

# STATES OF JERSEY



## **DRAFT ANNUAL BUSINESS PLAN 2010 (P.117/2009): THIRTEENTH AMENDMENT (P.117/2009 Amd.(13)) – COMMENTS**

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**Presented to the States on 21st September 2009  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

The Council of Ministers opposes this amendment.

Deputy Tadier requests that the property Library Chambers, 5 Library Place, St. Helier be removed from the schedule of properties for disposal in Table J of the Business Plan.

Whilst it is correct that there is a history attached to the building, which as an SSI is protected by planning conditions, the States has now reached a point whereby it considers that this property no longer provides office accommodation that is fit for purpose. Having made various assessments, it is now appropriate to sell the property, and use the proceeds for the benefit of the Public.

The Council of Minister is advised that it is likely that this course of action would still be in accordance with the desires of the benefactor to provide tangible benefits to the Public.

Accordingly it is considered that any remaining impediments to the sale of this property can be negotiated.

1. The alternative use value of the building is greater than its current use value. In other words the building is actually worth more to the Public by utilising any sales proceeds, as compared to retaining it within the property portfolio.
2. The building has had a number of temporary occupants in recent years, but does not provide good quality office accommodation. Accordingly it would be very unlikely to provide appropriate office accommodation for States members, even if the Assembly was minded to support and fund such a significant expansion of facilities at some point in the future.
3. Jersey Property Holdings' (JPH) draft office strategy seeks to move staff from poor quality office environments into modern, efficient office space that utilises shared facilities. Retention of this building is contrary to this policy.
4. Income derived from the current occupiers of 5 Library Place is £11,000 per annum (gross). As the building has been identified as surplus to requirements, and in respect of the pressure on the JPH maintenance budget, only urgent and unavoidable works have been undertaken in recent years at a cost of some £4,000. To make it fit for purpose as office accommodation would require significant expenditure.
5. The property has yet to be marketed for disposal, as authority is sought in this year's Business Plan. The disposal value will depend to a great degree on the alternative use to which the property can be put and how much a purchaser will reasonably pay to achieve that use.

### **Financial impact**

The States capital programme for 2010-2014 is funded to the extent of £20 million over 5 years through receipts from the disposal of land and properties that have no operational use, or, where an existing use can be displaced, have a higher alternative

use value. Table J proposes properties for 2010 which will be disposed to contribute to the £20 million funding requirement over the next 5 years.

This amendment would reduce the capital receipts generated from the proposed disposals and therefore the funding available to deliver the proposed capital programme for 2010-2014.

The consequence of this amendment may be to require projects within the proposed capital programme to be reduced, reprioritised or removed as appropriate.