

STATES OF JERSEY



SALE OF PROPERTY: LA FALAISE, FLIQUET, ST. MARTIN (P.161/2005) – COMMENTS

Presented to the States on 13th September 2005
by the Finance and Economics Committee

STATES GREFFE

COMMENTS

The Finance and Economics Committee considers that the disposal of any States property asset must be supported by a sound business case. In the case of La Falaise, the rental return, which is limited by the social housing 'fair rent' levels, does not warrant the level of investment required on the property to bring it up to a habitable condition. The logical course of action is to dispose of the property in return for a capital receipt.

The Committee recognises that there are competing demands for capital funding across States Committees, as was demonstrated by the capital resource allocation process underpinning the capital programme within the States Business Plan. The Committee, however, acknowledges that the States, in unanimously approving P.93/2005 – 'States of Jersey Property Holdings: Establishment', endorsed a more proactive approach to property management, including the disposal of 'inefficient assets'.

Although social housing stock was excluded from the remit of Jersey Property Holdings, property management good practice should be extended to the management of homes in the current Housing Committee's administration. The Committee, therefore, supports part (b) of the proposition to recycle the capital receipt into high priority maintenance on existing Housing Committee stock.

The Committee is working with the Housing Committee to develop proposals to reorganise the social housing landlord function, which will include the requirement to develop a strategy for 'inefficient' stock.