asset management, talking about decision-making, and I do not want to use a specific example, but the Corporate Asset Management Board needs to consider the forthcoming competing needs of the former police station sites, which is a topical example, which Education clearly would like to use to extend Rouge Bouillon School. Justice and Home Affairs have been quite clear that they want it to stay as the fire station and potentially the ambulance station. How do the Corporate Asset Management Board - and is it Corporate Asset Management Board - determine and resolve the ultimate use of that particular site?

**Director General, Infrastructure, Housing and Environment:**

The answer is that C.A.M.B. would make recommendations as to where it thinks it is going and ultimately we end up with a political decision as to who judges the arm-wrestle so to speak.

**Dr. H. Miles:**

Technically that political decision should be the Minister for Infrastructure.

**Director General, Infrastructure, Housing and Environment:**

Ultimately, if it is a property decision, yes. So what we are expecting and what we are seeing through the C.A.M.B. process is research as to what the needs are. So the Home Affairs Department are clear that they have done their needs assessment as to what their requirements are going forward. What that requirement is and where they have engaged with us about where that could be met, they have looked at that site, they have looked at other sites as well. They have concluded through their bit of work that is still their number one site for their service requirements. Running alongside this there is also an Education review around primary going on, which will inform what the needs for primary schooling in St. Helier is and that will then give us another bit of either counter-evidence or it may well be evidence that matches the same thing in terms of what are we trying to achieve for schooling in St. Helier. So that is the piece of work that is about finishing, if it has not finished - it might have already finished - but it is live, to give us what is that service's requirements. You would hope through the C.A.M.B. process you could match the 2 together and everyone can co-exist and there is a discussion as to whether the school is in the right place, whether it is not in the right place, can you make other administrative decisions around the catchment areas to push demand into where the supply is. So we are at that process at the moment whereby the C.A.M.B. crucible, if I can call it that, receives the data and we can have a bit of a tussle around the table to say what is the recommendation then on this.

**Dr. H. Miles:**

How can C.A.M.B. be assured the evidence that they are receiving from both of these parties, who are not property experts, who are specifying their needs, is robust and that the views of all stakeholders in the final decision have been taken into account?

**Director General, Infrastructure, Housing and Environment:**

It is really important for a Property person to be involved in those reviews. While it is being led by the client department, whether it be Home Affairs or whether it be the Education service, we have had someone from Property in that conversation. So you are not getting a review making inappropriate property conclusions. You need someone who is able to say: "Yes, that is 2 hectares inside, you can do that with it, you cannot do this with it." So those reviews have had someone from Property within them.

**Dr. H. Miles:**

Again going back to you now, is there an industry-standard tool that you can apply, that C.A.M.B. will apply to this decision-making in the context of Rouge Bouillon?

[15:15]

**Director, Jersey Property Holdings:**

There is a particular requirement, a technical and professional requirement, for the blue light and we have heard about the specification for Education. Clearly they are not the same. They have both been undertaken by external expert impartial agencies, albeit overseen by somebody from Property Holdings. What they will do is give a potential solution to both the challenges and it is then up to the Asset Management Board to review that and to see, if compromise is required, where they might direct that compromise to occur or how the overarching requirements of both of the entities. It is not just those, there is also a requirement for housing, for amenity space, for parking, public realm, et cetera. So all of those factors will be included in the review of those 2 specific cases.

**Dr. H. Miles:**

So you have described what seems to be a fairly complicated process there for the Rouge Bouillon. Was that process applied to the development of the new States office strategy and the development of the new States building?

**Director General, Infrastructure, Housing and Environment:**

The statement of needs, you start with a statement of needs as to what does a new building need to look like, some of that was driven, in terms of the site selection, by the tender process that was undertaken at the time in terms of what sites are developable. So we ended up with 2 potential sites, the one that we have chosen and the one that we did choose and then did not choose, which was in Broad Street. So some of that was because of the procurement model we were following. It was also led by developer interest and site availability as well. So it is slightly different for the office scheme.

**Dr. H. Miles:**

So did the Corporate Asset Management Board then have a role in contributing towards the decision-making around the office management strategy?

**Director General, Infrastructure, Housing and Environment:**

Not on the office itself. I would not say Corporate Asset Management Board really got into its stride, it has met on a number of occasions now, but it was not in its stride back then.

**Dr. H. Miles:**

So if the site selection and the office strategy were going ahead now, would the Corporate Asset Management Board be involved?

**Director General, Infrastructure, Housing and Environment:**

Yes, it would. Ultimately, we have ended up with a Government asset being used for our new office.

**Dr. H. Miles:**

So the decision that was made for the location of the office, the States office, the management strategy was kind of made without the benefit of the Corporate Asset Management Board?

**Director General, Infrastructure, Housing and Environment:**

I would have to go back to the minutes as to when we had the first Corporate Asset Management Board meeting. It has only really been meeting fairly recently. It has probably had 5 or 6 meetings, of that order I would say. So it was not in existence for a lot longer than that.

**Dr. H. Miles:**

So what would have been the governance arrangements around the decision-making for that office management strategy?

**Director General, Infrastructure, Housing and Environment:**

I am supposing a little bit because I was not involved in it myself. There was a statement of needs produced in terms of what was the Government's requirement for offices and there was a tender process that went through, effectively private sector bodies and others responded to that to say: "We can meet your need."

**Director, Jersey Property Holdings:**

Looking back at the records, first mention of office modernisation was 2007 and it has been something that the Government has recognised for a while.

**Dr. H. Miles:**

This goes back to Senator Vallois' questions. Some departments have told us that they have not been asked for the short to long-term requirements in terms of property. Is it their responsibility to proactively develop and provide this or is it your responsibility to proactively go out to departments and say: "Can you think about what you are going to need this year, 5 years, 10 years' time?"

**Director General, Infrastructure, Housing and Environment:**

The need has to start via the service department. The service department has to have a very clear idea of where it wants to go with its service, whether it be Health. Health is another example we have at the moment where, for the delivery of that service, we know that they are looking at a number of things. Either the physical estate, the hospital proposal, mental health offering there, or the Jersey Care Model, which is also informing how services are delivered. So the Health Department, for

instance, are looking at what their longer-term needs are. That has some property implications. So it is not for I.H.E. and the Property Department to direct people's longer-term strategy. I do however feel that we need to talk to them about the real estate implications of their service strategy and their longer-term vision.

**Mr. G. Phipps:**

But if you are responsible ultimately for the use of all the assets, do you not feel there is some role to you to at least ask the questions so they think about it? Because, in everything they are doing, they may not even think about the implications. If you have a plan, where does it start? That goes back to the ultimate responsibility and accountability.

**Director General, Infrastructure, Housing and Environment:**

It is not a Property conversation to drive the services to say: "This is your property, only property decision-making is going to drive the future of Health or ..."

**Mr. G. Phipps:**

That was not the question.

**Director General, Infrastructure, Housing and Environment:**

... or the other way around, but I do certainly feel that we are seeing through the Corporate Asset Management Board. Because we are getting good attendance, we are having greater coverage of these conversations with the Government. How the capital programme is put together is also having exactly the same vehicle being used to look at the capital programme. Departments are increasingly aware now that they do need to think about their longer-term property implications or their longer-term service needs and talk to us about the property implications of that.

**Dr. H. Miles:**

Who is around looking for opportunity of sharing resources so that you might have a school that is not used of an evening that could be used for some other thing that a department would not necessarily have to create? Not necessarily just property assets, but also transport assets, for example, minibuses? Who is responsible for that overview?

**Director, Jersey Property Holdings:**

The relationship is such that there is a good informal relationship at the working level. As we saw through COVID, we had a requirement for extra officers and extra facilities and that was very much done across the cups of coffee and: "Can you help?" process.

**Dr. H. Miles:**

So what have you done to formalise that agreement so somebody has that overarching vision?

**Director General, Infrastructure, Housing and Environment:**

I guess from a property perspective it comes down to the ultimate translation of the corporate landlord model. If all assets are effectively property assets within the administration of the corporate landlord, what happens to those assets out of hours could be a conversation the landlord has. If I could pick on a school it could be: "You have it between the hours of 8.00 and 6.00 but after 6.00 it could be used for community use, especially the sports provision." There is a really good example of that. As part of our Inspiring Active Places strategy, for instance, from a sports perspective, we are asking ourselves the question: "Does it make sense to build new or can we use existing assets in a better way for the community?" whether that be our swimming pools or whether it be our schools and leisure centres.

**Dr. H. Miles:**

So is that assessment on the drawing board?

**Director General, Infrastructure, Housing and Environment:**

It is not consistent. We do not necessarily think of, whether it be our minibuses or other assets that we have: "Can someone else use these?"

**Dr. H. Miles:**

So at the moment we do not have any assessment of what kind of land or property use the States will need for the next 12 months, 5 years, 20 years?

**Director, Jersey Property Holdings:**

We do. We have a core understanding. But the point that I am keen to get to is that we, through the use of Concerto, our asset management tool, is we have an understanding of what facilities each of our premises has. Then we can scan a list that says, if somebody wants a musical performance space, we have 200 square metres available that could be used. I do not have the permission of the building so I cannot say that at the moment we know that this building is under-used so we can look and see that the electricity is needed after hours. So we do not have that information.

**Dr. H. Miles:**

When do you expect that to be functioning?

**Director, Jersey Property Holdings:**

We are in the process of transferring the real estate holdings of the majority of the departments into Property Holdings. Our aspiration is to have that done by early next year. That is the point at which,



once we have the real estate and we have control, part of the challenge is that it is not just the buildings, but we need the budget transferred as well and that is a conversation that keeps going.

**Director General, Infrastructure, Housing and Environment:**

We have some very live meetings and conversations going on at the moment with other departments as to what assets they have and when they are getting transferred. Especially if they have people or money associated with them in terms of managing that estate. So at the current time, Property Holdings does not manage all of the public estate that we have. But we are on a journey to make sure that happens.

**Deputy I. Gardiner:**

What the previous question and answers raised; this is the clarity really required who is ultimate responsible. If it is Jersey Property Holding who needs to send a template for the department to fill with their requirements and needs or you just say it is up to the departments to submit us the requirements. Or because the feedback that we received during the public hearings from the departments: "We have not been asked. So, if we have not been asked, we have not submitted. We are doing it at our pace and if the site will go, site will go." But without you knowing the whole information, if the site can go even though the site could be used to other purposes. And this is where really clarity is required between yourself and the departments. I will move to the Synergy report consultation and communication. I would like to pick up on in 2019 we criticised the lack of - sorry, it is a P.A.C. report - consulting and engagement with stakeholders including community group and non-ministerial departments. We spoke about office strategy. Have you, as the chair of C.A.M.B., had a conversation with non-ministerial departments what are their property needs, include in relation to the office accommodation where they will not share in the office with the government departments?

**Director General, Infrastructure, Housing and Environment:**

The short answer is yes, that there was conversations with the non-ministerial departments as to whether they were going to be in the new H.Q. (headquarters) or not as part of that journey to specify the endpoint. It was decided throughout that journey that the non-ministerial departments were not going to come to the new location. So some of that was location-specific. Obviously, we have a non-ministerial department based near to us here, which is in the seat of administration. There was a conversation had with the non-ministerial departments about would they still be operationally effective by being further away from the Court and the States Assembly buildings? So a lot of that drove the conversation. There was also a conversation around independence of non-ministerial departments and the judiciary, especially from other bits of Government. So there were conversations about whether they should be in the same building or should not be in the same building or whether they got a separate entrance or not. But it was twofold really, one was around

independence and perceived independence as well, but also, secondly, just operational effectiveness of being a bit further away from where most of their business is undertaken.

**Deputy I. Gardiner:**

So now you know then it is how you are going to accommodate their particular needs?

**Director General, Infrastructure, Housing and Environment:**

So the current working assumption is they are staying in the building that they are staying within and ultimately that building will need to be refurbished when it gets to the requirement to be refurbished effectively.

**Deputy I. Gardiner:**

But that we had a business plan how to refurb this building in 2018, 3 years ago, it was a fully developed plan. It maybe needs some adjustment. Why nothing happened for 3 years to refurbish the premises and would money be allocated in this Government Plan to address the needs?

**Director General, Infrastructure, Housing and Environment:**

The working assumption was that they were going to be in the new Government H.Q. and therefore that was going to solve a lot of the accommodation problems. But, as we have gone through that process, they are not in the H.Q., so if we are to refurb Morier House that will need to be subject to funding.

**Deputy I. Gardiner:**

So from January/February, basically for more than 6 months, we know that they are not going to be part of the Government office building. We did have plan developed in 2018. Why this plan for refurbish has not been reviewed and no action has been put in place to address their needs in the Government Plan coming in September?

**Director, Jersey Property Holdings:**

That original plan had been effectively sticking plasters to get them through the period until the new office was available. It made some assumptions about open-plan working and office style that perhaps now needs to be reviewed in the understanding that they are not going to move. So we need to go back and again make sure that we understand their needs.

**Deputy I. Gardiner:**

When will the work start to address the needs of the non-ministerial departments? Or it is planned to start or estimate. So it is not the decision has been made and not moving in and now we are, after 3½ years, that this building needs refurbishment and they have needs.

**Director General, Infrastructure, Housing and Environment:**

The fact they are not coming into the new building, and that was only a relatively recent decision earlier this year, we now need to re-enliven that part of the conversation again in terms of what is the requirement, if Morier House is going to be a permanent location still, what is the investment we need ...

[15:30]

**Deputy I. Gardiner:**

Are they part of your Corporate Asset Management Board? So are they involved with Corporate Asset Management Board? We are talking about non-ministerial departments.

**Director General, Infrastructure, Housing and Environment:**

They are not. It generally covers ministerial departments. But at the moment we do not have a representative from non-ministerials on the Corporate Assets Management Board.

**Deputy I. Gardiner:**

So would it be if this were the plan in future and it is possible engagement with non-ministerial department to have the whole building for non-ministerial department?

**Director General, Infrastructure, Housing and Environment:**

Yes, we absolutely need to talk to the non-ministerial departments as well, whether it be in Morier House or whether it be in the courts service and probation and other bits of non-ministerial, to understand what their requirements are as well.

**Senator T.A. Vallois:**

Can I just follow up on this? Because this goes back to the nubs of the questions we have been asking before about the adequate approach. At what point does a tenant know when to approach you and say: "I need this"? At what priority is it given? So why and who makes the decision and goes: "We sat on a report for 3 years", because there was some assumption made by somebody somewhere that they were going to be included in this grandiose scheme and it has just been left.

**Director General, Infrastructure, Housing and Environment:**

The non-ministerials were part of the officer board. The officer board taking the project forward had a representative from the non-ministerials on it, with a view that various options were being assessed as to them coming into the H.Q. when it was constructed. It was only when the Cyril Le Marquand House location was chosen, the non-ministerials chose that was not the location they wanted to go

to, and at that point they are not in the project. So we do need to work with them. Effectively, they do not have any new real estate requirements; they do have a requirement on their current assets effectively, so it is an asset management investment in Morier House.

**Senator T.A. Vallois:**

So once that decision was made about the office accommodation, whose responsibility was it then to re-liven up the report about refurbishing Morier House?

**Director General, Infrastructure, Housing and Environment:**

In terms of the overall location, we are going back to the lower levels of spend to keep Morier House functioning rather than a major real estate investment for a new office.

**Senator T.A. Vallois:**

Yes, but we were just talking about refurbishment. I am not talking about a brand new office. There was a report about refurbishment. What I am trying to get at is, once the decision was made about the office accommodation, non-ministerials are not going in there, whose responsibility was it to then pick up the report, put it down in front of somebody, and say: "This needs to be done"?

**Director General, Infrastructure, Housing and Environment:**

So in terms the investment back into it, it is part of the general office estate that we have, that is the job of I.H.E. to say this is when these investments are going to take place on the assets we have based on the evidence we have. So if Morier House's needs are high, then it should flag through the data that we are collecting that ...

**Senator T.A. Vallois:**

So if there is a report that is already in place, a different decision is made, then it is down to your department to pick it up and manage it and determine the prioritisation?

**Director General, Infrastructure, Housing and Environment:**

Yes, if it is deemed as important or more important than some of the other risks that we are facing elsewhere within the estate. So going back to the previous answers, if we have a pot of money for spending on our office estate as it is now, it is going to go for the higher-priority elements than the lower-priority elements. So as long as the Morier House scheme is high enough on the list, it will get money associated with it.

**Deputy I. Gardiner:**

I have concerns. It feels like: "Because you did not buy into our headquarters, we will put you down the list for the priority and that means we will not engage with you, we will not ask you what is the

situation.” I mean at least to know where they are standing. This is the communication that should be initiated with non-ministerials.

**Director General, Infrastructure, Housing and Environment:**

It will depend on the assessment of that asset effectively. So Morier House as an asset is better than many we have elsewhere within our estate, so we have to do that relative prioritisation of who is getting the spend.

**Deputy I. Gardiner:**

I am not talking about the prioritisation. I am talking about communication and engagement and if it is a plan that was communicated and engaged, and we know that it will come in the Government Plan 2023, 2024, 2025. But at least you have ongoing communication that the department does not feel that they have been punished because they did not get into the headquarters.

**Director General, Infrastructure, Housing and Environment:**

Sure. It has only been a relatively recent decision that they are not in the new headquarters effectively, it was earlier this year. So we do have to have that conversation back with the non-ministerials as to what their property requirements are.

**Director, Jersey Property Holdings:**

The non-ministerials do have representation on the Executive Leadership Board so there is ...

**Deputy I. Gardiner:**

No, but it is about the Corporate Asset Management Board. This is what happened. Because this is the asset that somebody needs to represent non-ministerials on the Corporate Asset. I am not sure if they need to be a member on a formal basis or invited, but it is communication. I will go to communication with the community group that we also suggested needs to be engaged. It was interesting that you mentioned Piquet House, and I will pick up example. So it should be used for the community needs. So the moment the decision was made for the community needs and not if sometime during this time before it was allocated now, have the letters been sent to the community groups and basically saying: “What are your needs and how you can use and how Piquet House can be used for the community benefit?” So the question: was there any proactive seeking what is the community needs?

**Director General, Infrastructure, Housing and Environment:**

I do not know the honest answer to that.

**Director, Jersey Property Holdings:**

It was certainly before my time. But I am the chairman of the Royal British Legion and we certainly had a note as the Royal British Legion saying were we interested in the building. That was before I was part of the Government or before I was part of the organisation. So as an external observer I can say that ...

**Deputy I. Gardiner:**

So what is your process to engage with community groups?

**Director General, Infrastructure, Housing and Environment:**

My understanding is I do not think we do have a formal process to engage with community groups. Our job is to manage our assets for service delivery and if we do not then need them we are then into a conversation about do we dispose. Effectively we get a lot of pressure to dispose for housing. Once we have chosen not to have the building on our books anymore, we do not have a formal process to then go out and seek third-sector ...

**Senator T.A. Vallois:**

Is there not an opportunity to utilise the Communications Department, whether that is with community groups or even internally, about needs assessment requirements for departments?

**Director, Jersey Property Holdings:**

Yes, a number of questions have been asked and observations have been made about why do we not have a register of public property. We are in the process of making sure that we have a map with details of all the publicly-held buildings, premises and facilities, on that map that we are going to publish. It is also my intention to use that as the opportunity to perhaps indicate if we have any beachside café pictures that are coming available or any tenancy opportunities, and again use that for perhaps community groups to say: "This is our property, we have some leases coming up, this is the process to go through to get back to us."

**Senator T.A. Vallois:**

So it is a type of procurement modelling for community groups for States assets?

**Director, Jersey Property Holdings:**

It is not really procurement. I would say it is information.

**Senator T.A. Vallois:**

It is a type of procurement.

**Director General, Infrastructure, Housing and Environment:**

It is a window into our world to say: "We have these things coming available, is anyone interested before we sell or do something else with them?" Again, we do not have that formally at the moment, but it is a good idea.

**Deputy I. Gardiner:**

Also, we are trying to understand the role of States-owned organisation and relationships to each other in respect of developing and implementing of cohesive and comprehensive estate strategy, linked to the overall corporate objectives. Now, what communication have you had with the state-owned entities in this respect? How they contributed to estate management strategy implementation.

**Director General, Infrastructure, Housing and Environment:**

We have a number of relationships, whether it be with Andium as an arm's-length body, so Andium are very clear where they are going with their own strategy. Whether they have public land coming in. There is a fair challenge that they make of us, are the public sites coming available for them to use? Andium have not driven our estate strategy itself, so that is for us to do and they pick up sites that we do not require anymore and that we are willing to go on housing. We have a formal relationship with the States of Jersey Development Company. They do come to the Regeneration Steering Group. We have also had in various guises the Ports of Jersey come to the Regeneration Steering Group to present items. So that is the main arena whereby there is political discussion around their own estates. There is not, at this point, co-ordination around how all of those estates work together. But it is more of a binary conversation we have one-to-one with Andium or we will have one-to-one with the Ports or one-to-one with the States of Jersey Development Company. They are all set up for slightly different reasons. So with Ports, we are certainly aware through our conversations within I.H.E. around where Ports want to go with their own infrastructure, as to what their infrastructure requirements are of running the Port. Same up at the airport, whether it be the harbour or the airport. We are pretty clear with Andium and Andium are very clear where their longer-term direction is in terms of the number of homes they are able to build over the forthcoming years. So it goes back to the conversation we were having around the Regeneration Steering Group, each of those bodies needs to be party to that meeting, because we are talking about the public estate as a whole in those meetings.

**Deputy I. Gardiner:**

Again a specific example because La Folie now is with the Ports and not in our own ownership, and was a conversation - I am not telling this the right way - but was a conversation that this space can be used and redeveloped to the Sea Cadets, Youth Club, and used for the community. It did not really happen yet. But to do this we would need to take this property back to the Jersey Property

Holding or not. So basically this test for making decision, we would like it for the educational needs, what challenges are we facing, if we are facing any challenges?

**Director General, Infrastructure, Housing and Environment:**

Yes, the positive starting point is it is owned by a 100 per cent Government-owned entity, so it is publicly owned. We are talking about land in Government ownership. That site particularly has probably been caught up in the fact that what is the Ports masterplan doing and again we might want to do this, we might want to do that, so we have not at this point firmed up what the Harbour masterplan is, and therefore what role that site has within the wider Ports masterplan. So that is why we have ...

**Deputy I. Gardiner:**

But the Ports masterplan is one objective, but we have put in children first as another objective as a corporate objective. Would the corporate objective, if there is a need, overrule the Ports objective?

**Director General, Infrastructure, Housing and Environment:**

It could do. We could talk to them, as shareholder of Ports of Jersey, as to what it does with its landholdings. They would want to be clear whether it is an operational piece of land for them or not and how it impacts on their operations. So technically, no, there is nothing to stop that bit of land being used for other reasons. We would need to go through that dialogue with Ports of Jersey as to what their aspirations for the land were/are and how they dovetail with others.

**Senator T.A. Vallois:**

I have been around long enough in the States to have heard a lot of ambitious aspirations and wanting to do the right thing with property. I would really like a deadline in terms of this property list that you referred to. When is that, what does that look like, and what does it mean to Joe Bloggs in the street?

**Director, Jersey Property Holdings:**

So the property list I am looking to implement is effectively going to be a map of the Island and it is going to show points of property that are in public ownership. The map will be able to be interrogated to give details of the size and shape of the premises, a relatively limited amount of information, and it will be available for open access for anybody to look at. It is not going to be a land registry register. At this point it is simply a catalogue of ownership. The challenge I have is that at the moment a mapping function is not under Property Holdings but I am in the process of bringing it across. As we heard at the beginning of the afternoon's discussion, I am trying desperately to get headcount and manpower to help me to do the work. So I would say I want to get it done within the next 12



months, I would really like to get it done much sooner, but it is going to be dependent on my recruiting efforts and my ability to get ...

**Senator T.A. Vallois:**

Can I just clarify your recruiting efforts means you have the budget; you just cannot find the people?

**Director, Jersey Property Holdings:**

Yes.

**Senator T.A. Vallois:**

So you have the budget, you cannot find the people. So what type of people are you looking for? Are you looking for gold-plated recruitment practices or are we looking for just people who are capable of doing this, of actioning the ambitions that have been set out for you to deliver?

**Director, Jersey Property Holdings:**

I am looking for people who are qualified surveyors, I am looking for facilities managers, I am looking for people who understand the properties. They do not have to be fully chartered. At the moment I am in the process of trying to work out a process to get internships, bursaries, to get people in. Having said that, if I get somebody straight from school who is not qualified and not chartered, they are limited in what they can do.

**Senator T.A. Vallois:**

Have you been directly saying to the principal of Highlands or the head of Hautlieu School or the head of Skills Jersey and said: "We are desperate, we need these types of people, we are willing to train them up", instead of waiting for the People Services hub? If you really are going to look at actioning what you have stated, where is the drive to get these people?

[15:45]

**Director, Jersey Property Holdings:**

So I do not have the budget to bring internships in order to provide bursaries for people going to university. So at the moment my recruiting has just been open market. But I am in the process, because the open-market recruiting has been unsuccessful, of working out alternative ways of getting people into my organisation who ...

**Senator T.A. Vallois:**

So it is your opportunity now, you are at a Public Accounts Committee: "Anybody that is watching in the Island, please apply"?

**Director General, Infrastructure, Housing and Environment:**

Please apply if you are able and you know property and you want a job then we are listening.

**Senator T.A. Vallois:**

Basically your biggest barrier is staff. You need more staff in order to action what has been done. I cannot really go any further than that.

**Mr. G. Phipps:**

I have a few questions on the States of Jersey Development Company, which you can talk about States-owned Government, so it is the same realm. The C. and A.G. recommended in 2020 that the Government carry out a strategic review and develop and M.O.U. (memorandum of understanding) of the Jersey Development Company. Has this been undertaken and what is the status of that?

**Director General, Infrastructure, Housing and Environment:**

There is some work being undertaken that has been launched by the development company, their terms of reference. We are party to that. It is a joint piece of work. They have commissioned it and they are paying for it. But it is looking at how they operate. It is also looking at how they interact with us with a view of have we got that right? It is also looking at some of the rules of the road through which S.o.J.D.C. (States of Jersey Development Company) operate. We have effectively created an arm's-length body to develop property for us. We have also over the years applied further constraints to it so it is, I would say looking on from the Government side of things, does not act as flexibly as we would hope it would do now. So firstly, yes, the review is being undertaken. There is an external property adviser doing that review for them and for us and we are part of the workshops. We are straying into obviously how they relate to us as well about who does what in terms of development. So, from our side of the equation, we would like a conversation with them about whether they do more for us. Again driving to the point around resources, it makes a lot of sense that we use our development company to develop for us when we do not have the capacity to do it ourselves.

**Mr. G. Phipps:**

When will this be done?

**Director General, Infrastructure, Housing and Environment:**

It is a live project. We are hoping to get the draft of those recommendations this month or next month. I have to look to my left here, but that is pretty much the timescale we are working with.

**Mr. G. Phipps:**

Then, subsequent to getting that and accepting it, would the next step then be to get a very clear M.O.U. based on that and when would that be done? I am thinking that is the logical process.

**Director General, Infrastructure, Housing and Environment:**

It is, yes. It is good to reconfirm do we still need a development company or not? There is still a big task for it to finish. I think it will conclude that, yes, we need a development company to act in these areas. It was set up originally to address market failure in my view, in terms of what we were seeing in the construction industry. There is probably still an element of market failure here in the sense that we do not have many players of a largescale nature doing major regeneration. So the need for it still exists. But certainly the M.O.U. as to what they do, what we do, we certainly do want to codify that and improve it so that we can move forward with that relationship.

**Mr. G. Phipps:**

So assuming they are still in business, when would you anticipate an M.O.U. be in place such that you have a basis of going forward with new projects?

**Director General, Infrastructure, Housing and Environment:**

The next stage of the review would be then they would need to take that to their board, we want to take that to our board through our Regeneration Steering Group. So I am going to lay a few dates for it, we would do that in September after the summer break. So we should be getting an M.O.U. really agreed October, the last quarter of this year I would say it needs to be done.

**Mr. G. Phipps:**

What do you do in the meantime when you do not have these things in place? Do you think it is appropriate and how do you use them?

**Director General, Infrastructure, Housing and Environment:**

They still have their mandates. They are still constituted and set up as a delivery company. So for me this bit of work is about how we improve that relationship rather than completely pulling the relationship apart. They still have a very strong job to do. They still have a planning application coming in later this year for something in the waterfront area. So really the work will demonstrate how that relationship improves and possibly how their future evolves as well. But there is still a big job for them to do.

**Mr. G. Phipps:**

What are the top projects you are currently working on with them while you are waiting to get this in place?

**Director General, Infrastructure, Housing and Environment:**

From a land transaction perspective, we are talking to them about South Hill. That is a site that is going in their direction, so there are some very live discussions going on at the moment around the heads of terms for the transfer of that land to the development company. That is a very big one. We are talking to them around Fort Regent, around their role potentially in the longer term with Fort Regent as the development company. It is a regeneration zone so they have the ability to act within a regeneration zone. From other parts of I.H.E., whether it be highways or regeneration planning, it is really about the waterfront and the south of St. Helier area.

**Mr. G. Phipps:**

Hopefully, as you are moving those things forward, you are also working with the same bodies in developing these other elements that are linked?

**Director General, Infrastructure, Housing and Environment:**

There are a lot of inter-linkages geographically within just that area I have outlined there, everything from Fort Regent to the Victoria Statue, there are a lot of interrelationships land-wise there. So it goes back to the point with Ports as well in terms of the Ports estate, the S.o.J.D.C. estate, the Property Holdings estate, there is a lot of public land in play in this area. So absolutely we need to make sure that everybody is talking to each other so we have a holistic vision for the area.

**Deputy I. Gardiner:**

Very quick and to understand why S.o.J.D.C. are leading on a strategic review of themselves rather than the Government as a shareholder?

**Director General, Infrastructure, Housing and Environment:**

I guess that should be directed to the shareholder. But we have indicated that we want to look at the relationship from the property side. So the review that is being undertaken is very much about their property function and how that interrelates with Government.

**Deputy I. Gardiner:**

I understand your point of view and I respect your point of view because as a director general you are looking at the property. Now, how it is missed on the corporate level because Synergy specifically expressed that we need to have a strategic review and Government agreed that we need a strategic review. Before we are giving other pieces of work to S.o.J.D.C., we need to understand that S.o.J.D.C. after 11 years is still fit for purpose that the States decided. So I know that you say it is the Government, but for us you are the Government, so basically we need to ask now.

**Director General, Infrastructure, Housing and Environment:**

That is a question directed to the shareholder, which is the Treasury and Exchequer; effectively that relationship sits into that department. So it is a strategic review ...

**Deputy I. Gardiner:**

But does it mean that that should result ... but from my perspective that is not correct. If it had not done proper strategic review about S.o.J.D.C. operation as a whole, is it a dangerous precedent to pass more work and properties to their management without knowing what they have done for the 11 years? How does it work?

**Director General, Infrastructure, Housing and Environment:**

As a partner of S.o.J.D.C., I would say no to that, there still is a very strong need for a development company to exist here to develop the sort of assets about which we are talking. But also that is probably a question to the shareholder as well. I would hope to be inputting my views into any strategic review around their entire purpose. Certainly the review we are undertaking with them or in partnership with them, it probably reconfirms their purpose undoubtedly. It talks about how their role could be improved. But it does not fundamentally ask the question about whether they should exist in the first place or not.

**Senator T.A. Vallois:**

It is a biased review then. So, if you have a strategic review ... I get what you are saying about the shareholder, ultimately I would ask the question: should Jersey Property Holdings move back to Treasury? Because then there is not this umming and aching. This is all public property at the end of the day, whether they are a company or not.

**Director General, Infrastructure, Housing and Environment:**

The property over the years has been treated as a corporate resource and has been in the corporate resources area effectively of Treasury. It has been in the chief operating office, as we would now call it. It has been in Treasury. So it has been in both of those areas. It is now in I.H.E. So it has transferred over to Infrastructure in about 2013, 2015, something like that. So it has been in other areas. In one sense it is a corporate resource, it has been in those corporate resource departments. It has been in Treasury. I would not say that the work that we are doing with S.o.J.D.C. is biased. I guess the terms of reference it is about how they operate now and how they interact with us. What it does not do is look at their quintessential reason to exist. It does not cover that point and whether we still need a development company or not. That is another review.

**Senator T.A. Vallois:**

The question I have is you have a number of arm's-length companies that are basically running our property portfolio. Then we have Jersey Property Holdings that is running another public property portfolio. Is it efficient and effective to run things this way on a small Island 9 by 5?

**Director General, Infrastructure, Housing and Environment:**

There is always a debate about who develops. Certainly Andium have a development arm and they have a capital projects arm that develops for their purposes. Their *raison d'être* is fairly clear around affordable housing. The States of Jersey Development Company also generally procures development, so it is not a very large entity in its own right, but it does procure development, generally private development. We also have Ports development. Ports generally are tasked about managing their own infrastructure. So they also have a capital projects team. But that is really directed to their own infrastructure. Where there is a cross-saver is elements of the Port estate, which could be developed. There is no reason S.o.J.D.C. could not develop that on behalf of Ports or indeed Andium could deliver. As long as we are clear about the relationships between the 2. We do not have a very big capital project delivery arm. S.o.J.D.C. do not particularly have a very big capital delivery arm ...

**Senator T.A. Vallois:**

So in terms of the reviews that are going on with regard to the memorandum of understanding in Treasury at the moment, what discussion is being had at, whether that is executive leadership team or the Corporate Asset Management Board or the Regeneration Steering Group, you can see where I am going, we have all these groups, where is the: "Right, can we just get on and sort this out? What is the issue? Where is the problem?"

**Director General, Infrastructure, Housing and Environment:**

As long as we are clear that each group has a mandate to do what is in their bailiwick, so the Corporate Asset Management Board is there for a bit of heavy-lifting around who gets what property-wise within our current government structure. We are not having a strategic conversation. Maybe this work will start to open up that debate, but if we are to have a more strategic review of the development company or indeed the other arm's-length around the development activity, that is another piece of work that currently is not being done at this time.

**Deputy I. Gardiner:**

Is there any other follow-up, et cetera?

**Director General, Infrastructure, Housing and Environment:**

The only thing, if I could add, just on that last answer is the companies are geared up differently as well, they are funded differently. So Andium have been very much set up with a big public bond to undertake its activities, it has a lot of borrowing ...

**Senator T.A. Vallois:**

Which they have to pay back.

**Director General, Infrastructure, Housing and Environment:**

Yes. So S.o.J.D.C. do not have that, they were set up with a bit of cash funding at the start, but they manage some of their assets to give them an income stream to then carry on their own business. So they are funded differently, those organisations. Ports of Jersey ...

**Senator T.A. Vallois:**

What I was referring to in terms of assessing the memorandum of understanding, still public property, yes, they are companies, M.O.U. is run by the shareholder, which is Treasury. What I am trying to understand is what involvement does our main Property Holdings Department have in terms of influencing what is in that M.O.U., if anything at all, to make sure that we are managing it properly?

**Director General, Infrastructure, Housing and Environment:**

The current piece of work S.o.J.D.C. have procured that we are involved in will certainly inform our relationship with them. But that is a one-to-one relationship. It will not really stray into the relationship we have with Andium or the relationship we have with Ports. So that is a separate piece of work.

**Deputy I. Gardiner:**

It is a big question mark from the report about S.o.J.D.C., if this is the right vehicle to deliver regeneration objectives in the longer term. It is a much crucial question if it is the right way to deliver regeneration objectives in the long term. We need to ask that before we get into it more. But I will go around the table for anything else. I am aware of the time so I will not go for one of the questions; I will go for the last question just to finish off, but thank you for giving us more time. Thank you for your time and thank you for really open honest questions. It has given us an understanding of your objectives, and also your constraints, and there are lots of constraints on the way. So, with all constraints that you and your department have, when will Islanders see fully functional implementation of the estate strategy?

[16:00]

**Director General, Infrastructure, Housing and Environment:**

I will give you my best optimistic answer. All of our recruitment campaigns are going to work really well and within about 12 months we are going to get into an engine that is ticking nicely. But it is so dependent on other things happening. The recruitment is so critical to us to have the capacity within the organisation. We are setting on a journey of increasing ambition within this Government Plan and our strategy. So the estate strategy is a more-ambitious way of doing property than we have before. The asset management process, the enterprise asset management, is more ambitious. But at the moment we are running a deficit in terms of existing capacity. So the gap between ambition and existing capacity is currently growing for us. That is why it is absolutely critical for us to recruit, because otherwise we will be seeing a 50 per cent gap between ambition and reality. That is my biggest worry. So I would hope that, if we got the recruitment in place and we are attracting people, then we can move a lot of these things forward.

**Senator T.A. Vallois:**

As part of trying to drive that forward, I heard from the Treasury this morning in a Corporate Services hearing about the ability to use consultants if you do not have the capacity. Have you considered that route? Could you use that route to drive some of this implementation forward?

**Director General, Infrastructure, Housing and Environment:**

Firstly, we have to manage conflicts of interest within the Island around properties, we only have so many consultants here and they also work for the private sector and people that we need to negotiate with. So we need to be very careful about managing those conflicts and having the resourcing capacity here to also work for Government. We are the biggest business in the Island and there are other property professionals here but they are generally pretty well gainfully employed and do not have a huge amount of capacity themselves. So invariably that means that we need to be casting off-Island for consultancy advice. That comes with greater cost and other risks associated with that. So it is not our ideal solution.

**Senator T.A. Vallois:**

It is not an ideal solution but it is an option. That is why I was asking.

**Director, Jersey Property Holdings:**

We currently outsource simple transaction work. But, as Andy says, it is very difficult because you have to spread it around various organisations. It does come with information that can be sensitive, commercial information, and difficult to make sure that is not then used for those individuals. The bottom line is it is very expensive.

**Senator T.A. Vallois:**



What would be useful is having an implantation plan from you, Director General, about the estate strategy, a realistic one considering the barriers that are in place, where and when you can break down those barriers, at which point the areas will be delivered. That would be very useful.

**Director General, Infrastructure, Housing and Environment:**

We have a draft in the strategy itself but it does need updating and it needs a bit of a dose of reality to it as to where we find ourselves currently, just on that capacity. It is particular to Property, but it is also particular in a number of other services that we currently have where we are struggling to recruit people. There is an element of we have to get over that bulge of work so we can back on to B.A.U. (business as usual). We need to build back our B.A.U. is one of the messages that we are looking for this next 12 months really.

**Director, Jersey Property Holdings:**

We would not want you to think that we are just sitting around, we are trying, but it comes down to resources and trying to ...

**Senator T.A. Vallois:**

But that is why it is important to be realistic and under-promise/over-deliver preferably.

**Director General, Infrastructure, Housing and Environment:**

So 5 years is ... [Laughter]

**Deputy I. Gardiner:**

Thank you for your time and answers. The public hearing is closed. Thank you.

[16:03]