

Strategic Property Management

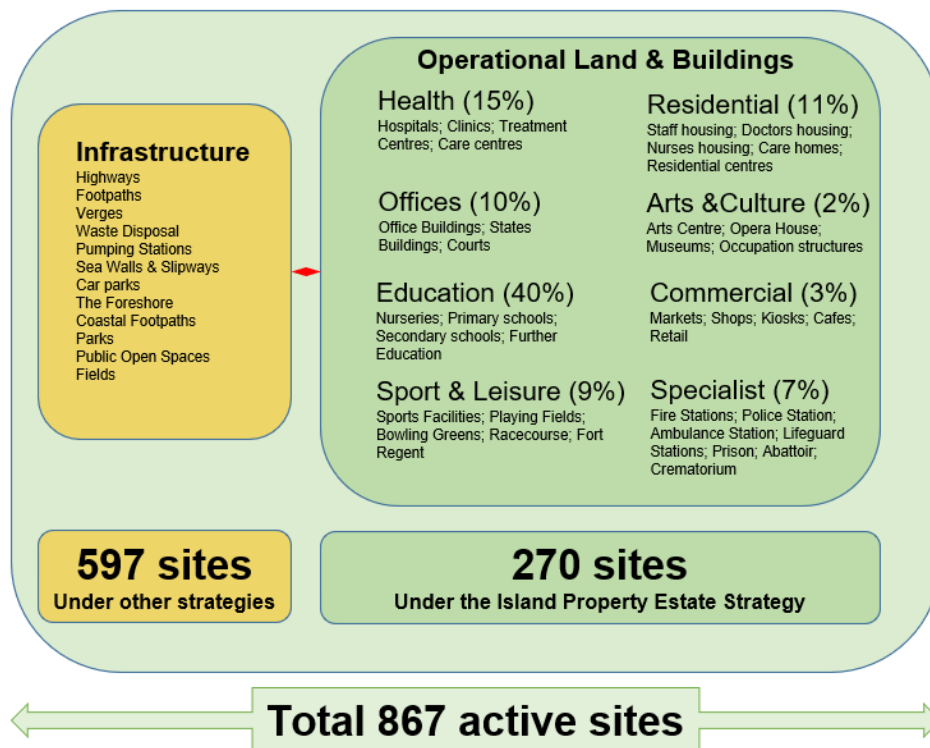
Project Specification

Background

The States of Jersey property estate provides an essential platform for public services and Government operations. The estate comprises 867 sites covering infrastructure and operational land and buildings. The States need to manage their property effectively in order to achieve their strategic priorities and to secure value for money in delivery of public services.

The first Island Property Estate Strategy was published in 2021 to guide the development and management of all Government operational land and buildings (270 sites) under a single corporate landlord model. Infrastructure assets (597 sites) are managed under separate strategies (Exhibit 1).

Exhibit 1: Overview of the public estate



Source: States of Jersey - State of the Estate 2023

As at 31 December 2023, the land and buildings owned by the States of Jersey Group had a value of £4.1 billion. Of this, approximately £1 billion related to social housing (including land) which is administered by Andium Homes Limited.

The Budget 2025 to 2028 (Government Plan) proposes expenditure of £212 million for Government feasibility, estates and infrastructure projects over the period, excluding the New Healthcare Facilities Programme.

The Functions of the Comptroller and Auditor General (C&AG)

Article 11 of the Comptroller and Auditor General (Jersey) Law 2014 requires the C&AG to:

- provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Public Finances (Jersey) Law 2005
- consider and report to the States on:
 - the effectiveness of internal controls of the States, States funded bodies and funds
 - the economy, efficiency and effectiveness in the way the States, States funded bodies and funds use their resources; and
 - the general corporate governance arrangements of the States, States funded bodies and funds; and
- make recommendations to bring about improvement where improvement is needed.

Objectives of this review

The objective of this audit is to assess the effectiveness of the States of Jersey's strategic arrangements to manage their portfolio of property assets to ensure value for money in the delivery of public services.

Scope

The audit will evaluate the States of Jersey's overall arrangements and procedures for strategic property management. It will also consider the arrangements for managing operational land and buildings and infrastructure assets. The audit will review how arrangements within the States, including within Jersey Property Holdings, integrate with the strategic direction of States-owned entities including Andium Homes, Ports of Jersey and the States of Jersey Development Company.

The audit will include a follow-up of the implementation of recommendations made in my predecessor's report *Operational Land and Buildings* (June 2018). It will also consider the action taken by the Government in response to the Public Accounts Committee Report (*Follow Up*) *Review of Estates Management 2021* (October 2021).

Audit approach

This audit will use a combination of a result-oriented approach and a system-oriented approach.

The audit will commence with an initial documentation request. The findings of the document review will be followed up by interviews with key officers and with other stakeholders.

The audit will commence in October 2024.

The detailed work will be undertaken by an affiliate engaged by the C&AG.

Audit criteria

To assess relative performance during our audit, we will assess performance against the following statements.

- The States have set out a clear vision and strategy for their estate.
- The States have engaged with appropriate stakeholders in developing their estate strategy.
- Clear decision-making, governance and accountability arrangements have been set out to deliver the strategy and are operating effectively in practice.

- Appropriate arrangements are in place to deliver the agreed strategy, including by managing the risks associated with:
 - incomplete, inaccurate and fragmented data
 - insufficient property management expertise
 - unrealistic or over ambitious plans
 - an emphasis on short term gains and a lack of long term planning; and
 - weak financial management.



JERSEY AUDIT OFFICE

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