



Public Accounts Committee

Estate Management

Witness: Director General, Growth, Housing and Environment

Monday, 29th June 2020

Panel:

Senator S.C. Ferguson (Chair)

Connétable J. Le Bailly of St. Mary (Vice-Chair)

Deputy I. Gardiner of St. Helier

Deputy R.E. Huelin of St. Peter

Mr. A. Lane

Ms. M. Scott

Witnesses:

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

Mr. T. Daniels, Interim Director, Jersey Property Holdings

[00:00]

Senator S.C. Ferguson (Chair):

The growth sections of G.H.E. (Growth, Housing and Environment) have been moved to the Office of the Chief Executive; why?

Director General, Growth, Housing and Environment:

It is Andy Scate here to answer that first question. It was certainly considered better to consolidate and bring together all of the related functions around the economy into the single function of economy and partnerships within the Office of the Chief Executive, who also currently does matters around the digital economy as well as the financial services economy. It was considered earlier this

year by the Council of Ministers that that was a better alignment around a single political portfolio and a single team.

Senator S.C. Ferguson:

How long will the current stand-in being standing in and when are you going to find a permanent person to lead up that department?

Director General, Growth, Housing and Environment:

In terms of the economy and partnerships area, do you mean, Chair?

Senator S.C. Ferguson:

You said that the growth stuff is all going over to the chief executive; who is going to be running it over there? I understood the current incumbent in charge was only going to be here for a short time so what happens then?

Director General, Growth, Housing and Environment:

The functions that have moved from G.H.E. into O.C.E. (Office of the Chief Executive) have basically been brought together under the current group directive for financial and digital services, so there is an officer team heading that up over in the chief executive's office and the officer team that we have moved out of G.H.E. have joined them. They are all existing members of staff.

Senator S.C. Ferguson:

They all have experience of property?

Director General, Growth, Housing and Environment:

No, the economic development function that was in G.H.E. has moved in to join the other economic functions which were part of the Office of the Chief Executive, so that is financial and digital services. So the property function stays within Growth, Housing and Environment.

Senator S.C. Ferguson:

Where is the new target operating model and how will it deliver the aims and objectives of the property division?

Director General, Growth, Housing and Environment:

We were going through a target operating model. We have been through various stages of consultation so we have had a generic consultation about what the new department is. That was some time ago and subsequent to that we put in place most of our jobs at tier 2 and most of our jobs at tier 3 levels. There are still a few jobs at those levels that still need to be delivered and we were

immediately, pre-COVID, about to go into tiers 4 to 6, which is the rest of the department. That part of the recruitment process and staffing process has been delayed because of COVID and it is still in that paused state at the moment.

Senator S.C. Ferguson:

From the chief executive - including the chief executive - down how many layers of management are we talking?

Director General, Growth, Housing and Environment:

So if the chief executive is at tier 0 we have got the director generals at tier 1 and the Growth, Housing and Environment structure goes from tier 1 down to tier 6. But that is not just management, that is tiers of the organisation, so that includes our front line staff as well.

Senator S.C. Ferguson:

How will the new T.O.M. (target operating model) deliver the aims and objectives of the property division and how will it be measured?

Director General, Growth, Housing and Environment:

At the moment, I have taken obviously the role as director general. I am currently looking at how the structure is working. We are going to do some review work following various audit reports that we have had around how property is functioning and what the future of property could be but it is certainly the intention to gear our staffing structure to deliver the recommendations that we have received from various audit reports but also to give us the much needed capacity to deliver the property strategy. Key to that property strategy is firstly being clear what we want our property to do for us within government, how we manage and how we retain it but also performance indicators are a process within that strategy or something in that strategy we are very clear on that we need to develop so that we can manage and monitor how we use property and how we can make sure it is sufficiently delivering for us.

Mr. A. Lane:

Your predecessor told us that his desire was to bring property held by Education and Health under a single corporate management. What is happening in that regard?

Director General, Growth, Housing and Environment:

There certainly is still a direction of travel that we need to take as a government and also as a department to create a single property estate. I think if we are truly going to be honest about how we maximise efficiencies across that estate in terms of our maintenance and management of it, I do think it is entirely sensible that we bring it together as a One Government property estate. That is

acknowledging of course that there are multiple users of that estate, whether it be from the health side of the business through to education, through to other service departments. So certainly still the intention that we do that and we are embarking on work, now that we are hitting the post-COVID position that we can start our work as to what that means in practice with a view that ...

Mr. A. Lane:

What has happened so far?

Director General, Growth, Housing and Environment:

In the period of time, the start of this year, not a lot has happened. A lot of our resources have been directed to our COVID response and so we have not put in place the actions to deliver against the one property estate yet.

Mr. A. Lane:

Does the scope of that cover other properties held by, for example, J.E.C. (Jersey Electricity Company)?

Director General, Growth, Housing and Environment:

At the moment we need to look at properties that are held within government, so anything in our arm's length bodies are still owned and controlled by them. I think it is worth having conversations obviously in the future about how public property, as a whole, works together for the Island's benefit but at the moment the focus is on things within G.O.J. (Government of Jersey) control and ownership.

Mr. A. Lane:

What has been done now to secure a permanent estates director?

Director General, Growth, Housing and Environment:

Again, this is not a position that has been helped because of the 3 to 4 months we have been through but we have been out to recruitment. We have a candidate and we want to rationalise that recruitment and get a contract in place for that individual or ideally a permanent recruitment through that process. Now we are into a process whereby our business as usual can start resuming again I want to get that resolved as soon as possible so we have an estates director permanently in post.

Mr. A. Lane:

Turning to the estate management strategy, which has been promised on a number of occasions. Your predecessor assured us on 3rd February that there would be something by the end of that month. We are still sitting here. I do not think we have seen it. Can you tell us where it is please?

Director General, Growth, Housing and Environment:

Yes, certainly. I am pleased to say we have done a lot of work to create a government property strategy, an estate strategy. I think it is fair to say because of COVID that has been delayed a bit in terms of our work but we want to go through the final ironing out of that from an officer team in the next month. My intention is to take that through to our executive leadership team at Government level, Council of Ministers, and then it will become public thereafter. Obviously we would like to share that with the Public Accounts Committee on that journey.

Mr. A. Lane:

The very long delay in its production, is that a capability issue or a capacity issue or a willingness issue?

Director General, Growth, Housing and Environment:

I think it is probably the 2 former items. Certainly I think one of the fair things to say across the property division is that we probably need a long ... well, I do not think there is a probably about it. We need more capacity within those functions to manage the very large estate that we have. We are not blessed with the resources on the ground so I think it certainly is a capacity issue. I think the people we have in post are very capable but I just wish there were more of them so that we could churn through more work.

Mr. A. Lane:

Do you have a sense of the gap? What is the resourcing gap you are facing into?

Director General, Growth, Housing and Environment:

One of the jobs that I have to do now is the incoming director general, and while I am in this position is have a very honest assessment of what we are trying to achieve in property. I think it is very clear that we want a direction that we have a One Government estate, both in terms of asset management but also in terms of the maintenance of that estate. That is where we can get better efficiencies and, arguably I feel, deliver the concept of Property Holdings which we never fully have delivered within the Government, in the sense that it is one place and we maximise all those crossovers. Undoubtedly we have got a number of vacant posts that we need to move forward with. I cannot tell you exactly the number of people. I know there will be additional people required, mainly because we are carrying levels of vacancies in our property teams. We need to make sure that we gear that team up to deliver what we want from the property estate. If we are getting into greater detail about what we hold, how we use it, the value we generate from the estate, indicators of performance around that and occupancy, obviously we need systems in place that show us that but also we need people in place to do that as well.

Mr. A. Lane:

My last question then: to what extent will that form part of your organisation design under the new target operating model? Will you be able to clearly show that?

Director General, Growth, Housing and Environment:

From my perspective, property is probably our number one biggest priority in the department as it currently stands. The department in its revised form covers regulation, environment, operations, transport and property. Property is a big job to be done and it is a matter of priority that we make sure that we have the right staffing structure in place to deliver the aspirations of our property strategy so, yes, for me the remainder of 2020 is a very busy year around property. We need to fully assess what we need to deliver the new strategy and get in place those people.

Mr. A. Lane:

I look forward to seeing that, thank you.

Deputy R.E. Huelin of St. Peter:

Following on seamlessly, Andy, in the absence of an estate management strategy, how can you reassess the viability and deliverability of estate projects needed by the whole of the public sector and reprioritise them accordingly?

Director General, Growth, Housing and Environment:

We take very many things project by project, if I can say at the moment, Deputy. We have a lot of service needs from the business but certainly I do not think we have a strategic vision of what our property estate needs to be to deliver the wider service needs of government but also the wider potential benefits that our property estate brings for regeneration and other government priorities. It is quite difficult to take, I guess, a comprehensive and a longer-term view of what our property needs are without going through quite a big process around monitoring, managing, capturing the data on its usage and value. At the moment we are very much led project by project on that.

The Deputy of St. Peter:

How can you be assured that you are spending the island's money wisely if you have not got a strategic post and you are addressing these things, by your own admission, and I understand why tactically?

Director General, Growth, Housing and Environment:

I certainly think in terms of, if I look at maintenance monies and the money we spent on the estate as a whole, I think I am very comfortable in saying that we retain too many properties that are not working for us, either through service delivery or through financial returns or community returns.

[00:15]

The money that we do then have available for maintenance gets diluted across and the estate is arguably are too big for us. So I cannot say at the moment that we are targeting our money appropriately because we are often very reactive and firefighting with our property estate across the board. The strategy and the actions and behaviours behind it are very important to get in place soon so that we can target our money more effectively.

Ms. M. Scott:

In the absence of a statement, or strategy at least, while you are ironing the wrinkles out, as you say, are you able to provide a comprehensive list of current estate projects and reviews to the P.A.C. (Public Accounts Committee)? We have crackle on this line.

Director General, Growth, Housing and Environment:

Yes, I am picking up quite a bit of interference at the moment. I am not sure if that is just me.

Ms. M. Scott:

Can you hear me now?

Director General, Growth, Housing and Environment:

Certainly I can hear you, yes. I think Tim is on the line with us today to talk about the detailed list of estate projects that we have got running at the moment. There are many projects that we do have so if you do not mind I might ask Tim just to fill in the gaps on that one please.

Ms. M. Scott:

Of course, although just to bear in mind that I am talking about a document that the P.A.C. can see that has a comprehensive list of current estate projects and reviews.

Interim Director, Jersey Property Holdings:

That list is effectively the capital programme list and the capital programme from the last Government Plan has been reviewed, and is in the process of review and will be carried forward, and is the basis of the works that we are going to do for the remainder of this year and then going forward into next year, is being carefully examined to make sure that the works that are included in it are deliverable. One of the questions that the P.A.C. has been considering is the effect of the COVID-19 on the

capital programmes and on the property estate. We have been working with the local construction council to ensure that the projects that we are looking at completing at the end of the year are effectively fiscal stimulus activities that bring value to the construction industry, while also meeting the requirement of the capital programme. In addition to those planned works we still have the ability to discharge maintenance of projects as they are required. If anything happens we have the ability to respond and do short notice works to repair and maintain buildings that need it.

Ms. M. Scott:

I am a bit confused here because you mentioned that you have been going through a list of capital programmes with the construction council in light of, I think, some sort of stimulus of COVID but in terms of the actual prioritisation that I associate with you having a list of estate projects and thinking: "Right, this is the most important." What is the kind of overarching strategy here because it sounds like on one hand ... are you assessing these in terms of what is going to boost the economy or are you assessing these in terms of this really needs to be repaired? Can you just take me through that?

Interim Director, Jersey Property Holdings:

Yes, of course. I think you have highlighted one of the challenges that we are trying to address through the corporate approach to the Government's estate. At the moment the Education Department, Health Department, Home Affairs all have priorities of their own. What we are putting in place or we have had in place since November of last year is the Corporate Asset Management Board that feeds into the Regeneration Steering Group. The Corporate Asset Management Board is a senior officer level organisation and group. It considers all the requirements from across government, prioritises them and then proceeds to effect them. At the moment I think we had the third meeting of the Corporate Asset Management Board last week and still finding its feet, it is nonetheless a process by which projects are prioritised and those ...

Ms. M. Scott:

Sorry to interrupt. In terms of the information that you supply them, so that they can make these decisions, I am understanding that you are not able to give complete information in terms of things like occupancy so how are you presenting to them the actual priorities that they need to consider? If the extent to which a building is occupied is not a relevant factor in their assessment, what is?

Interim Director, Jersey Property Holdings:

We knew how many occupants there were before COVID. The current occupancy of buildings is varied obviously in light of the working from home policy, so we have got an understanding of how many people are in each building and indeed we have had to vary some of our maintenance

protocols in light of those reduced occupancies. So we know how many people there are in each building.

Ms. M. Scott:

What are the key factors here because are we talking in terms of ... are we saying: "The greatest state of dilapidation or the most important building in terms of the portfolio that you wish to preserve? I am still trying to understand this process of prioritisation.

Interim Director, Jersey Property Holdings:

The process of prioritisation is generally identified by the key using organisation and so the Education Department will identify what they believe is their highest priority, Home Affairs will identify what they see as their highest priority and so ...

Ms. M. Scott:

I see. So maybe I might move on to how you actually set off these priorities in terms of the different departments, in terms of the competing priorities, as it were. Because we did touch on the Corporate Asset Management Board, who I presume has got a role in this, and their relationship with the Regeneration Steering Group that in the past it was the group that identified properties and disposals, I believe, into States of Jersey Development Company and we emphasise the importance of clarifying the terms of reference of the Regeneration Steering Group and its relationship with G.H.E. and, in particular, the Corporate Asset Management Board. When it comes to this sort of balancing, the setting off, what are the terms of reference of the Regeneration Steering Group now. Have they been clarified? How does that work in with the C.A.M.B. (Corporate Asset Management Board)?

Interim Director, Jersey Property Holdings:

The Regeneration Steering Group terms of reference have been clarified and the remit for a wider purview across all of government has been confirmed so the Asset Management Board is in the process of putting together the prioritised list that then gets fed through to the R.S.G. (Regeneration Steering Group).

Ms. M. Scott:

You get a prioritised list in terms of the money that you guys are going to be spending on property, am I getting this right? Then why would that list go to the Regeneration Steering Group if it is responsible for disposals because surely there is some sort of initial list that is going to be presented of properties that might be considered worthy of disposal, at least that has been traditionally a division for the Regeneration Steering Group, and those that you want to have maintained? Perhaps you could just take me through this process a bit more in terms of how for one minute it is in front of

the C.A.M.B. and then it goes to the R.S.G.? How do you work out which are the properties you are considering for disposal for the R.S.G.?

Interim Director, Jersey Property Holdings:

I think the R.S.G., although traditionally its role may have been seen as being disposals for the States of Jersey Development Company, the terms of reference give the R.S.G. a wider purview. So it is not just disposals. It has a view on a whole variety of projects, including redevelopment and regeneration.

Ms. M. Scott:

So can you just clarify the distinctions between the 2 bodies for me please?

Interim Director, Jersey Property Holdings:

Between the Corporate Asset Management Board and the Regeneration Steering Group?

Ms. M. Scott:

Yes.

Interim Director, Jersey Property Holdings:

The Corporate Asset Management Board is an officer level organisation that will take, if you like, the broad variety of priorities, aspirations, tasks. Some will be disposals, some will be development, some will be the opportunity to have additional capacity or facilities and will look at those competing issues. It will then discuss, in light of the Government's objectives, the Island Plan, the Government Plan, and make recommendations that will go forward to the R.S.G. and for the R.S.G. to note and make recommendations back to the political bodies that will authorise ...

Ms. M. Scott:

Sorry, is the R.S.G. the political body and the C.A.M.B. like the officer body? Is that right?

Interim Director, Jersey Property Holdings:

Yes.

Director General, Growth, Housing and Environment:

That is correct.

Ms. M. Scott:

You are saying that these competing priorities are resolved at officer level before going to the R.S.G.?

Director General, Growth, Housing and Environment:

I think we try to resolve them at officer level. What Tim has highlighted, it is often a challenge. We have a number of competing requirements across the property estate but a lot of the service level of the service-led requirements are effectively argued and championed by the individual departments who are occupying and using that property.

Ms. M. Scott:

So there is this presentation, almost like competing business cases?

Director General, Growth, Housing and Environment:

I think that is right. There is some clarity from each of the service areas, as Tim has outlined, the most pressing issues around the property estate that they are running their services from that clearly informs actions on property. Then there is a job to be done in terms of marshalling resources across that, which is not an easy job to do.

Interim Director, Jersey Property Holdings:

If I can just clarify a point. It is not a strictly linear progression. Thoughts and ideas will be voiced at the R.S.G. and if they do not meet with approval or additional information is required they can be bounced back down to the C.A.M.B. So it is not a strictly linear progression. There are certain discussions and priorities change and issues change as well. They can be taken into consideration.

Ms. M. Scott:

You basically are saying: "Right, this department wants this, this department wants this" and you dictate that to the C.A.M.B. level and if there are any departments that are sort of not particularly using any properties or anything that is not really perhaps going to be put forward because that has not got a business case associated?

Interim Director, Jersey Property Holdings:

At the same time, if we identify a property is underused either because we are paying a lot of maintenance for it or because we do not believe it is being used enough, then that property will also get thrown into the mix in terms of disposal and will become the opportunity for ...

Ms. M. Scott:

Thank you. I just want to move on so forgive me for interrupting you. There had been a concern of the Comptroller and Auditor General, and indeed of the P.A.C., was that we had seen like a bilateral approach of individual departments in terms of the discussion of the way in which property was

managed in the past and that basically we saw that different departments would be having separate discussions with J.P.H. (Jersey Property Holdings).

[00:30]

There was not this overall ... if you like, we did not have the Corporate Asset Management at a kind of higher level. What evidence can you give us now of R.S.G. and C.A.M.B. stakeholder engagement rather than this bilateral approach?

Interim Director, Jersey Property Holdings:

I think the simple fact of having the C.A.M.B. is a testament to the fact that the C. and A.G.'s (Comptroller and Auditor General) concerns were noted and indeed those of the P.A.C. are that we do now have a body that sits at the highest level of the executive, looks across all competing requirements, approves and prioritises those various projects. So there is no longer the opportunity or the room for bilateral deals to be done.

Ms. M. Scott:

Does it have minuted meetings?

Interim Director, Jersey Property Holdings:

Yes.

Ms. M. Scott:

What happens with those minutes? Is there a reason why we are not seeing them?

Interim Director, Jersey Property Holdings:

No, I will forward the minutes to you.

Ms. M. Scott:

Thank you very much. I will move on to John Le Bailly.

Connétable J. Le Bailly of St. Mary:

I do not know if this question would be for Andy or for Tim. Basically, how and when will previous States decisions be honoured? For example, the promise to the sea cadets that they would be afforded decent premises, which has been something outstanding since 1976 or, since 2011, the promise to pursue the budgeted local development plan for St. Brelade's Bay?

Interim Director, Jersey Property Holdings:

I will try and answer that, Connétable. The new capital programme, which includes the sea cadets and St. Brelade's, has been to a greater extent deferred rather than cancelled. Such projects have continued to be in our conscience and continue to be priorities for being undertaken. However, clearly there is a limit to what we can do within the remainder of the year and it may be that they will be delayed specifically for the sea cadets. There is still a sum of money and it is a matter of priority for Home Affairs and for Jersey Property Holdings to find an interim solution to the location of the sea cadets with a view to a long-term provision of a fit-for-purpose and acceptable location for the cadets facility.

Director General, Growth, Housing and Environment:

If I can add, Connétable, in terms of the, if you like, development frameworks, they now sit under the auspices of our policy department, S.P.3 (Strategic Policy, Performance and Population), and effectively this and any local development framework would need to sit within or underneath the Island Plan. In terms of delivery of that, it is not our role within G.H.E. to do that but I think the same answer holds true in the sense that the Island Plan in its current guise promises a lot of further local development framework work or supplementary planning guidance. I think again it is a function of time and resource available in the sense that I think we over promise in terms of what we can deliver in the policy framework because of the limited level of resource that we have.

The Connétable of St. Mary:

Yes, thank you. I can understand that but we are talking about a promise that was made 44 years ago. We would have had time to build a new facility and refurbish it since then. In various ways we have been looking at the old La Folie Inn, which in itself is a terrible example of the way the States have managed their properties.

Director General, Growth, Housing and Environment:

I would agree, Connétable. We have got a number of probably examples around the Island where we have gone so far in saying we do not need to use a property anymore or it is not used by the current users or tenants but we have not gone to the next step in terms of deciding what the outcome for that property is. Whether we still own it, whether we dispose of it or what the future use is. So again the arrows are pointing towards a property strategy that enables us to go through clear transparent processes to make these decisions, so that property decisions are made and we do not have sites left festering, if I can describe them as that.

The Connétable of St. Mary:

Yes, thank you, I appreciate that. I just wish somebody would get on with it. Thank you.

The Deputy of St. Peter:

How has COVID-19 impacted on the office strategy?

Director General, Growth, Housing and Environment:

I think there is a practical impact in the sense that a lot of our day-to-day business effectively was paused because our thoughts were immediately on, I guess, the emergency response and the COVID response that has taken us out of our day jobs, to a degree, for the last sort of 3 to 4 months. There has been a practical impact in terms of the ability of people to either do the job and to do the work on these projects because we have been doing other things. The secondary impact is a reassessment of what we as a business think we need in the medium to longer term and I think it is fair to say that we are going through a process of just pausing and breathing and just assessing what the future of office work is or is not. I do not think we have that answer yet but I know we, as a business, and many other businesses, are going through that very same thought process as to where is the balance to be struck now in terms of agile working, home working, mobile working, and what does an office of the future look like? I do not think we fully have those answers yet but certainly it is something that we need to answer as part of our office project.

The Deputy of St. Peter:

It is very interesting you draw that. I think it could potentially be very dangerous to have a knee-jerk reaction, suddenly everybody working from home. I think there is a blend there. Do you think that is going to have additional time delay on trying to get an office strategy in place, which is clearly needed? The original business case put forward for moving everybody into one building is a very clear and strong business case; how do you think that will be affected?

Director General, Growth, Housing and Environment:

Certainly the pressing need and the clear and present need that we have to rationalise and focus our office estate is still with us. I think what this effectively would allow us to do is still go through a process of finalising where and who and how we put an office solution in for the States. I think the post-COVID world means that we really need to assess what it is in the building. Potentially the size of the building but I think while we may choose to maybe look at the building slightly differently in size terms it might, with the current world of work, mean that we need a bigger building or different type of spaces, which are more flexible. So some of the learning we have seen over the last 3 or 4 months, it has been curious from an office perspective or property perspective. Arguably we need more physical space because of the distancing between people or we need more teleconferencing or more agile spaces that people can meet and see each other and converse. I think we do not honestly know the answer to all of those questions yet but in terms of choosing suppliers to provide an office and where that building could be, it does not stop us getting on with that. It does, however, mean that the final specification of requirements or tenant requirements, so to speak, will need to be carefully managed in this sort of post-COVID world now.

The Deputy of St. Peter:

It is obviously a period of huge change and there is a lot of learning to be done but at some stage a decision on an office strategy has got to be clearly documented and I do not know if it goes to the Assembly or not. But it certainly needs to be clarified and nailed down otherwise we will be constantly going round and round in circles. In all honesty, when do you think it will be a fair time, given all the moving parts in this huge change, to nail that down and deliver it?

Director General, Growth, Housing and Environment:

In terms of general timing, we have been through a process of tenders coming back in as part of that process, so private companies obviously tendering what the solution could be based on our tenant requirements at the time. Those sort of timescales, we are now nearly in July, it is still certainly anticipated we start making decisions on where we are moving forward with this office strategy in the next quarter. I think the interesting piece of work, as I have mentioned, is it has got to be done relatively quickly but we have to assess how many desks we need, how many flexible work spaces we need and what our home-working solution could be. We still have a need for a single H.Q. (headquarters) or a consolidated office space where the business of government can still take place. I think, however, the sort of moving picture that we now have means that we are probably likely to see more staff working flexibly, maybe one or 2 days a week, and all the associated benefits that may bring us, whether it be sustainable travel benefits, the ability to recruit a more flexible workforce, working more flexible hours, so I think there are many benefits of working differently. The overarching timeline though and the need for the office does not change.

The Deputy of St. Peter:

But the office is the size that could potentially change but thanks for that. Moving on, my favourite subject; I believe Concerto, the property management database, is now live?

Interim Director, Jersey Property Holdings:

It is indeed, yes.

The Deputy of St. Peter:

Excellent. Can you please share with us some of the benefits of it that have been realised?

Interim Director, Jersey Property Holdings:

The first and very timely benefit is that at the beginning of the COVID crisis we suddenly find ourselves with schools and offices and a number of States buildings that are no longer fully occupied. This gave us the opportunity to determine what sort of legionella flushing regimes were required in the absence of normal use of the facilities. We had to find out and record what legionella mitigation

was occurring with the onset, with the use of Concerto we were able to track centrally on a database all outlets, locations, washrooms, et cetera, across the States estate and see the frequency of flushing use and therefore the legionella risk and where the use was not at a sufficiently high level for the throughput of water or the temperature was not correct we were able to rapidly deploy maintenance officers. We were able to task building caretakers and in some cases outsource to local companies the requirement to go in and conduct the flushing of those buildings in those locations so that we were sure that we had a safe establishment, a safe estate, and when we were able to reoccupy we could do so. So I think in particular that was a very ... serendipity gave us a very timely function to make sure that we could track the safety of the premises. However at the same time, it also allowed us to make sure that minor works and repairs that had been ongoing ... late last week we had a number of floods and incidents of water ingress and again we were able to determine the works that were required. We were able to task our contractors with repair works. We were able to then determine the tasks had been completed satisfactorily and again used Concerto to maximise its advocacy.

The Deputy of St. Peter:

That is very interesting. So it has been able to focus the mind on essential maintenance works, which is always very important in maintaining any property estate. Can you share some of the financial benefits that have been realised because that is what most I.T. (information technology) systems are there to do at some stage.

Interim Director, Jersey Property Holdings:

We do not have any business as usual to be able to compare previous use against so the simple fact of management of invoices we will be able to see work that has been completed, issue invoices against them and make sure that the invoices have been paid, make sure that our budgeting process is complete, which means that we can track the budgets for the various properties much more closely.

[00:45]

The Deputy of St. Peter:

As you expect from P.A.C., the standing question: at the end of the day how much will it cost and what will be annual recurring costs?

Interim Director, Jersey Property Holdings:

I will have to get you those costs and I will get them to you at the end of this meeting.

The Deputy of St. Peter:

Thank you. Back to the Constable of St. Mary. Thank you, Tim. Thank you, Andrew.

The Connétable of St. Mary:

Another question, and I do not mind who takes it, whoever feels that they have got more expertise. As there is a massive backlog for repair and maintenance required to the buildings within the States portfolio is there an estimated cost of that? Subject to that you must have a clearer picture of what property should be disposed of. Will that be happening?

Interim Director, Jersey Property Holdings:

Yes, you are absolutely right, Connétable, we do have a backlog and part of the approach of the Corporate Asset Management Board and the intention of the strategy is to determine what premises we need and enable us to make recommendations for disposal. It is difficult to put a precise value across the whole of the estate, but it is believed to be many millions of pounds. Clearly that will be by disposing of ...

The Connétable of St. Mary:

I want to know how much.

Interim Director, Jersey Property Holdings:

I cannot put a figure on because that changes with the valuation of the buildings. We just accept that there is a huge maintenance backlog but that our ability to determine how buildings perform will enable us to determine those buildings that we can get rid of and reduce that liability from our balance sheet.

The Connétable of St. Mary:

Has a programme of works been prepared or is one in production at the moment, and will you be able to generate that on the property management database?

Interim Director, Jersey Property Holdings:

We have a programme of works. In terms of the capital programme that identifies each of the various areas' key priorities for works that includes school activities, the Health estate, priorities such as finding accommodation for mental health patients and so we do have a programme of works. We will be working hard to fund that programme from the resources that we have got and will be able to complete those works in line with the various departments and directorates' needs. What we have to work out is the timing, what we can do in-year and what we may have to delay until next year.

The Connétable of St. Mary:

I realise that the thing that is going to hold you up the most is severe lack of money.

Interim Director, Jersey Property Holdings:

Resources are always a challenge. Again, by having the organisation of the Asset Management Board it means that we can, and apologies for the use of the management speak, develop synergies so that instead of just having a housing estate we can have a housing estate with a youth centre that provides facilities for healthcare as well, so that we can maximise our ability to deliver resources and facilities from a single opportunity. That is one of the key advantages of the Asset Management Board.

The Connétable of St. Mary:

Thank you. I cannot wait to see that.

Deputy I. Gardiner:

I would like quickly to move to another issue. There will be a reduction of revenue due to reduced rents of some States-owned buildings together with the cessation of sports and other income-generating activities. What is the best estimate of that revenue loss?

Director General, Growth, Housing and Environment:

Certainly across G.H.E. we have seen revenue loss in a number of areas in the sense that people are not using our facilities, whether it is sport or whether it is car parks. Both have had a direct impact. With car parks, for instance, car parking income is around £500,000 a month for G.H.E. Obviously if we suspend that that is effectively the money that we have lost in that area. Sport is in the order of around £400,000 a month. Especially if we are not seeing footfall through the door they are the sort of numbers that we see. I think we are just currently working the final detail out on that but they are the ballpark areas of those footfall-related services. We have also seen a loss of income in some of the other services that we run, such as permitting, licensing, all of which are accompanied by a fee. Obviously with certain businesses operating at a lower level we have seen income pressures across those as well. Property is one of those as well. We have seen pressure on the property estate and I will let Tim maybe think about the detail numbers on that at the moment, but a lot of the conversations we have been having are around rent deferrals and going into different conversations with various tenants about how that rent can be deferred and paid back over a different payment period.

Interim Director, Jersey Property Holdings:

The key principle for the majority of our rents is that we are negotiating with the tenants for a deferral rather than a cessation or abatement. An exception to that is for businesses in the Fort or somewhere where we have had to close the premises but our intention is that rent will be deferred

rather than cease entirely. It does mean that we may not get the income this year but over the life of the leases we will recover the lost rent from the first part of this year.

Deputy I. Gardiner:

Thank you very much for your answer and thank you for some number indication. I am hopeful we will get more numbers later on. I will move to the Disability Law that comes in force in September and my question is where is the register of works needed for the estate to comply with disability legislation?

Interim Director, Jersey Property Holdings:

At the moment we have completed surveys on the majority of our buildings that have public access and for each of those buildings surveyed we have the survey itself and then we have a recommendation of works, so at the moment we have individual work packages and we are in the process of putting those together to let them to local contractors to complete the works. I can forward an example of the survey and the works that are required and we have those for each of our premises.

Deputy I. Gardiner:

Thank you. It will be very helpful. Can you please confirm what percentage of buildings will be compliant by September?

Interim Director, Jersey Property Holdings:

I cannot give you that precise figure. The requirement of the Disability Act is to show best endeavours to complete compliance. There may be some issues that are more challenging to complete, such as providing rain shelter on listed buildings, so there is a list of works that we have and we know what needs to be done. We are in discussion with the planners about what works we can do. In terms of their view we do not yet have the feedback from the Planning Department to say what they believe will be not possible to complete, but generally our issues are signage and they are minor accessibility issues rather than wholesale construction issues.

Deputy I. Gardiner:

It would be helpful also to get an understanding of where we stand, what percentage will be compliant, if it is money issues or not, by September when we should be compliant and many will still need to catch up after. The last question about disability; there are many types of disabilities. What have you done to engage with the public and stakeholders' groups to make the States-owned buildings more accessible, for example the public gallery of the States Chamber? What can be done? I know it is really difficult to make it accessible but there are ways around it, if somebody would like to access it.

Interim Director, Jersey Property Holdings:

Yes, you are absolutely right. The prospect of getting lifts up to the public gallery is challenging, however. The requirement for the Disability Act is to not disadvantage somebody through their disability, so that means that we could, if required, provide the facility in one of the stairs inaccessible rooms for people with disabilities to be able to access the debates, listen to what is going on, without going up to the public gallery including hearing loops and depending on the disability.

Deputy I. Gardiner:

What engagement have you done with the groups that represent various disabilities that are currently on the Island?

Interim Director, Jersey Property Holdings:

The survey has included consideration from a number of local bodies. I do not have the bodies off the top of my head but again I can forward them to you and let you know.

Deputy I. Gardiner:

Okay, thank you. I am thinking about the time that we have for the next question.

Ms. M. Scott:

This is about the Island Plan. We understand there are plans to produce a 3-year bridging Island Plan and the in-committee States debate has been moved to 14th July in that respect. When will the document be ready for public consultation and how does it affect your approach to the estate management strategy?

Director General, Growth, Housing and Environment:

That is correct. So effectively we have been through various iterations of public consultation already in terms of the overarching strategies for the Island Plan. This was obviously pre-COVID. I think it is important now to wait for the in-committee debate as to the final form and what the final form of that Island Plan, the bridging plan, may look like. In order for that to be in place I think we need to work back in terms of when that bridging plan would need to be approved by this current Government. If that is in late 2021, early 2022 I would argue that it cannot be much later than that because of the elections and so on, so we would be standing ready as a department to comment into those processes once the bridging plan process has been finalised; so later this year and it will be early 2021.

Ms. M. Scott:

Can I get a bit more clarity on that? Quite typical of the Island Plan is something that designates land use, so I would expect that to have quite a key impact in terms of the estate management strategy, and yet at the same time we are hearing it is a bridging Island Plan. How fluid is this going to be or are you at this moment in time very much focusing on getting a more set vision in terms of the designation of land use? What is the bridging bit? What are the details you are expecting to fill in, or are we finding that we are kicking more cans down the road in terms of the estate management strategy as a result of designation being more fluid?

Director General, Growth, Housing and Environment:

The G.H.E. relationship to the Island Plan is one that we use in the decision-making area. The regulation teams use it to make decisions, but also the property team input into the Island Plan as a consultee and a property input. The plan itself is produced by the S.P.3 Department, so in terms of how that is designed and the process we are not responsible for that part of the Island Plan although obviously we input into it. What I would expect the Island Plan to do is focus on this immediate recovery period that we are now in between now and 2022 in terms of where we think the Island housing needs, development needs may be. It does tie in with the estate strategy. We need to be ready as a department to make sure that the sites that we think should be pushed forward for development or change are reflected where appropriate in that Island Plan.

Ms. M. Scott:

You are saying that this is more like a reaction to the COVID crisis.

[01:00]

So far I have seen news of a reduction in terms of population, so are you saying that this is something to enable housing to be built in terms of a backlog? Perhaps you could clarify that a bit more.

Director General, Growth, Housing and Environment:

In terms of the Island Plan there is a legal requirement to have one. Effectively the current Island Plan does run out by 2021, so the Minister for the Environment is required to bring an Island Plan back to the States Assembly. I think the previous anticipation of an Island Plan was still a fairly racy timetable, if I can use that phrase, in the sense that there was a lot of work to do to get a full Island Plan developed and agreed by the fall of this Government before we had the next Government. I think what I am saying is effectively that Island Plan, we have lost a big chunk of time certainly in terms of policy resources, a lot of our policy team within S.P.3 have been dedicated to public health work, so the bridging plan is, I guess, recognised in the fact that we do still need an overarching framework to protect land in the Island, protect certain areas in the Island, but also to enable development. Invariably I think it is going to have to be a balance between protection and the

fundamental strategy of the plan does not really change in the sense that we protect our coast and countryside. That is pretty much what each previous Island Plan has adopted but I do think we also need to focus on those areas of already built development where we would seek to encourage development into and where that can aid our economic recovery.

Ms. M. Scott:

What you are describing is generally how the Island Plan has always worked, getting that balance between development and Island protection. Are you saying we need to have an Island Plan so we just basically have got to approve something for now and that is why it is bridging 3 years and so maybe there may not be much change? What is going to happen? Will there be a review then in 3 years and that is when you get all your big changes?

Interim Director, Jersey Property Holdings:

Yes.

Ms. M. Scott:

So in terms of its impact on your estate management strategy do you anticipate any changes whatsoever?

Director General, Growth, Housing and Environment:

Yes, I think there is certainly a need to have a plan in place so that it can be used for decision-making. I think what we have seen in the current Island Plan is that it is coming of age, if I can use that phrase. It was approved in 2011, it was generally based on work that took place in 2008, 2009, that is when the work started to inform that 2011 plan, so it is somewhat out-of-date. Some of the policies have changed and we have got different pressures that we have seen. There is a need to update the framework where we know that we need to update it, but I do think it needs to make sure that it is clear on what we need for economic recovery, where that has a land use implication. It therefore follows if we are making sure that we look at our property estate in a more efficient and more focused manner than we have previously, it makes a lot of sense for us as a business to make sure that those properties are reflected in the Island Plan because public landholdings can lever a lot of change in our community if we use them correctly.

Ms. M. Scott:

One more question. You talk about pressures, but we are talking about Island planning, so when you say there has been a change in pressures what is an example of this? Okay, we could mention the hospital but will there be specifics about that or are you thinking of some other sorts of pressures?

Director General, Growth, Housing and Environment:

Yes, I think it is incumbent on Government to understand the significant changes they wish to see in land use terms for our own estate, so the hospital would be a good example of that. Secondary schooling, we have had Les Quennevais School, for instance, built that was not reflected in the current Island Plan. I think it is a fair pressure back on us in G.H.E. and the rest of Government to think what our land use requirements could be for the next period of time to make sure that the Island Plan takes those into account so that we can have debates on that and the community can see a more strategic direction from Government around their land use. I think the pressures that we are seeing, the biggest one manifests itself in the housing market where despite levels of population, even if the population remains static, we have quite a large degree of latent demand in our property market for our current community, whether it be our young people to buy new homes and to set up their own households, or whether it be a change in circumstances across our families or hidden households and those forms of homelessness as well. I think we are seeing pressures across all manner of areas in our housing market, so that for me is one of the most magnified areas that we need to respond to.

Senator S.C. Ferguson:

Ten years ago the P.A.C. of the day were told that the backlog of maintenance was £100 million or so. What is it now, and when will it be completed?

Interim Director, Jersey Property Holdings:

I do not have a precise figure for what it is now. I think as we alluded to earlier, the fact of the Asset Management Board being able to reprioritise and hopefully allow us to dispose of anachronistic buildings or facilities means that it is not a fixed figure. We know that we have a liability but if we can dispose of a building rather than repair it then that removes our repairing obligation and it means that we get a newer building.

Senator S.C. Ferguson:

Yes, but if you will excuse me, I am sorry to interrupt but we are getting near the end of the time so I would like to keep it tight ...

Ms. M. Scott:

Can we ask for a rough figure?

Senator S.C. Ferguson:

Wait a minute, please. I am sorry, the picture I have got is Tim is talking although he is not, if you see what I mean. You cannot do a cost benefit on disposing of buildings if you do not know what

the cost of maintaining it is. There must be a rough idea of how much maintenance, if you could maintain everything to a basic standard at this point in time, what is the rough estimate?

Interim Director, Jersey Property Holdings:

Again I apologise. I do not have that figure, and part of the reason for that is that the Department for Health and Social Services look after the maintenance of some of the Health buildings. The Department for Education look after the maintenance of some of the Education buildings, the Department for Home Affairs look after the maintenance of some of the Home Affairs buildings.

Senator S.C. Ferguson:

Right, but those were meant to have been transferred.

Interim Director, Jersey Property Holdings:

They were meant to be transferred, absolutely correct, Chair. They were meant to have been transferred in 2005.

Senator S.C. Ferguson:

Yes, I know, but the real problem is that much of the groundwork to set up data with Concerto and input the data to set up a programme of programmed maintenance and the estate management strategy was set up some 8 or 9 years ago, in fact possibly 10 years ago. We were looking over the place where Customs and Jersey Property Holdings has its office now. The layout of the Jersey Property Holdings office is a result of the work that was being done looking at the density of occupation in 2009 or 2010. This was all set up maybe 10 years ago. Why are we still being told that many of these projects are still work in progress? When are we going to see results from the work that we have been promised?

Interim Director, Jersey Property Holdings:

I agree, it is frustrating and it is frustrating from my perspective as well. The One Government approach that we are putting forward is accepted across Government, across the Executive, as being a necessity and it has been accepted by the various departments. It is our intention that hopefully in the next 12 months we will bring that to fruition.

Director General, Growth, Housing and Environment:

I can add to that, Senator. I think we both share the description that decisions on property and consolidating property into one management structure and one organisation tasked to oversee it, there have been a number of attempts over the years going back to the concept of the creation of Jersey Property Holdings and it has not happened for a variety of reasons. It is only now that we have got a more corporate approach to life as One Government that we are seeing a bit of traction

in this area and that there is a desire to bring the properties, the management and the maintenance of those properties into one area so that we can effectively, and I can only agree, deliver the promises that have been made in the past.

Ms. M. Scott:

Chair, may I ask a question?

Senator S.C. Ferguson:

I am just finishing my question, thank you. It strikes me that you are calling for more resources, which is mainly people, but instead of having 7 layers of management from the top to the bottom why do you not have more middle level managers or middle level of management people who are bright or more experienced, perhaps, is fairer, rather than having these 7 layers?

Director General, Growth, Housing and Environment:

I think the 7 layers I have referred to are effectively layers of the organisation, not just management. That takes us through all of our organisation from the management at the top of that, which is me currently, down to the people at the bottom of that hierarchy who are more junior members of staff. I am hoping, tongue in cheek, that the managers can also be bright as well as other members of staff. What we are not asking for is additional resource. What we are clear about is we have a current number of vacancies that we need to fill immediately and get on with being clear where they all slot into a new structure. I can only agree with the thrust of the question really in the sense that I do not think the One Government or a single property estate or a Jersey Property Holding's estate has ever effectively been delivered. In my time here there have been various attempts at that and I think the concept of a One Government estate started some time ago. I guess what I am signalling is with our current direction in terms of becoming a more singular organisation, a more co-ordinated organisation, we have got a better chance now of delivering it than we ever have.

Senator S.C. Ferguson:

Right, sorry. My television image of you is still talking. Any other questions from anybody? One-minute questions.

Ms. M. Scott:

May I ask mine now, please? Chair, may I have a follow-up question on the question that you were asking? Mr. Scate, would you not expect your estate manager to have a rough estimate of costs of repairs for the properties within his control?

Director General, Growth, Housing and Environment:

What we have outlined is that we do not have that clarity about the true cost. We are catching up on property assessments and property inspections so I think in an ideal world yes, we would have that. What we have signalled today is that we are catching up with management systems in place to capture data and surveys of those properties, and the number changes on a frequent basis depending on the incidences we see; whether it be weather damage or whatever it may be. Ideally yes, but I am cognisant and quite real in the sense that we are not starting from a solid place in this regard.

Ms. M. Scott:

Okay, that is my one minute. Thank you.

Senator S.C. Ferguson:

Okay, anyone else? Thank you very much indeed, Andy and Tim. I am sorry it has been a bit disorganised but it is the innate animosity of an inanimate object.

Director General, Growth, Housing and Environment:

Thank you very much, Senator.

[01:15]

Senator S.C. Ferguson:

We may have more questions for you if you do not mind but we will just require an answer in writing if necessary.

Director General, Growth, Housing and Environment:

Of course, that is fine. Thank you.

Interim Director, Jersey Property Holdings:

Thank you, Chair.