

STATES OF JERSEY



REVIEW OF ESTATE MANAGEMENT (P.A.C.1/2019): COMMENTS

**Presented to the States on 23rd December 2020
by the Public Accounts Committee**

STATES GREFFE

COMMENTS

Background

Following recent changes to its membership, these comments serve as an update on the work of the Public Accounts Committee (PAC) in respect of the Government's management of the public land and property portfolio.

PAC's 'Estate Management Follow-Up Review' was launched on 15th June 2020 to assess the progress on overall arrangements of the Government's strategic property function since its restructure under the OneGov arrangements, with funding having been approved in the Government Plan. The previous PAC had undertaken work in this area and presented a report on [Estate Management](#) in February 2019, with the [Executive Response](#) published in April 2019. This followed on from the former C&AG's [Report on Operational Land and Buildings](#) in June 2018, and a PAC [Comments Paper](#) on this issue on 27 February 2020 detailing its work to date.

At the time of the former PAC Chair Senator Sarah Ferguson stepping down from the PAC on 20th October 2020, the Estate Management Follow-Up Review had reached a critical stage, having concluded the evidence gathering. This included submissions from various organisations, including schools and Andium Homes, and held public hearings with the Chief Executive and Acting Director General for Growth, Housing and Environment (now Infrastructure, Housing and Environment) on this subject.

The newly formed Public Accounts Committee, chaired by Deputy Inna Gardiner, subsequently considered the comprehensive summary of work to date contained in the PAC's handover [Legacy Report](#).

Key Issues

After initial consideration of this topic, the committee has established a number of key matters that, amongst others, it will explore in the next phase of its work. These are as follows:

- There remains a lack of clarity around the success and implementation of the Infrastructure, Housing and Environment (former Growth, Housing and Infrastructure) Department's Target Operating Model (TOM). PAC will hold the Chief Executive (permanent or interim post-holder) to account for ensuring that the Infrastructure, Housing and Environment (IHE) Department TOM is finalised and implemented in 2021. Furthermore, that the Department is working to create a clear and organised set of priorities within the TOM that align with the aims and values set out in the approved Estate Management Strategy.
- The completion and implementation of a comprehensive Estate Management Strategy, and the accompanying Corporate Asset Management Plan (i.e. the operational level implementation plan of the strategy), is a matter of utmost urgency and essential for Post Covid recovery.
- The work of the Corporate Asset Management Board has been compromised because the Estate Management Strategy has not yet been formally approved.

It has therefore not been able to fully embark on the role of coordinating, prioritising, allocating and developing the property needs of the various elements of the Government and States of Jersey consistent with the approved Estate Management Strategy. This will be a priority for the PAC to examine in 2021.

- Insufficient progress has been made regarding the implementation of recommendations made by the C&AG regarding the States of Jersey Development Company (SoJDC). There is uncertainty created about the appropriateness of the roles requested of and carried out by SoJDC in respect of the public estate.
- The PAC is concerned that the current underinvestment and lack of joined-up approach to property maintenance will only increase the States' liability and potential risks to the public.
- The asset management system, Concerto, is not utilised to its full potential to maximise its benefit. The PAC will urge the IHE and property division to ensure that the potential for the asset management system (Concerto) is fully utilised, to ensure maximise the value for money and aid a co-ordinated approach to property management and maintenance.
- While assessments have been made to date, further action is required to ensure States-owned properties comply with disability legislation, and the PAC is looking forward to receiving comprehensive action plans that will bring this into effect.
- The Estate Management Strategy should incorporate sustainable wellbeing as well as monetary value in order to be consistent with the Public Finances Law. The PAC will be looking for the Estate Management Strategy to evidence prioritisation of properties and land based on their value to the community as well as potential financial value.
- At the time of the final drafting of these comments we are aware that a draft Estate Management Strategy has been presented to the Council of Ministers on 9th December 2020. This draft strategy requires appropriate and thorough review by this committee.

Impact of COVID-19

The Covid-19 pandemic has had a significant impact on progress in some areas of property and asset management. Nevertheless, the PAC considers it to be important that a follow-up review should seek to ascertain what work has been done to produce a comprehensive property strategy linked to corporate objectives, maintaining deteriorating buildings and considering sales of non-necessary buildings/land in line with the Common Strategic Policy and Government Plan. This will be of critical importance to post-pandemic financial policy, to make sure we are making the most of our vast portfolio of property assets for the benefit of the public, be that through disposals and/or to underpin borrowing.

Next Steps

The PAC remains committed, as a matter of urgency, to this Review and to holding Government officials to account for the delivery of a comprehensive Estate Management Strategy.

The Committee has requested a briefing from senior officers in early January 2021 on the Strategy presented to the Council of Ministers on 9th December 2020. This will be the start of the next phase of what will be a thorough, publicly involved Review with a number of public hearings and published written submissions gathered through targeted requests for information and answers to questions. The PAC will question all departments on their views of land and property management in their department and will press for a joined-up approach to property maintenance.

The Committee will also seek further evidence and information from relevant senior public sector officials, public land and building users, States owned entities and arm's length organisations.

We expect to present a final comprehensive report by Quarter 3 of 2021, with updates on progress provided in between.

Appendix 1: Key Dates During the Development of the Estate Management Strategy

Date	Item	Comment	Status of Estate Management Strategy
21 June 2018	C&AG publishes review of Operational Lands and Buildings	Recommends that the development of a “comprehensive property strategy” is prioritised.	Recommends development
4 February 2019	PAC publishes report on Estate Management	Recommends creating “a joined-up approach and written strategy to improve building maintenance and utilisation.”	Recommends creation of a strategy
11 April 2019	Executive Response to PAC Report is published	Notes that work on the Estate Management Strategy is “set to begin on 25 March 2019”	Provision of starting date of Strategy development
20 January 2020	Private Briefing with Jersey Property Holdings	A draft of the Estate Management Strategy is sighted	PAC Sights draft Strategy
27 February 2020	PAC publishes a comments paper on Estate Management	Confirms that an Estate Strategy should be published “by the end of February 2020”	Published Strategy promised by end of February
29 June 2020	Public Hearing with the Director General for Growth, Housing and Environment and the Director of Jersey Property Holdings	Confirms a delay to the Strategy, with “final ironing out” to take place “in the next month” before being sent to CoM	Strategy delayed, completion expected by August 2020
27 July 2020	Quarterly Public Hearing with the Chief Executive	Confirms that the Strategy will not be published until the autumn to give time to develop a “user-friendly” version. Claims that Estate Management Strategy seen in January was in fact “about a corporate property framework”.	Further delay, Autumn target now set. Rebrands Estate Management Strategy seen in January as a Corporate Property Framework.
20 November 2020	Government Plan Review Panel Public Hearing with the Chief Minister	Confirms that an Estate Strategy is “quite literally a very few weeks away”	Estate Management Strategy Imminent in coming weeks

7 December 2020	Quarterly Hearing with the Chief Executive	Confirms that the Estate Management Strategy “goes to the Council of Ministers this Wednesday [9 December]”	Estate Management Strategy Imminent in coming days
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Appendix 2 – Terms of Reference for PAC’s ‘Estate Management Follow-Up Review’

1. To assess the progress on establishing a Corporate Asset Management Group by the Government as recommended by the Comptroller and Auditor General’s (C&AG) [Report on Operational Land and Buildings](#) in June 2018, and the subsequent PAC [report](#) on Estate Management in February 2019.
2. To assess the progress on overall arrangements of the Government’s strategic property function since it has been restructured under the OneGov arrangements and has funding approved in the [Government Plan](#).
3. To assess the progress on developing a comprehensive property strategy linked to corporate objectives, maintain deteriorating buildings and considering sales of non-necessary buildings/land in line with the [Common Strategic Policy](#) and [Government Plan](#)).
4. To assess the progress on developing a comprehensive asset management system for all States property assets.
5. To assess the progress on consulting and engaging with stakeholders including plans to develop a robust process for consultation with community and stakeholder groups as part of all property proposals (in line with the recommendations of the PAC in its [report](#) of Estate Management in February 2019).