

Strategic Property Management

14 May 2025

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Report by the Comptroller and Auditor General: 14 May 2025

This report has been prepared in accordance with Article 20 of the Comptroller and Auditor General (Jersey) Law 2014.

Contents

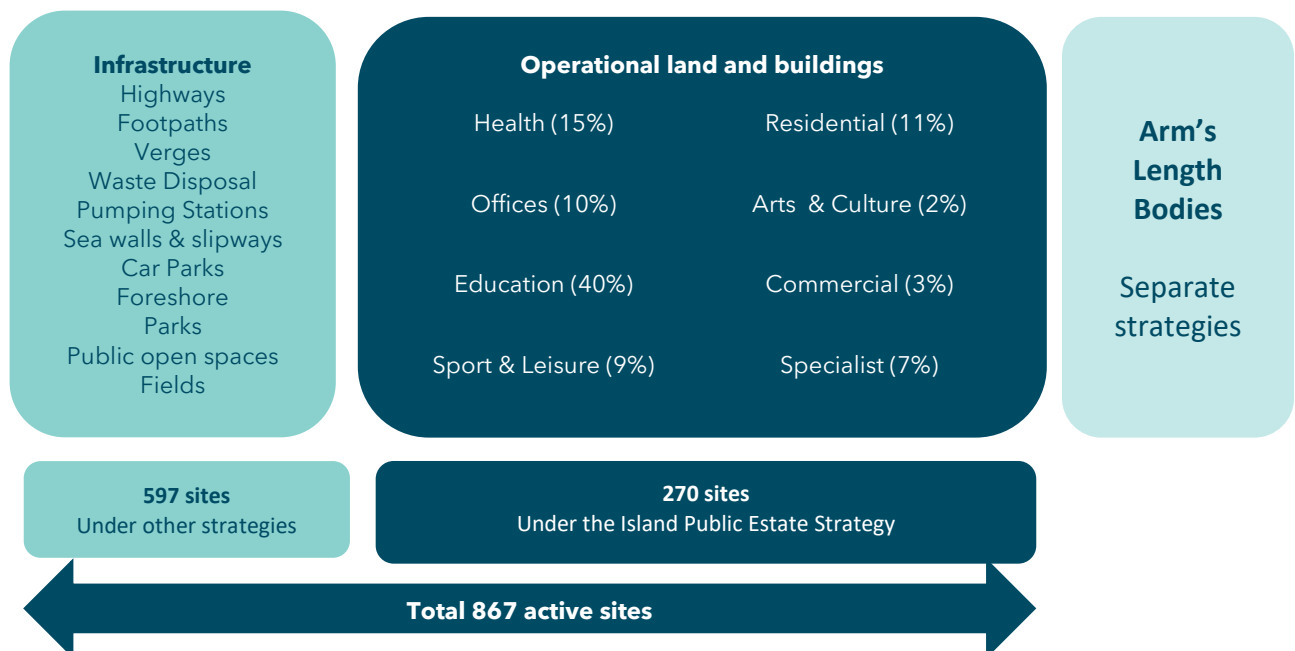
Summary	4
Introduction	4
Key findings	5
Conclusions	6
Objectives and scope of the review	7
Detailed findings.....	9
Background and previous recommendations.....	9
Scope of the Estate	16
Vision and Strategy.....	17
Consultation and engagement	24
Alignment with other strategies and plans.....	25
Governance arrangements.....	28
Condition of the Estate	31
Implementation of strategy	37
Appendix One – Audit Approach	42
Appendix Two – Summary of Recommendations, Work planned that should be prioritised and Areas for consideration	44

Summary

Introduction

1. Strategic property management is defined by the Royal Institution of Chartered Surveyors (RICS)¹ as the 'activity of aligning property assets with the strategic aims and direction of the organisation and adding financial and non-financial value to the organisation as a result'.
2. The States of Jersey property estate provides an essential platform for public services and Government operations. The estate comprises 867 sites covering infrastructure assets and operational land and buildings.
3. The public estate in Jersey has a direct relationship to the quality of public services delivered by the States and their contribution to communities and places. 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.
4. The first Island Public 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: State of the Estate Report 2023 (R.63/2024)

¹ Strategic public sector property asset management (September 2021)

Key findings

5. The States produced their first Estate Strategy, 'The Island Public Estate Strategy 2021-2035' (IPES) in 2021. While this was a positive step, the opportunity is now there to develop and improve the Strategy in line with best practice. The implementation plan indicates that much is still to be done to deliver the actions in the Strategy.
6. The Corporate Landlord model described at the time Jersey Property Holdings (JPH) was established in 2005, and as emphasised in the IPES, has not been universally embraced. As such, estate management remains fragmented across the States.
7. A full condition survey was completed in 2023 for the first time since 2011 and results are now being collated to provide consideration of a detailed maintenance and renovation plan over the next 25 years.
8. There is limited transparency on the estate maintenance backlog but the condition of the estate is set out in the public domain: 34% of the estate is categorised as good or excellent, 40% is categorised as between good and fair and 26% of the estate is categorised as fair or poor.
9. Investment in maintenance in recent years has been at levels below recommended benchmarks. In the absence of a detailed condition survey, the priority has been ensuring safety and compliance which has been reported by officers as achieved.
10. A project plan and methodology is in place for development of Strategic Asset Management Plans. These are intended to review the existing estate and identify needs at a service level and are a fundamental element of the IPES. However progress has been slower than anticipated. Much of the work on identifying needs, priorities and options is scheduled for 2025. This appears to be ambitious.
11. New governance arrangements were introduced with the IPES but there is limited evidence that the Corporate Property Management Board (CPMB) is operating strategically as described in its Terms of Reference. There is an opportunity to consider how political oversight of the entire public estate can be enhanced.
12. There is more to be done to demonstrate that the IPES aligns with other States strategies and those of the States-owned entities.
13. The States have not undertaken the C&AG recommended review of the States of Jersey Development Company (JDC) to confirm that it remains the most appropriate vehicle and operating model to deliver Government regeneration objectives in the longer term. Options related to potential changes to the future role of JDC have yet to be considered by the States.

Conclusions

14. A strategic focus for estate management has been very slow to develop since JPH was established in 2005. This is despite a range of internal and external reviews arriving at similar conclusions about the lack of strategic focus. The failure to develop and fully implement a strategic approach to property management is a concern which is likely to have had an impact across the States in both financial and non-financial terms which are impossible to assess. A vision and strategy are now in place but much remains to be done to deliver the cultural and other changes required to enable the States to demonstrate that their approach is strategic and aligned across the States of Jersey Group.
15. The approach to estate management and budgeting remains fragmented. Although JPH's role is described as the Corporate Landlord, in practice this is not the case. Leadership and commitment is required at political and officer level to implement the corporate landlord model if this is still the strategic aim of the States.
16. A strategic approach to property management requires completion of Strategic Asset Management Plans across the whole estate to match existing assets to what is needed and identify options for future acquisitions and disposals. The output from these exercises should be used to inform dialogue on an Island-wide approach to strategic property management including alignment with the strategic aims of States-owned entities.
17. Steps have been taken to quantify the maintenance backlog which will provide the basis for future maintenance plans. Investment will need to be at an appropriate level to maintain the estate and reduce the backlog. In time, this may be expected to reduce reactive maintenance expenditure and improve value for money.

Objectives and scope of the audit

19. This audit assessed 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.
20. The audit considered the performance of the States against the following statements (audit criteria):
 - 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.
21. This audit used a combination of a result-oriented approach (assessing whether objectives have been achieved and services are operating as designed) and a system-oriented approach (examining whether management systems are functioning properly).

Scope

22. The net book value of land and buildings in the States of Jersey Group Accounts at 31 December 2023 was £4.1 billion, excluding buildings under construction. This figure includes States buildings valued at £745 million and social housing managed by Andium Homes valued at £1 billion.

23. Exhibit 2 shows the total cost value of the public estate at 31 December 2023 including buildings and investment properties.

Exhibit 2: Scope of the Island Public Estate

Body	Asset value (cost) £000	Investment properties £000
States of Jersey	1,043,987	
Ports of Jersey	32,540	74,130
Andium Homes	1,288,117	20,788
JDC	39,994	16,050

Source: Annual Reports and Accounts 2023 for States of Jersey, Ports of Jersey, Andium Homes and JDC

24. At 31 December 2024 the net book value of land and buildings in the States of Jersey Group Accounts was £4.4 billion excluding buildings under construction.
25. The audit evaluated the States of Jersey's overall arrangements and procedures for strategic property management. It also considered the arrangements for managing operational land and buildings and infrastructure assets.
26. The audit reviewed how arrangements within the States, including within JPH, integrate with the strategic direction of States-owned entities including Andium Homes, Ports of Jersey and JDC.
27. The audit included a follow-up of the implementation of recommendations made in my predecessor's report *Operational Land and Buildings* (June 2018). It also considered the action taken by the Government in response to the Public Accounts Committee Report (*Follow Up*) *Review of Estate Management 2021* (October 2021).
28. The New Healthcare Facilities Programme was explicitly excluded from this review, as it is planned to be subject to a separate C&AG audit in 2025.

Detailed findings

Background and previous recommendations

29. In 2005 the States considered a proposition on estate management which referred to previous reviews highlighting a number of shortcomings in the way that property assets had been managed. These included:
- dispersed and inconsistent ownership and control of States' property
 - absence of a clear, single point of accountability for property
 - no system for accounting for the value, true cost of property assets and services
 - slow decision-making and approval process through Committee structure
 - shortage of people with relevant property skills
 - inadequate separation between the strategic 'client' (policy-making) function and the executive 'provider' function
 - lack of authority and control to ensure that policies are carried out
 - property seen by users as a 'free good', with no incentive to use efficiently or maintain properly; and
 - maintenance budgets used for other purposes.
30. Proposition P.93/2005 recommended the following principles for the management and administration of States property in future:
- the creation of a new department to be known as 'States of Jersey Property Holdings' (JPH), in order to develop a modern, innovative approach to the management of property and deliver the aims as set out in section 3 of the report
 - the transfer of administration of all States property assets, with the exception of those assets under the administration of Trading Committees and Social Housing currently administered by the Housing Committee, to JPH
 - the transfer of existing staff with property responsibility to JPH
 - the development of a States Property Plan, to include all States Property, to be agreed by the States as part of the States Strategic Plan

- the development of a JPH Business Plan in accordance with the agreed States Property Plan and approved by the States as part of the Annual States Business Plan, which would authorise the department to develop, sell, buy, re-allocate or otherwise manage the property or interests in property as identified within the plan
 - the development of a fully integrated landlord and tenant system of property provision and maintenance between JPH and States Departments, regulated through Service Level Agreements (SLAs); and
 - the introduction of a charging mechanism for all property assets to reflect the true cost of occupation.
31. More recent reviews of property management arrangements have included:
- C&AG Review - *Operational Land and Buildings* (June 2018)
 - C&AG Review - *States of Jersey Development Company* (June 2020)
 - Public Accounts Committee - Review of Estate Management 2019 (P.A.C. 1/2019); and
 - Public Accounts Committee - (Follow Up) Review of Estate Management 2021 (P.A.C. 3/2021).
32. My predecessor's 2018 report concluded that there were fundamental issues that needed to be addressed in order to improve the management of property. These included the need for:
- a comprehensive corporate property strategy
 - a corporate group to lead on property management as described in P.93/2005
 - a programme of ongoing property reviews; and
 - consistent data collection on the condition of the estate (due to no full condition survey having taken place).
33. My predecessor's 2018 report contained 25 recommendations. The Tracker system used by the States to monitor implementation of recommendations from C&AG audits shows all of these recommendations as closed. Reasons for closure are set out as being due to implementation or because the recommendation has been superseded by another report, for example from the Public Accounts Committee. Exhibit 3 shows my analysis of the status of the 2018 recommendations.

Exhibit 3: Progress on recommendations from C&AG review of Operational Land and Buildings (June 2018)

Area of focus	Number of recommendations	Evaluation
Overall arrangements	1	Implemented Target Operating Model implemented and capacity improved. Limited vacancies at present time.
Vision and strategy	9	Further work required The IPES is now in place. The supporting implementation plan including 59 actions requires refinement to demonstrate implementation of the IPES. An ambitious timetable has been prepared for Strategic Asset Management Plan reviews to be undertaken in a structured way from 2025, to assess property requirements against need and priorities. While a Corporate Asset Management Group has been established, it is not yet operating effectively. SLAs with departments were being revised at the time of my fieldwork.
Consultation and engagement	2	Further work required The IPES was prepared without a formal consultation process with States-owned entities. The corporate landlord role is not universally embraced across the States which results in some property decisions being made without the involvement of JPH. This creates a risk to the strategic alignment of property decisions.
Implementing plans and programmes	3	Further work required Processes for disposal and acquisition have been refined and added to Public Finances Manual (PFM). A programme of property reviews was agreed as a priority in the IPES but progress has been slower than anticipated.

Area of focus	Number of recommendations	Evaluation
Performance review	10	<p>Further work required</p> <p>A property condition survey has been completed and the results analysed. A proposed investment plan was presented to the Executive Leadership Team (ELT), the Chief Minister and the Minister and Assistant Minister for Treasury and Resources in February 2025. This is now being refined for inclusion in the Budget to be presented to the States Assembly for 2026 and beyond. Further condition surveys are planned in the IPES.</p> <p>Performance indicators have been agreed and are included in the IPES covering:</p> <ul style="list-style-type: none"> • condition and maintenance • property costs • environment • suitability; and • sufficiency. <p>Internal charging arrangements remain variable and further work is required in this area.</p>

Source: C&AG report on Operational Land and Buildings (June 2018). Analysis by Government of Jersey in the C&AG Recommendations Tracker 2024

34. While there has been progress since 2018 much remains to be done in order to achieve the outcomes expected through implementation of the range of recommendations.
35. The PAC reviews in 2019 and 2021 were critical of the progress being made. In 2021 the PAC concluded that:
 - a strategy had been prepared in 2021 but with no realistic and comprehensive implementation plan
 - arrangements relating to the various groups responsible for property management were confusing
 - there was a lack of clear leadership and vision which resulted in poor decision making
 - departments were not proactively engaged to identify needs; and
 - there was no co-ordinated approach to property maintenance.

36. My report *States of Jersey Development Company* (June 2020) considered the relationship between the States and JDC as well as operational matters within JDC. The report included 23 recommendations. The Government's C&AG Recommendations Tracker records that all of these are implemented with the exception of one recommendation relating to a strategic review of JDC.
37. An independent review was jointly commissioned by JDC and the Government and was undertaken by an external company (JLL). This review was reported in December 2021. However, the large number of recommendations made in respect of strategic property management and the role of JDC have yet to be formally considered by the States. These recommendations include potential revisions to the role of JDC and are summarised in JDC's 2024 Strategic Business Plan. These include the potential for:
- expansion of the role of JDC
 - clarity of the roles of JDC and Andium Homes in relation to regeneration and development
 - strategic land banking; and
 - commitment to transfer surplus sites from the States to JDC as soon as possible.
38. My 2020 Report noted that:
- Since the establishment of JDC, the Government has not undertaken a formal review of the role of JDC to satisfy itself:*
- a) that the outcomes to date are meeting the objectives set out in the original proposition; and*
- b) whether any changes could enhance delivery of Government property objectives.*
39. The review undertaken by JLL does not meet the objectives of the formal strategic review recommended in my 2020 Report.
40. Exhibit 4 summarises my evaluation of the progress made in implementing the recommendations contained in my 2020 Report.

Exhibit 4: Progress on recommendations from C&AG review of States of Jersey Development Company (June 2020)

Area of focus	Number of recommendations	Evaluation
Strategic context	3	<p>Further work required</p> <p>The strategy and timetable to develop asset management plans have been drafted. More work is however required to demonstrate integration of the IPES with other Government strategies and the Strategic Business Plans of relevant States-owned entities</p> <p>A review of the property service delivery mechanism including the role of JDC was completed in December 2021, but the recommendations from this have not yet been considered by States. The review focussed on a service delivery mechanism for managing the Government's property portfolio. It was not a strategic review to confirm that JDC remains the most appropriate vehicle and operating model to deliver the Government's regeneration objectives. This C&AG recommendation has still not been addressed.</p>
Roles and responsibilities	1	<p>Implemented</p> <p>Responsibilities for monitoring and review within the States are clear.</p>
Memorandum of Understanding (MoU) and compliance	4	<p>Implemented</p> <p>MoU revised and improved.</p> <p>Monitoring processes to review compliance are robust.</p>
Risk assessment	1	<p>Implemented</p> <p>Risks to delivery of JDC objectives are set out clearly in its Strategic Business Plan.</p> <p>The MoU requires consideration of these risks at quarterly shareholder meetings including consideration of risks which may impact on the States as shareholder.</p>

Area of focus	Number of recommendations	Evaluation
Financial benefits	4	Implemented The revised MoU specifies financial reporting requirements. This includes forecasts for the next two years and anticipated distributions to the shareholder. Quarterly progress against forecast is discussed at shareholder meetings.
JDC arrangements	10	Implemented Recommendations have been addressed by improvements to Strategic Business Plan, MoU revision and internal improvements by JDC. The MoU provides the framework for the relationship. States officers use quarterly meetings and document reviews to assess compliance with the MoU.

Source: C&AG report on States of Jersey Development Company (June 2020). Analysis by Government of Jersey in the C&AG Recommendations Tracker 2024

41. The report produced by JLL in 2021 considered the service delivery mechanism for managing the Government's property portfolio, including the role of JDC. The findings resonate with the tone of the feedback from other reviews. The JLL review included the following conclusions:
- *The estate management function within Government is at the lower end of the maturity curve*
 - *There is a need for greater focus on strategic planning; and*
 - *There are four entities (States of Jersey, Andium Homes, Ports of Jersey and JDC) undertaking development, management, maintenance and disposals of Government property. To a certain extent they operate independently but synergies and efficiencies could be created by improving communication and coordination.*
42. To an extent, some of the recommendations in the JLL report have been, and continue to be, addressed through the implementation of the IPES. However, the implementation is not being undertaken in a structured way that demonstrates a considered response to the external review. There is therefore a risk that important recommendations from an external observer have not been adequately addressed.

43. In summary, my conclusion from reviewing action taken in respect of previous recommendations is that the States have failed to deliver on some of the key principles outlined in the Proposition which established JPH 20 years ago. While it is evident that some progress is being made, this has been extremely slow. The failure to develop and fully implement a strategic approach to property management is a concern which is likely to have had an impact across the States in both financial and non-financial terms which are impossible to assess.

Recommendations

- R1** Review and update all recommendations related to the Government of Jersey within the 2021 JLL report to ensure that all relevant and current issues are reflected in the implementation of the IPES.
- R2** Implement previous C&AG recommendations and those in the JLL report that highlight the need to undertake a strategic review of JDC to confirm that it remains the most appropriate vehicle and operating model to deliver Government regeneration objectives in the longer term.

Vision and Strategy

The Island Public Estate Strategy 2021-2035

44. In my report *Risk Management - Follow up* (October 2022), I noted that estate management was recorded as the highest corporate risk in the States risk register at that time. This was due to the potential impact on health and safety obligations with a further related corporate risk being recorded based on the potential for service disruption due to lack of maintenance. The mitigating control was identified as the development and implementation of a properly resourced Estate Strategy.
45. The States published what they described as their first comprehensive estate strategy, the Island Public Estate Strategy 2021-2035 (IPES) in March 2021 (R.52/2021). The estate management risk based on lack of a strategy is no longer included on the Corporate Risk Register as officers report that health and safety compliance priorities have been addressed.
46. The IPES includes a vision and a mission statement which are shown in Exhibit 5.

Exhibit 5: IPES Vision and Mission Statement

Vision

To create a modern, efficient, effective, sustainable public estate, under one corporate landlord, that supports and enhances our communities, and protects our Island's future.

Mission

To provide and maintain a safe, compliant public property portfolio in a responsive, innovative and customer focussed manner.

To balance commercial and community obligations, supporting continuous regeneration, a sustainable environment, and a vibrant economy.

Source: Island Public Estate Strategy 2021-2035 (R.52/2021)

47. The IPES represents the first estate management strategy for Jersey. It covers property assets only and separate strategies are required for infrastructure assets including:
- coastal infrastructure
 - highways
 - public open spaces
 - public car parks

- solid waste infrastructure; and
 - liquid waste infrastructure.
48. Asset management policies and plans for infrastructure assets are the responsibility of the Enterprise Asset Management Office within the Infrastructure and Environment Department.
49. The structure of the IPES drew on suggested good practice included in my predecessor's report from 2018 as well as published material from the Royal Institution of Chartered Surveyors (RICS). Exhibit 6 compares the content of the IPES with the good practice sources.

Exhibit 6: Island Public Estate Strategy content compared to good practice guidance

C&AG suggestion	RICS Good Practice	IPES content
Vision and objectives	Strategic context	Current estate
Asset detail	Asset management planning process	Vision and mission
<ul style="list-style-type: none"> • Portfolio overview • Suitability 	Asset detail	Objectives
Financial Summary	Risks and opportunities	Corporate landlord model
Priorities	Objectives	Governance
<ul style="list-style-type: none"> • Management • Maintenance • Compliance • Environmental 	<ul style="list-style-type: none"> • Financial implications • Risks • Outcomes and benefits 	Delivering the strategy
Investment needs and plan	<ul style="list-style-type: none"> • Success measures • Action plan 	<ul style="list-style-type: none"> • Strategic • Customer focused • Financial • Innovation • Operational
Performance measures	Resources and governance	Asset management plans
		Risk and opportunity
		Performance measures

Source: C&AG report on Operational Land and Buildings (June 2018), Royal Institution of Chartered Surveyors Strategic Public Sector Property Asset Management (September 2021), IPES 2021-2035

50. As Exhibit 6 demonstrates, the structure of the IPES reflects many elements of recognised RICS good practice and the C&AG suggestions. I acknowledge that the IPES represents progress by finally beginning to fill a strategic gap which had been outstanding for many years.
51. However, the IPES lacks depth in a number of key areas. Specific areas for enhancement are included in Exhibit 7. I understand that a review of the IPES is proposed for later in 2025 with publication to follow in the first quarter of 2026.

Exhibit 7: Suggested areas where Island Public Estate Strategy can be enhanced

Policy and strategic context

At the time of drafting the IPES, the strategic context was provided in the:

- Island Plan
- Future Jersey 2017-2037
- Government Plan 2020-2023
- Common Strategic Policy 2018-2022

The IPES contains no detail to demonstrate how it relates to the wider strategic context or other service strategies and policies within the States.

Much of the wider strategic framework has been updated since 2021, including the Common Strategic Policy (2024-2026), subsequent Government Plans and Budget and the Bridging Island Plan 2022-2025 which includes relevant policies such as:

- Climate change and the Carbon Neutral Roadmap
- Spatial strategy
- Placemaking
- Protecting and promoting local identity
- Protecting natural environment; and
- Planning for Community Needs.

The IPES is described as 'enduring' but it is difficult to see it as part of an integrated approach without clarity on the relationship with other parts of the strategic and policy framework.

The IPES is described as being relevant until 2035 with a review period 10 years after launch. However, the social, economic, political and technological environments in the public sector are such that more frequent periodic reviews and updates are recommended in order to ensure that the IPES remains relevant.

Alignment with other bodies

The IPES makes reference to the strategies of the States-owned entities of:

- Andium Homes
- Ports of Jersey; and
- JDC.

The IPES does not include any reference to the strategic aims and objectives of these entities and the strategic alignment between them and with the States. Conversely, the strategic business plans of the three States-owned entities do include references to the relationship and alignment with the States strategic framework.

Financial

The IPES quotes the value of the estate and estimated maintenance spend but has no other financial data. For example the IPES is silent on:

- details of current revenue and capital budgets

- estimated backlog and associated costs
- investment plans or the detailed processes to agree these; and
- how financial risk will be mitigated.

Sustainable well-being

The IPES does not include any reference to the obligations on the Council of Ministers in respect of sustainable well-being as set out in Article 9 (9) of the Public Finances (Jersey) Law 2019.

Risk

Headline risks are included in the IPES but these are not quantified and mitigating actions are not outlined.

Stakeholder engagement

The IPES does not include any detail on how internal and external stakeholders were engaged in its development.

Governance structures

The IPES introduces a new governance structure including the Corporate Asset Management Board at officer level which feeds into the Regeneration Steering Group at political level. There is limited detail on roles, responsibilities, relationships and accountabilities of the groups responsible for governance.

Performance measures and benchmarks

Proposed performance measures and benchmarks were included with further work required at the time the IPES was drafted. This work was completed and the State of the Estate report published in April 2024 included a suite of agreed performance indicators.

Action Plan

The IPES includes actions described as 'what needs to be done'. These are grouped into five areas with the number of individual tasks and measures as follows:

Area	'What needs to be done'	Measures	The number of individual actions to deliver the strategy is high and there is no detailed action plan appended to the strategy with responsibilities and timeline to demonstrate that delivery is achievable.
Strategic	10	5	
Customer	11	5	
Financial	14	6	
Innovation	9	4	
Operational	12	4	
Total	56	24	

Source: Jersey Audit Office analysis

The Corporate Landlord Model

52. The corporate landlord in the IPES vision is a pivotal aspect of the estate management model and reflects the aspiration set out in P.93/2005 which

established JPH. The IPES describes the concept of the corporate landlord model which *'aligns governance, decision making and budget management around all property assets and the responsibility for their management and maintenance in one place. The function of the corporate landlord role is to ensure that service departments are adequately accommodated, to ensure that the future asset requirements for each service are identified and procured and to maintain and manage the property assets in accordance with corporate strategic priorities and standards and relevant legislation.'*

53. Despite this model being agreed as part of P.93/2005, and despite it being part of the approved IPES, the corporate landlord model has still not been consistently embraced and implemented across the States. The risk of an inconsistent approach is that property decisions may be taken outside of a structured Strategic Asset Management Plan approach and may not meet overall objectives.
54. Areas where the corporate landlord model is not applied consistently include:
 - management of properties rented to tenants
 - framework for income generation decisions
 - management of the estate; and
 - operation of estates budgets.
55. The States lease a number of properties to tenants. Leased properties include 499 residential units (predominantly for key workers) and 23 commercial properties. These are managed through JPH and relevant departments including Children, Young People, Education and Skills (CYPES) and Health and Care Jersey (HCJ). In my report *Staff Recruitment and Retention* (March 2025) my recommendations included the need for a consistent policy on accommodation benefits for employees and a greater alignment of rental income and maintenance budgets.
56. Decision making for income generation in respect of rental properties managed by JPH is inconsistent. There is no policy framework supporting decisions on the rental charges. For example, in considering renewal of the Central Market leases, JPH's preferred approach was to move to a more commercial approach regarding both the lease term and the rental. However, I am advised that this was challenged by the Minister for Infrastructure who preferred nine year leases rather than the shorter leases proposed by JPH. The nine year lease terms expired on 31 December 2022 and were extended for 2023 and 2024. The tenants are currently operating with no lease while the Ministerial Decision is pending.
57. Management of the estate and the associated budgets remains fragmented which is at odds with the mandate in P.93/2005 and the IPES. While this is

understandable for some specialist parts of the estate, such as the Prison (for security purposes) and those parts of the health estate which require technical expertise, the rationale for other assets is not clear. This fragmentation causes confusion and presents difficulties in trying to identify key metrics such as overall maintenance spend across the entire Government estate.

58. CYPES retains a maintenance team and a small project team. HCJ also has staff responsible for engineering and maintenance responsibilities covering complex sites as well as the more routine estate such as residential properties. In order to provide a better structure, JPH has recently prepared updated SLAs which document what it considers the landlord and tenant responsibilities to be. At the time of my review, seven of 35 schools had signed SLAs and a representative from the CYPES Senior Management Team had signed the SLAs on behalf of the other 28 schools in the interests of expediency. Head Teachers are aware of the SLAs and have had the opportunity to provide input. While this approach is consistent with previous practice, my view is that individual signatures would be preferable to demonstrate ownership. A similar document for Sport within the Department for the Economy has not yet been finalised.
59. There is recent evidence of some transfer of assets from departments to JPH. For example, the Justice and Home Affairs Department (JHA) was managing 13 houses for prison staff which have been passed to JPH to manage and maintain. However the maintenance budgets associated with these properties was not easy to define and no budget was transferred to JPH. The properties are let at a discounted rent and JPH estimates that improvement requirements are in the order of £130,000 due to under investment in maintenance in previous years. JPH has agreed with JHA that rents will increase over the next three years but these will still be discounted.

Recommendations

- R3** Reaffirm commitment to the corporate landlord model and agree the steps required for full implementation of the model described in P.93/2005 and the IPES.
- R4** Prepare and implement a policy framework to promote consistency and transparency in rental levels and lease terms.

Work planned that should be prioritised

- P1** Complete the exercise to update SLAs and engage with all departments who occupy property managed by JPH. This should include confirming acceptance of roles and responsibilities with all schools.
- P2** Review and update the IPES including by establishing a plan to engage with all relevant internal and external stakeholders.

Consultation and engagement

Strategy development consultation and engagement

60. Preparation of the IPES did not involve a formal engagement or consultation process to ensure that the views of internal and external stakeholders were considered.
61. The draft IPES was shared internally with departments before being signed off by the Executive Leadership Team (ELT) for presentation to the Council of Ministers. Externally, the key stakeholders of Ports of Jersey, Andium Homes and JDC were provided with a draft but this was not part of a formal consultation exercise.
62. A formal process of engagement and consultation would have provided an opportunity to demonstrate strategic alignment across the Island public estate. This is important given that each of these stakeholders owns part of the public estate and has strategic objectives which may be impacted by the Government's strategic approach to property management.

Ongoing consultation and engagement

63. The MoUs between the States as shareholder and the three States-owned entities with estates responsibilities (Ports of Jersey, Andium Homes and JDC), were revised by the Minister for Treasury and Resources and presented to the States on 22 April 2022. The MoUs provide the framework for ongoing engagement and accountability in respect of delivery of the business objectives of each entity. This includes reviews of compliance, by the Head of Shareholder Relations, with key requirements specified in the MoU such as timing and content of Strategic Business Plans and Key Performance Indicators.
64. The MoU review has resulted in consistency and clarity across all entities. Detailed records are maintained by Treasury and Exchequer officers to document all shareholder engagement including compliance with the obligations in the MoU. My conclusion from review of the quarterly minutes is that they provide a concise, effective summary of the ongoing dialogue on business performance, financial position, governance issues and risk. States-owned entities recognise that political priorities can change within the overall framework but the quarterly meetings provide a welcome opportunity for updates.

Alignment with other strategies and plans

Alignment across the States

65. The IPES includes limited detail to demonstrate how it aligns with other Government plans and policies. The strategic context is described but without reference to the corporate priorities at the time. For example, the Common Strategic Policy 2018-2022 included the following specific aspirations as 'what we will achieve':
- *a new hospital and modern mental health facilities*
 - *ensure that Jersey's public estate infrastructure is fit for the future and that St. Helier is a more desirable place to live, work, do business and visit*
 - *deliver affordable and good quality housing*
 - *produce an asset management plan that considers the use of our public asset/land portfolio and ensures appropriate investment in critical infrastructure, like coastal defences, highways and our sewerage system; and*
 - *ensure purpose-built youth facilities are created in the north of St. Helier, in close proximity to new housing developments at Millennium Park and Anne Court.*
66. However, none of these corporate aims were reflected in the IPES. As a consequence, there is no documented evidence to show how the IPES will '*.. assist both States Members and officers when considering land and property in support of delivery of the Government of Jersey's objectives and pledges to the community*', as described in the Minister's foreword to the IPES.
67. Since the IPES was issued, there have been changes to the corporate priorities. To demonstrate alignment with the corporate agenda, an update is recommended to show exactly how the IPES contributes to priorities in the Common Strategic Policy.
68. The Budget 2025-2028 and recent Government Plans include reference to the requirement in the Public Finances (Jersey) Law 2019 for the Council of Ministers to take into account the sustainable wellbeing of Jersey inhabitants when preparing the Government Plan. There is no part of the IPES which sets out how economic, social, environmental and cultural wellbeing issues related to the estate are taken into account.
69. There is also currently a disconnect between the IPES and the 2025 Business Plan for Infrastructure (Property, and Operations and Transport). As a key strategic

document for management of the estate, it is surprising that the IPES is not referred to in the 2024 or 2025 Business Plans.

70. Without effective alignment, the Government cannot demonstrate whether the Ministerial priorities are consistent with the IPES, or conversely, whether priorities in the IPES are being delivered through the Business Plan.

Alignment with States-owned entities

71. The three States-owned entities, Andium Homes, JDC and Ports of Jersey are each required to prepare and submit a Strategic Business Plan under the terms set out in the MoUs.
72. On the basis of my review of these Strategic Business Plans, there is evidence that each of the three entities has made efforts to align with the broader Government agenda. Each entity also includes a section on Environmental, Social and Governance (ESG) responsibilities which resonates with the States' obligations in respect of sustainable wellbeing in Section 9 (9) of the Public Finances (Jersey) Law 2019.
73. The impact of implementation of the IPES on the objectives of each entity will vary. However the IPES does not reflect where there might be synergies.

Andium Homes

74. The Andium Homes Strategic Business Plan sets out the strategic approach in the six areas of:
 - 1) Innovation
 - 2) Partnership
 - 3) Great Homes
 - 4) Business Excellence
 - 5) Client Excellence; and
 - 6) Environmental, Social and Governance Strategy.
75. In each of these areas, there is reference to the relationship with the Government and how the Strategic Business Plan contributes to Government priorities including the Jersey Performance Framework.

Ports of Jersey

76. The Ports of Jersey Strategic Business Plan 2024-2028 includes a separate section on 'Alignment and Collaboration with Government'.
77. The Strategic Business Plan for Ports of Jersey references the Airport and Harbour Masterplans. These provide the framework for strategic land and property management.

JDC

78. The JDC Strategic Business Plan 2024 provides detail on how JDC will contribute to the Government's strategic priorities. JDC is involved in supporting the Government to deliver three major projects at Fort Regent, Highlands College and the subsequent redevelopment of the Highlands campus.
79. The JDC Strategic Business Plan refers to the possibility of a greater role through:
 - involvement in the strategic planning for Government owned property and being the holder of the Government's land bank of non-operational properties; and
 - being the developer of choice for the Government.
80. These were recommendations from the external review by JLL in 2021 and as noted earlier, these have yet to be considered by the States.

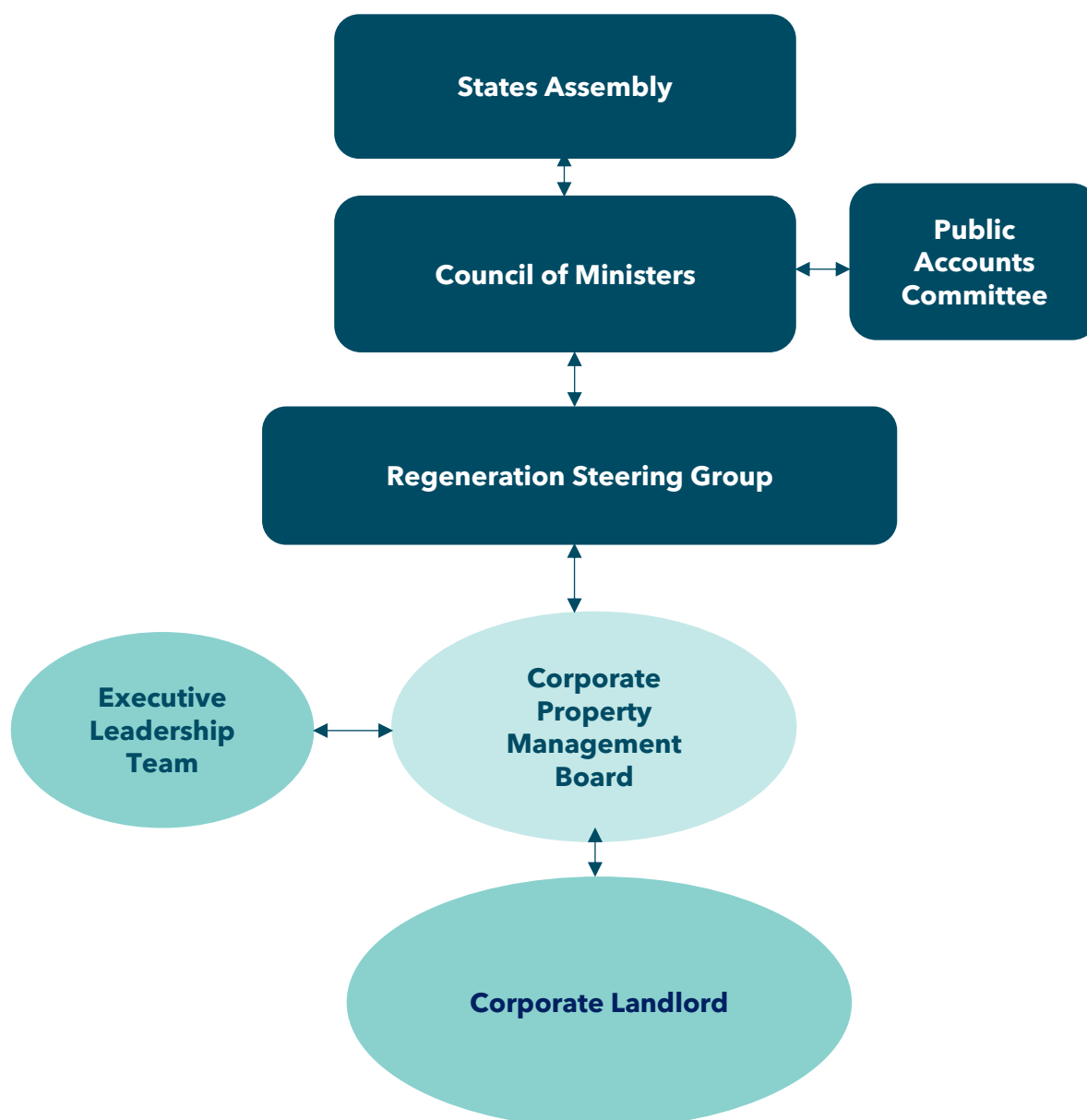
Recommendation

- R5** When updating the IPES, ensure there is clear alignment with other Government plans and strategies and those of the States-owned entities.

Governance arrangements

81. The governance arrangements for strategic property management are shown in Exhibit 8.

Exhibit 8: Governance arrangements for strategic property management



Source: *Island Public Estate Strategy 2021-2035*

82. The Corporate Property Management Board (CPMB) was established in 2020 at the time the IPES was prepared. The Terms of Reference were revised in June 2024. The primary aim of the CPMB is to implement the Strategy with the following direct responsibilities described in the Terms of Reference:

- *implement and support the Corporate Landlord Model to ensure that internal stakeholders, at all levels of the organisation, are appropriately aligned and engaged in the planning, development, implementation, and operation of the property strategy*
 - *review and approve reports and recommendations from project working groups, including Capital Projects Management Oversight and sub-groups for inclusion in asset management reports to ELT, Regeneration Steering Group and relevant Ministers*
 - *support and ensure the asset management system is suitable, adequate, and effective*
 - *report to the executive on the performance of asset management and the asset management system*
 - *advise the Regeneration Steering Group, Minister for Infrastructure and the Council of Ministers on significant property-based decisions, and*
 - *develop and maintain a roadmap of construction delivery, making recommendations for the amendment to this roadmap via ELT, Regeneration Steering Group and relevant Ministers.*
83. I have reviewed minutes of the CPMB from 2023 and 2024 and my conclusion is that it is not demonstrating that it meets the responsibilities described in the Terms of Reference. There is limited evidence that the CPMB is monitoring implementation of the IPES in a structured way. The corporate landlord model has not been universally embraced which results in discussions on acquisitions or disposals being based on a departmental or Ministerial view rather than a strategic and corporate focus.
84. The Terms of Reference indicate that the CPMB is chaired by the Chief Officer (Infrastructure and Environment) with representation from senior officers in relevant departments. In practice, this is not the case. All meetings reviewed were chaired by the Director, JPH and representation from departments is not consistently at a strategic level. There are frequent apologies for absence and evidence of matters being deferred as the appropriate officers are not in attendance.
85. As Exhibit 8 shows, the CPMB has a role in considering property matters for referral to the Regeneration Steering Group (RSG). The role of the RSG is to provide political guidance in order to inform policy guidelines for all major public property and infrastructure regeneration projects in Jersey. In discharging its responsibilities, most of the focus of the RSG is on monitoring the regeneration activities of the JDC.

- 86. The RSG was re-established in May 2024 and evidence from review of the meetings in 2024 indicates that it is well attended, updates from JDC are thorough and there is a good audit trail of discussions.
- 87. Prior to May 2024, the political oversight was through the Future Places Ministerial Group (FPMG) which was established under the Chief Minister in 2022. The FPMG had a wider brief than the RSG and had a role in reviewing the Strategy as well as the Strategic Business Plans for the States-owned entities. While it was a large group of Minsters and officers, in my view there is merit in a political forum which can exercise political oversight of delivery of the strategic property agenda of the States and States-owned entities.
- 88. There is no evidence of formal feedback on implementation of the Strategy to ELT despite the role of ELT in the governance model.

Recommendation

- R6** Review membership and operation of the Corporate Property Management Board to ensure that it can meet the strategic objectives in the Terms of Reference.

Area for consideration

- A1** Consider the benefits of a forum with specific responsibility to provide political oversight of the whole public estate.

Condition of the Estate

89. My predecessor's 2018 Report observed that there had been no full condition survey of the estate since 2011. As a result, she concluded that information to drive both capital investment decisions and routine maintenance budget was sub-optimal. Maintenance budgets were rolled forward each year without effective assessment of need and priorities. A recommendation was made to develop a plan for routine condition surveys to inform decision-making.
90. Despite Government accepting this 2018 recommendation, three years later at the time of drafting the IPES in 2021, a condition survey had still not been undertaken. A condition survey was finally commissioned in 2023. While I acknowledge that there may have been a delay attributable to the COVID-19 pandemic, my conclusion is that it has taken too long to implement such a fundamental aspect of the property management function. At the time of my fieldwork for this audit the results of the condition survey were being collated into a future maintenance programme for consideration by the Council of Ministers.
91. The lack of a timely, comprehensive condition survey means the Government has not had key information on the condition of each asset, or a robust assessment of the overall maintenance backlog in the estate. Nor does it have a clear picture of the investment which will be required to address this. However I note that the IPES does include provision for a rolling condition survey to maintain data on an ongoing basis in future.
92. The lack of data also resulted in limited information being included in the IPES in respect of a programme for property management and maintenance. This was referred to in the *PAC Review of Estate Management (Follow-Up) 2021*.
93. The results of the 2023 condition survey quantified the estate backlog at £89.7 million with £55 million being high priority maintenance and requiring capital to be scheduled in the next two years. The backlog represents 7.5% of the overall Government budget for 2025. Exhibit 9 shows how this compares to data available from some other jurisdictions.

Exhibit 9: Maintenance backlogs in other jurisdictions compared to total spend

Jurisdiction/service	Backlog £m	Total annual spend £bn	Ratio %
States of Jersey (1)	90	1.2	7.50%
UK Government (2)	49,000	1,223	4.01%
Wales National Health Service (3)	793	9.9	8.01%
Scotland National Health Service (4)	1,335	19.5	6.85%
Northern Ireland Department of Education (5)	450	2.9	15.52%

Source: (1) Jersey Property Holdings Condition Survey data 2024 and Budget 2025

(2) National Audit Office - Maintaining Public Service Facilities (January 2025). Office of Budget Responsibility - Public Finances Databank (November 2024)

(3) Wales Audit Office - From Firefighting to Future-proofing - the Challenge for Welsh Public Services (February 2024)

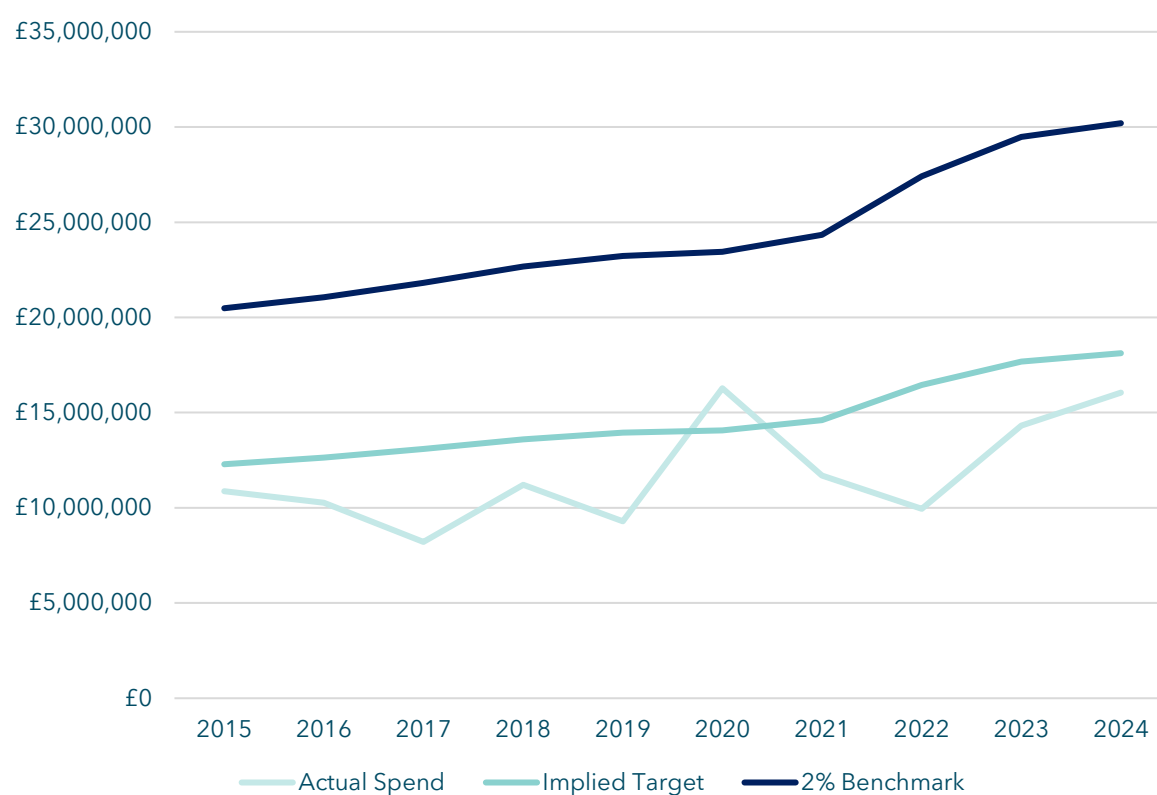
(4) Freedom of Information response 16/12/2024. Scottish Government Budget for NHS 2024/25

(5) Managing the School Estate - Northern Ireland Audit Office (November 2024) Northern Ireland Assembly Budget (May 2024)

94. The data indicates that the estate backlog in Jersey is of a similar scale to that of the health estate in Scotland and Wales. It is possible that the backlog figure would be lower had the data been available sooner to ensure the most effective use of maintenance and improvement budgets. Data would have also informed decisions on potential disposal of those assets with high maintenance costs and diminishing value.
95. The Corporate Risk Register currently includes a specific reference to the health and safety risks in the property portfolio with particular emphasis on fire. Most controls relating to property risks are recorded on the risk register as effective. The risk of inadequate maintenance of the estate and the potential impact on service delivery, which I noted in my report on *Risk Management (Follow-Up)* (October 2022), is no longer recorded as a corporate risk.
96. Data provided by the Treasury and Exchequer Department shows that the estimated revenue expenditure on property maintenance across the whole estate in 2024 was £16 million. The maintenance budget for assets under the responsibility of JPH in 2025 is £8.6 million. Total spend shown in the State of the Estate report for assets covered by the IPES in 2023 was £7.5 million.

97. The 2023 report of the Building Cost Information Service entitled 'Economic Significance of Maintenance' shows that non-housing maintenance expenditure is consistently between 1% and 1.2% of replacement asset value across all sectors. The figure of 1.2% is used by Treasury and Exchequer as a notional benchmark for routine maintenance spend when compared to replacement asset value.
98. Using a replacement asset valuation of £1.5 billion provided by Treasury and Exchequer for the year ended 31 December 2024, the total maintenance expenditure of £16 million was 1.06% of the replacement asset valuation.
99. Exhibit 10 shows the actual maintenance expenditure over the last ten years using estimated replacement asset values and compares this to a benchmark of 1.2% (Treasury and Exchequer) and 2% (Institute of Asset Management).

Exhibit 10: Revenue maintenance spend and benchmarks over last ten years



Source: Treasury and Exchequer data and JAO analysis

100. Exhibit 10 shows that, with the exception of 2020, maintenance expenditure each year has been below the 'target' of 1.2% and significantly below the benchmark of 2% used by the Institute of Asset Management. The graph also shows that there is no consistent pattern to investment in maintenance.
101. In the absence of a full condition survey in the past, the priority for planned maintenance spend has been health and safety related compliance. At the end of 2024, data from JPH shows that 97% of 1,393 compliance checks had been

completed for areas including asbestos, radon gas, emergency lighting, lifts, gas and legionella.

102. The split of the revenue maintenance budget is currently around 33% on projects, 26% on planned preventative maintenance and 41% on reactive maintenance. Organisations that invest more in planned preventative maintenance would expect the proportion spent on reactive maintenance to reduce to a good practice level of 25%.
103. With the benefit of the condition survey, a revised approach is now being proposed for future maintenance expenditure which is consistent with good practice in maintenance planning. The survey shows that the condition of the estate can be summarised as shown in Exhibit 11.

Exhibit 11: Condition of the estate from 2023 condition survey

Grade	Category	% Assets
A: Excellent	Property is in outstanding or like-new condition, with minimal or no signs of wear or damage.	2%
B: Good	Indicates sound, operationally safe and shows above average condition. The property may show some signs of use or wear but is generally well maintained and functional.	32%
B/C: Good to Fair	Sound, operationally safe and shows average deterioration. There may be noticeable wear or minor issues, but overall, it is still in acceptable condition.	40%
C: Fair	Showing major defects and/or not operating as intended. The property may have visible signs of wear, use, or aging. It may require some repairs or maintenance.	19%
D: Poor	Implies significant wear, damage, or dysfunction. Repairs or restoration may be necessary to bring the property to an acceptable standard.	7%

Source: State of the Estate Report R.63/2024 (April 2024)

104. Officers have used the results of the survey to develop a prioritised investment plan for the next 25 years including addressing the highest priority areas from the condition survey. The programme provides an estimate of the routine maintenance required for each property asset alongside major budgets for periodic renovation or asset replacement. The proposal is for this programme, including the maintenance aspect, to be part of the capital programme.
105. The Budget for 2025 includes the forecast capital expenditure for all areas which are the responsibility of the Infrastructure and Environment Department (Exhibit 12):

Exhibit 12: Capital expenditure forecast for Infrastructure and Environment

Budget Head	2024 Approved £000	2025 Estimate £000	2026 Estimate £000	2027 Estimate £000	2028 Estimate £000
Estates	41,029	27,904	18,490	25,828	33,329
Infrastructure	30,044	29,788	29,955	19,580	24,000
Information Technology	20,162	20,618	16,280	9,580	1,000
Replacement assets and minor capital	10,680	13,130	10,580	10,580	10,580
Feasibility	1,706	1,442	1,155	544	0
Total	103,621	92,882	76,460	66,112	68,909
Projects funded from other funds:					
Trading Funds (Car Park)	0	2,751	600	3,140	100
Criminal Offences Confiscation Fund	6,820	3,490	0	0	0
Total	110,441	99,123	77,060	69,252	69,009

Source: Government of Jersey Budget 2025-2028

106. The new proposal prepared by Treasury and Exchequer includes the figures shown in Exhibit 13.

Exhibit 13: Proposed capital forecast for next four years

Budget Head	2025 Estimate £000	2026 Estimate £000	2027 Estimate £000	2028 Estimate £000
Estates renovation	31,699	30,650	33,878	52,905
Infrastructure	36,490	35,770	38,921	40,156
Information Technology	21,458	16,280	10,880	2,100
Replacement assets	5,780	6,030	6,030	6,030
Maintenance (net new funding)	5,152	5,458	8,093	3,846
Total	100,579	94,188	97,802	105,037

Source: Treasury and Exchequer forecasts

- 107. The maintenance figure is shown net of existing budgets of around £10 million which are already provided in departmental budgets in the Budget for 2025-2028. The new proposal will use these as part of the funding for the programme.
- 108. By investing in a properly informed maintenance programme over the short to medium term, the Government hopes that the reactive maintenance requirement will reduce over time.
- 109. The proposal is currently being finalised for presentation to the Council of Ministers.

Work planned that should be prioritised

- P3** Put arrangements in place for a rolling programme of condition surveys as committed to in the IPES.
- P4** Complete the work on development and agreement of the future maintenance, renovation and replacement asset programme and investment plan as soon as possible.

Implementation of strategy

Overall action plan monitoring

110. Implementation of the IPES is managed and monitored within JPH through an action plan. The IPES included 52 recommendations described as 'what needs to be done' and the progress to January 2025 is shown in Exhibit 14.

Exhibit 14: Progress on implementing recommendations in IPES January 2025

Area	'What needs to be done'	Completed	On track	Ongoing
Strategic	8	6		2
Customers	11		1	10
Financial	12		2	10
Innovation	9	1		8
Operational	12	2	3	7
	52	9	6	37

Source: IPES Action plan from JPH, to January 2025

111. Only nine recommendations were shown as complete at the time of my fieldwork. These include:
- establish a Corporate Property Management Board
 - complete a property database
 - establish a system and resources for Asset Management Plans
 - identify data requirements; and
 - establish Key Performance Indicators (KPIs).
112. These represent the foundations of a strategic approach to property management. However I am concerned that it has taken so long to implement key recommendations from both my predecessor and the PAC.
113. A large number of actions are shown as 'ongoing' (more than 70%) with no evidence of timetable, progress or whether action has actually commenced. Responsibilities and detailed timetables are not included. My conclusion is that the action plan is not an effective tool for monitoring and reporting detailed implementation of the Strategy.

Capacity

114. In earlier reviews of the estates function by my predecessor and the PAC, capacity within JPH has been highlighted as a risk which impacts on delivery of strategy and on operational issues. In undertaking this review, I am advised that this is not currently an issue. Details provided by JPH indicate that the staffing complement is 54 and there were two vacancies at the time of my review.
115. In addition to the core staff in JPH, there are also large teams engaged on estates matters within HCJ and CYPES. In total, 141 staff are involved in estate management across the States. These staff are supplemented by outsourcing arrangements for certain activities.

Data and data system

116. The States use the Concerto data system for most asset management activities. The Strategy notes that data has historically been held in multiple locations. This point was raised by the PAC in its follow-up review of Estate Management in December 2021. The PAC recommended that *'any future asset management system should be fully utilised to ensure value for money and a co-ordinated approach to property management and maintenance'*. This recommendation remains relevant although standardisation is progressing, as HCJ is now in the process of moving maintenance arrangements to Concerto.
117. While the capability of the system is evident from demonstration as part of my audit, effectiveness from the entire Concerto system is dependent on using the functionality and on the data input into the system. This remains variable with development in progress. JPH makes use of all of the modules available within Concerto. HCJ uses modules for planned, preventative maintenance (PPM), orders and invoices, projects and FixMY (mobile help desk). CYPES uses FixMY and site information and is currently assessing the PPM module. Other sites use FixMY.
118. Details from the condition survey are being added which will provide a more complete record of all buildings, components and assets within buildings. I am advised that this is in excess of 20,000 individual assets (including equipment and components).
119. Concerto is used for planned maintenance purposes with remote access available to contractors to receive orders and record completion. JPH uses this information to carry out quality checks on works undertaken by contractors. The system provides management with reports on compliance arising from planned maintenance reviews which demonstrate coverage of health and safety checks, interventions and exceptions.

120. Data is not yet available on areas such as water and energy use, nor can the system provide output in respect of the full suite of KPIs.
121. The approved Full Business Case (FBC) for the Integrated Technology Solution (ITS) programme included the replacement of Concerto with a new Connect Asset system. Benefits of adopting the Connect Asset system outlined in the FBC totalled in the region of £100,000 each year.
122. At a later point in the ITS programme however a decision was made that JPH should continue to use Concerto rather than moving to the new Connect Asset system. A report prepared by JPH concluded that there were concerns experienced from testing, and additional investment of more than £1 million would be required over a two year period to bring the functionality with Connect Asset to the level of Concerto.
123. It is not clear why the FBC process had not identified the total costs associated with a move from Concerto to Connect Asset and this appears to be a weakness in the FBC process. No savings have been realised within the ITS programme budget from the decision not to implement the Connect Asset module.

Strategic Asset Management Plans

124. Development of asset management plans is one of the fundamental aspects in the IPES. The IPES describes the process of collecting data on existing assets alongside establishing exact business needs (see Exhibit 15).

Exhibit 15: Strategic Asset Management Plan process



Source: Island Public Estate Strategy

- 125. In this way, the portfolio of accommodation can be configured to meet the particular needs of users. While the process itself is robust as documented, it is essential that it is managed strategically with input from departments as it must look across the whole estate to ensure efficient and effective use of all assets.
- 126. The office modernisation project is a good example of implementation during 2024. In other areas, progress has been slow. The stocktake of existing assets has been completed in terms of condition, suitability and sufficiency but identification of priorities and options is scheduled for the current year.
- 127. The detailed project plan indicates that identification of needs for HCJ, CYPES and Sports is planned to be completed in the first two quarters of 2025. Priorities and options for all departments are planned to be completed by the end of the third quarter of 2025.
- 128. This is a significant piece of work and the current project plan appears to be ambitious.

Acquisition and Disposal

- 129. There are clear policies and processes (last updated in October 2023) in place for acquisition of assets required to meet need or for disposal of assets which are no longer required by the States.
- 130. Properties are considered for disposal by CPMB which makes a recommendation for decision by the Minister for Infrastructure in accordance with Standing Order 168. This requires the Minister to provide the States with 15 days' notice of the proposed transaction. Depending on the site, the disposal route may be transfer to a States-owned entity, public sale or a joint venture. Where disposal is to JDC, the development plan is required to be approved by RSG.
- 131. Once the Strategic Asset Management Plans are complete, the States should be in a better position to demonstrate that decisions on changes to the estate are strategic.

Recommendation

- R7** Prepare a detailed plan with clarity on responsibility and timetable, to demonstrate how the detailed tasks and activities in the IPES will be delivered.

Work planned that should be prioritised

- P5** Complete the work required to transfer all property management and maintenance data across the States to a single database to maximise the capabilities within Concerto as soon as possible.
- P6** Carry out the planned programme of Strategic Asset Management Plans as soon as possible.

Area for consideration

- A2** Consider review of the project plan for development of Strategic Asset Management Plans to ensure the plan is realistic and deliverable.

Appendix One

Audit Approach

The audit included the following key elements:

- review of relevant documentation provided by the States of Jersey or sourced from websites
- interviews with relevant officers

Key documents reviewed included:

- 2024 and 2025 Business Plan – Infrastructure and Environment
- Agendas and Minutes:
 - Corporate Asset Management Board
 - Future Places Ministerial Group
 - Regeneration Steering Group
- Andium Homes Strategic Business Plan (2023-2025)
- Enterprise Asset Management – Strategic Asset Management Plans
- Example Service Level Agreement
- Government of Jersey Property Service Delivery Mechanism Review – JLL (December 2021)
- Island Public Estate Strategy 2021-2035 (IPES)
- Island Public Estate Strategy Action Plan
- Jersey Development Company Strategic Business Plan 2024
- Land and Property Acquisition and Disposal Policy
- Memoranda of Understanding with States-owned entities
- Ports of Jersey Strategic Business Plan (2024-2028)
- Public Accounts Committee:
 - Review of Estate Management (February 2019)
 - Review of Estate Management Follow-Up (October 2021)

- Risk Register extracts
- State of the Estate Report 2023
- Terms of Reference of Corporate Asset Management Board

The following people contributed information through interviews or correspondence:

- Chief Executive Officer, Jersey Development Company
- Chief Executive Officer, Ports of Jersey
- Chief Property and Asset Management Officer, Andium Homes
- Director, Jersey Property Holdings (JPH)
- Head of Enterprise Asset Management Office
- Head of Estate and Property Maintenance, JPH
- Head of Investment Appraisal, Treasury and Exchequer (T&E)
- Head of Property Strategy, JPH
- Head of Shareholder Relations, T&E
- Head of Strategic Housing and Regeneration, Government of Jersey
- Project Manager (Concerto), JPH

The fieldwork was carried out by an affiliate working for the Comptroller and Auditor General.

Appendix Two

Summary of Recommendations, Work planned that should be prioritised and Areas for consideration

Recommendations

- R1** Review and update all recommendations related to the Government of Jersey within the 2021 JLL report to ensure that all relevant and current issues are reflected in the implementation of the IPES.
- R2** Implement previous C&AG recommendations and those in the JLL report that highlight the need to undertake a strategic review of JDC to confirm that it remains the most appropriate vehicle and operating model to deliver Government regeneration objectives in the longer term.
- R3** Reaffirm commitment to the corporate landlord model and agree the steps required for full implementation of the model described in P.93/2005 and the IPES.
- R4** Prepare and implement a policy framework to promote consistency and transparency in rental levels and lease terms.
- R5** When updating the IPES, ensure there is clear alignment with other Government plans and strategies and those of the States-owned entities.
- R6** Review membership and operation of the Corporate Property Management Board to ensure that it can meet the strategic objectives in the Terms of Reference.
- R7** Prepare a detailed plan with clarity on responsibility and timetable, to demonstrate how the detailed tasks and activities in the IPES will be delivered.

Work planned that should be prioritised

- P1** Complete the exercise to update SLAs and engage with all departments who occupy property managed by JPH. This should include confirming acceptance of roles and responsibilities with all schools.
- P2** Review and update the IPES including by establishing a plan to engage with all relevant internal and external stakeholders.
- P3** Put arrangements in place for a rolling programme of condition surveys as committed to in the IPES.

- P4** Complete the work on development and agreement of the future maintenance, renovation and replacement asset programme and investment plan as soon as possible.
- P5** Complete the work required to transfer all property management and maintenance data across the States to a single database to maximise the capabilities within Concerto as soon as possible.
- P6** Carry out the planned programme of Strategic Asset Management Plans as soon as possible.

Areas for consideration

- A1** Consider the benefits of a forum with specific responsibility to provide political oversight of the whole public estate.
- A2** Consider review of the project plan for development of Strategic Asset Management Plans to ensure the plan is realistic and deliverable.



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