

2015.04.28

3.11 Deputy A.D. Lewis of the Minister for Treasury and Resources regarding proposals to reduce the overall area of States offices:

Given that appendix 5 of the Medium-Term Financial Plan 2013-2015 set an “overriding objective” of reducing and consolidating the States’ office portfolio to achieve 4 specified benefits, and identified scope to reduce the overall area of States offices by “up to 220,000 square feet”, would the Minister quantify the square footage reduction achieved to date and advise on progress made towards achieving the specified benefits

Senator A.J.H. Maclean:

I would like to ask my Assistant Minister, Deputy Noel, who looks after property matters, to answer this question.

Deputy E.J. Noel (Assistant Minister for Treasury and Resources - Rapporteur):

The M.T.F.P. set out a 3-phase approach to office rationalisation and I am pleased to report that progress is being made on all 3 areas. The first phase involved the relocation of the States of Jersey Police. This project is currently on-site and when completed will release a site area of circa 50,000 square feet on the Summerland site for affordable housing along with additional opportunities on the Rouge Bouillon site. Phase 2 includes some short-term projects, most notably the modern office pilot at Maritime House. This pilot was completed in October 2013 and enabled both Jersey Property Holdings and Customs and Immigration to significantly reduce the overall area and resulted in the release of Piquet House. The total area released was some 10,000 square feet. The M.T.F.P. recognised that the development of a broader office modernisation strategy would be crucial in delivering key benefits of improved ways of working, reduce utilisation of space and the subsequent release of assets. Work has been undertaken to identify departmental requirements, review the portfolio and identifying new space standards and develop options to deliver an improved office estate. In light of the current financial situation that work is now being adapted to consider the implications of the proposed restructure of the State Services and to identify how the capital cost of the proposals can be funded.

3.11.1 Deputy A.D. Lewis:

Given that the Treasury has known since at least 2009 about the status and cost of the estate and given that the C. and A.G.’s (Comptroller and Auditor General) report of financial management says about the proposed financial incentives that may be slowing offers of rationalisation. Given that his predecessor told the States back in April 2013 that the rationalisation strategy would help deliver government reform; will the Minister now seek the agreement of the Council of Ministers to accelerate the pace of office rationalisation as it does appear to be a little slow?

Deputy E.J. Noel:

Indeed, I would agree with Deputy Lewis of St. Helier that progress has not been as swift as personally I would have liked but there is a major barrier to progress and that barrier is cash. In times of difficulty, finding capital in the short term for long-term benefit is always a problem but officers within Treasury and Property Holdings are working together to find a solution that we can implement within the next M.T.F.P. to - for want of a well-used term - put the office modernisation on to rocket boosters and steroids to move this forward.

3.11.2 Deputy J.A. Martin:

There has been much talk about consolidation and rationalisation. Can the Minister though absolutely confirm - and this goes back to the last question as well - that the States of Jersey are not in negotiation with the S.o.J.D.C. to purchase one of their buildings, as they have all got planning permission, to give the S.o.J.D.C. the blue chip tenant that they need and is it not very convenient? Can the Minister confirm this is absolutely not happening?

Deputy E.J. Noel:

I am happy to confirm that but again, personally, I would not rule it out in the future. We have not boiled-down the numerous potential sites available so no; no negotiations have taken place. No, it is not currently on the agenda but I would not rule it out in the future either.

3.11.3 Deputy J.A. Martin:

Yes, a supplementary. The Minister, in the answer to Deputy Lewis, said that they had looked at the whole portfolio of the States and now he is saying there has been no negotiation; not even consideration of one of the buildings on the Waterfront. Which am I to believe? We are on top of it or we are not on top of it, or are they just denying the fact that we cannot be seen to be in bed with the States of Jersey Development Company and maybe it might be the right way forward but it is going to be denied until we say, yes, we are going to take one of those buildings. I think there is a question there somewhere. **[Laughter]**

Deputy E.J. Noel:

I was going to ask, was there a question there? I am not sure if there was. It was a very good speech. I can reaffirm we have not had any negotiations with the S.o.J.D.C. about the States relocating its office requirements to the Esplanade Quarter. Personally, I would not necessarily rule that out for something that we may do in the future.

3.11.4 Deputy A.D. Lewis:

Could I just urge Members to read appendix 5 of the M.T.F.P. because that outlines a lot of what the Minister has said and ask further questions about it. Also the Financial Management Report by the C. and A.G. makes an interesting read as well. As a final supplementary, on 9th September 2014 the Chief Minister told the States he was concerned about the office strategy: "It seemed to be a piece of work which was continually in progress and never coming to fruition." I really would like to know what the Minister has done since taking office to address the Chief Minister's concern. He cited 2 or 3 examples of change which were in progress before he took office but what has he really done to make sure this really happens? I know he believes and wants this to happen but I do not believe enough is happening and I am sure the Minister is quite frustrated by this too. What can he really do to move this forward quicker?

Deputy E.J. Noel:

I, only on Friday last week, had a meeting at short notice with the Minister for Planning and Environment and officers to progress this matter. We need to find a suitable site that works and that is affordable and we need to find a funding stream for it. I believe that we need to rearrange our balance sheet to provide that funding stream.