

19-21 Broad Street | St Helier  
Jersey | JE2 3RR

Deputy Jonathan Renouf  
Vice Chair, Health and Social Security Scrutiny Panel

4<sup>th</sup> November 2024

**BY EMAIL**

Dear Vice Chair,

**Health and Social Security Scrutiny Panel Proposed Budget 2025-2028 Review – Further Questions**

Thank you for your follow-up letter dated the 30<sup>th</sup> October 2024, raising further questions on the proposed acquisition of the Government Headquarters building. I would respond to each of these as follows:

**Social Security (Reserve) Fund – Proposed Acquisition of Government Headquarters Building**

- 1. Whilst we understand the Treasury Advisory Panel has provided advice, what independent expert advice, if any, was provided, and by whom, on the use of the Social Security (Reserve) Fund for this purpose?**

The Treasury Advisory Panel (TAP) is an independent advisory body with expert non-executive members from across the investment industry. The body serves to advise on all Government investment matters and has wide ranging responsibilities in relation to the Common Investment Fund and the Funds which invest through it. Members are only appointed to the TAP following an extensive selection process, and I have every faith in their expertise and the quality of their judgement, and did not feel any additional advice was warranted.

- 2. In your letter of response, it is stated that “any future purchase by the Consolidated Fund, or any other States Fund, will primarily be based on what represents the best value for money.” Can you clarify what specific independent advice, if any, you have received regarding the proposed lease and the expected future sale price of the building and how you are satisfied that the proposal would ensure best value for the Social Security (Reserve) Fund?**

In terms of political responsibility for the investment of Funds, this sits with the Minister for Treasury and Resources, who needs to consult with me as the Minister for Social Security.

A detailed analysis has been carried out by the Treasury investment team to model the returns to the Fund, including a prudent estimate of the residual value. This calculated return was compared to other investment opportunities in making the decision for the Fund to invest in the building. The Treasury investment team oversee billions of pounds of investments, and this investment was subject to all of the due process expected of any investments made by any of our Funds.

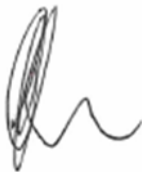
- 3. It is also stated that the lease terms “will broadly reflect the commercial terms established [with the developer]”. Can you please specify in what respects they will differ?**

The Law Officers are developing the appropriate agreements, but I currently only expect the differences to arise due to the differing nature of the two parties, rather than the substance of the arrangement. For example, it will continue to be a fully repairing lease.

- 4. Can you please explain who are the “external advisors” who have advised in relation to residual value and whom they are advising?**

We used a local, RICS qualified surveyor to provide an opinion on the residual value.

Kind regards,

A handwritten signature in black ink, appearing to be 'L. Feltham', written in a cursive style.

Deputy Lyndsay Feltham  
Minister for Social Security