

STATES OF JERSEY



(FOLLOW UP) REVIEW OF ESTATE MANAGEMENT 2021 (P.A.C.3/2021): EXECUTIVE RESPONSE

**Presented to the States on 1st December 2021
by the Public Accounts Committee**

STATES GREFFE

FOREWORD

In accordance with paragraphs 64-66 of the Code of Practice for engagement between ‘Scrutiny Panels and the Public Accounts Committee’ and ‘the Executive’, (as derived from the Proceedings Code of Practice) the Public Accounts Committee presents the Executive Response to its Follow-Up Review of Estate Management 2021 (P.A.C.3/2021 presented to the States on 15 October 2021).

The Committee notes that some of its recommendations have been rejected or only partially accepted, and it intends to present a Comments Paper on this and other aspects of the Government’s response to its Report in due course.

Deputy I. Gardiner
Chair, Public Accounts Committee

Report Section	Recommendation number	Advice and Recommendation	Accept/Reject	Comments	Recommendation Target Date
Regeneration Steering Group (RSG)	RECOMMENDATION 1	<p>The Regeneration Steering Group should, without delay, review its membership and update its Terms of Reference, encompassing:</p> <ul style="list-style-type: none"> its relevance to, and alignment with, all aspects of Public Estate acquisition, disposal, repurposing and management, referencing the 'drivers of' and triggers for, all Public Estate activities its place in the governance structure of the Government, including (but not limited to) its relationship with States Owned Entities, Arms-Length Organisations and the Corporate Asset Management Board a clear and objective referral and decision-making process for property/land through the governance structure, based on clearly understood criteria, such as size, cost and/or strategic importance in the Public Estate 	Accept	<p>RSG review has taken place in the form of a series of interviews with Members and key stakeholders.</p> <p>The feedback and responses from the interviews have been consolidated.</p> <p>Key findings and common themes have been identified, together with a series of recommendations brought forward.</p> <p>Implementation of recommendations commence</p>	<p>October 2021</p> <p>October/November 2021</p> <p>November 2021</p> <p>December -January 2022</p>
Regeneration Steering Group (RSG)	RECOMMENDATION 2	The Regeneration Steering Group should present to the States Assembly its updated membership, function, role, responsibilities, aims and objectives.	Accept	As a follow on from R1, the outcome of key findings and recommendations will be presented to States members.	February 2022
Regeneration Steering Group (RSG)	RECOMMENDATION 3	Mechanisms should be put in place to monitor and track the overall effectiveness of the Regeneration Steering Group to ensure it is fulfilling its agreed role and is providing value for money	Accept	As an outcome of the review this will be implemented as part of the recommendations action plan timetable	March 2022
Corporate Asset Management Board (CAMB)	RECOMMENDATION 4	The Corporate Asset Management Board (or its replacement senior officer-led body) should define and establish its relationship with departments (including non-Ministerial), States-Owned Entities, Arms-Length Organisations, and the Regeneration Steering Group in respect of its core function to co-ordinate, prioritise allocate and develop the property needs of the various elements of the Government'	Partly accept	The CAMB's current terms of reference predominantly relate to the delivery and support of the assets under the Island property estate strategy. CAMB has limited ability to affect ALBs as their assets are managed under their own governance structures and have their own strategies applied to them. There is however a positive and active relationship with the ALB's in respect of discussions around those sites and assets which are considered for transfer to the ALB's. This is on track with relationships being defined and co-ordinated with the work underway to redefine the function of the RSG.	March 2022 - RSG review (See R1)
Corporate Asset Management Board (CAMB)	RECOMMENDATION 5	The Corporate Asset Management Board should demonstrate centralised leadership and proactivity by establishing a clear 'delegation of authority' to incorporate all aspects of States Estate acquisition, disposal and management.	Partly accept	CAMB has been established as the delegated authority under clear executive and political oversight, and has delivered co-ordinated and agreed recommendations on operational property assets, which demonstrates centralised leadership on the disposal and acquisition of assets. The recommendation cannot be fully accepted as CAMB delegated recommendations are then reviewed by the States Assembly under standing order 168 for approval.	Ongoing
Corporate Asset Management Board (CAMB)	RECOMMENDATION 6	The Corporate Asset Management Board (or its replacement) should, as a matter of urgency, consider how to function as the body charged with delivering the Corporate Asset Management Plan and ensuring effective implementation of the Estate Strategy.	Accept	The development of corporate asset management plans will be driven by all of the stakeholders, in the context of the agreed Island and Government plans. The delivery of asset management plans is a primary function of CAMB and is clearly set out in the CAMB terms of reference. The effectiveness of this core activity will be reviewed and changes will be put in place should it not be performing as intended.	Q1 2022 Ongoing
Corporate Asset Management Board (CAMB)	RECOMMENDATION 7	The Terms of Reference, clarifying and updating the function, roles and responsibilities of CAMB (or its replacement), stating its aims and objectives, should be presented to the States and published thereafter.	Accept	The terms of reference for CAMB (or its replacement) will be presented to the States Assembly and then published.	Q1 2022
Corporate Asset Management Board (CAMB)	RECOMMENDATION 8	Mechanisms should be put in place to monitor and track the overall effectiveness of the Corporate Asset Management Board to ensure it is fulfilling its agreed to role and is providing value for money	Accept	CAMB will establish and publish an annual "State of the Estate" report that will monitor the key performance indicators of the objectives set out in the in the Island Property Estate Strategy.	Q1 2022
Rationalisation of the Public Estate and Implementation of Strategy	RECOMMENDATION 9	A coherent and objective rationale for the acquisition, disposal of and management of the property in the Public Estate must be established.	Accept	The Public Estate strategy and related asset and management plans, in the context of the Island and Government Plans, will provide the rationale for the acquisition, disposal of, and management of property.	Q1 2022

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Rationalisation of the Public Estate and Implementation of Strategy	RECOMMENDATION 10	The Corporate Asset Management Board should, as a matter of urgency, develop a 5-year asset management plan, which would describe the tactical elements, that is, the intent for any property, drawing from the Common Strategic Policy and/or the Government Plan and other initiatives such as 'Putting Children First' and the Wellbeing programme, where progress against the Estate Strategy would be monitored on an annual basis.	Accept	See recommendation no.6, although it is more appropriate for the the Asset Management Plan timeframe to be coordinated with the 4-year government planning cycle.	Q1 2022-ongoing
Rationalisation of the Public Estate and Implementation of Strategy	RECOMMENDATION 11	A clear and objective referral process of property/land through the governance structure, based on clearly understood criteria, such as size, cost and/or strategic importance in the Public Estate (delegation of authority) should be included in the Terms of Reference of the Corporate Asset Management Board (or the officer led body designated to 'drive' the rationalisation of the Public Estate).	Partially accept	A review of the governance structure is currently underway and this will inform the criteria to be used to 'drive' the rationalisation of the public estate. A paper will be discussed and agreed at CAMB and any changes will be reflected in either updated internal policy guidance, or if necessary, the CAMB terms of reference.	Q1 2022
Rationalisation of the Public Estate and Implementation of Strategy	RECOMMENDATION 12	Greater emphasis should be placed on advancing the Estate Management implementation plan including completion of all Asset Management Plans for all States-owned properties.	Accept	The 52 actions identified in the Island Property Estate Strategy, form the basis for the 'Estate Management implementation plan' and the delivery of Asset Management Plans for all Government owned properties is a high priority in this plan. See also the response given to recommendation no.6.	Q1-ongoing
Stakeholder engagement	RECOMMENDATION 13	The DG of IHE should without delay, engage in comprehensive, consistent and regular stakeholder engagement, in order to determine their needs, as well as to ensure that any future acquisition, disposals or improvement to properties take into account their requirements.	Partially accept	Stakeholder engagement is undertaken through the regular CAMB and ELT meetings and wider engagement will be carried out with other key stakeholders, where appropriate. It is not however within the remit of DG IHE to determine the needs of other departments, but rather to support their strategic direction and decisions where possible. This will be informed and supported by improved digital engagement with non-Ministerial and community groups and other key stakeholders, whilst the governance structures put in place with the ALO's will provide feedback on other property requirements and decisions.	Ongoing
States of Jersey Development Company (SOJDC)	RECOMMENDATION 14	In using the SOJDC-commissioned review to inform whether it should remain the 'appropriate vehicle' to deliver the Government's property and asset objectives, the Government should be mindful of the potential for bias.	Partially Accept	The ALBOB provides a level of oversight to ensure that no such bias exists.	Q1 2022 - check
States of Jersey Development Company (SOJDC)	RECOMMENDATION 15	The Executive should undertake to review the purpose and aims of the States of Jersey Development Company in line with the C&AG's recommendations by Q1 2022.	Accept	The Minister for Treasury and Resources is planning to initiate exactly such a review after the outcomes of the work of Jersey Property Holding and SoJDC is complete. This will be a wide ranging assessment of the original intentions of P.73/2010 to determine the most appropriate vehicle for the ongoing delivery of Government's property and asset objectives.	Q1 2022
States Owned Entities (SOEs)	RECOMMENDATION 16	The role of the Arms-Length Organisations Oversight Board (ALBOB) in respect of the implementation of the Estate Strategy should be clarified immediately.	Reject	The ALBOB has a limited role in the implementation of the Island Property Estate Strategy as the property that has been allocated to Ports, SoJDC and Andium is specifically identified as having to be used for commercial benefit, and the provision made for community and society benefit is indirect.	None
States Owned Entities (SOEs)	RECOMMENDATION 17	The Arms-Length Organisations Oversight Board (ALBOB) should undertake a Strategic Review of States Owned Entities, at the earliest opportunity, with the aim of aligning SOE/ALO property strategy and management with the corporate landlord model. The review should focus on what parts of the States Estate should be kept, what should be sold and what should be put into regeneration or infrastructure and social housing projects.	Reject	This recommendation is rejected because the ALBOB does not have the remit or legal framework to overturn commercial decisions taken by the independent entity.	None
States Owned Entities (SOEs)	RECOMMENDATION 18	A Strategic Review of the responsibilities and working relationships between ALBOB, RSG and CAMB should be undertaken as soon as possible.	Partially accept	A strategic review will be part of the work already being progressed under the response to recommendation 1-3, in which the roles, responsibilities and relationships between CAMB, the RSG and ALBOB are covered.	March 2022
Departmental TOMs and Estate Management	RECOMMENDATION 19	The role and responsibilities of Jersey Property Holdings should be revised as soon as possible, with particular regard to clarifying its expected role in the implementation of the Estate Strategy.	Partially accept	The implementation of the new JPH TOM structure review has been developed to specifically support the delivery of the property strategy. Once the transfer in of those elements of the portfolio that are currently outside the JPH portfolio is completed, it will then be appropriate to carry out a review of the roles and responsibilities of JPH.	2023

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Departmental TOMs and Estate Management	RECOMMENDATION 20	There must be an urgent assessment of the human and financial resources needed to deliver the implementation of the Estate Strategy.	Reject	This work has been reviewed as part of the delivery of the new TOM structure. See responses to recommendations 19 and 22 for further reference.	completed
Departmental TOMs and Estate Management	RECOMMENDATION 21	The Infrastructure, Housing and Environment Department should include in future Annual Reports an assessment of the effectiveness of the property function (including maintenance functions), incorporating fully developed and operational performance indicators and target completion dates.	Accept	This will be included in the IHE annual performance report, although the first instance in 2022 will not be a complete report as a number of the indices to measure KPIs will have less than 12 months of data to support them.	2022
Departmental TOMs and Estate Management	RECOMMENDATION 22	Filling vacancies in IHE/JPH needs to be given top priority.	Accept	Options are being pursued in three areas to address the pressures caused by the recruitment and capacity issues within JPH : - The Communications Department will be engaged to improve public perception and address some of the incorrect assertions that have circulated - Where appropriate, short term contractor surveyors will be employed to deliver non-contentious and non-sensitive tasks. - We will seek greater assistance from the central HR Resourcing Team to access different recruitment pools / markets, and by working with the central Commercial Team establish a framework of rates for tasks that can be outsourced.	2022
Property Maintenance	RECOMMENDATION 23	As a matter of urgency, clarification of overall responsibility and management of property maintenance, as envisaged in the Estate Management Strategy and One Government objective should be put in place to obtain economy of scale cost benefits, efficiencies and appropriate risk management of this function	Accept	Currently in hand with plans to transfer property from JHA and CLS on 01/01/2022. This will be 26 properties in total, including significant office/administration accommodation and the two main fire stations at Rouge Bouillon and Les Quennevais. Beyond this, work is underway to transfer other properties within the next twelve months including those currently managed by GoJ Police.	Q4 2022
Concerto	RECOMMENDATION 24	The PAC urges the IHE Department and its Property Division to undertake a cost-benefit analysis of the Concerto system to understand where mistakes were made and how they can be avoided in the future.	Reject	It is considered that the Concerto system has been successfully implemented in JPH, but as part of a wider Government review, is to be replaced in 2022 with the new enterprise asset management system (SAP). Given this, and the resources needed to divert to this activity away from other higher priority actions, it is not recommended that we undertake a review on a system that is soon to be replaced.	None
Concerto	RECOMMENDATION 25	Any future asset management system should be fully utilised, to ensure value for money and aid a co-ordinated approach to property management and maintenance.	Accept	This recommendation is in alignment to the ITS Programme and will drive a single solution which is integrated across all enabling functions. It will also promote a common set of processes to ensure GoJ improves the quality of data, standardises asset management, provides economies of scale, ultimately reducing costs of managing our assets, improve compliance and overall reliability.	Q1 2023
Disability Legislation	RECOMMENDATION 26	A detailed plan to ensure all States owned properties comply with disability legislation should be put in place and shared with stakeholders and property users clarifying needs and priorities along with associated implementation plans and anticipated costs and timing	Accept	A government accessibility and diversity team has been established to work through these issues. It is relying on surveys and reviews commissioned from the local Diversity charity Liberate and funds have been established in the Government Plan to implement the recommendations. The detailed survey plan is being addressed with the only constraints the ability of Liberate to complete the reviews.	Completed and ongoing programme of work
Disability Legislation	RECOMMENDATION 27	The designated 'responsible' team should produce an up-to-date, coherent and cohesive Property Management and Maintenance programme to include a programme/schedule of works on all buildings in the States Estate, linked to the Estate Management Strategy with regard to short-term/medium term and long-term plans for each property.	Accept	There is in place a pre-planned maintenance programme. The property management and maintenance programme has to balance a limited budget against the needs of a portfolio that includes heritage assets. The priority is to ensure that we have a safe and compliant estate. The re-organisation and setting up of the strategy team in JPH will enable us to deliver longer term management plans for each property.	Complete and ongoing
General	RECOMMENDATION 28	The Government should have clear ownership and pragmatic proactive oversight over a full, comprehensive property management and maintenance programme, using standardised industry recognised tools and processes, effective economy of scale, and close communications with service users to ensure minimum disruption to 'business as usual' of the service users.	Accept	The intention is to reconcile available resources against the demands of the estate in accordance with best CIPFA and RICS practice.	Complete and ongoing