



Public Accounts Committee

Public Hearing

Witness: Jersey Property Holdings

Monday, 22nd October 2018

Panel:

Senator S.C. Ferguson (Chairman)

Deputy R.E. Huelin of St. Peter

Connétable J. Le Bailly of St. Mary

Mr. A. Lane

Ms. M. Scott

Mr. T. Rogers

Witnesses:

Director General, Growth, Housing and Environment

Director, Property Holdings

Comptroller and Auditor General

[14:03]

Senator S.C. Ferguson (Chairman):

Welcome to this hearing of the Public Accounts Committee to discuss the recent report of the Comptroller and Auditor General regarding Jersey Property Holdings. Now, you have the sort of warning sheet, I think, in front of you, which you may or may not have read before. If you have not, please read it. If you have, you can ignore it or you can ... and can I also make the following comments? Please can we not have any interruptions from the public and can all electronic devices be on silent, particularly phones? The media and the bloggers - yes, I see you, Mr. Dunn - are allowed to film for the first 5 minutes of the hearing but once we get into it we ask would they please

stop. We have had web cameras installed and we are streaming this hearing live on the States Assembly website. We will be publishing a transcript, but at the moment you are all going out live. Now, for the benefit of the record, please could everybody here participating in the hearing introduce themselves with their name and professional title? I will start. My name is Senator Sarah Ferguson and I am Chairman of the Public Accounts Committee.

Ms. M. Scott:

My name is Moz Scott and I am a lay member of the P.A.C. (Public Accounts Committee).

Mr. T. Rogers:

My name is Tim Rogers. I am also a lay independent member of P.A.C.

Comptroller and Auditor General:

Karen McConnell, Comptroller and Auditor General.

Director General, Growth, Housing and Environment:

John Rogers, Director General of Growth, Housing and Environment.

Director, Property Holdings:

Ray Foster, Director of Property and Special Projects.

Scrutiny Officer:

Caro Tomlinson, P.A.C. officer.

Mr. A. Lane:

Adrian Lane, independent member of the P.A.C.

Connétable J. Le Bailly of St. Mary:

John Le Bailly, Constable of St. Mary and P.A.C. member.

Deputy R.E. Huelin of St. Peter:

Rowland Huelin, Deputy of St. Peter, P.A.C. member.

Senator S.C. Ferguson:

Super. Right, I think the importance of this report and the hearing can be deduced from the fact that most of the operational land and buildings are managed by Jersey Property Holdings and the States has a portfolio of over 500 operational properties valued at over a billion and an annual maintenance budget for Jersey Property Holdings alone for about £12 million, and this is a very important part of

the States organisation. Now, before we start, I wonder if I could ask either of you, Mr. Rogers or Mr. Foster, please could you define for the public and States Members and the Committee what is a target operating model.

Director General, Growth, Housing and Environment:

That is a good question. It is a bit of a new term that the States has developed over the last 12 months and it is the reorganisation of the States of Jersey and its function in terms of how the civil service is set up and how we are going to be doing business in the future. So, the new target operating model has set up Growth, Housing and Environment and the other departments, and now we are looking at the next iteration within Growth, Housing and Environment in terms of how that is set up to give the best outcomes for the citizens of Jersey. So, it is just the organisation in the future in another way.

Ms. M. Scott:

So may I just ask: when you refer to the target operating model, you are talking about a structure that involves people in certain places and certain procedures?

Director General, Growth, Housing and Environment:

It is predominantly about the functions and the people.

Ms. M. Scott:

When you say it is a model, is it based on another model?

Director General, Growth, Housing and Environment:

I do not think anything is quite ... nothing is new, is it, so there will be other ... we will look at the best practice elsewhere and we are currently developing that in terms of the structure further down the organisation. So, in fact, one which ... the States has been fairly static in terms of its organisational structure for many years. There have been slight iterations, but this is more about looking at the wider piece, focusing more on the customer.

Ms. M. Scott:

Yes, thank you. I do not need any more.

Mr. A. Lane:

I am interested; if we take the Comptroller and Auditor General's report, she made a number of recommendations, one of which was recommendation 6, to establish a corporate asset management group with clear membership and remit and engagement with the departments that occupy the property. I wonder if you could outline for us what progress has been made in that regard, please.

Director General, Growth, Housing and Environment:

When you talk about land and property, the users of those are massive and varied. So, traditionally, property has been arranged in departmental function. The health estate, which is probably the biggest one, has had the asset relationship with the people in health. To bring it all together is something that we are looking to do, but we have not moved forward on that as a total as yet because there is the Energy from Waste plant in the health estate, there are lots of other things, so it is finding the right structure that matches the structure we are heading towards.

Mr. A. Lane:

When do you expect to complete that exercise?

Director General, Growth, Housing and Environment:

To bring it all together and to set up a governance, that is going to be at least 6 months. There is a lot of work to do there. That does not mean we are ignoring it now but it means there is a lot of work to do to set that up.

Mr. A. Lane:

Have you a developed plan for doing so?

Director General, Growth, Housing and Environment:

No.

Mr. A. Lane:

When do you expect to have a plan for doing that, please?

Director General, Growth, Housing and Environment:

That will be developed in the next 6 months as we are moving forward.

Mr. A. Lane:

So the plan to do the activity will take 6 months?

Director General, Growth, Housing and Environment:

You have to set up the terms of reference of the plan, what you are trying to achieve. This report has been very timely. It is very beneficial and this is the start point for moving forward on this. But while we are doing that, we are doing a significant amount of other changes at the moment so it is ... I could say a shorter period of time, but I am not willing to do that because we do not have ... the chance of getting it done in a shorter time is going to be very difficult.

Mr. A. Lane:

Okay. I am just trying to understand. So we should expect to see a plan in 6 months' time to then follow up with actions thereafter?

Director General, Growth, Housing and Environment:

Yes, and if it is an administrative function, then that can roll straight off then, if it is not going to require assets as such.

Ms. M. Scott:

Could I just ask, I mean, this is a priority that was in the report to set up a corporate asset management group to ensure that there was at least some joined-up thinking in terms of managing properties across the public sector. So have you not even got any formal group in which you might just have particular people in it who are perhaps going to discuss how this group might be formed?

Director General, Growth, Housing and Environment:

No.

Mr. A. Lane:

So if I can just continue, absent that group at this stage, how do you communicate comprehensive objectives for the management of land and buildings across the States' property estate?

Director General, Growth, Housing and Environment:

Ray, do you want to give some assistance?

Director, Property Holdings:

Yes. As the Director General indicated, we operate still in a legacy of what is a fairly siloed mentality within the States as an organisation, and while there is transitioning from departmental and, indeed, the old committee system where departments and functions were largely held and responsibility for decisions sat within individual areas into a more corporate world as described within the target operating model ... and if I can add to Mr. Rogers' commentary, that target operating model is discussed and described in a number of publicly available documents, so that might help the Committee. As we transition into that new world, then the corporate functions that deal with property and other corporate functions - I.S.D. (Information Services Department), human resources - look to work within a much more holistic structure. At the moment, the answer to your question is the conversations that we have are bilateral conversations in the main with departments who are significant property users. So, for example, we meet regularly monthly with senior officers and with politicians where appropriate in the Education Department, for example, to look at the education

estate. That estate by area is about 50 per cent of the States' overall property portfolio, so it is a very important area and it is an area that requires a lot of investment in terms of bringing it up into good order and has had a considerable amount of attention. So, that activity tends to happen at a bilateral level. It is brought together corporately where the corporate organisation considers corporate documentation. So, previously where we would have had the States' strategic plans, property would have formed part of the consideration at States strategic planning level or particularly looking at the capital programme. The Chair rightly mentioned some figures at the start of the process. The States' capital programme has a number of activities, and developing and improving property is one of the major ones. So, they come together at corporate touchpoints, if I may, but there is not a corporate organisational structure that holds property decisions in an arrangement which reports into executive and political corporate structures other than into the Council of Ministers. So, in my opinion there is a gap.

Mr. A. Lane:

Thank you. So, let us bring it back now. You mentioned both the target operating model, which is, I guess, to come and now being ... and you mentioned, sorry, the corporate strategy. How do you manage with these disaggregated stakeholders at the moment to make sure that the States manages property in line with its corporate objectives?

[14:15]

Director General, Growth, Housing and Environment:

I think as Ray said, it is based on a historical context and it is definitely suboptimal in that there is not that transfer. Again, property has been viewed as ... if you look at the original department that was pulled together, it was pulled together from 3 different sections. So property ownership used to sit with departments; it was brought together from the Property Holdings and the Treasury a significant period of time ago, but even that did not include all the property. So this actual bringing all properties together is a key function of what we need to do moving forward. At the moment, we are still operating this as the previous regime and we are in this transition period, which means some of ... we agreed with the Comptroller and Auditor General's report on all points and recommendations, but the solutions to that was something that we have not developed yet because we are still operating in this transition phase.

Senator S.C. Ferguson:

So roughly how much of the ... we had the session a few years ago where quite a lot of the property was transferred to Property Holdings. What sort of percentage of States property do Property Holdings look after directly?

Director, Property Holdings:

I would say it is the vast majority. I cannot give you a percentage but it is the vast majority. But there are some notable exceptions that will illustrate the volume, perhaps. The hospital as an entity for operational activity sits outside Property Holdings' portfolio. That was something that was a conscious decision. As we all know, the property is itself going through significant change and the ways of operating within the existing hospital will be very different in a new hospital, wherever that may be. Those ways of working will see a requirement to transition the existing staff into different roles and responsibilities. In a nutshell, it is sensible for the hospital to still be managed by the facilities management team within the hospital. However, it does not mean that they operate in a complete bubble. We work with them in terms of developing maintenance programmes, in terms of small works and internal works and, of course, looking forwards to a new facility. The other properties that I would highlight as being outside of Property Holdings' control - and I will come back to control, because it is quite an important distinction, in a moment - Philip Le Feuvre House is an anomaly because it sits within the "ownership" of the social security fund so it has always been operated as a standalone building by the Social Security Department within that fund. That will change - and, indeed, will happen sooner than the long-term proposed changes that are signalled by Mr. Rogers - by a set of necessities, and I will come back to those as well later on, I am sure. The other areas are things where we define property in an interesting way. The Energy from Waste plant is not property but is a physical asset and the demarcation that we took quite early on was something that performs the plant and machinery activity - so really it is a big machine housed in a box - sits within the infrastructure responsibility of another part of G.H.E. (Growth, Housing and Environment). So there are a number of properties that are operated and managed and controlled through other parts of G.H.E. because although physical structures they are more akin to plant and machinery with a box around them than property that houses people and functions and activities. An interesting and another example is car parks. At the moment car parks sit within a car parks trading account, separate trading account, and they have largely been exactly that, car parks with some small ancillary activities, toilets and the like. Now there is an opportunity with car parks to bring them within the wider property portfolio, look at improving them both as structures but also as properties delivering functionality, service, payback, income generation and other things. I think as transport usage develops and changes over the next period then that is a matter for some discussion.

Mr. A. Lane:

Thank you. The Comptroller and Auditor General calls out in her report some comparisons to U.K. (United Kingdom) best practice metrics in terms of space per employee. Now, I can understand from your description there may be different ways of calculating that metric, but we have seen a lot of commentary about building moves coming through. Can you tell us what space per employee you currently use across the portfolio?

Director General, Growth, Housing and Environment:

I think again we need to set the historical context here. No one ... apart from in 2 areas, there has not been a mechanism to charge for that space, so that space has been used very inefficiently over the last 30 years, and part of the new office strategy, the fundamental, is to get better ways of working and a far more efficient footprint and then recycle the buildings that we are moving out of into doing other things, to be redeveloped and to help particularly predominantly in St. Helier, develop St. Helier to a different place in terms of housing and local need. So there will be a significant change in the ... so the office we are inhabiting in Maritime House is set as a model for the new ratios and layout. Ray will know the exact figures, which I can never remember.

Director, Property Holdings:

Yes, I am glad you have put me on the spot there, John, to know the exact figures. Some figures I do recall and they are burnt into my mind. You would expect an efficient office ratio to be some 8 to 10 square metres, 80 to 100 feet roughly, per person taking into account circulation space and the like, and it will vary obviously depending on the efficiency of the building. A lot of our properties, the vast majority, are in inefficient buildings. The floor plates are not very good and that is no different to a lot of other organisations in Jersey. You will see the migration into new office buildings around the Esplanade and in the finance quarter being an example of where people are using buildings much more efficiently than they were in the past, and the States has to do the same thing. So the number that is in my mind is 236 square feet per person ...

Mr. A. Lane:

That is currently?

Director, Property Holdings:

... and that is one example of the spatial usage in Morier House. That is the worst ...

Mr. A. Lane:

What is it across the portfolio?

Director, Property Holdings:

Across the portfolio it varies wildly, but on average it is somewhere around 150 square feet per person, so it is roughly ... it is anything between 30 and 50 per cent more than it could be if those functions were delivered in efficient buildings using good quality space planning. However, that is only part of the story because what you need to understand also is how people work. The States works in a very sedentary way. There are lots of people who have a single desk to perform a single function and they are at that desk anything between 20 and 70 per cent of their time, some a bit

more than that if they are doing fixed jobs, but there is quite a lot of flexibility or productivity that could be delivered from flexibility.

Mr. A. Lane:

So what is your target for delivering that?

Director, Property Holdings:

The target is to get down to about 8 to 10 square metres, 80 to 100 feet per person, per desk setting. However, that is a very ... as a metric it is a rather stolid metric because we want people to work differently. The new chief executive has made it very clear he wants an agile and mobile workforce. He wants people out of the office dealing with customers at the most appropriate setting and that is something that we have been championing for some while. I am very happy to see progress being made in that area. Jersey is, as a small jurisdiction, very capable of creating not just a big monolithic office but satellite stations, and part of our strategy going forwards, if you are working in the north of the Island, do not come back to St. Helier to park a car and walk to an office, go to Howard Davis Farm, use the touchdown zone there and complete your report so you are nearer your customer.

Mr. A. Lane:

So when might we expect to see this 80 to 100 square foot target being met?

Director, Property Holdings:

It will commence with the Broad Street building that we acquired recently and is currently being fitted out, so that building will be based on a ratio of 7.5:10. So for 10 staff we would expect 7.5 on average to be there, so it will improve the productivity by desk ratios, and the building will deliver that 8 to 10 square metres. It is not an ideal footprint as a building but it gives some opportunities.

Mr. A. Lane:

When might we expect to see the target being met?

Director, Property Holdings:

Across the piece, that will depend upon the end state solution. So we will work to improve and work towards that target across all of our offices. We will not be able to deliver it in its entirety until we have a replacement end state building, which is likely to be 3 to 4 years away.

Ms. M. Scott:

You mentioned the strategy. Is this a written strategy, part of the current business plan?

Director, Property Holdings:

It is. There is an outline business case which has been prepared and approved by the Council of Ministers. It is in its draft form because we have to finalise some of the details of that business case, particularly the funding source, which is always a challenge, and to reflect, as Mr. Rogers said, the new target operating model and the aspirations of the new chief executive. The Council of Ministers' approved business case is not reflective of the current aspirations under the current operating model so it needs to be reviewed, but we are working on that at the moment and that will be completed within the next few months alongside these temporary interim moves that are taking place.

Ms. M. Scott:

That strategy is being developed in the absence of you having got together this corporate asset management group?

Director General, Growth, Housing and Environment:

Well, there is property and asset management across the whole of the Island, and I think Ray has referred to things like Energy from Waste plants, sewage treatment works, school playing fields, and then there is an office strategy, which is a different thing. I think it is easy to get those confused. I think the office stuff there is project governance in place, there is an overall strategic group leading that, and we have made huge strides. All this work has been worked on over the last 4 years but the previous political leadership and the previous officer leadership did not quite drive it to the nth degree and the changes, particularly from officers, has driven the office strategy as an imperative, which has meant we have made huge progress. We have secured a temporary location to transition into a new way of working. It is a fundamental change and a change we are all getting used to. As senior people, we work more obviously in lots of different places because we have a laptop and we will work like that, but for some of our officers that is a huge change. So we are looking at people who are fixed in their location. A lot of the law officers are so they need a certain ... then people who are flexible and people who are agile, as in they need a touchdown space, so that cultural piece has started now.

Director, Property Holdings:

Yes, the transition from one physical setting to another will only be partially successful if it is not underpinned by a number of changes in policy to allow flexible working and information technology to provide the tools and requirements to enable flexible working. It also needs a change in culture to free people up from output-driven or "presenteeism", which is still a facet of some areas of the States, into outcome-driven and results-driven activities.

The Connétable of St. Mary:

Director General, who will be responsible for producing the clear criteria within the target model which competing capital investment will be compared with?

Director General, Growth, Housing and Environment:

There is investment for just property and assets. There is again a new process which has been developed for dealing with capital and revenue bids that is currently being developed in parallel with Treasury and Exchequer and the Chief Minister's Department. It is basically a business case but it is more of a consistent approach than we have had in the past. So that is currently being developed now, but there is a board that has started sitting looking at the business cases for moving these things forward.

The Connétable of St. Mary:

Who will that sit with? Who will be responsible for the implementation?

[14:30]

Director General, Growth, Housing and Environment:

The board itself sits with the chief exec and the Treasury and Exchequer, which will effectively report to the Council of Ministers. But what we will do is my responsibility under G.H.E. is we will lead on the property elements of those bids when they come from ... so if Education, for example, need a new school or they need a change to their assets, then we will support them in doing their bids. So they will have a ... and again we are going to be reviewing benefits which are not just fiscal, so it will be benefits in terms of improving the type of education, improving the care that the kids are getting. There will be lots of other criteria which are less fiscal and something which hopefully we can get more balance to in terms of getting the right priorities through the political system.

Director, Property Holdings:

Yes, if I may add to Mr. Rogers, business case development and production has been something that has scope for improvement, I think is the case. There is not a one size fits all solution across the States. It is a single tier of Government has this issue that we are dealing with a £450 million project in one area, projects of tens of millions and then projects of a few thousand, a few hundred thousand pounds, but the principles of good business case development across all of those elements needs to be embedded. I think it is a bit give or take at the moment, to be fair, but there is a danger that we also import the most complex process and try and apply it across straightforward decisions. From my perspective, I struggle with not supporting departments in improving or developing their business case but understanding how relative priorities sit across the organisation. Is a new school more important or less important than a new sewage works? I do not know and I think that is an area where while we can produce the best analysis, unless we have something which compares against corporate strategic priorities, then we are only ever going to produce something that is technically competent but struggles with relative activity. I know from 20 years of experience

of being on the other side of resource allocation in the Treasury there will always be ... it is almost an immutable law there will always be 3 times as much bid for than is available. So there has to be some form of rationing process, and the rationing process has to link into those strategic priorities and has to be done through an analytical but balanced position.

Ms. M. Scott:

So just going through this rational and analytical process, for example, I can see that there has been a reference that the future hospital has been taking up your time and you have been talking about how you assess competing projects. But I am just wondering then in terms of working with the future hospital were you just looking at the sites that the States currently owned or did you perhaps think of the possibility of selling redundant sites and buying brand new land. How did this rationale ...?

Director, Property Holdings:

I will answer that briefly. It is not a brief question.

Ms. M. Scott:

I am sure it is not but ...

Director, Property Holdings:

I am very conscious that there is a review board that is considering some of those areas within its terms of reference so I will not steal their thunder. The short answer was that there was a longlisting process which looked at pretty much every site on the Island that was both within the States' ownership and without that was a potential site for locating the hospital. That was reduced by a shortlisting process down to a smaller number. In terms of would we ...

Ms. M. Scott:

I think that is enough.

Director, Property Holdings:

Yes, would we do the same for other activities? Yes, we would. Les Quennevais School is another example where an alternative site was selected through a process which included public engagement and consultation.

Ms. M. Scott:

Okay. I think we will come back to surplus properties later.

The Connétable of St. Mary:

Again, Director General, do you believe that your business plan would be more easily achievable if the Island Plan was revised to suit your strategic requirements?

Director General, Growth, Housing and Environment:

Yes. That was easy, was it not? The Island Plan has to be a more co-ordinated document and I think, again, the plan for the plan is to make it far more ... not just ... it always finishes up looking at what fields are going to do this, that and the other. I think the Island has missed a trick in terms of master planning an overall plan for the place, so there is a real opportunity now, particularly around St. Helier, the pressures that run with St. Helier, the reinvestment that it needs. We have issues with Fort Regent, which I am sure you are all aware of. There are lots of big things that need to be addressed and I think an Island Plan is the right document to be doing that but it has to be done with a bigger view and a bigger ambition in mind than talking about which fields are going to be rezoned, which it sort of finishes up with a big map and lots of coloured-in bits. I am being a bit harsh on the previous Island Plans, but I think we now have an opportunity with the new structure and the new operating model to make it a far bigger and more ambitious piece of work, which then underpins the Government plan and underpins the long-term strategy for our Island. So, I would say yes.

The Connétable of St. Mary:

Have you set a timetable for completion of the rolling programme of property reviews?

Director, Property Holdings:

The short answer to that is no because they are a rolling programme but that would be a facetious answer and it is not worthy of the question. We will need to do it in a cycle in the run-up to the next resource allocation process, so we are looking to do quite a lot of activity in 2019 in order to inform the 2020 and going forwards process.

The Connétable of St. Mary:

How will you be monitoring delivery of the agreed programme?

Director General, Growth, Housing and Environment:

We currently report within the organisation, within G.H.E., on progress and again it is something we are trying to establish. I think it is worth bearing in mind there has been quite a significant change in terms of how property maintenance has now moved within the organisation under the operations and transport element. So there has been a bit of a change so we will now be establishing that, so their reporting line is different. It still all comes under my responsibility but there has been a change over the last 2 months, Ray?

Director, Property Holdings:

That is correct, yes.

Director General, Growth, Housing and Environment:

So what we are doing is we are implementing through Concerto a software platform and mechanism for reporting and monitoring progress. That is pretty much in place now and has been rolled out to other parts of our organisation as well where we are planning that to other non-property-related assets. So we are having that mechanism, which will then enable us to report on a far better and far easier basis than we have done up to now.

Ms. M. Scott:

So is there something indicative that truly says when you propose to be doing a review of each property you have? I know you were being facetious but ... and maybe I do not have a thorough understanding of this, but just, you know, you have a number of different projects in terms of looking at just is there ...?

Director, Property Holdings:

Yes, that is correct. Because we are still rolling out reviews in departmental chunks, in effect, we have a certain number of things that are in a state where there is a forward-looking programme to deliver. An interesting one: the prison. I met the new Minister, Assistant Minister, Director General and Prison Governor. Not surprisingly, they are interested in looking at our forward programme for the prison, and rightly so. We have a programme of works for improving the prison, which is complex because you are literally physically bounded within the prison. Our programme was developed against a backdrop of funding availability, looking at the longer plan that Treasury was trying to set against affordability and the like. Discussions with those gentlemen going forwards may well change what we do within the prison to try and target things that previously were a priority but are less so because prison numbers have changed. The number of people within the prison has gone down, so the requirement for occupation space has reduced; it gives them opportunities. So the answer to your question is there are some things that are already in train for large parts of the estate that are plans that will be revisited and renewed. However, we have a number of buildings in a number of areas that need to have their own plans attributed to them. Fort Regent, as Mr. Rogers said, is one where we did produce quite an accomplished, I think, piece of work in relation to the opportunities for Fort Regent. It did not come to fruition. We need to now have a further look at that and that is another discrete area that needs to move forwards. What is not happening at the moment is joining all of those discrete reviews together to look in a structured way across the estate to see how we could manage that joined-up process, as was described, in a more formal manner. The bilateral discussions, as I have described them, give us the opportunity to put 2 and 2 together and make 5. We are doing it despite that corporate structure being in place, not within it, and I think if

we move into a more strategic view of how we use our estate, then we can plan our reviews in a much more ordered manner and we can get better value out of them.

Ms. M. Scott:

So then you have these properties which are being maintained and you have plans and dates for them, but am I right in thinking you have different people perhaps responsible for different groups of properties then?

Director, Property Holdings:

There is one organisation, part of the organisation, the maintenance team, but individual maintenance officers will have their own part of the portfolio. That allows them to understand the buildings, the history of the buildings, a bit better. It also allows them to develop relationships with the building users, so the head teacher, the person in control, et cetera.

Ms. M. Scott:

You are hoping to co-ordinate this better through your ...?

Director, Property Holdings:

Yes. I think there are opportunities there using the I.T. (information technology) systems as they develop to ...

Ms. M. Scott:

Concerto, this is the Concerto ...?

Director, Property Holdings:

Yes, that is correct, to be more ... to use the data that has been generated in a more active manner. It is fairly static data at the moment. So we understand things like the energy output. That has been fed into a programme of energy improvement measures across the organisation. We need to do much more of that in terms of other matters. The keep/sell decisions, which that will throw out, is another facet feeding into the asset management process going forwards.

Ms. M. Scott:

I think we will have some more questions about Concerto, but just before we get to that, can you just tell us what volume and value of property has been transferred to the States of Jersey Development Company?

Director, Property Holdings:

Over what period of time? I mean most of ... I will need to do this from memory so ...

Ms. M. Scott:

From its incorporation, sorry about that.

Director, Property Holdings:

That is okay. The S.O.J.D.C. (States of Jersey Development Company) took a lot of property on in terms of its 150-year lease when it was set up, and there is an answer to a States question in regard to that, which I cannot recall the details of. So their landholding is largely as a result of that lease. However, there have been some examples of transfers across for S.O.J.D.C. to develop out on behalf of the public. Property Holdings is not a commercial developer, so a recent example would be the Jersey College for Girls property, which S.O.J.D.C. took on and have developed out in accordance with the directions of the States to deliver a mixed development commercial and social affordable housing. So, that is an example. I can provide you with a list to ...

Ms. M. Scott:

With the overall figure we were talking about, can you give us a rough idea of how much has been transferred to the States of Jersey Development Company?

Director, Property Holdings:

Not from memory, no. I would need to provide you with that later.

Ms. M. Scott:

Yes, I would like to ask you to come back to that then. For example, with the Jersey College for Girls, how was that identified as surplus?

[14:45]

There is a property plan which Mr. Rogers' detailed response refers to about how properties are identified as surplus, but I am just wondering how you arrived at this recommendation that that, for example, was surplus.

Director, Property Holdings:

The building itself or the function in the building, should I say, was transferred in 1998 to its new site, so is it surplus at that point in time? There was no desire by the then Education Committee or any other body of the States to reuse that site for educational purposes. So, it is surplus as an education site. There is then a consideration as to whether it could be used for some other purpose and there were considerations for the site being a States office development and there were, from memory, one or 2 other opportunities that they saw and considered, but they were rejected as being either in

the wrong place or in the wrong type of building. So the proposal at that time was to look at the site as a residential development site. We have established it is surplus to requirements. We looked at some more ...

Ms. M. Scott:

Could I just interrupt you because there is just a bit of the process I just wanted to understand? You said that there were some considerations for other uses, so how did you communicate that this site was available? Was it just that you wait for departments to approach you or you ...?

Director, Property Holdings:

Yes, what we would have done is we would have contacted other departments to understand what their needs were and this was not ... this would not have been an isolated: "We have a free building, would you like to use it for something?" It would have been based upon already known requirements that they had identified as part of a capital bidding process.

Ms. M. Scott:

Communicated to you?

Director, Property Holdings:

That is correct, yes, or corporately perhaps through the Treasury.

Ms. M. Scott:

Yes, I think that answers it. Thank you.

The Deputy of St. Peter:

I would like to talk about your investment in Concerto, the asset management system, and where are you with that, basically an update on that initially.

Director, Property Holdings:

We have rolled out the maintenance element of that, which captures a lot of data. There is a lot of data and information within the system. The modules that are being rolled out at the moment include the project management module, which we have extended not just in the property area but we are looking at the system to provide project management process management across the G.H.E. organisation. So that will include projects relating to the structure and the like. Then the last piece that we need to do in the first sort of phase is to drop in the now cleansed data from our existing property management system. So we are still running the 2 systems in parallel, which is a little bit ... it is not as good as it could be, but we will hope to drop that in early next year so we will then have an integrated system for the data that we hold. What we need to do then is look at how we enhance

that system to look at how the buildings are then used. This brings us to an interesting discussion about what J.P.H. (Jersey Property Holdings) are. Are they an organisation that manage the buildings or do they manage as a corporate landlord the activity within the buildings? At present, we do the former, not the latter. So when we have conversations, as Mr. Lane raised, about occupancy, I have given you some figures because we did some survey work but that data is not fed into our system. It has to be procured on exercises. So there is an opportunity with Concerto to step change from being a data system that collects the attributes of properties and some of the operational data that we are privy to and move it into a corporate landlord activity system that we can then look at other metrics and develop K.P.I.s (key performance indicators) on the back of.

Ms. M. Scott:

Are you taking that opportunity?

Director, Property Holdings:

We will be, yes.

The Deputy of St. Peter:

It is obviously best practice to run 2 systems in parallel ... **[Laughter]**. I am just going back to the C. and A.G. (Comptroller and Auditor General) report. You have maintenance information that has now been added. Is this up to date? Was that what you were referring to?

Director, Property Holdings:

The maintenance functions, yes.

The Deputy of St. Peter:

So that is now up to date and going on well. The condition and input was supposed to be done between April and June 2018. Are you on track with that? Have you delivered that?

Director, Property Holdings:

That will happen in 2019.

The Deputy of St. Peter:

Okay, so that has been pushed back. You then talked about management reporting. What are you hoping to achieve from the management reporting and how will that link into the K.P.I.s that you are setting yourself? I am not quite clear whether they have been set or not yet.

Director General, Growth, Housing and Environment:

Again, it is going to be exception reporting, customer portfolio and a simpler methodology for myself and Ray and senior people to look quickly at the information and make sure as that goes into the political sphere we can advise on. Predominantly getting rid of properties is our ultimate goal. The less properties the better is our intent, and whatever we get make sure it is as efficient and operates as best as possible.

The Deputy of St. Peter:

Okay. Have you done mock-up reports on that to define the criteria against which you are going to do disposals or not as the case may be?

Director General, Growth, Housing and Environment:

Not yet.

The Deputy of St. Peter:

Because that is quite important on a database that you are collecting from that. Has that been considered? Are there projects to consider the data you are capturing to deliver the reports and subsequent K.P.I.s that you require?

Director, Property Holdings:

The answer is yes, as part of the ... once we have the data captured, in parallel we will be working up reports. Those reports will need to integrate with the business case development that is happening primarily within the States Treasury and Exchequer function. So we will be working hand in hand with those particularly for keep, lease out, buy, sell decisions. As much as I do not want to correct my Director General, we do have an interesting position with regard to disposing of assets. The States has redundant assets and we have identified some of them and we have disposed of a number over the years. Some are more difficult to dispose of than others. I have disposed of Piquet House 3 times but I still own it for some reason. We need to ensure that we do not simply have a: "Is it operationally useful, yes/no?" and a binary decision to dispose. Our portfolio historically really contains a number of properties that derive an income to the public. The beach café is one example. One of the things that Property Holdings does on behalf of the States because it generates revenue that can be reinvested is to look at how we maximise the return from those properties. That is something that we have been I think fairly successful in doing over a number of years, looking at longer term relationships and arrangements. So keep/sell, I am afraid, is not the only decision; there are others.

The Deputy of St. Peter:

Yes, I am just checking that you have thought out initially the criteria against which you are going to make those decisions whereby you are collecting the data accordingly. Because you have a dual

role, one of which is to maximise the return on investment against commercial tenants, and the other is to ensure you are delivering a social role to the benefit of the Island.

Director, Property Holdings:

Indeed, and those 2 roles are mutually compatible but come in conflict from time to time.

The Deputy of St. Peter:

Or totally incompatible, I can fully understand. How does that fit in with the overall I.T. strategy both within Property Holdings and beyond? I will extend that.

Director General, Growth, Housing and Environment:

It is your field of expertise, is it not?

The Deputy of St. Peter:

Well, no, it is just that I am very, very conscious that ... and I have asked the question of a lot of departments during my new Member training course, and I ask the same question. Taxation is building something, social security is building something, and unless that is brought together then you end up having incompatible systems. Data can obviously be collated but the systems are not integrated. Therefore, you end up going back to base one and building more and more siloes. I am just wanting your consideration of what you are doing proactively to ensure that what you are doing fits in with the whole States strategy.

Director General, Growth, Housing and Environment:

The chief operating officer who was the authority on I.T. I am meeting on Friday and that is one of the issues I will raise with him. The perfect world is to have one system. The States tried that. JD Edwards was the system and it did not work. The reasons why systems do not work, particularly when you run a country and not a council, is we deal with many, many things. In G.H.E. we have dedicated systems sometimes for doing dedicated things. So we manage our vehicles for all the States. The asset management system there is a vehicle one. It is called Tranman. It is one that is an industry lead, an industry standard, in terms of scheduling work and making sure those assets are safe and that covers all the police assets and fire assets. So there is a line where I think it has to be able to interface with some middleware. I am not sure if that is still a common term.

The Deputy of St. Peter:

If it works.

Director General, Growth, Housing and Environment:

Yes. There is a real fundamental discussion about I.T. in terms of making sure the systems are fit for that transference of data and that management. At the end of the day, for it to be utilised and successful, for the coalface, the guys using it, they have to see some benefit in using it, not just putting information into a system which somebody in the gods sees. So, I think your principles are absolutely right. Concerto is a modern system that can transfer its data and interface with JD Edwards currently but also any other bigger management system. I think that is the discussion I need to take up with the new C.O.O. (chief operating officer). It is a good point, though.

The Deputy of St. Peter:

Yes, it is a job that I am trying to ...

Ms. M. Scott:

One thing that you mentioned in your response was that in respect of the intention that this asset management system be comprehensive and accessible to all departments that have properties was your need to obtain authorities. So have you started any process there? Because as Rowland says, there is this point about people being able to input information on this system but also you were talking about the authorities that you need to get to make sure it is truly comprehensive.

Director General, Growth, Housing and Environment:

That is right, yes, and that work has started. Again, you have the new G.D.P.R. (General Data Protection Regulation) rules and regulations. You have data protection issues. You have lots of information. Some of the properties are very sensitive in terms of the functions that go on within them, so there is ... unfortunately it becomes complicated all the time. We have properties that hold stuff which no one wants to deal with. So there is some complication there, but that process is ongoing as part of the rollout.

Ms. M. Scott:

So will there be a point down the line when you can report back to us and let us know how we are getting on?

Director General, Growth, Housing and Environment:

Yes.

Senator S.C. Ferguson:

I may have missed it. You have finished the condition survey then?

Director, Property Holdings:

No, we have still got further condition surveys to do, which we will do in 2019. What we will add to ... because we have targeted areas where we know there are issues and then we will come back and look at other buildings. We need to do some other surveys alongside that. The Discrimination Law has thrown us a slight curveball because disabled access, what would be D.D.A. (Disability Discrimination Act) compliance in the U.K., means that we are going to have to ... and we have done some early work on this to try and establish what is needed to ensure that our buildings can be as compliant as is reasonably possible under the directions of the Discrimination Law. So we have held back doing further surveys until we have the Discrimination Law requirements added in so we do not have lots of people visiting buildings for a variety of purposes if we can have a visit that takes in all things. The Discrimination Law is quite interesting because having a law that was developed by people looking at the Island but not really looking at the public sector and the impacts on the public sector, we came very late into the process when the law was relatively fixed. So there was no understanding of what the financial implications would be to the public, and if you look at the report and proposition that went with the law, I think the financial implications are fairly thin whereas in my world the financial implications might be quite significant. So there is another area of not just joining up the property requirements of different departments to look strategically but also perhaps some of the other aims and aspirations of government and how that can be rolled out within the government buildings and frameworks itself because what we do not want to do is set a law and then not be able to comply with it.

[15:00]

Mr. A. Lane:

So including these specific new requirements, what sort of backlog do you believe you have in pound note terms?

Director, Property Holdings:

We have not done the work yet is the smart answer to that, but the unsmart answer is I would expect the disability discrimination requirements to run into a 7-figure sum, possibly £10 million plus.

Mr. A. Lane:

Other requirements?

Director, Property Holdings:

Other requirements? In terms of backlog maintenance, we are again £10 million plus, possibly more. It depends on where you want to get your buildings to, whether you want to get them compliant or whether you want to improve them to be high-quality, high-performing buildings. So there are a range of activities.

Mr. A. Lane:

Have you put this backlog into the mid-term financial plan?

Director, Property Holdings:

It will be, yes. The next cycle we have some backlog maintenance to deal with catch-up in some areas that had backlog maintenance allocations for specific purposes. In the current plan we need to review and revise that going forwards and also again to prioritise, but it sits back within this wider asset framework that we are not going to improve buildings that we are not going to hold for a long period of time. We also need to ensure that while they are in use they are compliant and they are fit for purpose.

The Deputy of St. Peter:

Sorry, just one more. I personally believe that we have to be digital leaders in an Island like this and that the best place to start is within our own Government. So you talked about a deliverable for flexible working. I just want to wrap up one particular question to say: what gaps do you have within your I.T. strategy that you would like to fill? Have you allocated additional budget for that to take us into that next generation of efficient digital working? What other ideas do you have to complete that?

Director General, Growth, Housing and Environment:

I completely agree with you. My department won an award at Digital Jersey's annual presentation last week for innovation in terms of rolling out Concerto across all our asset management and using ... my maintenance team now all use handhelds as they are out with their orders and doing their work in the field. I think there is a ... well, there is definitely a bid in to improve the mobility and the communications of all States employees as appropriate. That is being led by the Chief Operating Officer and the I.T. strategy therein that that is definitely part of. We are not going to succeed in our new working environment without it, so this is a fundamental change in terms of how people are going to have to work. Jersey has traditionally not moved on that step because people do not have to commute very far. The longest commute to St. Helier is about 8 miles, so it is not like people working in London or who travel hundreds of miles. So, we have kept it very traditional so people prefer to go to their place of work than to work from home, but those are the things we need to unpick really because working from home can be far more efficient as well as, as Ray suggested, the satellite options we are going to retain as part of this strategy so people can work closer to the customers and their clients and work in a very different way. But Jersey, certainly from our perspective, it is something that we have not really taken on board. It has normally been clocking on and clocking off and turning up in a traditional manner.

Director, Property Holdings:

If I can just add that the project structure, the governance structure for the office modernisation project, includes the new I.T. director - I am sorry if I have his job title wrong - as a key member of that board. So we are pulling together all of those strands because I.T. ... having the right device is one thing, being able to use it and use it appropriately in the right situations with all of the guidance and safeguards that go on around that, as I am sure you fully appreciate, is something that ... we are dealing with often personal data or certainly confidential commercial or other confidential data, so it is not simply giving somebody a laptop and allowing them to leave it ... fortunately we cannot on a train unless it is a very small train. We cannot do that in Jersey but we still have to be very clear about rules and regulations and protocols. So they have to be built up as part of the culture change that goes with different ways of working.

The Deputy of St. Peter:

I am trying to ascertain a willingness to get there.

Director, Property Holdings:

Absolutely there is.

The Deputy of St. Peter:

That is where I am coming from. I totally understand the challenges and potential pitfalls.

Ms. M. Scott:

I think this is a question that a lot of the public are interested in. Can you comment on the management and maintenance of Fort Regent? Then I have a couple of others here, but why do we not start with Fort Regent to kick off?

Director, Property Holdings:

Okay. The management of Fort Regent sits with G.H.E. now but in previous incarnations sat with what was the Economic Development Department because they had sport, leisure and heritage matters under their regime. So in order to look at the property aspects of that, the department, J.P.H. as part of G.H.E. - all these acronyms - works with the sports division to develop a set of service level agreements so there is an understanding of who is responsible for what areas of the building. Those service level agreements have been in place for some time now and budgets are allocated accordingly to the landlord and the tenant for those areas. Fort Regent itself is a very difficult building. It is a fort which in its structure means that it is effectively a poorer structure. It is never going to be something that you will ever make - without spending millions and millions and millions of pounds - a modern facility unless you do something different with it. We struggle and have been struggling most recently with issues in relation to the fabric of the fort, the internal fabric. Water penetration means that we have degradation inside the fort, which we are dealing with but it

is a bit of a Forth Bridge job, to be honest. We have to deal with things in a rolling process. Our target ... we put health and safety issues first and always have done and always will do. So areas of the fort that have been recently closed off have been done so because of health and safety matters. There is an underlying issue with the fort in that inherently it was built for a different purpose, so it has had a good operation in the last 40 to 50 years serving the public as a sports centre or recreation centre, but the fabric, the mechanical and electrical systems, the drainage system within the fort, are all ageing and need to be fully replaced. So there is a point now I think where the future of Fort Regent need bear some comprehensive discussion.

Ms. M. Scott:

I think in the minds of some of the public it has been allowed to deteriorate. Can you comment on that?

Director, Property Holdings:

I do not think it has been ... there has been any ... there has been no policy of allowing the fort to deteriorate. Again, we along with colleagues responded to a freedom of information request which was posted I think on Friday, our response, showing that we are investing on average about three-quarters of a million pounds every year into the fort, but it is a difficult building to deal with. The functions in the fort, should they stay in the fort? Could they be moved into a more modern building? If so, what do you do with the fort? They are decisions for the future but they are decisions for the near future now, I think.

Ms. M. Scott:

Could you comment on the plan to develop Fort Regent that was produced recently? It was a plan where a great deal of voluntary expertise was inputted, particularly among the local architectural community, and it seems to have gone nowhere.

Director, Property Holdings:

I will say a few short words and the Director General can comment more strategically. I worked on that scheme with others and I was very proud of that piece of work because I think it showed an example - and it may well have been a stylised example - but it showed an opportunity for the fort to recapture some of its essential heart of the Island as a facility but also dealing with it in a way by using modern "boxes" within the ditches and the like and then improving the interior. It allowed the fort to have a new lease of life. The difficulty with dealing with the fort is as well as its inherent structural problems is its accessibility. Part of the issues with that paper was trying to find a means to get people to and from the fort in a manner that was appropriate and interesting but also cost effective. In short, that scheme fell away because it came forward at a time when funds were very tight and being utilised on other priorities, but as a piece of work I think it still has a lot of merit.

Ms. M. Scott:

Was it realistic to initiate it?

Director, Property Holdings:

I think it was. I think it opened people's thinking to what could be achievable there and it also identified the issues. We got a lot of benefit out of that piece of work understanding the fort as a structural building and its place within not only the physical geography of St. Helier but within the hearts and minds of people.

Ms. M. Scott:

Could you please also comment on the management and maintenance of the sea cadets and La Folie prior to its transfer to the Ports of Jersey?

Director, Property Holdings:

The sea cadets building is a terrible building and it needs to be probably demolished and the functions moved elsewhere. Whether La Folie is the right site or not I cannot comment. It is not a building that sits within Property Holdings' portfolio, it is part of the Ports of Jersey, but it does provide an opportunity - and I am sure there are others - and relates quite neatly to one of the other recommendations in the report about having more joined-up conversations with our partner organisations such as the Ports of Jersey and other arm's length bodies.

Ms. M. Scott:

Thanks. You were asked to comment on the mention of the maintenance of these buildings.

Director, Property Holdings:

Yes. We have done our utmost to try and ensure that that building can continue and provide a home for the sea cadets until something better comes along, but the building itself is in a very poor state. Those repairs and maintenance have been really Band-Aids around a building that needs to have a different future.

Ms. M. Scott:

Can you just explain because it just sounds a bit circular when you say the building is in a poor state and you are not able to maintain it, but is it in a poor state because it is not being maintained?

Director, Property Holdings:

There are inherent problems with the structure and to put them right would be ... it would be cheaper to build a building somewhere else, is the short answer.

Mr. T. Rogers:

Mr. Foster, when did you join Jersey Property Holdings?

Director, Property Holdings:

2006? I cannot remember, to be honest with you. You probably have it written down so I am sure you can tell me.

Mr. T. Rogers:

Okay, no, fine. Were you surprised by the findings of the Comptroller and Auditor General's report?

Director, Property Holdings:

No, because I have worked very closely with the Comptroller and Auditor General's officer over a lengthy period of time.

Mr. T. Rogers:

Therefore, do you agree with them?

Director, Property Holdings:

I think we have stated in our report that we accept all the recommendations, yes.

Mr. T. Rogers:

So during your tenure do you feel that you have had the resources that you need to tackle the challenges that have been identified?

Director, Property Holdings:

One can never have absolutely 100 per cent sufficient resources. Have we had resources to make improvements? Yes, we have. Have we made all the necessary improvements to get us to the point we are a high-performing organisation? No, we have not. Some of that is resources and some of that will be other factors. Resources that we have within the organisation ... and it is a relatively small body of people. We are effectively a management organisation. We do not have people who are particularly the doers. We have a small team of architects and mechanical, electrical and project managers, but they have specialist knowledge about public buildings so they are a very valuable asset. Could we do more with those resources? I am sure we could; everybody can. Are those resources targeted to long-term planning and strategic management? Not nearly enough is the short answer. Do they get diverted to reactive activities? Yes, they do. Can we plan better in the future? Yes, of course, we can.

[15:15]

Mr. T. Rogers:

There seems to be a high degree of confidence that the new target operating model will liberalise and facilitate the types of changes. That effectively kicks in from 2018. So what is different about that to the period from 2006 to present?

Director, Property Holdings:

I think my Director General can talk about the future.

Director General, Growth, Housing and Environment:

The opportunity we have is we have the spread and the linkage between planning, property, asset management, infrastructure is all in one place now, so there is a huge opportunity. The new drive of one government and meaning it, not just saying it, is a fundamental change, I think. So we are hoping that some of the - I will be more candid than Ray - fiefdoms he has come across and some of the power he has come across and not been able to deal with, where people have not shared the resources and assets they have, I think Property Holdings has been the poor cousin in terms of asset management and maintenance. I think the investment in people and the investment in the buildings and the fabric of our assets has been cut over a long period of time. I think we have been through some challenging times over the last ... since I joined in 2004. We had a significant recession. We have had to make significant savings over that period. The first one was the £100 million we had to save. We have been through lots of savings programmes and it tends to be easier to save it on fixed assets than people, and the people bit is really hard to do in a small Island. It is something that you sometimes have to do, but saving it off assets is more palatable in the short term. The long-term effect is I think you finish up in real trouble. I will give you an example. We are currently demolishing the cable car station at Fort Regent. Can anybody remember when that was decommissioned?

Mr. T. Rogers:

1979?

Director General, Growth, Housing and Environment:

It is more than 20 years we have left it there. Now, can you give me a single reason for doing that apart from just a lack of foresight, a lack of having that investment and that money to do it? So we are doing it now at huge expense and it is very complex and it is difficult, but we are never going to put the cable cars back again and we are never going to reuse that building so why did we leave it 25 or 30 years since it was decommissioned? It is peculiar, is it not? So I think property has been a very easy one to let go of. If you look in some of my health colleagues' portfolios, and I am sure

Deputy Huelin has been looking at Overdale, I was shocked when I went round and saw the properties there. They are in a ... apart from the ones refurbished on the ... if you are going around the back of this, there are properties there that are absolutely awful and so there has been a huge legacy; the cost to replace, the cost of stock, you have to have a strategy, you have to have the funding, you have to start making good. There is a big backlog, which is why I ... although I contradict a bit, the less we have the more we look after it and the better it is going to be. So I think that Ray and his team have done a phenomenal job with the resources they have had available. There is real challenges and Ray mentioned trying to get rid of Piquet House being on its third iteration. So even a simple thing like that, a building that is really difficult to get people with any disability in there, a building that was not fit for purpose, a building that had a value to the private sector to do something different on, and we have not been able to get rid of it so we still have to maintain it and look after it and keep it watertight. It becomes very frustrating because you are not getting rid of those issues and you are still carrying on with those while still trying to drive other things forward. The sea cadets, perhaps Senator Ferguson will remember the sea cadets as being a long drawn out, difficult affair where we have come up with plans and strategies which have been knocked back for various reasons, so there is a lot of history here.

Ms. M. Scott:

I am sorry but am I right in thinking that Piquet House went out to tender?

Director, Property Holdings:

Piquet House has been advertised twice or possibly 3 times and we have got as far as recommending the disposal and it has been stopped from being disposed of.

Ms. M. Scott:

All right. No, I thought that had been ... sorry to interrupt you.

The Connétable of St. Mary:

Can I just ask, the fort was much more accessible when it first opened from what it is now because of the lack of cable cars. It is only the lack of maintenance that sees the fort where it is today. Whose fault is that?

Director General, Growth, Housing and Environment:

I think that is a really interesting question. There have been peculiar decisions made. I think there was a decision to build a leisure facility on the waterfront made I do not know how many years ago. People who have been here longer than me will know. I think that was the beginning of the end for the fort when the swimming baths were closed. I think stopping the cable car and decommissioning that without an alternative in place was also part of the end of the fort. The fort has huge affection

in the eyes of the people of Jersey and people care dearly about it, but without that accessibility and without that future plan for the next 50 years ... because what was successful in the fort 25 to 30 years ago would not be now. The world has moved on so we need to think how can the fort move on? It is an amazing building. It has a huge asset in terms of its location but that is also its detriment. A location with the fantastic views across St. Helier makes it amazing but it is a fort. It is designed to stop people getting in it and people forget that but it is a key thing. So there is a real challenge with the fort and, as Ray said, the previous work that was done was really ... a lot of people invested in. I take your point, a lot of private sector people, everybody has a view on what the fort should be, and I think it is now my responsibility to bring that together and to come up with a plan but it is going to cost money. It is going to be a significant investment. Hopefully it will be a public and private partnership where there are alternative uses in there. We have to think of what is the fort going to do for Jersey for the next 50 years, not looking back on it from the aspect from 1978 when it had a snake and boulder parks and all the things that people get all starry eyed over.

The Connétable of St. Mary:

Are you being compromised in your business plans by the policies of Treasury, P. and E. (Planning and Environment) and other departments? Are you working together to improve the delivery of your strategic objectives?

Director General, Growth, Housing and Environment:

Yes, that is a great question. We have to reset the ambition for our Island and I think that ... I am from Yorkshire and I have always prided myself on being quite tight and not spending much money, but I think Jersey men and ladies are another step above. I think we have to start reinvesting some of our money and working in a different way so that we can reset the ambition for the Island, particularly around things like the port, which has a huge input on the social benefit for St. Helier and for the wider Island. I think for St. Helier as well there has to be a step change in reinvestment. We have done a lot of work in St. Helier but it is piecemeal and it is small chunks of money. The town park is a good example. It was a millennium project that took 11 years to get agreement on but we built that project out at the end and it is a fabulous part of town now which sees lots of people using it and it has helped the lives of the people who live around that area. I think we have to take that as an example of how we can change St. Helier and the port. I think P. and E., which is now part of my organisation, and Treasury as a partner have to all work together but work on a different ambition.

Director, Property Holdings:

I would just add that planning in the past has felt - and I will describe this and this is no disrespect to my planning colleagues - that we have been treated, quite rightly, as an applicant when we are making planning applications in the same way as any other applicant, so without fear or favour, but

that is not how Government has to work with its Planning Department. We have to look at town planning, district planning, Island planning in a strategic way so that when, as Government, we bring forward planning applications they are set within a framework that is not simply the Island Plan framework for every applicant but within a Government framework that delivers progress through planning, and I think that is the difference.

Senator S.C. Ferguson:

Super, thank you. Can we go back to Tim, please?

Mr. T. Rogers:

There has been some reflection, and indeed you have asked of yourselves how are we here and why would those decisions come to pass and, frankly, I could not put it better myself. Given that, why are you confident that simply the change in target operating model will deliver the change that we have not seen and the ambition that we have not seen for the previous 14 years?

Director General, Growth, Housing and Environment:

We are going to set the framework. We are going to set the ambition. The end of it I think, and it is a good point, is politically that will need to be endorsed and I cannot control that political endorsement. I will use my best endeavours to try and promote that and win that argument, but there is that political essence which needs to be the final bit which enables that to happen, but what we will do is we will set a high ambition.

Mr. T. Rogers:

I understand that you were working with the chief executive to identify key performance indicators, property measures and service level indicators. When do you anticipate those being available?

Director General, Growth, Housing and Environment:

This is not just about property. This is across the whole of the organisation. We have had some very strange objectives in the past. When I first came here we had objectives on how much it cost to treat a cubic metre of sewage per annum. What that was was a measurement of rainfall so that basically the more it rained, the more water went through the sewage works, the cheaper it was, so it was not a smart objective. It was just an objective. It is something I want to be really careful about so we get proper objectives that can improve the business on a day-to-day basis, on a tactical basis, but also make sure we meet the strategic objective. That is going to be probably 5 years' work for the whole of my organisation but we will start doing that. It is basically starting in the next year. In fact, we are on with some now, but I am not going to underestimate that because to get them right will enable all the businesses under my control now to shine a bit more. Because again we are very good at getting a huge kicking for many things but we do fabulous work and we are world class in

many areas. We just do not show off about it or have those K.P.I.s which give us those things. So when Ray finishes a project we very rarely have a big celebration. When I finished the Energy from Waste plant we did not do a formal opening, yet it was built on time. It was £5 million under the budget and it has been a very successful project, but we did not feel as though we had the confidence to do that and I think that is a bit of a reflection on us and how we get perceived within this Island.

Mr. T. Rogers:

Thank you. You offered your initial response to the operation of land and buildings review in June and you have indicated that clearly there are a lot of things where you have not been able to make progress because you are still operating under the current legacy arrangements. How long do you feel it would take before we start seeing the new arrangements take effect and the fruits of that?

Director General, Growth, Housing and Environment:

Well, I have a bit of a dilemma in that my friend and colleague is going to be leaving us, so we have a real challenge in terms of how we get the right structure, the right people and we can develop that solution. So I am very reluctant to say when because it is not something that I am ... we need to go through a process to re-establish that.

Mr. T. Rogers:

But within a year?

Director General, Growth, Housing and Environment:

Hopefully.

Mr. T. Rogers:

Given your earlier comments that you anticipate ... in response to Mr. Lane ... to be able to list the properties within 6 months?

Director General, Growth, Housing and Environment:

Well, we can deal with some of the issues with interims and with people on a temporary basis, but in terms of fundamentally getting under the skin and moving the organisation forward this is not an easy ... managing property and buildings in the States of Jersey is probably one of the most challenging jobs of any of the jobs within my sphere because you have a myriad of clients, you have a myriad of different areas, and it is a very political position.

[15:30]

Senator S.C. Ferguson:

And Jersey men do not like selling property.

Director General, Growth, Housing and Environment:

They do not, or land.

Ms. M. Scott:

Just coming back to Tim's point, Mr. Rogers, I believe that the public are very concerned about the accountability of Government and the performance of Government, so I am just wondering what assurance you could give about the matters that Tim has asked because I believe that they are quite key to demonstrating that you will deliver and hold account yourself to deliver and the people who are working with you to deliver. So to have K.P.I.s, to have performance reviews that set out these sort of objectives, all seem to be a part of this and so I think it is quite important for us to understand what your commitment is and how you propose to take that forward.

Director General, Growth, Housing and Environment:

I am committed to do that across my organisation, but I also need the people in place so I can do that.

Ms. M. Scott:

Which people?

Director General, Growth, Housing and Environment:

My only caveat is I need those people in the positions and that will take a while to establish.

Ms. M. Scott:

So which people in which positions, please?

Director General, Growth, Housing and Environment:

Well, the director of special projects and property.

Ms. M. Scott:

So, okay, somebody ... your replacement?

Director, Property Holdings:

Yes.

The Connétable of St. Mary:

Do you think you would achieve your objectives far easier and more efficiently if you had a dedicated Minister?

Director General, Growth, Housing and Environment:

For G.H.E. or for property?

The Connétable of St. Mary:

For both; to encompass both.

Director, Property Holdings:

While you are having a think about that if I can just help, there has to be, under the current structure, a Minister who has property in their portfolio because States Standing Order 168 requires a Minister in that guise. At the moment that is the D.f.I. (Department for Infrastructure) Minister, Deputy Lewis. It has been others in the past and other roles as well because we have moved, as a function, around the States, settled within D.f.I. as part of a wider infrastructure body, which makes more sense to me operationally, but now we are within the G.H.E. function if there is one political decision maker at the head of G.H.E. who has political responsibility for all of the functions of G.H.E. but has the legal responsibility for discharging Standing Order 168 decisions, that is tricky because there will be internal friction potentially between wanting to do something but also being responsible for things like the Planning Department and some other strategic decision-making economic development so there will be internal conflict in that area. That is something that, while we talk about executive target operating models, the political model that works alongside that target operating model has also yet to come forward and be identified as to how it will work. I think political oversight is an important thing over all of those areas. I do not think it is delivered by one person, frankly, is my personal opinion.

The Deputy of St. Peter:

It seems to me the K.P.I.s have been discussed a lot and I introduced it in the concept of a database and management reportings, doing the same thing. It seems to be the big red flag in your ability to go forward, certainly with the imminent departure of Mr. Foster. How are you going to overcome that red flag? I will give you a wider one. What other red flags do you have that are going to hold you back from delivering on these goals?

Director General, Growth, Housing and Environment:

It is about capability and competence of resource and getting someone ... in terms of talking about Ray, someone with that understanding of the role here. Jersey is peculiar and has lots of particular issues, so it is really hard to find people of that calibre. I think we also have an issue with the workload we have. It does not really match the amount of people we have in this area. I think a lot

of that will be dependent on the outcome of the hospital review because that is a monster in terms of our time and effort, both myself and Ray's and the subsequent teams. So what happens is we have our day job, then we have another job, and then you have the things that come in, including a significant amount of questions about property because people are interested in it. It is the one thing that people can relate to in terms of ... I get far more questions about property-related matters than I do about sewerage. I am far happier answering sewerage questions than I am on property, but it tends to be the one that people relate to and politically people relate to as well. So I think it is a case of taking a step back and getting that resource plan right in the new operation, but it will need more people than we have now.

The Deputy of St. Peter:

You have more problems than solutions.

Director General, Growth, Housing and Environment:

We have a lot of challenges, yes.

Senator S.C. Ferguson:

Well, I assume nobody has any more questions. I am assuming because we have overrun slightly. Thank you very much for your time. We are minded to ask you back for a follow-up in 6 months' time. Can we expect to see an action plan with fewer T.B.A.s (to be advised) on it?

Director General, Growth, Housing and Environment:

Yes, you can.

Senator S.C. Ferguson:

So we expect to see you with your action plan and fewer T.B.A.s in 6 months' time. Thank you very much indeed for your time this afternoon, gentlemen.

[15:36]