



Environment, Housing and Infrastructure Scrutiny Panel

Public Hearing - Jersey Property Holdings

Witness: The Minister for Infrastructure

Tuesday, 7th October 2025

Panel:

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity (Chair)

Deputy T.A. Coles of St. Helier South (Vice-Chair)

Deputy A.F. Curtis of St. Clement

Deputy D.J. Warr of St. Helier South

Connétable D. Johnson of St. Mary

Witnesses:

Connétable A.N. Jehan of St. John - The Minister for Infrastructure

Mr. A. Scate - Chief Officer, Infrastructure and Environment Department

Mr. T. Daniels - Director, Jersey Property Holdings

Mr. R. Buchholz - Head of Property Strategy, Jersey Property Holdings

Ms. M. Santos - Head of Project Delivery and Property Maintenance

[14:00]

Deputy H.L. Jeune of St. John, St. Lawrence and Trinity (Chair):

Thank you all. Welcome to this hearing of the Environment, Housing and Infrastructure Scrutiny Panel. Today is 7th October 2025 and this is a special public hearing that we are holding with the Minister for Infrastructure on Jersey Property Holdings. I would like to draw everyone's attention to the following. This hearing will be filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. All electronic devices, including mobile phones, should be switched to silent. I would like to ask that any of the members of the public who

have joined us today in the room to not interfere in the proceedings and as soon as the hearing is closed please leave quietly. For the purpose of the recording and the transcript, I would be grateful for everyone who speaks to ensure that they speak into the microphones provided. So let us begin with introductions. My name is Deputy Hilary Jeune. I am the Chair of the Environment, Housing and Infrastructure Scrutiny Panel.

Deputy T.A. Coles of St. Helier South:

Deputy Tom Coles, the Vice-Chair.

Deputy A.F. Curtis of St. Clement:

Deputy Alex Curtis, panel member.

Deputy D.J. Warr of St. Helier South:

Deputy David Warr, panel member.

Connétable D. Johnson of St. Mary:

Constable David Johnson, panel member.

The Minister for Infrastructure:

Constable Andy Jehan, Minister for Infrastructure.

Chief Officer, Infrastructure and Environment Department:

Andy Scate, Chief Officer for Infrastructure and Environment.

Head of Property Strategy, Jersey Property Holdings:

Ralph Buchholz, Head of Property Strategy, Jersey Property Holdings.

Director, Jersey Property Holdings:

Tim Daniels, Director of Jersey Property Holdings.

Head of Project Delivery and Property Maintenance:

Mafalda Santos, Head of Project Delivery and Property Maintenance.

Deputy H.L. Jeune:

Thank you, and thank you very much for coming today. We have 2 hours to very much focus on Jersey Property Holdings, which is a great opportunity to go into one of the areas we sometimes talk to you about, Minister, in our quarterly hearings. But I would like to start with talking about the proposition that was P.93/2005, which established Jersey Property Holdings. It identified the

following problems as the reason for its creation: high levels of delayed or aborted initiatives, inadequate maintenance planning, a growing pool of inefficient assets, short-term lowest cost approaches to estate management, departmental frustration, slow decision making, excessive political involvement, and the duplication of resources across departments. Nearly 20 years on, how many of these problems persist today?

The Minister for Infrastructure:

Many of them. It is probably a little like the book I just received from a long time ago which has a lot of the solutions, potential solutions. I think we do have challenges, no doubt about that, but we also have a team of very hard-working people, property professionals doing their very best with the resource that they have to hand. I have to say in the last 18 months I have learnt a lot from the team. I have had some experience in property, being responsible for properties in previous lives, but no way near on the scale of Property Holdings, which has over £1 billion worth of accommodation, ranging from ... and I have been on a visit, a personal visit, not an official visit, a personal visit to the Minquiers to see the most eastern toilet that we are responsible for and places like you have been to, things like the sewage treatment works and the energy from waste plant. I have not been recently to the prison. I did visit there a number of years ago but a lot of work has been done there. We have school estates, which you will all be familiar with most of those. We have accommodation. We have land. We have all sorts of things that we administer. I was pleased last year or earlier this year when we finally got the service level agreements updated with our colleagues from Education because I think the key point around the estate is it is the public's estate. It belongs to the public. It belongs to everybody, and we need to make sure that we utilise that resource as best as we possibly can. We have made good progress now with the sports facilities in schools, for example. That has not been easy but we had a very constructive meeting recently with the Minister and his Chief Officer around finally unblocking the final challenge for us. There is fantastic facilities that we have to sweat more.

Deputy H.L. Jeune:

I think we are definitely going to be going into some of these areas in more detail, but we really wanted to see, you know, when Jersey Property Holdings, of course, was set up to try to overcome some of those issues that I mentioned that was in the proposition and the report accompanying the proposition. You mentioned, Minister, about the resources. Is that the main reason where some of those issues or problems are still seen today?

The Minister for Infrastructure:

Certainly, resource is a challenge in areas, be that financial or physical resource or a combination of both. When I arrived at Property Holdings I said to the team in my opinion we should rebrand because the team do not get the credit for the work they do. They often get criticised unfairly on

most occasions. I am happy to accept criticism if it is just, but often the criticism is misplaced. It is around confidence, is it not, in the organisation? We were formed to remove duplication but we still see some duplication. Earlier this year I went to Guernsey and in part of my visit I met with my opposite number and spoke to their property team about how they deal with property. For example, in Guernsey the caretakers that work in schools work for the equivalent of Property Holdings. They do not work for the Education Department. So therefore their focus is on the property and the property maintenance, as you would expect from a caretaker. They do not get waylaid with other things and, if they do get waylaid, they get recognised for what they are doing. So there are challenges, no doubt about that. I do not know if we are going to talk about Ann Street. I presume that is a separate item. That is a good example of where we were introduced to the project late. I think it is 2 projects, but I will talk about that afterwards. It is a good example of where Property Holdings being involved right from the outset could have saved us a lot of time and effort.

Deputy H.L. Jeune:

But was this ... just coming back to this particular, which is about the establishment of Jersey Property Holdings, was the idea that there was this ... so that there was not this duplication, that Jersey Property Holdings should have swept up all of these elements?

The Minister for Infrastructure:

It should have had the people and the budgets. Reading the report and proposition, I think that is fairly clear.

Deputy H.L. Jeune:

Why was it not? Why did it not get to that point?

The Minister for Infrastructure:

Well, I cannot answer for what has happened for the previous 20 years. I am happy to take responsibility for the last 18 months, and I think we have as a team made progress in those last 18 months in a whole range of areas. I get updates every fortnight on any empty properties we have. Not only do I get the update, I get the value of the rents, so we can actually start to see things from a commercial aspect. Because it is no good looking at names of buildings. I like to look at the numbers to say, well, what revenue are we losing there? I think we have made good progress in that area. I am joined by a number of colleagues here today but there is another team below that and below that again who do a lot of hard work. They really have stepped up to the plate, in my opinion.

Deputy H.L. Jeune:

As you were talking, the purpose of establishing J.P.H. (Jersey Property Holdings) was to deliver this corporate strategic approach to management of States property. So you still believe that that purpose remains today?

The Minister for Infrastructure:

I do and I think there have been moves to try and improve things. Andy chairs a board of officers, whose name escapes me.

Chief Officer, Infrastructure and Environment Department:

The Corporate Property Management Board.

The Minister for Infrastructure:

Yes, the Corporate Property Management Board where all the senior officers go around the table. So I think that helps us. The principles of Property Holdings I think stand true today.

Deputy H.L. Jeune:

One of the aims was to gain a clearer understanding of the States' property portfolio. How well is the estate understood today compared to when J.P.H. was created? I think you have just talked a little bit to that.

The Minister for Infrastructure:

I cannot comment about 20 years ago, but Ralph has done a huge amount of work with the team on not only identifying the state of the estate, as we call it, but also looking at the strategy and what we need to keep, where we think we should be looking to acquire property or land, and where we could look to release land or property. We are looking to do that report bi-annually - have I got that right? - and it was a very good and detailed piece of work which I would suggest was long overdue. It started before I arrived so I cannot claim any credit, but the officers deserve to take a lot of credit for the quality of that document.

Director, Jersey Property Holdings:

If I may, Minister, Chair, I think that it is worth acknowledging that part of our objective is to try and understand the estate better. At the moment we tend to work in a relatively short timeframe that tends to be the political cycle of 4 years or so. Clearly, properties have a life of 40, 50 years, and so Ralph has done a lot of work on suitability, sufficiency, condition of the premises and we are also looking across departments to understand departments' needs now and in the future, which means that we can then start to get ourselves a Gantt chart that goes out for the life of our estate. Instead of saying that maybe as a kneejerk reaction we need a brand new something or the other, we can say in accordance with our current understanding of the estate we know that we can spend a small

amount of money and refurbish this area and that will provide sufficiency for the future. At the same time we may then see the way that a particular organisation or department is going their needs are changing, the requirements are changing, and so in that instance in 4 or 5 years' time we will need to start a new project for a new requirement. Then it is actually getting to have a much better understanding of our estate. We have a system called Concerto which was brought in a few years ago and its use has been evolving. We do now have a huge amount of information at our fingertips which, as I say, eases those decisions.

The Minister for Infrastructure:

I think the other thing that has changed dramatically in the last 20 years is the legislation, that you now have to ensure your properties are up to speed with things like regular electrical testing and Legionella. There is a whole range of tests and reviews that we have to do for all of our properties to make sure that they are safe. We have done a huge amount of work in recent times - and Mafalda will probably talk about this later - around fire safety within schools, a huge amount of work. We are still doing that work. We have mitigation in some premises where we have not completed the work yet, but some of those buildings have been there for a long, long time. As regulations change and become more stringent ... and I can imagine going forward energy requirements for buildings, if we bring further legislation in for energy requirements for buildings, that will bring another layer of work in for the team to make sure that we are compliant. As they are public buildings, they have to be even to a higher standard than yours and my building.

Deputy H.L. Jeune:

I think that was going to be my last question within this section about looking at the original objectives of J.P.H. and what role it has changed. Minister, you have mentioned that the legislation has changed and so I guess that role has shifted a little bit with J.P.H., but do those objectives still stand today? Is there any new ones that are coming up that J.P.H. should be playing that potentially have not necessarily been outlined in the original proposition?

The Minister for Infrastructure:

We are always looking to evolve, I do not think you can stand still, but I think the original foundations of setting up Property Holdings stand true now. Tim has mentioned the advances in technology. That is not just how we record things but how we do things. So we have to evolve using technology. Yes, I think the state of the estate and the strategy is really key work for us. We have to look after what we have, but it is no good - I keep using this term - looking at our boots all the time. We have to look at the horizon as well because ... I think I was asked a question in our last Scrutiny Panel and in the States Assembly about the energy from waste plant. Well, that has a lifespan until around 2040, we believe, but we cannot wait until 2039 to decide if we want to replace it or do not want to

replace it. That decision, in my view, will have to be made by the next Assembly as to which direction we go.

Deputy H.L. Jeune:

So when J.P.H. was created the aim was to act as a corporate landlord for the States' property. The C. and A.G. (Comptroller and Auditor General) 2025 report concluded that nearly 20 years later this has still not been achieved. Why is that?

The Minister for Infrastructure:

Well, we do not move wooden dollars around. So we do not charge schools rent. We do not charge any of our tenants or many of our tenants rent for the property they use. I think the original vision was that people would pay to use their building so that they understood the cost and the value of their premise. Now, we would probably create an industry in itself if we were to do that. I think by the work we have done, particularly with the school estate, we have done it with Home Affairs in other areas, where we have these service level agreements in, I think that has been a good way of being very clear as to who is responsible for what.

[14:15]

I think that was perhaps lacking for many of the years that J.P.H. was formed. As with all these things, it takes time to evolve and there will be changes as we go forward, but I do think that that is a big step for the organisation. We continue to look at what do we do. We are working with S.o.J.D.C. (States of Jersey Development Corporation) as a partner around the redevelopment of Fort Regent, for example. We are looking at what we can do with Andium to help us manage our properties, our homes that we have on our books, because they are experts in changing tenants, et cetera, receiving rents, maintenance. So is it more viable to pay a management fee to Andium or is it more viable for us to do that in-house? That work is almost complete and it may be a mixture of both. Last year or the year before we took on the properties from Home Affairs at the prison and we have spent an awful lot of time and effort bringing those properties up to standard. But is it appropriate for us to manage them going forward or do we outsource that to Andium? Those discussions are ongoing behind the scenes as to what it would look like and how that would ... if it is more efficient for us to use one of our partners, then why would we not do that? But those discussions are still ongoing.

The Connétable of St. Mary:

The Chair just referred to the expression the corporate landlord model. J.P.H. is not itself a corporate body. Is that one of the problems? Is your structure such that you can actually do all things you were meant to do when it was set up in the first place?

The Minister for Infrastructure:

From a governance perspective, has it got the autonomy it needs? I think the structure is sufficient enough to do what we need to do. I do think that we need to still win some hearts and minds within our organisation. It is very easy for people to say you have lots of empty properties. While we have some significant empty properties, St. Saviour's Hospital would be a case in point and that will be discussed again next week at the Regeneration Steering Group, but La Folie is a property I tried to get hold of when I became the Minister. That has been with Ports of Jersey for a long time and it frustrates me as well as other Members and members of the public. But I think the structure is okay. I think we can, as I say, work with our partners more than we perhaps have done in the past.

The Connétable of St. Mary:

That is what I am getting at. It does depend on the partners acceding to your priority in a way.

The Minister for Infrastructure:

Yes, and Andium do work with at least one of the parishes in terms of their social housing. They manage it for them and they get paid a commission. That works very well, from what I can understand, and that may work for some of our accommodation, it may not. But yes, that is the area we are exploring at the moment.

The Connétable of St. Mary:

A final question before I leave it. When I first came to the States, J.P.H. was under Treasury, I think, and it is now with you. You reckon you are the right place, do you, for it?

The Minister for Infrastructure:

Well, the synergies with Infrastructure, we do a lot of maintenance within Infrastructure. I think it is best left in one place and to build on that rather than keep moving it round like an orphan. We really need to embrace it and that is what we have tried to do in the last 18, 19 months. We have tried to, I would say, add a little bit more commerciality into it. Equally, it is not all about commerciality because we have clubs and associations who rent facilities from us and what I have tried to do there is to be consistent. So we had some clubs playing 3 times more than another club. Now, that is not fair and that is not consistent. So what we have done is we have identified a rate for clubs and associations, as long as they are not commercial operations themselves, because some of these have commercial arms. So we are trying to be consistent. As leases come up we have tried to get everybody on to that level playing field. That is a process that will take quite a piece of time.

The Connétable of St. Mary:

My question was purely about the corporate entities.

Deputy H.L. Jeune:

I think, coming back to that corporate landlord, obviously it is a response to the C. and A.G.'s report that you are saying that you are exploring what this looks like going forward. Because one of the suggestions was that it would have to go to the Council of Ministers to get endorsement for this corporate landlord model. But is it a case of it being that specific? As you said, it is about the wooden dollars, it is about the rents, about charging rent, but actually you have now talked about the fact that it is more about that fairness. What does that look like with J.P.H. as in it being a good landlord, whether it is for commercial rates or it is not commercial rates, or how it looks ...?

The Minister for Infrastructure:

Well, we have to be, and I believe we are, professional. Now, if that means that we stick to agreements, that is what that means exactly. So I think we work with our colleagues in the Law Officers' Department who can offer us advice if requested and we have to be consistent and professional. I believe that is what the department do their utmost to do every week. It is tough at times because they get lots of different requests from lots of different areas. I am aware of a meeting that took place recently which I did not know the meeting was taking place but politicians were present. Property Holdings were asked to attend and they attended, which ...

Deputy H.L. Jeune:

But would that not help ...

The Minister for Infrastructure:

Sometimes they have to learn to say no.

Deputy H.L. Jeune:

Would that not help having then a model, being more clear in what that framework or model, as the C. and A.G. has said is not there, what that looks like that then could help put some boundaries in?

The Minister for Infrastructure:

I think the model is there but I think we have a team of people who try to help people. That is the nature of the people that we have and I make no criticism; that is an observation. When we are busy we should perhaps be saying no to some people, but I do not think there was any other reason for Property Holdings attending that meeting other than to try and help.

Deputy H.L. Jeune:

So would you say, to respond to the C. and A.G.'s report suggesting that there needs to be this move for an action for a corporate landlord model to be endorsed and supported, you are saying that this will be presented in the discussions?

The Minister for Infrastructure:

I think the service level agreements are that inasmuch as the service level agreement as far as I am concerned is the equivalent of having a lease, although no ...

Deputy H.L. Jeune:

That is happening for all the estate?

The Minister for Infrastructure:

... monies change hands. We have made progress with Home Affairs, with Education, C.Y.P.E.S. (Children, Young People, Education and Skills), most of the areas, and we are in discussions with our colleagues in Health, so yes.

Deputy H.L. Jeune:

Do you see then that J.P.H. ... we were talking about the *State of the Estate* report and now we have just moved on to these S.L.A.s (service level agreements) being this landlord model that you are pushing for. Is that the function? Is it a dual function of J.P.H.? Do you see them as equal in their role and responsibilities so that there is both ... should they be given the same weight I am saying in its objectives?

The Minister for Infrastructure:

Sorry, you have lost me slightly.

Deputy H.L. Jeune:

So I think I was saying there have been reports for C. and A.G. and the Public Accounts Committee that have found that J.P.H. has never fully moved beyond an estate management role in the past. So what I was trying to say ...

The Minister for Infrastructure:

Okay, yes.

Deputy H.L. Jeune:

... now there is this ...

The Minister for Infrastructure:

So the role that Ralph and his team play is very much looking at the strategy, how we use buildings and how we engage with departments, and I think that is progress. It is not going to change overnight. As I said earlier, my initial observation, my first meeting with the team, I suggested that we should change names and change the brand. Well, clearly there is a cost to all of that so we did not do that, but what I was saying was that we do not have a great reputation, despite your best efforts. I think we have made progress in the last 18 months and I think my predecessor had started to make progress as well.

Deputy H.L. Jeune:

Thank you, Minister. Yes, I have lots of dates here on my questions of all the reports that have been mentioning the same thing, so it is good to hear that ...

The Minister for Infrastructure:

I have them here.

Deputy H.L. Jeune:

I suppose the last question within that, you have talked about the *State of the Estate* and the strategy moving forward. Is there now an action plan and timeframe for the actions, the strategy that that was delivered is then ... and will we see that and is it moving forward?

The Minister for Infrastructure:

It continues to evolve. I do not know if you want to add anything, Ralph, in terms of the strategic work you are doing. Do you want to add something?

Head of Property Strategy, Jersey Property Holdings:

Yes, I would not mind just touching on the previous point you made actually about the corporate landlord model because that is one of my broken records comments throughout my last 3 years of working in Jersey Property Holdings. There is definitely a culture within government still of a siloed property mentality, that each department still has in certain cases a certain love of their buildings and that reflects in their decision making and budgets are reflected in that space as well. So I have been talking to Treasury about making more alignment with budgets, but even things like the public finance manual, making sure that we have the corporate landlord model throughout that so any decision that is made about property has to come through Jersey Property Holdings. If there is any change to buildings, we also have a change implementation process as well whereby people have to fill in a form, it all goes through all the various parts of Jersey Property Holdings to make sure that it is acceptable, whether that is a simple change that does not require planning or something that is a bit more complicated. So there has been a whole ... it is this incremental cultural change. It has been a slow process but I think the message is coming across. We have a much better governance

structure. The Corporate Property Management Board, which Andy sits and chairs, we meet more regularly now. We meet on a monthly basis. We have a very clear doctrine in there that says that if there are any client requests it has to go through the board. We have a disposals/acquisitions policy which we introduced recently, which again aligns to the public finance manual and other parts of our governance structure as well. So there is an improvement in that space. Going back to your question around the strategy, the strategy was written in 2021. It had a number of actions in there, a number of which we have delivered on because they were of the time. So, for example, one of them as an example was create a Corporate Property Management Board, so that is an action that has been completed. There are 56 actions within that strategy, I think, from the top of my head, and we have completed on many of those. Some of them are just ongoing because they are just good practice to make sure we understand how our estate functions and so we need to understand the data behind it all. So collecting data and understanding our corporate property portfolio is part of one of the actions, for example. I think there is a time now where - we have discussed this with the Minister - we do maybe a review of the property strategy and we take it to the next stage. I think it was the first strategy so it had to establish itself and to break certain ground rules. I think now they have been established we can now make it a more dynamic strategy that is probably a little bit more focused on other things that we are doing with particularly Treasury, like the long-term capital plan and some of our other longer term ambitions as well that we have now established the strategy in its ... and also we wrestled with one of the straplines in there, the actual purpose statement, I think, or the mission statement. We were very careful about trying to balance ... and this was under the last Government as well so there was a slightly different view then, I suppose, than maybe there is now. But there was this very clear balance between the commercial aspirations and the community aspirations and where that met because there is a bit of tension potentially sometimes there. So there is a bit of nuance in that, for example, about whether we revisit even our mission statement within the strategy. Is that still relevant today or do we take our foot off the gas on one or the other or is it still adequate? So I think there is a bit of review work that we need to do within the strategy space which will come into the next government period.

The Minister for Infrastructure:

It is also worth mentioning that any planning application now comes through a Ministerial meeting, which was not the case, and that is the same within the transport and operations. So any planning application comes through, it is a standing item on the agenda, because I like not to have surprises, really.

Deputy D.J. Warr:

Talking about surprises, we talked about this in the last quarterly hearing, about Philip Le Feuvre House and how it went on to the market and then got withdrawn. Can you walk me through, walk the panel through, how that process kind of came to a halt? What was the original thought process

once Social Security had come out of there and who was able to stop it? Then I think I understand it has now gone back out on to the market again, I think from our last quarterly hearing.

Deputy H.L. Jeune:

Shall we do that question under tendering maybe?

Deputy D.J. Warr:

Okay. It was just I was thinking about the commentary around strategic ...

[14:30]

The Minister for Infrastructure:

I am happy to answer that now. We have the Regeneration Steering Group, which is made up of several Ministers. You probably were a part of it in the last Government I should think. So when we vacated the premise we put the whole area on the market, part of which is owned by the Social Security Fund, part of which was not owned by the Social Security Fund. Within that ...

Deputy D.J. Warr:

Sorry to interrupt but does that mean that that comes under Jersey Property Holdings as a sort of an asset to shift and do something with?

The Minister for Infrastructure:

Yes.

Deputy D.J. Warr:

Yes. Okay.

The Minister for Infrastructure:

There is a vital function that is run by part of the mental health team in that area and so, having visited the site with the Minister for Health and Social Services and others, it was very clear that that location was well suited. It was in town but not in the middle of town, so it was quite discreet for the users of that service to continue accessing it.

Deputy D.J. Warr:

But how did that process change, though? How did you inform yourself ...?

The Minister for Infrastructure:

The Regeneration Steering Group was asked to consider sectioning off the area owned by the Social Security Fund and the area that was not owned. So it is likely that we are going to transact that building and still hopefully raise some revenue by selling that to a trust attached to Health and then the other area, the office, what I call the office space, is on the market. We have had people - I am aware of people - that have viewed the premise.

Deputy D.J. Warr:

So the process is that ... whose decision is it to make the determination? First of all it was the original sale, so whose idea was that kind of thing? Did it then go to the Regeneration Steering Group after that official tendering process was put out there? I am just trying to get the steps in mind in terms of ...

The Minister for Infrastructure:

No, it would have gone ... so I think we were ...

Deputy D.J. Warr:

What is the strategy, basically?

The Minister for Infrastructure:

Okay. So there are 2 things. The Social Security Fund were obliged to realise the asset once the asset was empty because they were not receiving rent. So the Regeneration Steering Group agreed to put it on the market. I am not sure of the timings. We then had an approach whether we would ... we had expressions of interest, a whole range of expressions of interest, which we discussed last time. We were asked to consider this one request to split the site. The Regeneration Steering Group discussed that and we are in the last throes of agreeing the practicalities of how that is ...

Deputy D.J. Warr:

But it has gone backwards and forwards?

The Minister for Infrastructure:

Well, there has been discussion and debate and it is not just 2 people locked in a room. It goes to the Regeneration Steering Group and there are other discussions that take place as well. So the site that is on the market is the area that is owned by the Social Security Fund, yes.

Deputy D.J. Warr:

Okay.

Deputy H.L. Jeune:

I think talking about strategic planning, moving on, then Deputy Coles has some questions.

Deputy T.A. Coles:

That one in particular that Deputy Warr was saying sounds like much more complicated than just your basic everyday acquisitions, disposals, major projects and renovations. So I suppose one of the key questions we have is: who makes the key decisions on those areas from the acquisitions, disposals, major projects and renovations?

The Minister for Infrastructure:

Well, I think it would depend on the area of where that is. So we are just in the process of selling a property which was used by J.H.A. (Justice and Home Affairs), was it?

Director, Jersey Property Holdings:

Yes.

The Minister for Infrastructure:

They had ... Tim, do you want to explain?

Director, Jersey Property Holdings:

Yes, absolutely. So forgive me, as part of the field squadron establishment, there are military U.K. (United Kingdom) officers that came to the Island and there was an agreement as part of that that the Government, the States, would acquire property for those officers to live in. A number of properties were procured. It was a bit of a challenge because one iteration of the officer appointment might be a single officer; another might be an officer with a family. So we had a number of properties that were not necessarily suited to the function that they were intended for and they tended to be not maintained as well as they might be. We took a decision to try and rationalise the estate and spoke to Andium and worked out that with Andium we could probably find some properties that we could use, depending on the scale and the scope, and that it did not make sense for us to hang on to this property. Now, that was a decision that was reviewed at the Corporate Property Management Board, so it was discussed at officer level, and in that forum it was obvious that the particular property that we had in mind nobody else had a use for it and that it made sense to get rid of the property. Having decided that at the Corporate Property Board level we then brought it to the Minister and said that we have this proposal and as far as the Minister is concerned what were his thoughts. We had a discussion and explained that there was no further use for the building. That then required us to go forward for a Standing Order 168 and a Ministerial Decision and that those, if you like, levels of governance were followed. The property has now been marketed and is due to go to the Royal Court I think in a couple of weeks' time. So it is something that is considered at officer level, Ministerial level, and then there is the catch-all.

The Minister for Infrastructure:

So I think while Home Affairs had no use for the property, we have colleagues in C.Y.P.E.S. and in Health who may have had a requirement for that property. So that is why it goes to the board that Andy chairs.

Chief Officer, Infrastructure and Environment Department:

Yes, and I think that is an example of where the corporate landlord model does work. So most of the land and assets that we own generally are used to deliver public services from. There are obviously some assets we use that are rented out in various guises, but for the vast majority you have a lot of occupation and a lot of public service delivery going on within it. So what drives projects within that? Some of them are maintenance projects, so different scale of projects and the different sign-offs, effectively. Some of those sign-offs are dealt with within the team itself, within Property Holdings.

Deputy T.A. Coles:

Is that a level that is prescribed within the public finances manual?

Chief Officer, Infrastructure and Environment Department:

Generally, the Public Finance Law. It is financial limits that we applied financial delegations to. Generally, the bigger the decision they will find their way to the Minister. Some of the bigger decisions we make within government on property will require a Council of Ministers and Government Plan decision because they generally require financial allocations of funds. So you will see some projects finding their way into the Government Plan for approval, in the capital programme. So it is probably a range of decisions depending on the scale and complexity of the project. But ultimately the Minister is in charge of property decisions via the Standing Order 168 process, disposals certainly within that, new leases sit with the Minister, so depending on what drives the need for the project. One of the roles we do as a landlord is to assess before we sell something or dispose of an asset do we actually need it for some other purpose. It is a lot easier to use our estate for other purposes rather than trying to acquire new private estate. So that is one of the jobs that the property team do. They just assess needs in the public service, and they are for ever changing. Some of our services will get smaller and obviously as you can see in the Government Plan we do new things and deliver new services. That generally requires ... there is a property element to that. So again, some of that needs assessment that Ralph leads through his functions, that is some of the equation we have to go into. So it is a bit of push and pull for a number of reasons. We either do projects because buildings need work, we do projects because we are building something new like a new sports centre, or we are reflecting a change in public service somewhere which means we are moving one service out and putting another service in.

Deputy H.L. Jeune:

Can I just test that a little bit in the sense that I think you were saying that this particular project, for example, this property was accommodation rather than an office or a school or a function. We hear a lot about that we need key worker accommodation. Why is there the feeling that there needs to get rid of this? What is the ...?

The Minister for Infrastructure:

The size of the property, the level of investment needed in the property to bring it back up to speed. We felt it was better to release the property, let someone else invest in it, and let us press on.

Director, Jersey Property Holdings:

The swimming pool had been condemned so I am not sure that that is appropriate key worker accommodation.

Chief Officer, Infrastructure and Environment Department:

There are some assets that it makes more sense to dispose of rather than try and really nest in. There are some assets we can repurpose into other uses, so I guess that is the general balance.

Deputy T.A. Coles:

I suppose one of the broader questions in that strategy ... so we mentioned before that some properties are still owned by the department that owns them but the decisions to release them would all come through Property Holdings to see whether or not ... or even if it is through the Corporate Property Management Board, to see whether or not other departments want it.

Chief Officer, Infrastructure and Environment Department:

Yes, they are all owned by the public so we have occupying departments, so to speak, but ultimately the properties are owned by the public.

The Minister for Infrastructure:

We do have some slight variations on that inasmuch as it may be owned by a trust and that trust may be administered by a department. But they would still come back to Property Holdings for the services.

Chief Officer, Infrastructure and Environment Department:

We also lease in some things as well.

Deputy T.A. Coles:

Okay. So, more on the Corporate Property Management Board. We have heard obviously that it meets monthly. Who is on this board?

Chief Officer, Infrastructure and Environment Department:

So, in summary terms, it is designed to be, I guess, the property clearing house for property decisions at officer level. We are receiving in new requests for changes in the property estate and it is a place where we can have a conversation about ... I think this is where some of the rub on the corporate landlord model exists because sometimes we do have to say no. We only have limited resources and sometimes those resources are better placed in certain projects and maintenance rather than in other projects. So it is a bit of a clearing house to receive requests to discuss corporate property and to understand what is going on in our various departments where there is a property implication. So that is the job. If it can be resolved there, that is great. If not, we reserve the right obviously to push that up to Ministerial level or to the Regeneration Steering Group. So that is generally how it works in summary terms. We have attendance from ... I would not say every department but the bigger departments who have more property implications for their business.

Deputy T.A. Coles:

Okay. We have heard then of 2 examples just before, the disposal of this house from Home Affairs and the splitting up of the old Social Security site. Were those decisions made by the board and then pushed up to Ministerial?

Chief Officer, Infrastructure and Environment Department:

For instance, I guess going back to the Philip Le Feuvre House site, firstly it was considered as we thought we would reserve all of the site for disposal. I guess it is also an example of where you have a service coming in at some point and saying: "Actually, we do have a need" and maybe that was not identified at the start. So that process allowed, before we did dispose of it, let us go round the loop one more time before we get rid of an asset. Do we still need it? The Health Department said: "Yes, we would still need it" and we have ideas to deliver service from the site. So I guess we always remain that ... before we make a final decision to get rid of an asset, there is always scope to be flexible, is there not? That is why property decisions sometimes can ... they feel like it takes us a while to get a disposal done, but that is because often we get multiple requests for public service change. There is always a lot of ideas as to how we can use our public estate before we actually get rid of it. I think that was an example of just that loop of thinking, really.

Director, Jersey Property Holdings:

If I may, just a little bit of amplification is that Philip Le Feuvre House, because it was an asset of the Social Security Fund, then the earliest option was that we should realise the value of that to go back

into Social Security. So the presumption was that by selling it you would be able to give back to the Social Security Fund the funds that they put into that premise to build it. So that was the first step.

Head of Property Strategy, Jersey Property Holdings:

It was also identified in the Government Plan as well for sale and to be used as residential purposes.

Deputy D.J. Warr:

I was just thinking about this recognising demand. It sounds like departments kind of suddenly realise you are about to flog a place and they go: "Hang on, we have an idea here." Is there no methodology which says if you have a demand or we have a strategy, there is a Government strategy to do A, B, C, D, E, that actually Jersey Property Holdings, who are the key holder for all of these properties, surely that should be pumped into you as identifying what that demand is. Then you can go: "Right, we can accommodate you here, we can accommodate you there" rather than this kind of reactive of: "Oh, hell, they are selling this one now. We need something quick. Let us get something sorted out." Is there a culture change required in this in terms of how people treat Jersey Property Holdings within the States of Jersey?

The Minister for Infrastructure:

I do not think so. That does not mean to say that we do not have to work harder in terms of raising our profile. If a department wanted to keep a property that we were looking to release, they would have to make a strong business case for that and it would have to fit in with their strategy. They could not start a new strategy to say we are going to open up a fish and chip shop because we have a shop for sale if it is nothing to do with their business.

[14:45]

Deputy D.J. Warr:

It sounds a bit like that is what has happened in Philip Le Feuvre.

The Minister for Infrastructure:

Well, I do not think so. You have an existing service that runs in part of that facility, which probably was not identified or identified highly enough. I think the Health strategy has been to do more what I would call outreach. I do not know if that is the right or the wrong term, but more work in the community with these people. Then when I visited with the Minister for Health and Social Services and others, it was very evident the good work that was going on there. We should enhance that rather than make them homeless and then have to find another facility for them. So I do not think people are making strategy on the hoof. We have a requirement for C.Y.P.E.S. to accommodate more people in different ways to historically how we accommodated young people and that work

continues with them. The house with the swimming pool that was needing a lot of maintenance was not suitable to house young people.

Chief Officer, Infrastructure and Environment Department:

I think the asset management process, the strategy function J.P.H. leads, is exactly that debate. When we are working with services and departments to understand their service changes, what is happening to their business in the next 4 or 5 or so years, do what they currently have ... is it compliant? Is it suitable for their changing purposes? As an example, space standards change. As different regulations appear, suddenly we need more space to do things or various services are needed to be added. So the education area is a really good example where we put a lot of additionality now into certainly school settings around support services. Some schools just do not have the space to do that and then suddenly you have more requirements being added or nursery standards are changing or whatever it may be. So that is the process around asset management planning. It is not always easy and I guess some of the trick here is to make sure that all the services that we work with do understand property as an asset that they need to be thinking about the real estate implications of their business so that we can deal with those, as much as we would think about the I.T. (information technology) implications for our business or the people implications of our business if we are changing that. So I think we have made some really positive steps forward on that over recent years. Is it fixed completely? Probably not, but it is an ongoing dialogue to make sure that all of our government departments that we work with start thinking about the real estate implications of their business so that we can start forward planning that.

The Minister for Infrastructure:

It might be worth Ralph talking to you about suitability and sufficiency - I think I have that right - and the difference. Do you want to just explain the work we do around that?

Head of Property Strategy, Jersey Property Holdings:

Yes. Just to pick up from Andy, really, one of the things that we really pushed through our Corporate Property Management Board members ... because they are the clients who tell us what their needs are going forwards, and to understand their longer term needs is really important. But they need to have a strategy and a business case that supports why they need a particular asset. So that is on the demand side of things. On the other side of things, when we are looking at our existing assets and seeing how well they perform, we did a suitability analysis, which is a questionnaire that went around to all users, both public users and government users, of how their assets were performing in various categories through to space standards, light, heating, just the actual functionality elements of those buildings. We have also done a condition survey to understand what is needed from a maintenance point of view and understand how well the buildings are performing from that point of view and what requirements are there. Then we also did sufficiency. Now, the sufficiency one is

the harder one because that is going to departments and saying: "Look, what do your future services look like in the next 10 years?" Because we are looking at a long-term strategy here as well. So they might be suitable now, your buildings, to operate your services from, but what changes do you envisage coming up in the next 10, 15, 20 years? That then plugs into our long-term capital programme that we are working with Treasury on, which is a 25-year programme, to say the school estate, we know that we potentially have falling school numbers but actually their services might change. So they still need the same space because the way they operate the schools is going to be different. They have more special needs requirements or whatever it might be. So all of that plugs into a kind of matrix we developed. It is a very high-level indication of what future building changes might be needed. It gives us an indication of where priorities might be. So, for example, if we have, going back to the school estate, an underperforming asset, is it better to just start again and replace that asset with a brand new one knowing that it is not quite performing well and it is more cost effective because you have all these big maintenance bills coming up, actually the roof might need replacing, the heating system has gone, or whatever it might be. So when we are making those prioritisation decisions, that all comes into play. What we then do is we then speak to Treasury on the longer term requirements of the estate to say: "Look, in 15 years' time we think we are going to need X, Y and Z" and that gets plugged into the longer term strategy. So we are trying to get away from this 4-year cycle of immediate, this is what we want now, this is the latest thing, the next new shiny thing. That is always going to happen because we are always going to have people wanting shiny things, but that needs to be measured and balanced against the longer term needs of the estate. There is limited funds and budgets, as we all know. We are all fighting for money with other departments, and our argument has always been that it is better to spend £1 tomorrow to save £2 next week in terms of the cost. If you do not maintain your ... it is a bit like your family home. If you neglect your family home and you do not replace the windows every 15, whatever it might be, your carpets, your decoration, you are going to end up with a bigger bill in 20 years' time. Unfortunately, looking at the past, that is the way that the Government has worked from a budgeting point of view. They have deprioritised the maintenance of our estate to spend on quite urgent and needed items elsewhere within the government budget and it is kicking the can down the road on property. Unfortunately, there are a few issues now arising within our estate where we have some immediate needs where we do need to spend money.

Deputy H.L. Jeune:

Will we see that in the next strategy that you were talking about? Where do we see the matrix start to be in public?

Head of Property Strategy, Jersey Property Holdings:

It is coming. It is being fed into the long-term capital plan. So the work we have done with Treasury, particularly on the condition survey which indicates how well ... as I said, we have created this matrix,

this asset management plan matrix, which is suitability, sufficiency and condition. That gives a score for every asset we have. That then plugs into the long-term capital plan with a cost attached to it and that then either means that we say to Treasury: "Look, we need to spend more money on this asset just to maintain it. It is not going to be replaced because it is still needed" or in some cases it will say: "This asset needs to be replaced and it is going to then require a big capital intervention in 2035" or whenever it might be. So that is the document, if you like, we are working with Treasury on, but we are also working on asset management plans. So, for example, we have just done one with C.Y.P.E.S. on the secondary school estate, which has just been finalised. It is still going through a bit of final iteration on it. That looks at what we are doing with our secondary school estate. Now, there is not a huge amount of change in the secondary school estate. We are not going to suddenly lose a secondary school or whatever, but there are subtle changes within it that will require certain changes to be applied to those buildings and assets. It is just trying to formalise it a little bit and evidence the decision making.

Deputy H.L. Jeune:

I think that is exactly where we were talking earlier about prioritisation and being able to show why decisions are made at certain points.

Head of Property Strategy, Jersey Property Holdings:

You need the data to back that up because I think in the past we have had data but we have not really used that data particularly well. Because the other big problem we have I think is ... not problem, I would not say that is a problem, but where we can improve is to have our finances better understood as well. Because there are still departments that still spend on property that does not go through Jersey Property Holdings. Going back to the original question about the corporate landlord model, to have a proper corporate landlord model and to run an efficient estate, you need to understand the costs and the income all in one place. I think that has been the bit of work that we have been ... and we have improved on that in the last 3 years. I think the prison homes were mentioned. We brought those in. We now manage that budget. We now know what the cost of running that estate is and we know what the income level is. So therefore it is a well-run little part of our estate now. That is the improvement that we can bring.

Deputy T.A. Coles:

Building on that then, is this where something like the Investment in Jersey Fund might benefit Property Holdings? You can have a line of budget allocation going into that fund so you can keep that fund ready for yourselves?

Head of Property Strategy, Jersey Property Holdings:

It is ring-fenced as well, yes. That is the key thing. So I will be really hopeful for that to go through the States Assembly in a way that maintains the ethos of having a ring-fenced budget that is invested in the future. It is a fund that then makes sure it attacks the right place all the time.

The Minister for Infrastructure:

We know from the *State of the Estate* what needs to be replaced and to carry on doing what we do without adding new things, and I think of some of the sports facilities which ... I touch wood when I say it. Last year we had a lot of disruption at Les Quennevais with the roof. The team have done a good job to keep the wheels turning there but it is not going to last for ever. We know that and so part of the planning will involve a new facility, a replacement facility.

Deputy H.L. Jeune:

I suppose just on that and the last question is just the Investing in Jersey at the moment feels like it is many different things to many different people, and where you are wanting to say that there needs to be this ring-fence to help with this suitability, sufficiency and condition survey matrix that then has this long-term strategy that is then ring-fenced with that financing thing to it.

Head of Property Strategy, Jersey Property Holdings:

Absolutely. It supports that plan that we have in place to say that we need a new sports facility in 2035 or whatever. I am making the dates up, by the way, so do not go with them. We know what the dates are roughly. So it is either a new facility here or there is a maintenance line that we have running through all of our estate items and that needs to be ... because we have an ideal number that we should be spending on our estate, which is a revenue number which is a lot lower than it currently stands at the moment. Treasury are trying to find more funds to support us in that space, which is going to be ring-fenced.

The Minister for Infrastructure:

The priority with the money we get is to ensure that we are compliant. That is our priority, always our priority.

Deputy T.A. Coles:

The other important side, which leads me nicely on, when you have money is actually how you spend it, so it goes into the tendering process. So government has procurement rules that require significant tenders to go through the e-portal with formal advertisement, invitation to tender, valuations and approval. Can you confirm that J.P.H. tenders consistently follow this process and, if not, what are the variations?

The Minister for Infrastructure:

I am going to pass that over to someone who knows what they are doing.

Head of Project Delivery and Property Maintenance:

Within the government, before the open tender process we have the purchasing frameworks. I believe that the right order is you first go to the services catalogue, and if the services are not there then you go into the purchasing frameworks. Over the last years we have been working actively with Commercial Services to put in place such frameworks. We have currently 2. One is the facilities management and small works and maintenance framework. The other one is the civil engineering works framework. We work with the first one a lot more. We work slightly with the second one and our colleagues in Ops and Transport it is the other way around. So they mainly work with the civil engineering one and then from time to time they pitch in in the small works framework. We are currently working with Commercial Services for the consultants framework so that we can have a purchasing framework similar to that for our consultancy side, so our technical advice and services that we currently do not have within government or we do not have capacity for the bigger projects. That would give us a much clearer picture, much more fairness, and it would help us do some supply chain management and help support develop economically the Island in those key areas. Those purchasing frameworks, what they give us, they usually give us a bigger threshold than the normal process with public finance manual. So public finance manual, you can directly award up to 25K. Up to 100K you need to get 3 quotes. Above 100K you need to go to open tender. An open tender is a very onerous process because we need to have due diligence. Although we are always complaining about the red tape, we need to make sure that those companies are financially stable. If we are going to award a £40 million contract, obviously we want to know that they are financially stable and they are able to provide the service that we need within the next 36 months, so it is not a 3-month project. The amount or the investment of time and resources in such tendering are very high. So the purchase frameworks, one of the things they do is at the beginning the framework itself goes over all the companies that will be within the framework to assess their financial condition, their technical ability, what they have done, are they suitable to do these works for us, and they increase those thresholds. I know that the small works framework, I think it goes up ... I am sure the threshold goes up to £300,000 and the civil engineering it goes above the £1 million.

[15:00]

So we are talking about works that sometimes will go above these thresholds within the purchasing frameworks and that is because when we have works that are not more complex, they are just more of the same, and that is happening with some of the success cases of using the framework, like the fire mitigation in C.Y.P.E.S., in Education. Some of the schools it was not about the complexities of having to replace 2 fire doors; I had to replace 200. It does not add more complexity; it does add more time for the subject. We spoke with Commercial Services. We put an exemption in so that all

the processes are followed and we increased that threshold. Above those values, we still need to go to open tender in the market. The process is that sometimes between the sponsoring department and the supplying department, which is typically us, is what the Minister was saying, we are not at the beginning with the sponsoring department and sometimes we inherit the delivery, or we are not asked how this should be done. We are sometimes handed things not in the best position and to try to put them as much as we can within the process, but some of those decisions are not up to us.

Deputy T.A. Coles:

Because J.P.H. covers a lot of buildings and a lot of historic buildings, so there are a lot of ties and challenges. The framework that you are talking about, is that the approved suppliers list?

Head of Project Delivery and Property Maintenance:

We say it is not approved suppliers, from my understanding, because the approved suppliers list was before my time within the Government. I think it is similar because it is a list of suppliers that we somehow vetted in financial terms. We have a framework agreement with them. They are technically suitable and inclusively we tell our tenants that if they need to do any works that is within their remits and their budgets, they should use that framework because it will give us some comfort that we already know those people and we already vetted those people. I think in that aspect it is what used to be the list of approved contractors but under a master service agreement, let us put it that way, which I think did not happen before.

Chief Officer, Infrastructure and Environment Department:

Yes, and it also, on occasion, gives us better value. If we go through a framework agreement, companies can get on to the framework agreement. Working with Government it sometimes helps shortcut for tendering processes because you have already had a process to get on the framework agreement. There are occasions where we might want to do a bit of mini competition, as we call it, within a framework agreement. If you have similar suppliers on there, we can still go out to various suppliers to get a better price, but on the whole we follow the approved tendering processes, working with Commercial Services. There are occasions, depending on if it is emergency works, as an example, there is a process that allows exemptions or a breach to be recorded and sometimes that does happen. I have to sign those off if there is an exemption because sometimes there is just a single supplier for something specific or we have had some emergency works, we just have to do it, and sometimes the works have to take place and the approval comes, or we record it as a breach. There are processes to cover, I guess, all eventualities.

Deputy T.A. Coles:

That is the same would be used if you had an historic building that there is only one specialist over here that fixes that particular type, lime pointing, for example, that you do not want Tracey from Historic Environment asking: "Why have you done it?"

Chief Officer, Infrastructure and Environment Department:

Yes, and there are occasions ... I see it more in the infrastructure areas, probably where we have some more specialisms, but the process around tendering and procurement allows a breach or an exemption depending on different circumstances.

Head of Project Delivery and Property Maintenance:

Going back to the historical bit, in all of our listed buildings or the prospective to be listed buildings, we do a lot of work with the historical planning area because we want to know what the best ways of going are, if they agree with us, so all of that is done ahead. Instead of on an approval prospective, we do it on a more collaborative approach because it will be best value for money in the end.

The Minister for Infrastructure:

I think for us the project board should be set up at the feasibility stage because occasions when it comes to a project board when we get involved, we could have helped speed up and, yes, perhaps do things better.

Deputy A.F. Curtis:

Could I just ask on that because it is the second time you have mentioned about J.P.H.'s early intervention into a project perhaps delivering better value for money or better value for time. Have you or your officers considered retrospectively the success or otherwise of Jersey Property Holding's engagement to better articulate where you need to go? So the extent to which it does not happen, is that measured?

The Minister for Infrastructure:

I do not think it is measured, Alex, but I think by having that central board that Andy chairs then people at the top will know. I think it is perhaps people who may be a specialist in an area who may not have that awareness, and that is why I said earlier we need to work harder to raise our profile, continually work hard to raise our profile. We have some great success stories where the team have done things fantastically well. Oakfield is our latest piece of work, which Property Holdings have been involved right from the off with the sport division and the team there have worked hand in glove and, I believe, are delivering on budget, on time, a very, very good product. We just need to celebrate that success and get that message out to the departments. I am not sure how we could measure it, but it is something worth considering.

Chief Officer, Infrastructure and Environment Department:

I think some of the added value that we definitely bring - because we have a team of construction property professionals - is understanding all of the phases of a project prior to it getting delivered. There is an awful lot of work prior to something having a ribbon cut and its opening from early ideas and feasibility through design, all of the consenting and regulation you need to go through, all the tendering, procurement contracts, et cetera, so I think that is where the team can bring real added value and, I guess, an assessment of reality as to how long a project takes sometimes. I think that is where some of our more interesting conversations with other departments happen, because invariably they may not be construction professionals or property professionals and they think: "Right, we are going to build something, and we are going to have it in 12 months." We will often bring a bit of reality: "Well, that might be 24 months, 26 months. You have to take all these steps into account." I think that is where we add value into the process as well.

Deputy T.A. Coles:

We talk about ribbon cutting and nice, shiny buildings open but, of course, then we have to worry about the assurance safeguards around the quality for the contractors and also for the operators and ongoing maintenance within these buildings. What safeguards do you have to ensure that any works, either new works, maintenance works or just ongoing works, meet our government standards?

The Minister for Infrastructure:

Mafalda, do you want to explain what your job is and what your background is, so these guys understand your level of competence?

Head of Project Delivery and Property Maintenance:

Academically, I am a civil engineer, so I have worked within the construction industry for the past 30 years. I am also a part-time teacher at the civil engineering degree here in Jersey; I used to be in my own home country in Portugal. I worked in 4 continents, and I have worked in all the areas, client, regulator, contractor and subcontractor. I know a little bit about the difficulties anywhere and everywhere, so to speak. I came to Jersey to install, overhaul and commission a diesel engine for Jersey Electricity. It was a new area, and I was asked to stay and start taking care about the civil structures' maintenance. I put up a framework programme for the power stations because they only had it for the substations. Then I went to Camerons and from Camerons I came to work for the Government. This gives me a broader perspective on all of these intricacies and also all the technical ability to discuss a few of the subjects, not all of them, but it is always a learning day and it is one of the things that I like about this. Regarding the Government's standards, there are some buildings that we ... and following what Deputy Curtis asked, our metrics and the way that we measure, this might not be the best way. We have a lot of things now regarding corporate

governance that we are effectively using, namely lessons learned. It is one of the things when I arrived to see what the bottlenecks were in every aspect of the process from feasibilities and prefeasibility until delivery, where the things were not working and what could be improved. I think we have come a long way in the delivery aspect as well and in the maintenance aspect. One of the 2 ways that we have to comply with those standards when we are talking about our own maintenance is through the purchasing frameworks so as we vet those contractors, as we instigate the plan and preventative maintenance inspections and then we promote the contractors to go and do those works. By actively monitoring them and managing that contract, if something goes over budget or over time, why and what can we do better and try to bring that to the next project. On the big capital projects, again, the problem of sometimes not coming very early is that we grasp a project that the sponsoring department wants to do as much as possible for the lowest cost possible. We have standards that go above what building bylaws require, not only because we have listed and historical buildings that we want to preserve but because we know about changes in regulation in the future that will just put those problems from a capital perspective into an operational perspective, like fire regulations that are changing, sustainability. We do not have the money to instantly pick up all our portfolio and make it completely sustainable in the near future so one of the ways is trying to impose a bit above what the regulation is so that we futureproof our buildings. One of the last things that we did through this process of request for alterations - that we ask everybody and we go around all our teams, estates team, the architects, the design team, the delivery and maintenance - was with His Excellency at the Government House, the extension of the offices, and we said: "They are beautiful but we need to put some P.V. (photovoltaics)", not that Building Control will ask for that but it is futureproofing so that operationally we will invest more in capital but operationally it will go down. The Youth Centre, it is not required by law to have sprinklers at this moment, but we know that 3 years down the line it is the aspiration of the fire service and those regulations will come in force, so we said: "No, we want this." "Why?" "Because it is our requirement." That created a little bit of convulsion at the beginning, and we all understood where we needed to go, which ones we could alleviate that were not detrimental, but it is that kind of work that is showing us that we need to arrive earlier and earlier. Some of the other projects we are now knocking on their door because we know they are happening and just putting our heads in: "Can we step in?" It is a long journey, but I think we are on the right path.

Deputy T.A. Coles:

Thank you very much. I am going to hand over to Deputy Warr.

Deputy H.L. Jeune:

We have talked about maintenance and now, Deputy Warr, if there is anything ...

Deputy D.J. Warr:

So, here we go. The C. & A.G. has repeatedly highlighted the Government should spend about 2 per cent of asset value on property maintenance. Jersey has consistently fallen short of the benchmark and 26 per cent of the estate is now in fair or poor condition. Why has this been allowed to continue?

The Minister for Infrastructure:

Well, I think we do our best - and I am sure all of my predecessors did their best - to get sufficient revenue to be able to do all of the works. As I said earlier, the priority is to make sure that our buildings are compliant so they may not look as smart as, perhaps, we would like them to look but we ensure that they are compliant. We have just spent in the last 2 or 3 years around £15 million on fire safety; have I got that right?

Head of Project Delivery and Property Maintenance:

No, £10 million. The whole up until now we spent £6.5 million, and it is £10 million until the end of next year but we put in a bid because we need £15 million for the C.Y.P.E.S. bid.

The Minister for Infrastructure:

Five years ago, we would not have forecast that we needed to invest that level of money into the buildings so in terms of making sure that we are compliant, we have to do that kind of work when perhaps we would like to put a coat of paint everywhere. I think we take a much more commercial view on most of our assets. I spoke about the empty properties and looking at what they would generate and making sure that we turn these around. We have seen some success in that area, which gives the department revenue.

[15:15]

Deputy D.J. Warr:

Sorry to interrupt you, Andy, do you think the message is getting out into Treasury or the other Ministers?

The Minister for Infrastructure:

I generally see you in a different guise, do I not, and talk to you about liquid drains and all those kinds of things and tarmac for roads and this is no different. This is our infrastructure. These are our assets, and we have to invest in them. I think the very fact that we have the *State of the Estate* reports, we identify the sufficiency and suitability of properties. I would not say we are the finished article. I would not be so bold to say that, but we are making progress, and I think that the team derive excellent value. You have just heard the credentials of the person who looks after the

maintenance for our buildings, and I think we are very fortunate to have officers of this standard that we have got across the department helping us.

Deputy D.J. Warr:

I am conscious the questions ... we have a few more to go here. What is Jersey Property Holdings' current estimate of the maintenance backlog?

The Minister for Infrastructure:

That is in the report, £89 million.

Head of Property Strategy, Jersey Property Holdings:

The current: £89 million. We did an initial condition survey last year. We are just doing an upgrade of that at the moment. We are going to get revised numbers but it is quite a hefty number and obviously some of that is higher priority than others so other elements can be left for a while.

Deputy D.J. Warr:

Which begs the next question: how do you identify priorities? Can you give a specific example, for instance, of something?

Head of Property Strategy, Jersey Property Holdings:

Yes, so when we did the condition survey, they looked at life left in assets, so there is a kind of life left number that then translates into a cost but also then there is a prioritisation and there is a risk. They have to do a risk score to say: "Look, is this an essential ...?" If you are looking at painting a wall, it might not look very nice and it might be a cost to that building but in terms of: "Can you kick that down the road a little bit longer?" it is more important to have ...

Deputy D.J. Warr:

Have you got an example, a real life example, you can give us?

Head of Property Strategy, Jersey Property Holdings:

Yes, there are a number of examples. In terms of higher priority items, it is things to do with fire safety, it is do with security of the building, it is to do with if the roof is imminently in danger or if there are any structural issues ...

Deputy D.J. Warr:

The site.

Head of Property Strategy, Jersey Property Holdings:

We did 18,000 points of data across our conditions survey. I would have to ...

The Minister for Infrastructure:

The conditions survey was carried out by an external organisation because they had both the expertise and the capacity to do that work, co-ordinated by Ralph and his team, but we utilised external resource because our focus is on the business as usual. We do not bring in resource to use once every 2 years.

Deputy D.J. Warr:

I was just trying to get an example which the general public might recognise.

The Minister for Infrastructure:

I think the fire safety is probably in the school estate ...

Deputy D.J. Warr:

Okay, across the board.

The Minister for Infrastructure:

I remember 18 months ago going to visit a couple of schools with Property Holdings and Education and seeing the challenges. We now have more children in schools that have special needs and schools have done their very best to find areas for these children to work but that did not always meet fire standards. We had to put in mitigation where we had people who were employed to ensure there was not fire breaking out, fire wardens, and so as we have got the capital, we have been able to remove the fire wardens and crack on with that work because we see that as far more important than painting the front door. Not that painting the front door is not important; it is about prioritising.

Deputy D.J. Warr:

Yes, sure. Thank you. What systems do J.P.H. have in place to track the condition of the estate? I think you alluded to that.

The Minister for Infrastructure:

Concerto is the name of the system.

Deputy D.J. Warr:

Is the system that you use?

The Minister for Infrastructure:

Again, if you, as a team, would like to come and see that system and have a demonstration, we are very happy to show that. You remember, Alex, the Concerto system? Yes, so it is a very good system, and I think the team are well disciplined in using it.

Deputy D.J. Warr:

Okay, I will skip the next one. In the absence of regular condition reports, how do you evaluate and communicate risks to C.Y.P.E.S. so that C.Y.P.E.S., as the tenant, can prioritise work across their estate?

The Minister for Infrastructure:

Well, it is a combination of ... if it is a certain type of testing that we are responsible for then we will raise any issues, but if it is day to day, then they would raise that back to us. I do not know the details personally but that is why the service level agreement is so important so the school does not think that Property Holdings are doing it, and Property Holdings do not think the school will do it and nobody does it. Now it is very clear as to who does what. I think that is fair to say, Tim?

Director, Jersey Property Holdings:

Yes, absolutely.

Head of Property Strategy, Jersey Property Holdings:

P.P.M. (planned preventative maintenance) works as well. I do not know if Mafalda wants to talk about P.P.M. stuff that we do. There is a load of preventative maintenance processes we go through and obviously, with the schools particularly, you have a school caretaker or site manager plus you have a maintenance officer from J.P.H. so there is a lot of discussions and liaison between all parties on that front as well as the contractors coming in and doing their testing of various elements as well.

Deputy D.J. Warr:

Sure. Okay, fine. Moving to the next question: in projects such as Fort Regent, the States of Jersey Development Company leads on development while J.P.H. is expected to take on asset management afterwards. How are the lines drawn between development and long-term management? I would like to split that into 2 areas: (a) at what stage are you involved and how is the handover managed effectively; and (b) are there any lessons learned from historic projects that are being utilised for current projects?

The Minister for Infrastructure:

Property Holdings are responsible for Fort Regent, and the States of Jersey Development Company are working on our behalf, so we work with the Regeneration Steering Group where the States of Jersey Development Company give us an update, not only on Fort Regent but other work that they

do. So any discussion, it is ... I had an enquiry only last week and the people will be liaising with Property Holdings rather than the sport division. Historically, up until 31st December this year, the sport division had been the tenant and then it reverts back to Property Holdings, so any agreements made will be through Property Holdings, not the States of Jersey Development Company.

Director, Jersey Property Holdings:

If I may, I think just this morning ... well, I do not think, I was there, just this morning we had a Fort Regent Board and we were looking at just those sorts of questions. It was the transition from Property Holdings to J.D.C. (Jersey Development Company), the co-ordination of the organisation and the building, who is responsible for which aspects and then downstream starting to put in place the framework for the handing over of the operation manuals once the construction work is completed, the information that needs to come to Mafalda's team so that we can then operate the preventative maintenance and understand what the requirements are in terms of the life of the mechanical and electrical systems, life of the water safety, all that sort of stuff. It does play back to the point that was made earlier: the earlier we are part of the process, then the greater influence we have and the smoother those transitions are.

Chief Officer, Infrastructure and Environment Department:

I think historically the relationship between J.P.H. and J.D.C. has been, I guess, a bit more binary in the sense that we have released an asset, it has gone to J.D.C. to develop and there has been an asset transfer effectively and we have got a number that are examples of that. Fort Regent will be slightly different where the public will retain ownership. We will be entering into an agreement with J.D.C. as to what our role is as landlord and owner, what their role is as a development manager, I guess, if I can use that phrase, and that will be really clear throughout this next phase of the project. We have a certain amount of money in the Government Plan, subject to approval, of course, but if that gets approved then we will step into that project. They will have a role in looking at how they then ... we are using their resource as capacity effectively, as a development management function so that they can look at how we take that project forward.

Deputy H.L. Jeune:

Is that because it is such a big project it feels it needs to be in another department?

Chief Officer, Infrastructure and Environment Department:

Yes, and effectively J.D.C. are set up as our regeneration agency and so that is a regeneration function but, yes, in this respect because we are not transferring the asset there will be an agreement. Happy to share the terms of that agreement with the panel as to what we retain, and I think it is just that clarity of roles and responsibilities again: who owns the building? Who is going to be in charge of what if something goes wrong? That is the fundamental point off the ...

The Minister for Infrastructure:

If we go back to your point earlier about how do you manage that contract once the builders have left, you have your snagging list. All of that will have to be covered.

Head of Project Delivery and Property Maintenance:

Even now, if I may add, we are treating S.o.J.D.C. internally within J.P.H. like if they were another department as a tenant, so they have effectively the power to do something around design and build but we are retaining an oversight, like any other public project. I think 95 per cent of the public projects in the U.K. have this kind of oversight and that is what will allow us, for instance, in the Youth Centre to say what is going to be our specification and, yes, allows us to question S.o.J.D.C. how certain things are going to be done.

Deputy H.L. Jeune:

We are going to move on to Deputy Curtis.

Deputy A.F. Curtis:

We are going to talk a bit on community and sustainability impact. I will stay in Fort Regent, if I can, because you mention a different operating model but one that takes some alignment to how you work with partners or tenants. The *State of the Estate* says that you use the same definition as the Government of Jersey on social value; that is meaning the wider socioeconomic and environmental benefits of the commitments we make and how they will affect our Island and our people. I guess staying on Fort Regent before we look more generally, how is Jersey Property Holdings communicating its expectation of whole life or social value in those wider pillars to S.o.J.D.C., who is delivering something which may perhaps have its own view on, in its case, environmental, social, corporate governance?

The Minister for Infrastructure:

That really comes through the Regeneration Steering Group rather than J.P.H. per se because the Minister would talk to the J.P.H. about other sites, so the Regeneration Steering Group have it as a standing agenda item for Regent. I understand that following feedback and engagement there are a number of proposals to enhance the original concepts, which I think will enhance the original concepts, not move away from them, but just change the locations, et cetera. I am due to get an update at 4.15 p.m. this afternoon, which I am quite excited about.

Deputy A.F. Curtis:

We will have to keep to time.

The Minister for Infrastructure:

We are very conscious that we want the public to be able to access as much of it for free, particularly the outside activities and walking around the Piazza, so we are very conscious in terms of the social benefits.

Deputy A.F. Curtis:

It is just trying to almost understand those relationships again because, as we have said, in this model S.o.J.D.C. will not own and dispose of a site. It will in essence return, perhaps, to J.P.H. or maybe not to J.P.H. but if it did J.P.H. would expect to run it in line with its values. It is just trying to work out to what extent, again, J.P.H. is playing that early participation you described as so valuable in other projects.

The Minister for Infrastructure:

These are the professional advisers from the Government's perspective, and we have professional advice from the S.o.J.D.C. and at the appropriate times when we are discussing Fort Regent and R.S.G. (Regeneration Steering Group), then some of these people will be in the room at that time.

Chief Officer, Infrastructure and Environment Department:

There is project governance around the Fort Regent project as it currently stands, so that involves us within the department as well as J.D.C. and other elements within government as well, including Treasury, Cabinet Office and others. I think the wider community vision for the Fort is set via the Government and certainly via the Regeneration Steering Group. Effectively, S.o.J.D.C. take the direction from the R.S.G. to therefore then follow that, so it is not left to just S.o.J.D.C. to do what they wish. They work really well in concert with us in terms of that community direction and then, yes, ultimately as this project develops, as part of the project we will answer the question about how we run the facility in the longer term once it is created so that is something for the project to deal with.

Head of Property Strategy, Jersey Property Holdings:

I think there are commitments embedded into the procurement process as well now, so it is a natural thing that comes out of procurement of any project now.

Deputy A.F. Curtis:

Okay. Minister, you touched on that a lot of the uses of facilities provided by J.P.H. often are there doing social activities and things and you touched on the changes to setting fees and use, so is it possible to understand, perhaps, the current and maybe the desired methodology for setting fees for the use of publicly owned buildings?

The Minister for Infrastructure:

That will really depend on the use of those buildings, so if somebody is running a commercial activity then I would expect them to be paying a commercial rate. If something is run by volunteers for the community without reward, then that is when we look at the club rate and therefore with trying to get those clubs on an even keel, because I daresay a lot of historic agreements have been made in the past and so that is how we have ended up with quite a scale of different agreements. What we have tried to do is to put in place a mechanism that recognises the space the organisation are using, just as you would on a commercial basis, and we charge based on that. If there is a commercial operation in it, so if it is a tennis club who has a tennis professional and therefore is charging people to play tennis, they would pay a different rate than if it was a voluntary organisation playing lawn bowls, for example, and they did not have a professional who was making a living from that facility.

[15:30]

Deputy A.F. Curtis:

Could you expand on how that almost rate card has developed and how mature it is and where J.P.H. are on that roadmap of ...?

The Minister for Infrastructure:

I would say in terms of the maturity it is no more than 18 months old, because we started when I arrived and I was shocked at the differences in levels. I did not think it was fair and equitable for people to be paying such different amounts. It is not very mature. I hope it is going to become mature. It will evolve and the rates I can only see going up, but hopefully they will go up a little and often rather than not going up and then people having to pay a big hike. That is the concept behind it, and it is the same with our concessions. We are trying to get people on a level playing field and we look at market rates. We have some people paying well under market rates at the moment due to their current lease or licence and when those leases and licences come to an end, we look at ways of getting them up to a commercial rate over a fairly short period of time, but we will work with them to achieve something that is sustainable both for the organisation and for the public.

Deputy H.L. Jeune:

Have you talked to tenants about this so they are all aware within the last 18 months that this is your review and that there are going to be these changes both from the commercial and the concessionary?

The Minister for Infrastructure:

I do not get involved with renegotiation of leases. If somebody is paying a commercial lease today and their lease expires ...

Deputy H.L. Jeune:

I meant more consultation, more that they understand that this is coming. It is not necessarily about when the leases are happening, there is this understanding ...

The Minister for Infrastructure:

Yes, I think we have had positive feedback, not from all because some people were paying substantially below market rates and with those people we have tried to put them on a staircase, as I describe it, to get them up to a reasonable level.

Head of Property Strategy, Jersey Property Holdings:

Yes, just to add to that, we probably undertake between, say, 50 to 100 rent reviews a year because depending on how many rents are coming up, whatever is happening. What we do is when we know there is a date for their end of lease, depending on the length of the lease, if it is a longer lease, 6 months beforehand we will contact and say: "Look, your lease is coming up. Are you anticipating to renew the lease? If you are then look, this is our policy now for what it is expected to be for the next period." There is an engagement with the tenants way before. They do not get a cold letter saying: "By the way, your lease tomorrow is expired, and it is going to be £X." There is support for that tenant so they understand what is coming and also for us to understand whether we need to go out to the market to then get a new lease with another tenant. It works both ways from a processing point of view.

Chief Officer, Infrastructure and Environment Department:

I think fundamentally we are talking about public assets. Are the public assets being used for public gain or are the public assets being used for private gain? I think depending on the equation that will lead to a different form of lease.

Head of Property Strategy, Jersey Property Holdings:

Quite often you might have a lease that has got competition attached to it so you go out to the market and sometimes it is the market that will drive what the price of that particular commercial value is.

Deputy A.F. Curtis:

I will move us on. I am conscious you have somewhere to be and we want to get through some questions, but it does sound like the consistency you are aiming for and that clarity between who the user is and the public and private gain is ... I will not say a step change but a certain direction you are taking. Anything you can share with the panel regarding your expectation on the methodology that ensures that consistency moving forward and how you communicate I think the panel would be very happy to receive.

The Minister for Infrastructure:

Very happy to and obviously it depends on the type of lease. If somebody has got a fully repairing lease, then that is recognised in the rent they pay. If they do not have that, then it is recognised in the rent they pay.

Deputy A.F. Curtis:

Of course. Another area of sustainability is environmental sustainability and so how - more specifically on environmental sustainability or perhaps carbon reduction - are they factored into property decisions?

The Minister for Infrastructure:

I think we failed to touch on it in terms of new builds, and I think historically the term that is used that I am always told is value engineering, and that is when people look to reduce the cost of a build. Often with value engineering things like the ability to take solar is removed because it is costly to put in the structure to take solar. We have taken a conscious decision that we want to have solar on as many Government facilities as is practical. It is not always practical because the structures do not always allow that, but we are close to reaching final agreement with the Jersey Electric Company for all of our properties, including car parks, and our initial projects will be Le Rocquier School and Pier Road Car Park. We are looking at the side of Pier Road Car Park because it gets a lot of sun. I am not sure about the dazzle and all that kind of stuff but that is for them to do technically. Certainly, our new building at Union Street has got P.V. Les Quennevais School has got P.V. We have heard about the new developments coming online. I think a challenge for us is the cost of replacing some of the existing equipment with more energy efficient equipment, and I think we perhaps have to change things to handle a different type of fuel rather than necessarily switching all to electric. It is about what we can do, back to David's point about how much money have you got and what can you do with it. It is about using that money as wisely as we can.

Deputy A.F. Curtis:

Okay.

The Minister for Infrastructure:

Yes, so we are very conscious of our responsibility as custodians of the public buildings to make sure that they are as energy efficient as possible, but we have to do that with the resource we have.

Deputy A.F. Curtis:

I am interested in your examples of solar and the J.E.C. (Jersey Electric Company). You mentioned earlier about deciding to go for solar because although it might have a higher capex, it plays into

your role of maintaining assets. To what extent are you reviewing the relationship you have with installing things like solar, which will help reduce carbon and provide the department sovereignty, versus perhaps leasing a face but then not necessarily having a long-term capex gain?

The Minister for Infrastructure:

I will get the team to explain to you, but I have ensured that we have spoken to all current providers on the Island and not just one, so who wants to pick up that?

Director, Jersey Property Holdings:

I think the challenge is a balance between, as you identify, capital expenditure and revenue. At the moment we are limited in our facility for capital expenditure, so what we are looking at in the immediate term is a simple lease or arrangement whereby a provider will install their own kit, maintain their own kit, take the energy that comes from their equipment and then pay us effectively a rental agreement. As time goes on, we may be able to use some of that income to start looking at maybe retrofitting P.V.s to some of our buildings and using that capital expenditure, but at the moment we are trying to find a balance between getting income from the facility and from our ability to install P.V. and then use the energy that it develops. As the Minister alluded to, we have done a market trawl of all suppliers of P.V. and we have spoken to those suppliers of P.V. and said: "These are 2 models. Which one are you able to work with?" That has led us to the situation we are in at the moment.

The Minister for Infrastructure:

Another thing we have done, which Ralph will be far better at explaining this than I am, but we have done a lot of work, or somebody has done a lot of work this summer, in mapping not only our sites but all properties on the Island that are suitable for solar because of their positioning. That does not mean to say the structure can take solar, but do you want to just talk a bit about that, Ralph?

Head of Property Strategy, Jersey Property Holdings:

Yes. So with my other hat on, I am looking after the digital mapping world. Using our 3D modelling, we have looked at the roofs of all buildings across the Island and said which buildings would be suitable in terms of having P.V. on them. We have taken things like listed buildings out, so we have done some filtering. That is hopefully going to be a public map that will be out there fairly soon, certainly this year. We have done the work now; we are just going through some discussions with various people in terms of its use and that sort of thing but that will be a really useful tool, I think. It will provide the public with a score of how well their building could have P.V. on the roof.

Deputy A.F. Curtis:

That will be a published map later in the year.

Head of Property Strategy, Jersey Property Holdings:

Yes, absolutely. It is a public map.

The Minister for Infrastructure:

You can put your postcode in ...

Head of Project Delivery and Property Maintenance:

That map has a caveat which is, again, the listed properties. Because of the constraints around listed properties those areas were taken out, but the work is there. I used that map when we were talking about His Excellency's offices, because it is a listed site. It is not a listed building but it is a listed site so we still could see it will not be available because it is a case by case basis. The complexity of reinforcing the structure to allow it is much bigger, so we took that decision of taking it out, but the work is still done.

Deputy A.F. Curtis:

I have 2 more questions, but I am conscious of our time. One is an area that if we get to touch on later will be funding, and it sounds like the decisions about solar are in part being influenced by funding challenges and funding constraints. My very succinct question is: are you modelling the opportunity cost of not installing solar based on perhaps a funding limitation that you are currently facing?

The Minister for Infrastructure:

I do not know if ... we have not done that.

Director, Jersey Property Holdings:

No.

The Minister for Infrastructure:

No, we have not done that. It is a very good question. I think we have been talking about solar on our buildings for long enough and we need to crack on and make a start. Let us keep it under review because as we generate revenue, let us see if we can ring-fence that perhaps to help us with replacing boilers, et cetera. We have just got to crack on with some stuff.

Deputy H.L. Jeune:

Thank you. We are going to go to the Connétable for oversight, although I think we have covered some of those questions.

The Connétable of St. Mary:

Yes, equally conscious of the time and as we have dealt with some aspects in this area, I will encapsulate them into a couple of questions. The basic one is the Corporate Property Management Board was supposed to provide a central oversight of States property, to be that the board effectively exercise its intended authority over J.P.H. In asking that I am conscious, as the officers have said, that other departments seem to do their own thing in advance of referring the matters to you, so you are not necessarily under full control.

The Minister for Infrastructure:

I think that progress has been made. I think it is fair to say that the Chief Executive is very much of the point that where you have a process you should follow that process and he is supportive of the concept, but we have a role to play as well in terms of raising our profile, celebrating our successes, of which there are many successes. We make mistakes, there is no doubt about that, but we do far more well than we do not.

The Connétable of St. Mary:

This is not being critical. My take on this is that a lot of the problems stem from the interaction with other departments who perhaps are not as aligned as they might be.

The Minister for Infrastructure:

I think we are making progress, and I touched on it earlier about the sports facilities. That has taken us far, far too long to ensure we can have a centralised booking system for sports facilities. Now, there is this protectionism and there is a genuine concern around safeguarding when you are going into school facilities, and we have found a solution for that by working with our colleagues at Jersey Sport and the Green Flag qualified organisations. People who are connected to that will be able to rent space at some of the schools, which will help a whole range of sports and clubs and associations, but it has taken us far, far too long. In fairness to colleagues in C.Y.P.E.S., they have to talk to all of their headteachers and sometimes government bodies. I think they have had to explain to them that the asset belongs to the public and not to a headteacher or a governing body. We are making progress.

The Connétable of St. Mary:

My further question relates to the terms of reference which you are going to review. Are there particular items you want to focus on there or have you already set that?

The Minister for Infrastructure:

I do not know. I think we keep doing the work and we will share something with you in the not too distant future hopefully. I cannot talk about the previous 18 years. I can only talk about just over 18

months, and I can see the progress that the team are making. That is because other departments, I think, are working more closely with Property Holdings, which perhaps was not the case for parts of the journey.

Chief Officer, Infrastructure and Environment Department:

Yes, I think, as the Minister said, we are on a positive journey. I think it is always worth keeping things under review and I think some of the challenges, going back to the first question about why J.P.H. was set up in the first place, some of those issues are still as relevant today as they were 20 years ago. Have we knocked a few of those items off the list? Yes, we have. I think we certainly have greater accountability, greater single point of focus. We have a property director role now which we did not have prior to P.93, as just some examples. Obviously, our public property portfolio has also changed certainly in the last 5 to 10 years with the creation of some of our States-owned entities, so Andium, Ports of Jersey, to name but 2, and States of Jersey Development Company. I guess the challenge moving forward is how our property estates interrelate with their property estates and that is something the Comptroller and Auditor General has picked up in her recent review, as an example, so that is a challenge for us to take on board for the next period of time.

[15:45]

The Connétable of St. Mary:

My final question on oversight is the board itself is subject to oversight, whether it is the Minister, the Council of Ministers or the Treasury in various forms. Is that sufficient? Does that need to be ...

The Minister for Infrastructure:

And the States Assembly.

The Connétable of St. Mary:

What we know about it, yes.

Chief Officer, Infrastructure and Environment Department:

Yes, ultimately property decisions funnel up to the Minister. We have the Regeneration Steering Group that oversees wider property decisions and regeneration decisions. Ultimately, that is effectively a subset of the Council of Ministers and obviously any significant property decision has to be lodged with the States under Standing Order 168, so I think we have clear layers of governance and ...

The Connétable of St. Mary:

And clear narrations depending on the matter involved.

Chief Officer, Infrastructure and Environment Department:

Yes.

The Connétable of St. Mary:

Thank you for that. Chair.

Deputy H.L. Jeune:

We will head over to funding.

Deputy A.F. Curtis:

We will touch a little on funding and the Budget 2026, Minister, touches on an increase in additional funding for major refurbishments. Of course, the annex provides service level analysis for property for the next 4 years but, for the benefit of those listening and for the panel, is it possible to summarise the funding position for Jersey Property Holdings in 2026?

The Minister for Infrastructure:

We will have sufficient revenues to ensure that we are compliant. We have to make sure that we get, as we do, value for money. Would we have liked more to be in the Budget? Yes, we would, but I think you touched earlier on Investing in Jersey, and I think that, from a capital perspective, is really going to be key for the long-term views for some of our assets which will go through Governments. They will out-see Governments and so I think the Investing in Jersey piece is critical to the success or otherwise of our ability to manage our property longer term.

Deputy H.L. Jeune:

Is this £89 million that you were talking about with this maintenance backlog? Would that fit under there?

The Minister for Infrastructure:

Some of that maintenance will be replaced inasmuch as when we build new facilities we will not have to maintain old facilities. It is almost like playing Jenga, is it not: you take one bit out, you put it on top, then you take another bit out and put it on the top. Rouge Bouillon School, for example, is in a large catchment area and it is in need of a lot of work. The plan is to move that school population into the new school, rebuild Rouge Bouillon School, bring those people back and then take out 2 schools, St. Luke's and Springfield. I always get Springfield and Janvrin mixed up for some reason. Springfield and St. Lukes and then those 2 sites will then be freed up. That is a long-term aim which

will reduce our maintenance significantly. It will give those school populations, those communities, fit for purpose facilities and we need to crack on.

Deputy A.F. Curtis:

Back to the specifics on funding, part of why we are interested is, of course, some of the feedback is that the C. & A.G. highlights a benchmark of 2 per cent of asset value for maintenance. It might be hard for the public and for many to unpick where the total budget is and what - let us take 2026 - Jersey Property Holdings has been able to assign to asset maintenance, so do you have in front of you, or one of your officers, more about the figures you are able to deliver in expenditure on maintenance next year?

Director, Jersey Property Holdings:

We continue to experience a shortfall. The challenge that we face is we have to be fairly creative. There are some areas of maybe capital projects or projects that we would determine to be capital where we might be able to flex some of the money. I mean the bottom line is that our revenue budgets are not scheduled to improve massively and we come back to our own resources. As the Minister identified, we are under a great deal of encouragement to make sure that we can find commercial rates, commercial rents for our properties and, rather than looking outside of the organisation, to try and use our own resources to start to meet those shortfalls, but the bottom line is that it continues to be a struggle.

Deputy A.F. Curtis:

Obviously, we know there is a £89 million - perhaps revalued to a different level - backlog. Notwithstanding that there is a year on year, perhaps, best practices to what to spend, we would be quite keen to know what is in the Budget for next year for that maintenance, where you see against the value of the estate, at its most recent valuation, the cost to be and to use your words, Tim, the shortfall.

Chief Officer, Infrastructure and Environment Department:

In round terms, if I can give you some summary figures, we tend to spend about £5 million in preventative maintenance, £5 million in reactive maintenances. It is of that order, so about £10 million in maintenance. That is not predicted to increase in terms of revenue. Our capital outlook in the next Government Plan has been increased to a degree so we have got some additional capital in our major refurb and upgrades element but, yes, I think the biggest challenge we will have over that period is the revenue is remaining fairly flat. It does depend on inflation and how far that money goes so that is a summary split in terms of how we normally spend our money.

The Minister for Infrastructure:

It is worth recognising that Storm Ciarán, which was probably 2 years ago, we only finished the last job in the school summer holidays in terms of repair and that we repaired a roof but upgraded the roof at the same time, so the insurance company paid for half of the work.

Director, Jersey Property Holdings:

Two-thirds.

The Minister for Infrastructure:

Two-thirds of the work and we found the capital to do the other third, so we only had to do it once. We hope we are not going to see another Storm Ciarán anytime soon on the Island because it really does give us challenges. The team work incredibly hard day to day and when there is an incident, they are out there and doing their level best.

Deputy A.F. Curtis:

Just to understand those figures, that rough £5 million proactive, £5 million reactive is what you are able to spend from revenue budgets.

The Minister for Infrastructure:

Yes.

Chief Officer, Infrastructure and Environment Department:

Yes.

Deputy A.F. Curtis:

The extra funding I reference from the Budget is a one-off capital funding that in 2026 is expected to be spent on top of the circa £10 million.

Chief Officer, Infrastructure and Environment Department:

Yes.

Deputy A.F. Curtis:

Okay. That's great.

Chief Officer, Infrastructure and Environment Department:

The capital funds are separate to the revenue funds ...

Deputy A.F. Curtis:

But that is a one-off ...

Chief Officer, Infrastructure and Environment Department:

... but, yes, some of that will go to fund things like Highlands College roof and some stuff like that where there are major refurbishment works, so there are some additional funds being added, certainly in 2028, 2029. We have got an extra £2 million in those years but, yes, I guess the message is inflation is a big unknown for us in terms of how far this money goes every year. Increasingly, it goes less far and certainly what is happening out there in the weather and the climate can have a big impact on our reactive expenditure. We just do not know what that is going to be like year to year.

Deputy A.F. Curtis:

We might explore the further £6 million perhaps in writing to you about where that is looking to be spent or whether that is going to be dealt with.

The Minister for Infrastructure:

Yes, that is absolutely fine.

Deputy A.F. Curtis:

You mentioned revenue raising being key to filling the shortfall. One area we discussed in June in our quarterly hearing was rental income from Jubilee Wharf, which is owned by the public, and at that time was significantly below forecast for commercial rates. Has occupancy of Jubilee Wharf improved since then and what kind of level of rental income against your forecast is being secured?

The Minister for Infrastructure:

I do not have the numbers in terms of the rental income, but we are making progress. I had hoped we would talk about Union Street because that is a great success story, I think, but in terms of Jubilee Wharf we are putting in there third party organisations, so centralising some of our regulatory bodies, which will enable them to make savings and also generate us the forecast income on a full year basis. I do not know where we are from ...

Director, Jersey Property Holdings:

It would be a commercial number but we are in line with the current local market for the value of the rental that we are getting for the people that are in there now and for the regulator bodies that we are in discussions with, so we are on a market rate or close to a market rate and, as the Minister said, we are generating income. We will have a full building soon and we are also saving the public money because those regulatory bodies are not necessarily in serviced accommodation or serviced offices where they were paying ...

Deputy A.F. Curtis:

You did mention Union House. Of course, the *State of the Estate* highlighted it was hoped that we could dispose of the lease of Bermuda House as part of those moves but, of course, a Ministerial Decision shows that a lease will be renewed for C.A.M.H.S. (Child and Adolescent Mental Health Service) in that site. Is there then a further either cost for the lease or even for the maintenance that Jersey Property Holdings will now have to incur because of that choice?

The Minister for Infrastructure:

Yes, it is C.A.M.H.S., I think; is it C.A.M.H.S.?

Head of Project Delivery and Property Maintenance:

C.A.M.H.S.

The Minister for Infrastructure:

C.A.M.H.S. are our client and so C.A.M.H.S., the Registrar and Customs were all due to move into Union House. For various reasons they did not move into Union House so C.A.M.H.S. will have to fund the rent for Bermuda House from their budget.

Deputy A.F. Curtis:

And maintenance obligations?

Director, Jersey Property Holdings:

Part of the understanding, J.P.H. will administer the building on their behalf but all payments, the current rental payment and the maintenance payments, will fall back to the department that is taking it on. We will make sure that the building is administered on behalf of the public effectively and efficiently but the payments for that will come from the operating department.

The Minister for Infrastructure:

One thing I have asked the team to do is in a report in 2021, the average space per desk was 16 square metres. In Union Street it is just over the industry standard of 6 square metres so I have asked for that review to be done across our whole estate, because I think we have made really good progress in a lot of areas and I think we should celebrate that. We have 2,100 people who are based at Union Street. I think we see efficiencies not only in the fewer buildings that we occupy but also in the relationships between departments. You can talk to people in the lift in the morning or in the afternoon or just nip up a flight of stairs or down a flight of stairs. I think it was the John Le Fondré Government that came up with the Union Street solution and I think they are to be congratulated. You will not hear me say that often. **[Laughter]**

Deputy A.F. Curtis:

Okay, thanks. I will hand back to the Chair.

Deputy H.L. Jeune:

Thank you, Minister. We have just got a few minutes left and we have covered many issues around J.P.H. today. It has been really useful, and I suppose we are just reflecting that we had a quarterly hearing with you in November last year where you said that J.P.H. was not set up properly to deliver its intended functions. Now hearing what we have heard today, and you have had nearly a year since that hearing, do you see it is moving on?

The Minister for Infrastructure:

I think we have slightly changed the structure, so both Ralph and Mafalda have taken on additional responsibilities and I thank them for stepping up to do that. I think we have certainly challenged the team to deliver in a whole range of areas, and they have risen to that challenge. We are not the finished article, but we are a long way from where we were 2 years ago. I daresay we are a long way from where we were 4 years ago because I think the work that I have been able to do is to build on what my predecessor did. We are seeing more collaboration among government departments, and we are seeing more willingness to look more broadly within the department, so I am really quite pleased with that.

Deputy H.L. Jeune:

I was going to mention that and probably bring up that. Andy, you said earlier about looking at the wider with Andium and Ports of Jersey and the next step, is that the next step to see? Now that there is this work on departments ...

The Minister for Infrastructure:

I think that is a different debate in terms of ... this is my personal view, not a government view. My personal view is that how we have a ports authority being a developer, States of Jersey Development Company being a developer and Andium being a developer seems a lot of duplication to me personally. What I am looking at to do is to see working with S.o.J.D.C. utilising their strengths, as we are with Fort Regent, and also looking to see whether we can utilise the services of Andium to do some of the work that is currently done in-house. If that could be done more efficiently outsourcing to Andium, then we are really keen to explore that.

Deputy H.L. Jeune:

Thank you. So I guess that is the last question really and I suppose through our hearing today you have mentioned some of these areas but what next for Jersey Property Holdings? Do you see it carries on?

The Minister for Infrastructure:

We are going to celebrate. We are going to celebrate Oakfield, and I do not know what the date is. We had a slight delay with a boat.

[16:00]

Chief Officer, Infrastructure and Environment Department:

Should be mid this month. I am saying mid this month because that can cover a few days.

The Minister for Infrastructure:

Yes, if you have not been to Oakfield yet, please do go. I went last Thursday and was so excited when about 20 youngsters in their martial arts class all gave a big cheer because they like their new facility. I was even happier when the leader of that martial arts class came out of the class to thank us for the work. I have been up there when the Jets have been playing, with probably a couple of hundred people watching, and it is absolutely first class. There will be some teething issues. As I said, we had challenge getting the people over to install the gym equipment, but that work is under way, and it is through no fault of the shipping company. It was the weather, Storm Amy, which interrupted a lot of people, but they are making good progress on that and as soon as we have the date and the time we are going to extend an invite to you and a whole range of other people because it is to be celebrated. We have worked with local architects, local builders and Property Holdings have led in terms of all of that liaison and they have done a great job.

Deputy H.L. Jeune:

I suppose the last question for that: after the celebration, what next for Jersey Property Holdings and going into the next Government and the longer term, what do you think?

The Minister for Infrastructure:

Well, we do not stop, do we? These people have challenging jobs and the challenge for us as a Government is to get the Budget through and then to get Investing in Jersey through so that we can get a bit more longer term thinking behind us. That is the aim.

Deputy H.L. Jeune:

Thank you, Minister, and thank you, officers, for your time today. I know that there are a number of things where we have said we will follow up on so we will definitely do that but, again, thank you very much for all your inputs.

[16:02]