

## **STATEMENT TO BE MADE BY THE MINISTER FOR TREASURY AND RESOURCES ON THURSDAY 30TH JUNE 2011**

### **The proposed acquisition of Lime Grove House**

I wish to make members aware that I have presented a Report under Standing Order 168 notifying the Assembly of the intention to purchase Lime Grove House in Green Street for use by the States of Jersey Police.

This is an important and significant acquisition and I wanted to make a statement to set out the background and overall reasoning and to provide members with the opportunity to question me.

Members will be aware that the project to relocate the States of Jersey Police has a long history. Work began in the late 1990's, with plans for a new facility on the Esplanade Car Park site. Since then, the project has been through much iteration, including two feasibility studies, the evaluation of more than 20 sites and consideration of a scheme on the Summerland site.

The States Assembly has already voted a total of £18.1m to the Police capital project, with further allocations proposed within the capital programme of £2m in 2012, £1m in 2013 and £1m in 2014.

The need to relocate both the operational and administrative sections of the Police, has now become critical. In addition to having to use buildings that have far exceeded their economic life with significant maintenance problems, existing facilities do not meet Home Office guidelines and are not suitable for a modern Police service.

Considerable work has been done to ensure that Lime Grove House meets the needs of the States of Jersey Police. The building will accommodate c.180 office based staff, including the Criminal Justice Unit, CID, Joint Financial Crimes Unit, Scenes of Crime Unit, Special Branch, Control Room and Directorate. Through acquiring a modern, open plan building and by implementing modern office standards, we will achieve real efficiencies in the use of space.

The proposed acquisition of Lime Grove House forms part of a two-stage solution. Firstly, Lime Grove House will accommodate all office-based staff currently based on the Summerland and Rouge Bouillon sites. The second phase will be the demolition of the old school building and refurbishment of remaining facilities on the Rouge Bouillon site to create a small operational Police Station, including a custody suite.

In approving this first phase, members should be aware that I have taken some convincing that this is the right and best value option for the States of Jersey. The proposed acquisition has been subject to lengthy negotiations, the agreed price is supported by independent valuations and the proposal forms part of the most beneficial option for meeting the needs of the States of Jersey Police. Members can be reassured that the Treasury has carried out a thorough evaluation of the available options, including a full financial appraisal.

Through a combination of moving to modern accommodation and vacating inadequate, poorly utilised space this project will:

- reduce floor space by c. 30,000sq ft
- free up the Summerland Site for housing

- allow implementation of modern office space standards
- enable the States of Jersey Police to improve its working methods.

I am now convinced that Lime Grove House forms the central part of an option which represents the least development cost, enables Police requirements to be met quickly and frees up the Summerland site for future housing, something we have been debating in the Island Plan over the past few days.

This option has the full support of the Minister for Home Affairs and the States of Jersey Police

As with normal arrangements under Standing Order 168, the commercial details of the proposed acquisition, including the agreed price, must remain confidential until the transaction has been completed. Members should be aware that considerable work has been undertaken to ensure that these arrangements represent value for money.

This project represents the first major step in the office rationalisation strategy, which is designed to deliver greater efficiency in the occupation of States buildings, reduce the number of sites occupied and improve collaboration between departments. My Assistant Minister hopes to continue progress with the other phases of this strategy over the next six months.

Finally, I would like to thank the Minister for Home Affairs and his team at the States of Jersey Police, in particular the Chief and Deputy Chief of Police, not only for their patience, but for their considerable support in bringing this project to successful conclusion.

I also wish to thank the Constable of St. Peter who, in his role of Assistant Minister with responsibility for property, has provided me with wholehearted support in bringing this matter to a conclusion.

I must also recognise the role played by the Acting Chief Executive Officer and the Assistant Chief Executive in bringing this matter to a conclusion, along with the support provided by Jersey Property Holdings.

After many years of living in inadequate and inappropriate accommodation, I look forward to welcoming the States of Jersey Police into its new home.

## **1. Statement by the Minister for Treasury and Resources regarding the acquisition of Lime Grove House**

### **1.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

I wish to inform Members that I presented a report under Standing Order 168 notifying the Assembly of the intention to purchase Lime Grove House in Green Street for use by the States of Jersey Police. This is an important and significant acquisition and I wanted to make a statement to set out the background and overall reasoning and to provide Members with the opportunity to question me. Members will be aware that the project to relocate the States of Jersey Police has a long history. Work began in the 1990s with plans for a new facility on the Esplanade Car Park site. Since then the project has been through much iteration, including 2 feasibility studies, the evaluation of more than 20 sites and consideration of a scheme on the Summerland site. The Assembly has already voted a total of £18.1 million to the Police Capital Project with further allocations proposed within the Capital Programme of £2 million in 2012, £1 million in 2013 and £1 million in 2014. The need to relocate both the operational and administrative sections of the police has now become critical. In addition to having use of buildings that far exceeded their economic life, with significant maintenance problems, existing facilities do not meet Home Office guidelines and are not suitable for a modern police service. Considerable work has been done to ensure that Lime Grove House meets the needs of the States of Jersey Police. The building will accommodate around 180 office-based staff, including the Criminal Justice Unit, C.I.D., (Crime Investigation Department), Joint Financial Crimes Unit, Scenes of Crimes Unit, Special Branch, Control Room, and Directorate. Through acquiring a modern, open-plan building and by implementing modern office standards, we will achieve real efficiencies in the use of the space. The proposed acquisition of Lime Grove House forms a 2-part solution. Firstly, Lime Grove House will accommodate all office-based staff currently based on the Summerland and Rouge Bouillon sites. The second phase will be the demolition of the old school building and the refurbishment of the remaining facilities on Rouge Bouillon site to create a small operational police station, including a custody suite. In approving this first phase, Members should be aware that I have taken some convincing that this is the right and the best value option for the States of Jersey. The proposed acquisition has been the subject of lengthy negotiations and the agreed price is supported by independent valuations and the proposals form part of the most beneficial options for meeting the needs of the States of Jersey Police. Members can be reassured that the Treasury has carried out a thorough evaluation of all available options, including a full financial appraisal. Through a combination of moving to modern office accommodation and vacating inadequate, poorly utilised space, this project will reduce floor space by up to 30,000 square feet, free up the Summerland site for housing, allow implementation of modern office space standards and enable the States of Jersey Police to improve its working methods. I am now convinced that Lime Grove House forms the central part of an option which represents the least development costs, enables police requirements to be met quickly, and frees up the Summerland site for future housing, something which we have, of course, been debating in the Island Plan over the past few days. This option has the full support of the Minister for Home Affairs and the States of Jersey Police. As with normal arrangements under Standing Order 168, the commercial details of the proposed acquisition, including the agreed price, must remain confidential until the transaction has been completed. Members should be aware that considerable work has been undertaken to ensure that these arrangements do represent value for money. This project represents the first step in a major office rationalisation strategy which is designed to deliver greater efficiency in the occupation of States buildings, reduce the number of sites occupied and improve collaboration between departments. My Assistant Minister hopes to continue progress with the other phases of the strategy over the next 6 months. Finally, I would like to thank the Minister for Home Affairs and his team at the States of Jersey Police, in particular the Chief and Deputy Chief of Police, not

only for their patience, but for their considerable support in bringing this project to a successful conclusion. I would also like to thank the Constable of St. Peter who, in his role as Assistant Minister with responsibility for property, has provided me with wholehearted support in bringing this matter to a conclusion. I must also recognise the role played by the Acting Chief Executive and Assistant Chief Executive in bringing this matter to a conclusion along with, of course, the support provided by Jersey Property Holdings. After many years of living in inadequate and inappropriate accommodation, I look forward to welcoming the States of Jersey Police into their new home.

**The Bailiff:**

Very well. So Members have an opportunity to ask questions.

**1.1.1 Connétable A.S. Crowcroft of St. Helier:**

While I welcome this letting of an empty building on an important site and the new home to the States Police, would the Minister reconfirm to the Assembly that he supports, in principle, that the States should pay rates on their properties? Does he recognise that this move will lead to a loss of about £5,000 per annum to St. Helier ratepayers and the housing that he talks about will, of course, not produce any rates for a considerable period of time? Under those circumstances, would he be willing to make sure that Treasury continues to remit that relatively modest sum of money to the Parish in the meantime?

**Senator P.F.C. Ozouf:**

The Constable has risen on a number of occasions in the last week wearing almost 2 different hats. On the one side, he wants us to save money; on the other hand, he wants to not see development apparently now on Esplanade Square. I want the Parish to maximise their rates value by exciting commercial development across town. There is an issue of the States paying rates but that also must be a burden shared by all taxpayers and no doubt will be the subject of future debates in this Assembly. He knows my own position is we have to find the money, we have to find the solution, but it has to be fair to all Parishes as well.

**1.1.2 The Connétable of St. Helier:**

Can I just follow up; I did not really get an answer. I did ask the Minister for Treasury and Resources whether he was willing, in the short term, to make sure that the Parish did not suffer a loss of about £5,000 from the letting of this building to the States body.

**Senator P.F.C. Ozouf:**

I am not prepared to confirm that at this moment. I need to take advice in relation to the full liability and the other consequential benefits that the releasing of other land will have to the Parish.

**1.1.3 Deputy S. Power of St. Brelade:**

Three little sub-questions. The first one is: there is reference to a reduction in office space by 30,000. What is the gross floor area of the new building? In relation to provision of official parking for States of Jersey Police and their officers and staff, how will that impinge on Green Street Car Park? How is he proposing to relate the occupation of this building by the States of Jersey Police with the residential units adjoining it?

**Senator P.F.C. Ozouf:**

I think that I will send a note, if I may, about the actual precise square footages of the different sites because I probably cannot do justice within 10 minutes of it but I will give the Deputy, if I may, the full breakdown. Regarding the parking, an arrangement is being made in order to allow

the States of Jersey Police special access to the underground parking on Lime Grove House which meets all of their security requirements, and I cannot remember the third question, I am sorry.

**Deputy S. Power:**

The residential units.

**Senator P.F.C. Ozouf:**

I understand that the Minister for Home Affairs and his team and the Deputy Police Chief, who has done an enormous amount of work on this, is entirely satisfied that the residential units next to an office space police station is entirely appropriate.

**1.1.4 Deputy R.G. Le Hérisier of St. Saviour:**

Can the Minister tell us what are the plans for the Rouge Bouillon site and what is the extent of the footprint for the much smaller police station that will be developed on that site? Given it will be smaller, what is happening to the rest of the site and the fire service?

**Senator P.F.C. Ozouf:**

A very good question. First of all, the real prize in this, which is the reason why I have been convinced, is that the Summerland site currently occupied by the States of Jersey Police in frankly terrible accommodation is going to be available to deployment for housing and, I very much hope, affordable housing. There is a related transaction in relation to this to secure the whole of that site. In terms of the Rouge Bouillon site, the old St. Helier Girls' School is going to be vacated and we are looking at the ambulance station and the whole of that site about having a unified ambulance, fire service and operational police station, and that is going to be a subject of a further rationalisation, and I hope releasing some land by efficient use of all the blue light services together, and that is going to be funded by the subsequent capital allocations that this Assembly will consider, one of which is in the Business Plan.

**1.1.5 Deputy R.C. Duhamel of St. Saviour:**

The Minister tells us in his statement that he has taken some convincing that this is right and best value option for the States of Jersey. Without breaking any confidences under Standing Order 168, would the Minister be able to assure the House that indeed the acquisition price, whatever it is, does not include a substantial premium over and above what independent valuations have arrived at?

**Senator P.F.C. Ozouf:**

That is a very good question. I have taken some convincing and I have been, as Members would expect, pretty difficult in relation to being convinced of the acquisition of a piece of land by the States when we have so much. I have been convinced that the purchase price does represent value for money. It was supported by valuations and there has been intense dialogue over the last few months to improve upon the overall package that we have now reached. I am satisfied that this represents an appropriate value. I have been very difficult with Property Holdings in relation to the evaluation method in relation to this site and I am happy to brief any Member confidentially on my reasoning and now my justification for being satisfied. No, there is not a premium in relation to the issue and I am satisfied that red book valuations have been carried out, but I have been extremely difficult and I am grateful for the Minister for Home Affairs bearing with me while I have been difficult but achieving value for money.

**1.1.6 Deputy A.E. Jeune of St. Brelade:**

So am I to understand from what the Senator says is that the reason for it taking so long and for the Police Department to have been working in inadequate and inappropriate accommodation is because the Minister has needed to be convinced, question number one, and 2 ...

**The Bailiff:**

Well, just one question, Deputy, because a lot of Members want to ask questions.

**Senator P.F.C. Ozouf:**

If I may say, I think that the police have been poorly treated by the central departments responsible for bringing capital projects to a conclusion.

[11:15]

This has taken far too long. There were original problems with quite frankly crazy proposals for police stations with bomb blast walls on the Esplanade but we have moved on from that and it is up to the corporate department of Property Holdings to serve the interests of departments in an efficient way, in a timely way, to deal with their issues. We are now making significant progress on doing that. I have taken a few months to convince but we have improved the overall package. We now have an implementable package and I look forward to the States of Jersey Police being in this building within 12 months in order to deliver the efficiencies which the Minister is also asked to do in terms of his police force.

**1.1.7 Deputy M. Tadier of St. Brelade:**

The Minister said he had taken some convincing that this was the right and best value option for the States. What were the doubts that he had that this was the right and best value for the States?

**Senator P.F.C. Ozouf:**

The original package, which had a whole series of options in it including a whole series of other consequential moves involving other States properties, was not, frankly, going to be able to be possible. A plan that could be implemented, which would not have cost overruns, was properly planned and appropriate prices for the various different constituent part of phase 1.

**1.1.8 Deputy D.J.A. Wimberley of St. Mary:**

This, on the face of it, is a good solution. I just wanted to ask about whether the Minister can elaborate on any possible problems with operating from 2 sites. We are always told that it is good to operate from one site, so I would just like clarification that this issue is resolved and a little explanation what the issues might be.

**Senator P.F.C. Ozouf:**

I am conferring with my friend, the Minister for Home Affairs, because we regard this almost as a common statement, as a common policy. The Minister advises me that his staff are operating out of 5 sites at the moment and it is their preferred option to be operating out of a back-office office site and a front-office operational police station, which will be at Rouge Bouillon ... hopefully at Rouge Bouillon. We will look at the details of that with their custody suite. This is the police's preferred option and is going to accrue significant operational efficiencies as a result of operating out of 2 sites strategically located in town.

**1.1.9 Deputy J.B. Fox of St. Helier:**

Finally, common sense prevails, congratulations. The reduction of 30,000 square feet I can understand, but can we make sure that we have looked at the long term and we are not going to

want to hive off departments as legal requirements or policing requirements progress over periods of time? This is essential. Designing out crime also applies to a police station.

**Senator P.F.C. Ozouf:**

I have full confidence in the new Police Chief and his Deputy under the oversight of the Minister in terms of making sure that there is a long-term solution, but we have got more work to do on the Rouge Bouillon side and the custody suite and the operational side and that is phase 2 that we are going to turn our considerable attention to now.

**1.1.10 Deputy P.V.F. Le Claire of St. Helier:**

I would like to congratulate the Ministers and the Chief of Police who, in my opinion, is doing a wonderful job. I would just like to ask, if I might, the Minister in response to this opportunity to question him on such an important issue. I, for example, would like to suggest at this stage that rationalisation of more parking be made at Green Street, which would be much more cost effective than Snow Hill car park to accommodate these cars. But given His Excellency's speech this morning and given these issues have been around for some time, what exactly is the role of this Assembly and what is the role of the Executive? How does Scrutiny impart its view, given this extensive....

**The Bailiff:**

Deputy, I am sorry, these are no doubt very important questions but I think not for questions in relation to this particular matter.

**Deputy P.V.F. Le Claire:**

Succinctly, Sir, does he not think that if we do have a role in questioning this that perhaps it might command a proposition to this Assembly or is it just something that has been decided upon behind the scenes?

**Senator P.F.C. Ozouf:**

If I may answer, this Assembly's job is to hold me accountable for the decisions that I am recommending. Standing Order 168 sets out an arrangement whereby I notify Members or normally the Assistant Minister, but because of the scale of the transaction, this is being done together, notify Members of the transaction. Members have 15 working days in order to consider it and then I undertake, if there was a proposition to block it - I hope there is not going to be - then I would effectively not instruct officers to proceed with the acquisition. I am making a statement to give Members the opportunity of holding me to account and that is the appropriate role, I think. I asked leave of you, Sir, to make a statement and I thought that was the right way and the right balance of explaining, of holding me to account and, of course, I stand available with the Minister to undertake further answers in the next 15 working days. I would say that I am happy to answer any Member's questions in relation to this matter by email or meeting with a group of Members with the Minister in order to deal with any questions Members may have.