

2020.03.09

## **2 Deputy G.J. Truscott of St. Brelade of the Chief Minister regarding the identification of a site for a centralised Government building: (OQ.57/2020)**

Following the Assembly's effective rejection of Ann Court as a possible site for the new centralised Government building, what progress, if any, has been made in identifying and selecting a new site?

### **Senator J.A.N. Le Fondré (The Chief Minister):**

I thank the Deputy for his question. As the Deputy will be aware, a new Government building could save us around £7 million *per annum* and that is before taking account of productivity gains. The Deputy will also be aware of the various announcements that were made just before Christmas and where we are now, is expressions of interest opened in January ... sorry, the requests for expressions of interest was made in January. I expect the results back in April. At that point I will be able to give further information, once those have been assessed.

### **3.2.1 Deputy G.J. Truscott:**

The temporarily centralising of Government services at Philip Le Feuvre House in La Motte Street has proved quite successful. The only criticism has been poor access due to lack of parking in the area making it difficult for pedestrians, particularly the elderly pedestrians. Could the Chief Minister advise the Assembly if Philip Le Feuvre House is still being considered as a viable site for the new Government building?

### **Senator J.A.N. Le Fondré:**

My understanding, because we have discussed that, is that essentially the La Motte Street site is not big enough for all employees. It was originally looked at, because there was a possibility of adjacent buildings, or sites, could have been expanded into but that is no longer the case.

### **3.2.2 Deputy S.G. Luce of St. Martin:**

Can the Chief Minister give the Assembly an assurance that any new building to house the States officers will be built on States-owned land?

### **Senator J.A.N. Le Fondré:**

My long-term objective is that the States will own the building. That is obviously subject to States agreement and therefore will ultimately be on States-owned land. Will it be built on existing States-owned land, I cannot comment, because it depends what the expressions of interest look like and what the details of that arrangement are. There will be a variety of factors obviously including the financials. But, from my perspective, I would anticipate that any long-term position would be that ultimately we would own the building and the land itself.

### **3.2.3 The Deputy of St. Martin:**

Was the Chief Minister aware that, in his absence, at the last States sitting, I had an absolute assurance from the Deputy Chief Minister that it will be built on States-owned land?

### **Senator J.A.N. Le Fondré:**

I am not disagreeing with that. What I am trying to imply is I cannot guarantee it will be built on existing States land. So, in other words, until the expressions of interest have come back that if somebody comes up with a scheme, which makes sense and ultimately means we would then own the building and the land, so it becomes States-owned land, then that would be something we would

look at and that will take account of a variety of factors. What I am saying is I cannot guarantee it will be on existing States land, because it would depend what the assessments look like.

### **3.2.4 Deputy S.M. Ahier of St. Helier:**

Has the Chief Minister given due consideration to building the new centralised Government building at the International Finance Centre. I was considering International Finance Centre building 2, which is 2 storeys higher than the others and should be a suitable place to build it?

### **Senator J.A.N. Le Fondré:**

I do not know the various parties who are putting forward their bids for any expressions of interest. I would expect S.o.J.D.C. (States of Jersey Development Company) and my understanding and expectation is S.o.J.D.C. will be one of them.

### **3.2.5 Deputy D. Johnson of St. Mary:**

Deputy Truscott referred to the possibility of building a new centre at La Motte Street in respect of which many Members will recall the Assembly spent some time considering the extinguishment of the covenant and the Panel of the day also spent some time, but if the development is not to proceed there will the Chief Minister advise whether he has any plans for that site?

### **Senator J.A.N. Le Fondré:**

The whole benefit of the principle around the new office block is that not only will it save us considerable sums of money on an annual basis and, as I said, that is excluding ... so the £7 million I have quoted is essentially cash savings and ignores any productivity savings. Experience in the past, I do emphasise "in the past", the productivity savings can be significantly more. So, there is a significant revenue benefit. But the other benefits are firstly some capital savings and perhaps as important, if not more importantly, the release of sites for housing. So, therefore, I would anticipate, but bearing in mind we have to build, we have to decant and move across, that if the La Motte Street site therefore it does get decanted out, which I would expect it would be, that its obvious use would be for residential housing. That will also be an assessment at the time, but that is the whole point and one of the reasons we want to move this office strategy forward is to release brownfield sites for housing.

### **3.2.6 Deputy M. Tadier of St. Brelade:**

Is the preference for a new build, or to use an existing building?

### **Senator J.A.N. Le Fondré:**

Again, as I said, expressions of interest have been sought, so if somebody comes back with a scheme that is viable, that uses an existing building, I am not aware of one, then it will be assessed at the time. General experience to date has been that you get better overall efficiencies. I will say this is from memory from about 10 years ago, when I was looking at this, so it may have changed, that because of the size of the change one is better looking at a new build. If that has changed, or somebody produces a viable scheme within the expression of interest, that will be considered. At this stage, expressions of interest have been sought, we will get them in April and at that point we can assess what the various solutions are that we are being presented with.

### **3.2.7 Deputy M. Tadier:**

Is there any consideration being given to combining a States Assembly building with the new Government buildings, wherever that might be?

**Senator J.A.N. Le Fondré:**

No.

**3.2.8 Connétable P.B. Le Sueur of Trinity:**

When will we be likely to see a detailed financial appraisal which underlines, or justifies, the quoted figure of £7 million saving?

**The Deputy Bailiff:**

[Electronic interruption] Contribution from Deputy Labey.

**Senator J.A.N. Le Fondré:**

Is it an elevated fine, Sir, given his position as moral leader of the Assembly, or something?

**The Deputy Bailiff:**

I do not think so.

**Senator J.A.N. Le Fondré:**

The reason I paused is I thought we had given a high-level outline, but I may be misremembering on that front. The detailed side will come back once we have seen the options and once a full business case is put together on the basis of the options we provided. But, from experience, when I was last involved, many years ago, at Property Holdings the cashable savings at that point and there was a very detailed case that was put behind it, was between £3 million and £4 million in terms of what I will call cashable and then the productivity side was anything up to 3 times as much. So I used to conservatively reckon on about £10 million a year saving, putting those 2 figures together. Those figures, that £3 million to £4 million has now become £7 million and therefore the productivity overall goes higher. Therefore, I still think I am being fairly conservative now on reckoning on around £10 million, or between £7 million and £10 million.

**3.2.9 Deputy G.J. Truscott:**

As the Chief Minister has already mentioned, the £7 million savings a year is something really that is so important, by centralising Government under one roof. Plainly, there will be significant windfalls from developing the vacated sites such as Cyril Le Marquand House, South Hill and Philip Le Feuvre House, *et cetera*. This is surely a win-win situation. Could the Minister advise, just really give us an idea of a timeline once the site has come forward, when does he anticipate building starting and when does he hope for it to finish?

**Senator J.A.N. Le Fondré:**

I cannot give a timeline for when we suspect building commencing. I believe the intention is that a full business case would be completed during the course of this year and then it will then roll out from that. I think it depends on the circumstances. For example, if somebody providing a scheme already had planning permission that would have a change, I suppose, to somebody who is going to put in for planning permission on a site. I genuinely and deliberately do not know the details as to what potential schemes are out there. In terms of, as I said, expressions of interest being sought in January, let us wait until we get the details in April. I remain absolutely satisfied that subject to some blinding new revelation that I am not aware of that this really does represent good value on a whole range of fronts, both in money, revenue terms, both the Deputy is right in terms of release of capital, avoidance of capital expenditure and also the release of brownfield sites. For me, it is a major win situation, but I do want to see it done. That is important.