

Island Public Estate Strategy 2021-35



About this document

This Estates Strategy sets the framework for the management and development of current and future Government of Jersey assets for the period from 2021 to 2035 and will be subject to annual updates and five yearly reviews.

It provides an assessment of our existing assets and defines the vision, aims and objectives for the Estates Strategy in the context of the current economic and financial environment, while balancing future needs and aspirations of the Island.

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Minister's Foreword

The global COVID-19 pandemic has had an unprecedented impact on the lives, community and economy of the Island. Continuing to respond to the economic and financial impact of COVID-19 remains a significant focus of government work as we protect our Island's future. The Government recognises investing in our economic recovery requires us to make much more effective and efficient use of our property estate. We need a property estate that is well managed, and flexible. One that is capable of supporting and adapting to the new challenges now being faced by the Island. An effective estate strategy is not just fundamental just delivering high quality public services, but it also plays a significant role in enabling Government to provide value for money, whilst at the same time acting as a stimulus for wider growth and prosperity for the Island.

Our Public Estate Strategy sets the framework for the development of a fit-for-purpose, modern estate; consolidating the management of all our property assets as part of a single Corporate Landlord Model to governance and decision-making.

The strategy reinforces many of the initiatives set out in the Government Plan and takes account of the latest guidelines for property and estate management. We have, during the formulation of the strategy, also taken into account the recommendations contained in the Comptroller and Auditor General's report on the Estate to ensure we have a fit for purpose, relevant strategy.

The strategy sets out five key objectives to help guide our asset management activity and ensure that it is undertaken legally, transparently and with a proper understanding of the impact on our local communities – now and into the future.

It is a strategic Government document, designed to 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. The strategy will be used to co-ordinate the management, maintenance and review of the property portfolio. The strategy is also considered in conjunction with, and informs, the capital strategy.

We acknowledge that delivering the strategy will require some significant changes in the way we currently manage our assets, which in turn will result in new ways of working and, in some cases, changing roles and responsibilities to support delivery.

The Government is committed to making this change and will provide the clear leadership and support that will be needed to ensure success. This new integrated approach will enable us to make more informed choices regarding the utilisation of our property holdings and acquisitions.

As part of our ongoing drive to deliver more for less, we must take account of the long-term implications and benefits that can result from our asset management, investment and delivery. Asset management is a key part of business planning and an important tool in meeting the current and future fiscal challenges. Through this new unified approach, we will ensure the value and importance of our assets is clearly recognised within all our future delivery plans and programmes.

A handwritten signature in black ink, appearing to read 'K. Lewis', with a stylized flourish at the end.

Kevin Lewis
Minister for Infrastructure

Executive summary

This is the first comprehensive Public Estate Strategy (the Strategy) for Jersey, developed to guide the development and management of all government operational land and buildings (the Estate) under a single Corporate Landlord Model. It aligns with the long-term vision and requirements of the community detailed in Future Jersey and that of the current Government embodied in the Common Strategic Policy (CSP) and approved Government Plan. The Strategy contains the Vision and Mission for public property and infrastructure and five principal objectives specifically applicable to the Estate.

The Strategy follows the principles of the Report and Proposition P.93/2005– States of Jersey Property Holdings: Establishment, in which all States property assets would be administered and managed by a single corporate landlord, through service level agreements covering maintenance, occupation, supply and servicing. All assets held across all government departments will fall under the management of a single corporate landlord within the Department of Infrastructure, Housing and Environment (IHE). The exceptions being properties administered by ‘States Trading Committees’ and the ‘States Social Housing Estate’. A separate strategy or strategies will however be required for our infrastructure assets which continue to be operationally managed and maintained directly. Property and engineering maintenance for the General Hospital is also currently carried out directly by Health and Community Services and this will need to be reviewed as part of the recently commenced Our Hospital Project.

The Strategy has been produced in order to provide a coordinated basis against which all future asset management planning for the Estate can be assessed, so that it is maintained, developed, re-purposed or disposed of in accordance with the long-term requirements and aspirations of the Government and the community in Jersey. This will ensure the government has a fit for purpose, modern, flexible estate that is the right scale and suitability and provides value for money for the public purse.

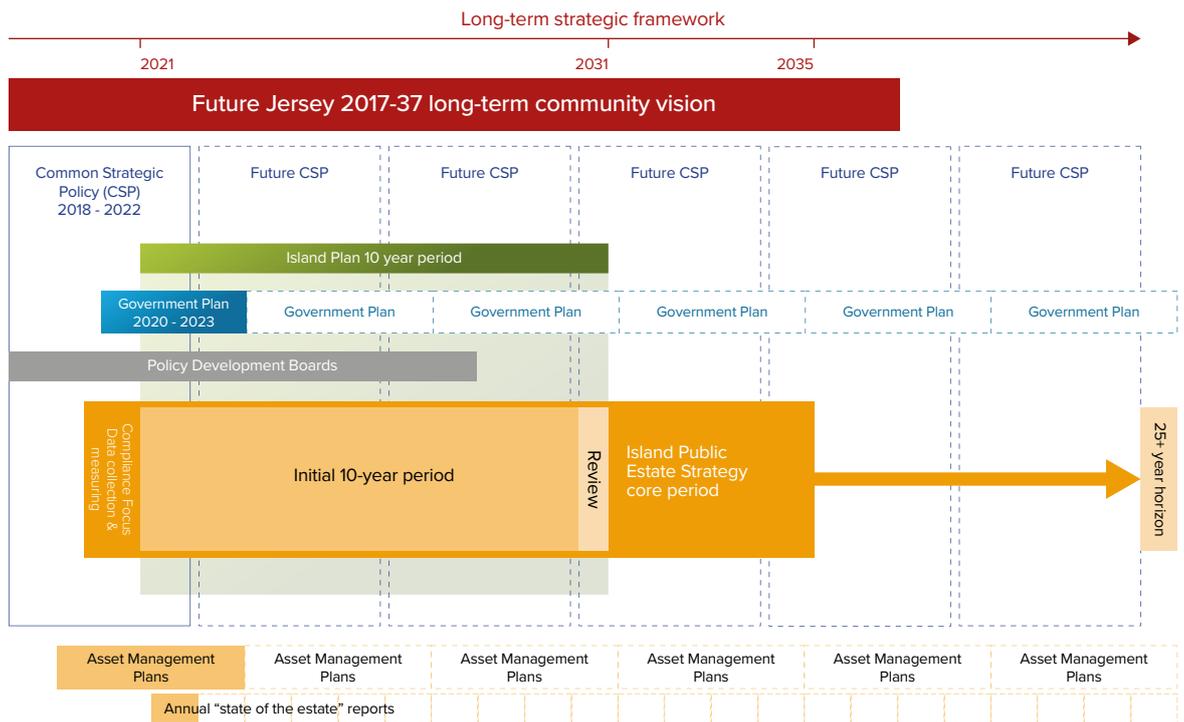
The Strategy will remain relevant to 2035, extending beyond the term of a Council of Ministers and respecting the typical lifecycle of buildings and the impact of their ultimate disposal or legacy uses on our Island’s environment. A period of early Strategy activity to resolve current issues around compliance and collection of reviewable and reliable data will be followed by an initial ten-year period of the Strategy being implemented, from 2021 to 2030.

A new bridging Island Plan 2022-2024 is currently under development which has informed the work undertaken to date on the Strategy. Both documents will form direct guides and influences on the future asset management plans that will be required to deliver the long-term improvement in the Estate. While interim reviews will be linked to Asset

Management Plan updates, the first major review of the Strategy will take place to coincide with the development of the full Island Plan. A 25-year horizon scan has been considered, to ensure that the Strategy remains appropriate in the face of increasing pressure from longer term factors such as climate change and socio demographic developments.

These timelines and their relationship to the long-term strategic framework of the Government Plan, Common Strategic Policy, Island Plan and Future Jersey are indicated in the diagram below.

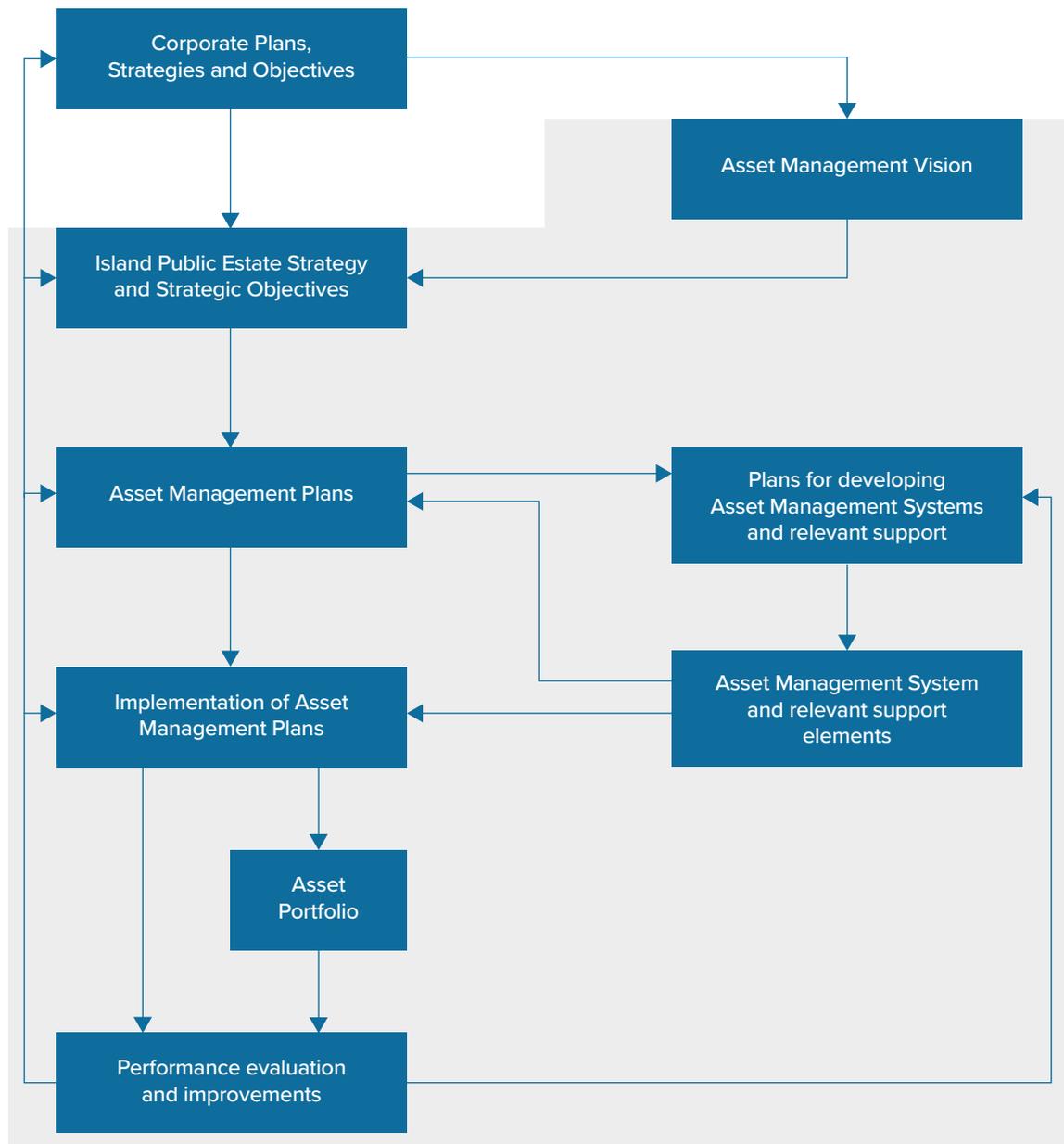
Figure 1: An enduring Strategy



To enable the Government of Jersey to meet its business objectives, it must ensure that it manages its Estate effectively, efficiently and in a coordinated manner. It is this Strategy’s objectives and processes for achieving these objectives that form the Asset Management System (AMS).

A functioning AMS binds together the vision, mission, objectives, strategy, asset management plans and performance evaluation and is critical to the success of asset management performance, as illustrated in the diagram below:

Figure 2: An Asset Management System from BS ISO 55001



The grey highlighted box designates the boundary of the Asset Management System

All Asset Management Plans produced in conjunction with the controlling department will comply with the Strategy. These will be linked to the Government’s decision-making process, typically following a four-year cycle and be informed by an annual ‘State of the Estate’ report which will enable Jersey Property Holdings (JPH) to drive efficiencies and ensure that they meet the necessary environmental performance requirements. The framework for establishing and then operating in accordance with the Strategy is as shown in the diagram below.

Figure 3: A framework for a successful asset management system



The development of the Strategy broadly followed:

- RICS Public Sector Property Asset Management Guidelines
- BS ISO 55000, 55001 and 55002
- The requirements of a property strategy, as set down in the report by the Comptroller and Auditor General on the Estate dated 21 June 2018

This Strategy will inform and guide:

- The Council of Ministers
- The Regeneration Steering Group
- The Executive Leadership Team
- The Corporate Asset Management Board
- Jersey Property Holdings
- Other Government policy-making bodies

It is designed to assist both States Members and officers when considering land and property in support of delivery of the Government of Jersey objectives and pledges to the community. The Strategy will be used to co-ordinate the management, maintenance and review of the Estate portfolio. It is not intended for general public distribution.

1.0 Current Estate

1.0 Current Estate

The Governance and management of the current property portfolio was set up through the adoption of P.93/2005 – (“States of Jersey Property Holdings: establishment”), which set the foundations for creating the new Jersey Property Holdings Department (JPH). It established that all States property assets would be administered and managed by JPH, through Service Level Agreements covering maintenance, occupation, supply and servicing. However, in practice this was not been fully realised and so, for example, property and engineering maintenance for the General Hospital is currently carried out directly by Health and Community Services.

1.1 Portfolio overview

The Government of Jersey has a significant property portfolio made up of infrastructure, the Estate, and those sites managed by arm’s-length organisations, including a small commercial portfolio.

During the development of this Island Public Estate Strategy, it became apparent that a ‘one size fits all’ approach would not work. The infrastructure assets require specific and distinctly differing strategies and are therefore excluded from this Strategy. The arm’s-length organisations such as Ports of Jersey, States of Jersey Development Company, Andium Homes and Jersey’s utility companies are autonomous in their day to day running and they have developed their own strategies. The remaining assets are grouped into eight use classes to form the Estate.

Whilst it is recognised that the ‘Public Sector’ in Jersey comprises more than the Government’s Estate portfolio – and a wider view needs to be taken in an Island context – this Strategy is limited to the 271 sites after sites managed by the arm’s-length organisations and Infrastructure are excluded.

This creates an organisational structure as follows:

- The vision and mission will apply to all property assets excluding the arm’s-length organisations
- The objectives, underlying principles and strategy will apply to the Estate

The diagram below further explains this scope apportionment and identifies asset use classes within the Estate to which this Strategy will apply.

Figure 4. Jersey's public estate



1.2 Extent of the Estate

Headline data on the Estate is indicated below.

Figure 5. Headline data



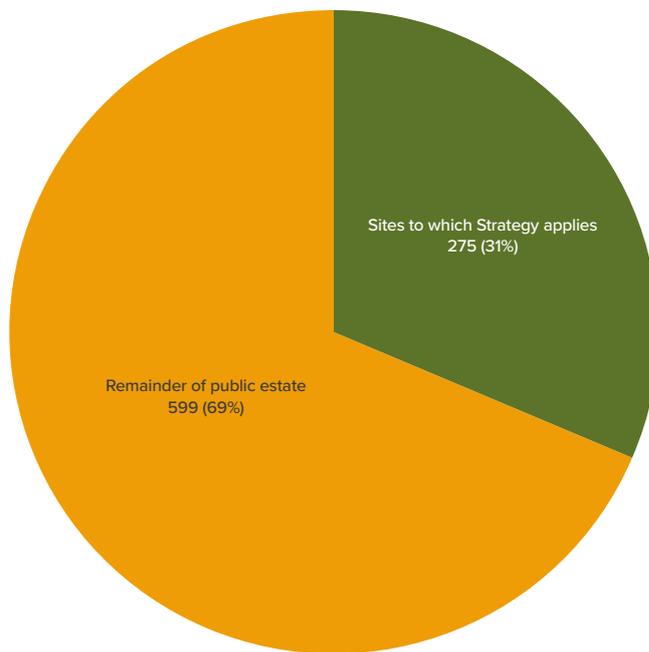
*Condition surveys are being developed as part of the performance measures of this Strategy.

1.3 Scale

Jersey has a unique and varied public estate comprising of 874 property assets¹, many of which, such as highways and land, are currently managed by other departments and use other strategies.

Whilst the chart below illustrates the Estate is, by number, a small proportion of the public estate, it is by far the most varied, consisting of 275 assets with an asset value of over £773 million and it is those sites which this Strategy is intended to be applied to.

Figure 6. Our public estate 874 sites



The table below shows, the Estate sites which come from all controlling directorates and bodies apart from the arm's-length organisations.

¹ Correct at January 2020 and includes 42 arm's-length organisations sites

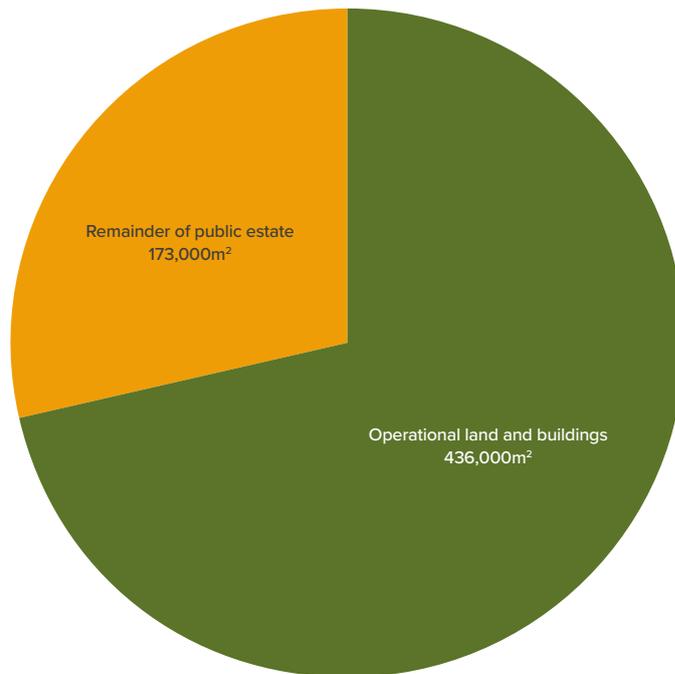
Figure 7. Ten controlling bodies – one strategy

Controlling directorate / body	Public estate sites	Sites to which strategy applies	
		Number of sites	Percentage
Children Young People Education and Skills	51	51	100%
Customer and Local Services	5	4	80%
IHE - Environment	116	1	1%
IHE - Infrastructure	379	6	2%
IHE - Jersey Property Holdings	187	119	64%
IHE - Sport	15	15	100%
Heath and Community Services	62	62	100%
Justice and Home Affairs	16	14	88%
Office of the Chief Executive	1	1	100%
Office of the Lieutenant Governor	1	1	100%
Viscounts	1	1	100%
Jersey Development Company Ltd	9	0	0%
Andium Homes Limited	1	0	0%
Ports of Jersey	30	0	0%
Total	874	275	31%
<i>Arms-length bodies</i>	42	0	0%

Despite being, by number, only one third of the States' public estate, the chart below illustrates the Estate make up over 70% of the floor area of the public estate. This equates to an area approximately equivalent to 64 football pitches.

Within that area the largest public assets in Jersey are the General Hospital followed by Fort Regent and the Highlands College campus.

Figure 8. Our public estate has 609,000m² of floor area

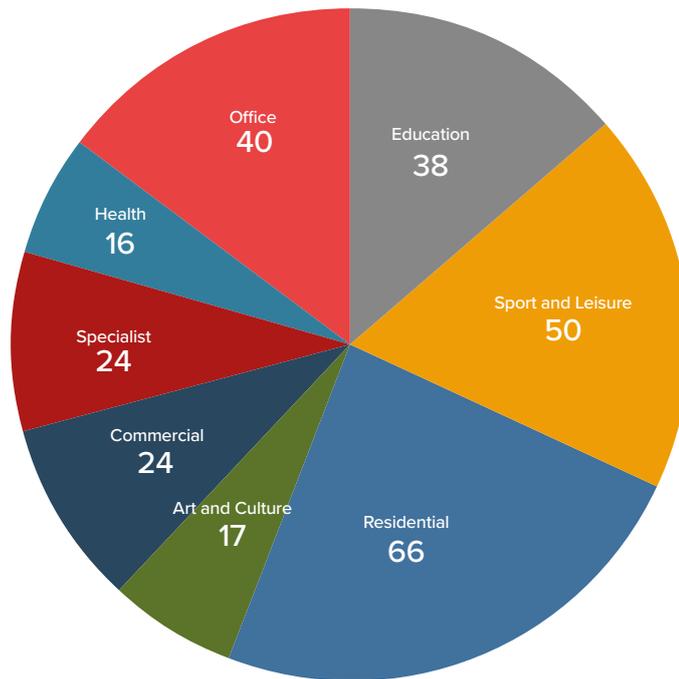


The Estate assets can be categorised by eight broad use classes which demonstrate the varied Estate. The site area of these assets is over 2.5km² covering in excess of 2% of the Island's land mass.

Whilst the biggest use class by number of sites is Residential, the largest categories by site area are Sport and Leisure followed by Education which, together, make up over half of the area of the Estate. Education is also the largest category by gross internal area and has the highest asset value, making up over 40% of the value of the Estate.

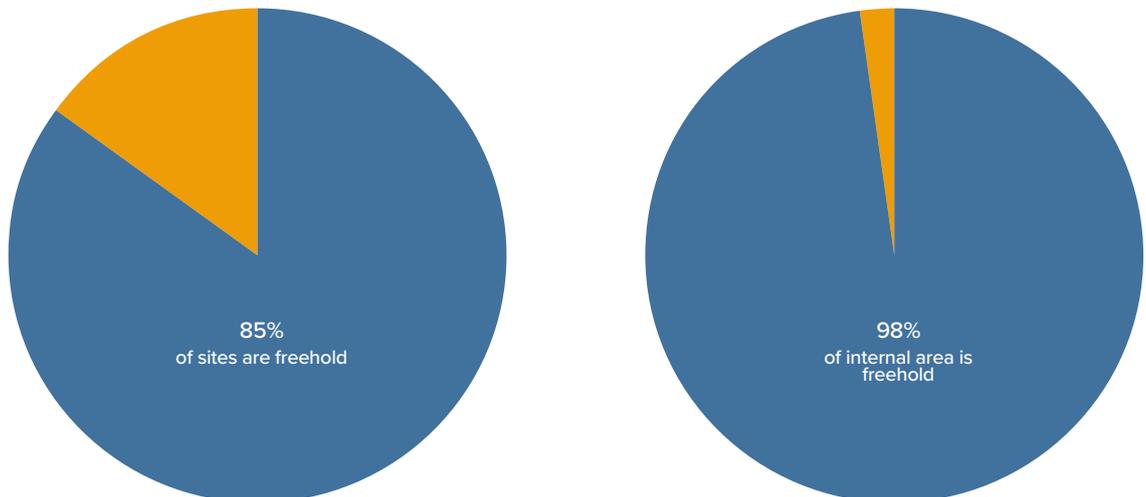
The chart below shows the number of sites in each class and demonstrates the diversity of the Estate.

Figure 9. A diverse Estate of 275 sites



Most of these assets are of freehold tenure as illustrated by the diagram below. This significant proportion is expected to increase further after the office rationalisation process is complete.

Figure 10. The Estate in public ownership



Note: The non-freehold properties are leasehold and interest only

Whilst the number of sites held which are not freehold is a relatively small proportion of the Estate, particular care should be taken with those sites to only apply the parts of the Strategy that are appropriate and manageable within the constraints of their respective tenure agreements.

1.4 Condition and compliance

Establishing the condition of assets and their level of compliance with statutory requirements is necessary as this information forms a critical part of the decision-making process to retain, maintain, modify, re-purpose or dispose of assets. This information also enables repairs and maintenance works to be costed, prioritised and planned. This in turn will enable resources to be targeted where they are most needed and reduce the effects of unsatisfactory and underperforming assets.

All contemporary survey and condition information, including that completed in 2015, should be added to the Concerto database (see 4.4 below). This data needs to be assessed for completeness and consistency so that the information can be analysed in relation to the Estate and individual asset classes.

Condition surveys provide a systematic, uniform and objective basis for acquiring information on the assets. The surveys should also identify the work necessary to bring assets up to a serviceable state of repair and to rectify non-compliance and breaches of legislation.

A rolling programme of asset surveys on a four-year cycle should be established and data on assets should be reviewed annually to account for changing needs and priorities.

1.5 Database

Accurate and comprehensive data increases the opportunity for improved outcomes and all data should be stored in a single source database.

Data has historically been held in multiple locations, with the bulk of data located on the Technology Forge and Concerto databases. All data will be moved into Concerto.

Figure 11. Typical Concerto entry

The screenshot shows a web browser displaying a typical entry in the Concerto database. The browser address bar shows the URL: <https://concerto.gov.je/content/site/home2.aspx?node=site>. The page header includes the Government of Jersey logo and navigation links: Home, Help, Fax, My announcements, My profile, Logout.

The main content area displays the following information for the entry '0322 - South Hill States Offices':

- Site area:** 8,026.00m², 1.96 acres, 0.10 Hectares
- Total Gross Internal area of buildings:** 150m²
- No buildings on site:** 10, Number of blocks: 10
- Main contact:** Main Contact Tel: 445219
- Ranking of site:** 1 of 1 Office & Administration - Office - TBC

The 'Site information' section is expanded, showing the following details:

Region	Jersey
Vingtaine	Canton de Haut de la Vingtaine de la Ville
Parish	St Helier
Department	States of Jersey GHE - JERSEY PROPERTY HOLDINGS
Status	Active
Tenure	Freehold
Category	Office & Administration - Office - TBC
Related deed numbers	n/a
Cost centre	F322B
Asset Ref	F322B
Asbestos details	Last asbestos update carried out on 24 April 2018 Asbestos present

Additional information includes: 'There is a listed building/structure on site' and 'Building of Local Interest'.

The right-hand sidebar contains sections for 'Site contact details', 'Documents' (listing PDFs like '0322 - South Hill States Offices - MGT Survey - 3.8.15.pdf'), 'Change data request' (with a 'Request a change' button), and 'Who's looked' (listing users like Paul Arnold, Bruce Preston, Matt Caswell, Kristine Tamberga, Anna Milven, and Water Audit - Jan Warren).

Concerto is currently split into three user groups: Jersey Property Holdings, Waste, and Transport. Each group uses different elements of data and therefore each Concerto instance provides differing levels of asset information. When the transfer of all information is complete the Concerto architecture should be revisited to deliver one common database accessible to all who need it.

The information listed below is the minimum that should be available on the Concerto database:

- Radon - test carried out; protection in place
- Building byelaws (Jersey) - Certificate of Completion
- Fire certificate and or fire risk assessment
- Asbestos - detailed survey or register
- Water quality management
- Access audit - compliance with Discrimination (Disability) (Jersey) Regulations
- Condition – expressed as Category A, B, C or D
- Suitability – expressed as Category A, B, C or D
- Energy and water use
- Market value of asset, rental income per annum, maintenance costs per annum
- Utilisation
- Site area; property area; gross internal area; net internal area
- Records – site plans; buildings plans, sections, elevations

Gathering in and logging this data onto Concerto will deliver benefits because excellence in the property asset management process is more achievable if operational and management data is available, accurate and comprehensive. Data is a crucial prerequisite for the development of property Asset Management Plans, evaluating and appraising options, decision-making and planning, and in the performance management processes.

Concerto (in conjunction with the Asset Management System) will be used to:

- Maintain a complete and accurate property asset register
- Enable accuracy in property asset reviews, appraisal, decision-making and planning processes
- Monitor and assess the implementation of property Asset Management Plans and property asset performance
- Satisfy statutory and other external reporting and compliance requirements
- Support the continuous management and maintenance of the property asset base

1.6 Maintenance provision and future direction

The Estate has a total annual maintenance cost in 2018 of £13m.

The ratio of maintenance to freehold property value for this element of the Estate is 1.68% and the spend per m² of floor area is £31.54 (one of the seven CIPFA KPIs).

A Property Maintenance Business Review was undertaken in September 2019 led by the Interim Property Manager for Growth Housing Environment Property Maintenance (GHEPM) who generally has responsibility for the maintenance of all the Estate to which this strategy applies. Exceptions to this, where maintenance is carried out by the Directorate responsible for operating the property are:

- The General and Overdale Hospitals
- Morier House
- Westaway Court
- HMP La Moye

- The Police headquarters

There were 55 recommendations in the September 2019 Business Review and all of these are consistent with and, if implemented, would assist the delivery of this Strategy. Sixteen of these were designated as priority, addressing the following:

- Completion checking of contractor's work
- Project governance
- Concerto database usage
- Standardisation of Service Level Agreements
- Recording of statutory compliance activities
- Fire compliance
- Electrical compliance and competency of electrical contractors
- Improved management of funding and retention monies
- People structure

Efficiencies and improvements in the maintenance system are undoubtedly currently restricted by the lack of a unified database that provides controlled accessibly to all parties including customers and resourcing. Since the introduction of Concerto in 2016, significant improvement has been achieved but to fulfil this Island Public Estate Strategy the following items need to be incorporated in to this same database:

- Planned preventative maintenance inspections
- Insurance inspections and resulting remedial actions
- Compliance generally

The foregoing is likely to be a medium-term project with integration required with other Government of Jersey digital strategies. In the short term, the current work of transferring property data available elsewhere onto Concerto and for compliance data; exploring links to the British Engineering Services portal as used by Treasury and Exchequer; and the Zetasafe system used by Health and Community Services should be continued. These require appropriate investment with additional resource to be brought to an effective interim conclusion.

2.0 Vision and Mission

The vision for this Strategy follows the lead established in the key elements of the corporate vision and policies set out in the long-term strategic framework defined by:

- Future Jersey
- Government Plan
- Common Strategic Policy
- Island Plan

The vision is aspirational and describes what the Government of Jersey would like to achieve in the long term:

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.

Whilst the vision serves as a guide for choosing current and future courses of action, the mission is a précis of the Government of Jersey's purpose and what we do:

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.

3.0 Delivering on our Objectives

3.0 Delivering on our objectives

The need for clearly defined asset management objectives that are derived from corporate objectives is set out in the RICS Public Sector Property Asset Management Guidelines -

“Strategic property asset management is the process which aligns business and property asset strategies, ensuring the optimisation of an organisation’s property assets in a way which best supports its key business goals and objectives.”

Our underlying corporate principles form a key part of the context of the Asset Management System and are the starting point for establishing our asset management objectives.

The objectives in this Strategy provide the opportunity for the alignment of outcomes and aims of key Government plans and policies.

3.1 Our objectives

Our objectives are derived from the structure of the Public Sector Scorecard referenced within the RICS Public Sector Property Asset Management Guidelines. They are aligned to and support delivery of our corporate objectives and delivery plans, and contribute to:

1. The implementation of risk-based, information-driven planning and decision-making processes and activities that transform corporate objectives into Asset Management Plans
2. The integration of our asset management processes with our functional management processes, such as finance, human resources, information systems, logistics and operations
3. The specification, design and implementation of a supporting asset management system as described in BS ISO 55001 Management systems - Requirements

The strategy will deliver efficient and effective property and facilities management services through an integrated Corporate Landlord Model, with a focus on strategic asset management, cost, activity, and securing a compliant estate, supported by the following key principles:

Figure 12. Our Objectives



The delivery of these objectives is set out in section 6 of the Strategy.

4.0 Developing a Corporate Landlord Model

4.0 Developing a Corporate Landlord Model

The concept of a Corporate Landlord aligns governance, decision making and budget management around all property assets and the responsibility for their management and maintenance in one place. Under this model, this provides a clear framework and leadership for the management of property assets. Departments will no longer be responsible for both the strategic and day to day decision making around land and property assets that they occupy or use in delivering their service. The function of the Corporate Landlord 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 property and health and safety legislation.

4.1 Current position

The Government of Jersey has recognised the necessity of operating a Corporate Landlord Model as this will ensure the most efficient use of property assets, and ensure alignment with corporate priorities, strategies and standards. This document moves the Government from an aspiration to adopt the Corporate Landlord Model, into the implementation phase. This phase will help to avoid strategic delivery risks, budgets risks, premises maintenance and compliance risks, and reputational risks which are evident from the current arrangements. It will also create and improve opportunities for more shared use assets, both internally and with external partners, and avoid the financial and land ownership risks associated with third party use of Government premises.

4.2 Why a Corporate Landlord Model

The Corporate Landlord approach is designed to enable the Government to utilise its assets to deliver better, more efficient services to communities. The Corporate Landlord Model is the predominant model in larger private sector organisations who have significant property holdings due to its efficiency in delivering corporate outcomes. Corporate Landlord is endorsed by both CIPFA and the RICS.

4.3 Implementing a Corporate Landlord Model

Commitment – The Government will fully commit to commence implementation of the Corporate Landlord with effect from the beginning of the 2021/22 Financial Year. In taking these steps the Government is able to:

- Unlock the value of assets, seek efficiencies through joint arrangements with public sector partners and maximise private sector investment.
- Support the delivery of the Government's Corporate Plan and other corporate objectives, such as the Island Plan.
- Integrate thinking about property with financial, investment and regeneration strategies.
- Manage and reduce risk around property.
- Be seen to act corporately (and rationally) in relation to its property assets, being able to fully justify decisions made involving property.

Budgets – Currently Government’s budgets that are utilised for property transactions are distributed across both centralised property functions and individual service areas.

Going forward all maintenance budgets will be transferred to the Facilities Management Service who will be responsible for repairs and maintenance of all Government owned and occupied buildings in consultation with the client. There may be agreed exceptions to this principle where circumstances make this appropriate. However, it is anticipated that the exceptions will be few, and only apply where it is more appropriate for these to be undertaken by the occupier, due to specific and local service delivery needs.

Service Level Agreements which clearly define responsibilities for property maintenance will be agreed with each service. Routine issues excluded, moves, lettings, alterations to the fabric of a property will all be the responsibility of the corporate landlord, to ensure efficiency in the use of resources and consistency in implementation and application of premises standards. Any transferred budgets will be ring fenced to support:

- a) Additional resource within property to undertake management of those corporate buildings and;
- b) The asset management plan process. The movement of these budgets should not impact on the Government’s overall net property expenditure.

Under the Corporate Landlord Model the property team will work with individuals and departments to support and enable premises moves, acquisitions, disposals and repairs and maintenance. The Corporate Landlord Model will establish clear internal links between each service and an identified property business partner, so that there is close working at the earliest stages of the decision-making process. The role of the property business partners will be strengthened and reinforced to ensure that they work as closely as possible with service managers, to ensure that they:

- Understand the business operating model and key outcomes of the service area, and its overall strategic direction
- Are able to support service areas, so that there is a clear articulation of their property asset requirements, both now and going forward
- Understand where the property assets in use by service areas are falling short of expected performance, both financial and non-financial
- Are able to consider and analyse possible property solutions for service managers, supporting them through option appraisal and business case development

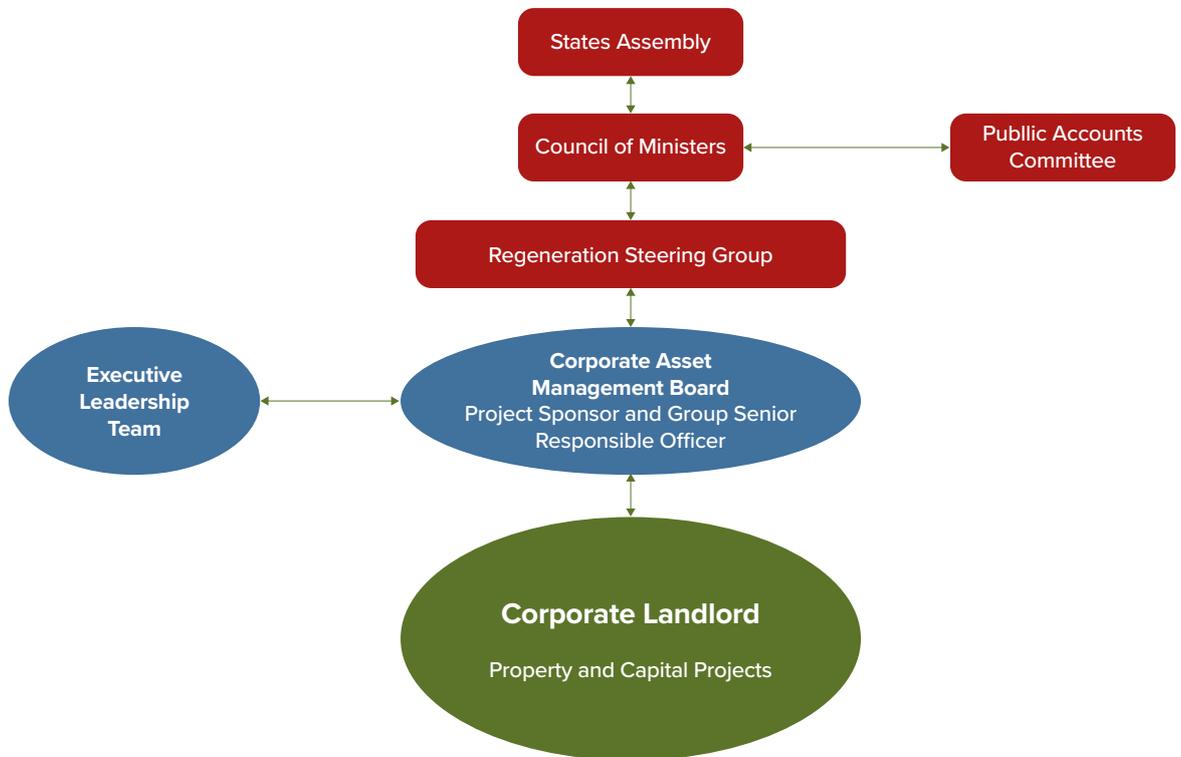
5.0 New Governance Structure

This Strategy will come under governance of the newly formed Corporate Asset Management Board (the Board). The Board’s primary objective is to oversee implementation of the strategy to ensure that it supports the long-term ‘One Gov’ ambitions, well beyond the four-year terms of Councils of Ministers. The Board will therefore need to consider, prioritise and approve the forward programme for the short, medium and long term for all estate projects and related policies, (including education, health, the release of sites for affordable housing, etc.) and undertake an early sift of all capital proposals to ensure that they are aligned to the strategy.

The main objectives of the Board are, to:

- Deliver the Corporate Landlord Model
- Ensure that internal stakeholders, at all levels, are appropriately engaged in the planning, development, implementation, and operation of the property strategy
- Ensure that the Strategy objectives are aligned to corporate objectives and to the strategy, vision and mission
- Support the Asset Management System and ensure it is suitable, adequate and effective
- Report to the executive on the performance of asset management
- Advise the Minister for Infrastructure and the Council of Ministers on significant property-based decisions

Figure 13. Governance structure for the Estate



6.0 Delivering the Strategy

6.0 Delivering the strategy

This strategy promotes short, medium-term and specifically long-term Government planning for the Estate and will remain applicable for a time horizon that transcends political cycles.

The current Common Strategic Policy and Government Plan also commit to a programme to strengthen the long-term management of our assets. Historically such documents reference a four-year cycle after which they get refreshed by the new, incoming Government. This risks a lack of continuity and potential abandonment of themes and objectives already underway. With the benefit of this long-term strategy, successive Governments' asset management will be more enduring and continuous in its development.

6.1 How we will deliver

In determining the size and shape of the Estate the strategic priorities are as follows:

- **Right place:** we aim to have buildings located in the right place to support efficient and effective services.
- **Right size:** we aim to have an estate which is the right size, with sufficient flexibility to efficiently and effectively work alongside our partners.
- **Right configuration:** we aim to provide good quality buildings, with sufficient functionality and flexibility, to support the effective operation and delivery of the business, wellbeing of staff, and to meet the diverse needs of our customers.
- **Right condition:** we aim to provide and maintain a sustainable estate in the right condition to support the effective operation and delivery of business and to minimise the potential for any disruption to that business.
- **Right price:** we aim to deliver services and investments which are value for money, at the right time and right quality.

6.2 Time Horizons

The short-term planning includes:

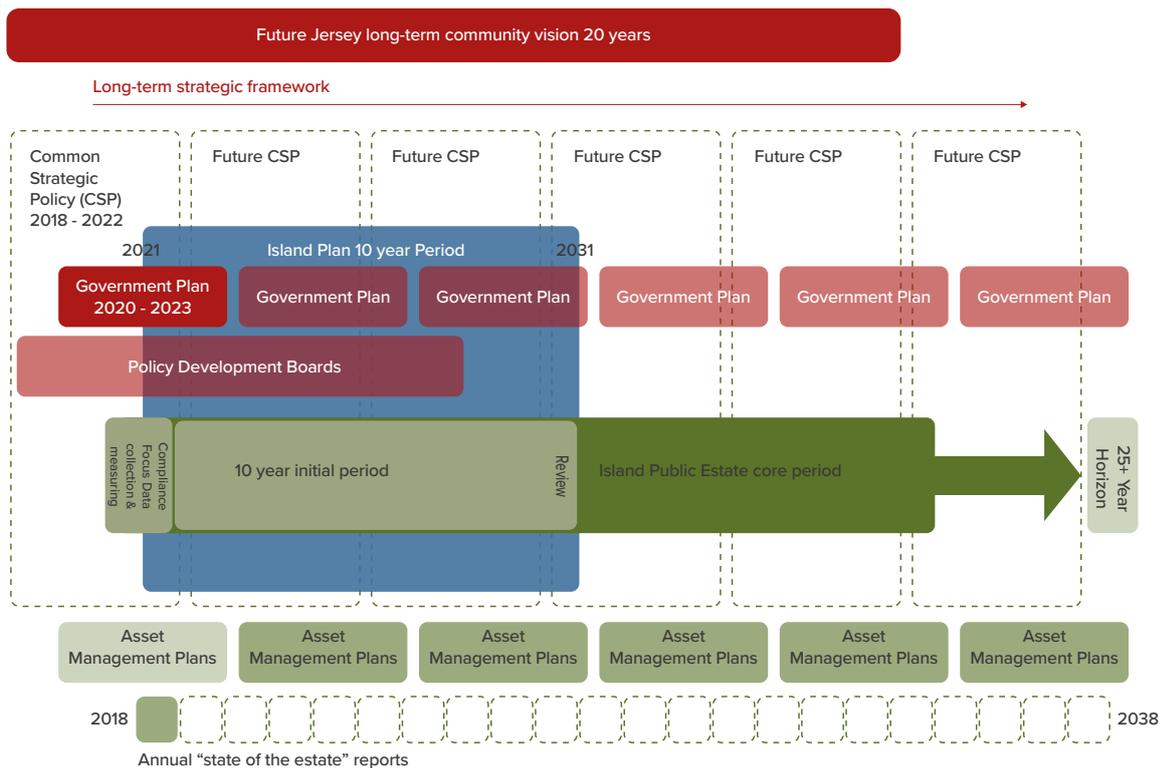
- Completion of surveys to establish the condition of assets
- A focus period to rectify any legislative and compliance issues that currently exist
- Completion of a single unified database required for corporate control of the Estate
- The first issue of a set of asset management and investment plans that follow the issue of the next Common Strategic Policy
- The issue of a first annual State of the Estate report

In the medium term, the Strategy must coordinate initially with the new bridging Island Plan 2022 -2024, and then the full Island Plan which runs for a ten-year period. It will be used to guide the successive Asset Management Plans which in turn follow the next Common Strategic Policy. These AMPs will also benefit from annual report into the state of the Estate which will enable officers to drive efficiencies and ensure that they meet the necessary environmental performance requirements. The Strategy will have a major review after ten years and will also inform the medium-term capital plan.

In the long term, with a 25-year horizon in view, environmental considerations lead us to consider post demolition and re-use (cradle to cradle) outcomes, where the next use of sites and building components needs to be considered in AMPs and which support longer term Government plan objectives. This period also informs and is driven by the long term capital and revenue plans.

The Strategy timelines and their relationship to the long-term strategic framework of the Government Plan, Common Strategic Policy, Island Plan and Future Jersey are shown in the diagram below.

Figure 14. The Strategy timeline



6.3 Delivering the Objectives

The following detailed objectives provide direction for Government to ensure that its property portfolio can fulfil its requirements. They are defined at multiple levels, as indicated in the **‘What this means’** sections of each objective.

The objectives will inform subordinate objectives during the development of the Asset Management Plans. The tactics to deliver the strategy objectives are set out in the **‘What needs to be done’** sections of the objective descriptions.

We can assess how successful we are in meeting our objectives by measuring performance in key areas. Potential measurements are identified in the **‘What gets measured’** sections of each objective. Relevant measurements from any single objective may contribute to the overall performance indicators for other objectives.

All the actions on the schedule have had an initial priority assessment carried out and will be fully assessed during the development of the Asset Management Plans. Typical top

three high-priority actions for each of the objectives arising from the initial assessment are shown below. These actions should be addressed during the initial focus period indicated on the timeline diagram above.

Table 1. Typical high-priority actions

Objective	Action	Start	By When	Status	Priority/sequence (high=1 - low = 5)
Strategic 1	Establish a Corporate Asset Management Board (CAMB) and a governance structure which ensures an overarching corporate approach supported by operational communication of asset requirements.	Q3 2019	Q3 2019	Completed	1
Strategic 2	Complete and maintain a unified database of all public land and property with asset classes configured in accordance with this strategy and minimum key data defined.	Now	Q3 2020	Completed	1
Strategic 3	Complete the first phase of the government office modernisation programme by 2023.	Now	Q4 2023	On track	1
Customers 1	Regularly review the service needs	As required	Annual	On-going	3
Customers 2	Engage in effective discussion with community and stakeholder groups when evaluating future needs.	As required	As required	Not started	5
Customers 3	Where appropriate, amend services and assets.	As required	As required	Not sue yet	4
Financial 1	Increase and optimise income from Estate	Q1 2020	Annual	On-going	1
Financial 2	Maintain the assets in a planned and structured manner such that condition, user satisfaction and capital value are maximised	Now	Annual	On-going	3
Financial 3	Implement the terms of tenancies and encourage end users to renew existing leases	Q1 2020	Q2 2020	on track	2
Innovation 1	Appoint an estate innovation champion and assemble an innovation focus group	Q1 2020	Q4 2020	Not started	2
Innovation 2	Continuously modernise and improve service delivery through increased utilisation of technology	Now	Annual	On-going	2
Innovation 3	Review evolving global workspace and environmental trends	Now	Annual	On-going	5
Operational 1	Communicate our vision, mission, objectives and strategy for a unified property portfolio	Q4 2019	Q4 2020	On track	1
Operational 2	Focus the work of property staff around delivery of objectives	Q1 2020	Q4 2020	On track	1
Operational 3	Amalgamate all our property systems within a single, comprehensive property database	Q1 2020	Q1 2021	On track	1

The Island Public Estate Strategy objectives are limited in number, to provide focus and to target efforts: if we deliver our objectives, we achieve our mission and realise our vision.

6.3.1 Strategic

A unified, sustainable and smart estate which respects the natural and historic environment

What this means

The Estate will meet Jersey's long-term community aims. It will be governed as one overall entity, under a Corporate Landlord Model, with all data stored on one accessible platform. To align with the Climate Emergency 2019, as agreed by the States Assembly in 2019, natural resources and utility use will be subject to the long-term climate action plan. New projects will consider green buildings technology to contribute to carbon reductions, improve air quality within buildings and ensure any discharges are compliant with regulations. The reduction of waste will be a key element of the development, management and maintenance of the Estate. A smart estate will be achieved by combining technology with location, right-sizing and modernisation to deliver assets that interact with each other and their users. When developing the Estate, the heritage of our Island and its green spaces will be treated with sympathy to leave a positive legacy for our children.

What needs to be done

- Complete the governance structure which ensures an overarching corporate approach supported by operational communication of asset requirements with the capability of transcending political cycles
- Establish a Corporate Landlord Model, bringing together all related services under one governance structure to enable savings and provide a better service to our staff and customers.
- Complete and maintain a unified database of all public land and property, with asset classes configured in accordance with this strategy, and minimum key data defined
- Prioritise the reuse of brownfield sites over green spaces
- Complete the property capital works set out in the Government Plan
- Review and reconfigure locations of services and property and incorporate interactive smart technology to enable efficiencies in service
- Develop the island Geographic Information System mapping to have a direct interface with the Estate database to record and display headline data on assets
- Establish resources and a system for developing regular, overarching four-year Asset Management Plans for the Estate and an annual 'State of the Estate' report which tracks improvement in performance
- Establish metrics for all KPIs and develop the means to measure them
- Develop, manage and maintain a compliant estate in accordance with the environmental aspirations of Future Jersey, the CSP, the Island Plan and the Government Plan

What gets measured

At appropriate intervals, through the review of relevant Asset Management Plans, identify key performance indicators and benchmarks including those recommended by CIPFA which may include measurement of:

- Number and type of assets on the database
- Energy use including carbon emissions and issue of Energy Performance Certificate
- Waste
- Asbestos register
- Statutory compliance incorporating fire certification, Health and Safety

6.3.2 Customer focused

Meets the needs of the client and building occupiers

What this means

We will endeavour to deliver safe, value for money, regulatory-compliant properties, providing first rate environments and facilities which meet the needs of our customers. Operational assets will be maintained to minimise service disruption as a result of failure of the asset's ability to function. Users will have sufficient knowledge and support to utilise the facilities to optimise performance. We will be responsive to the needs of occupiers and users, with flexible management plans to ensure that options are explored with stakeholders, including change facilitated by technology and new practice.

What needs to be done

- In conjunction with service providers and recipients, regularly review their property needs
- Engage in effective discussion with community and stakeholder groups when evaluating future needs
- Where appropriate, amend assets to align with changing service needs
- Set appropriate targets for service level and utilisation
- Undertake a rolling programme of condition surveys across the whole estate
- Prioritise work to assets on a safety, regulatory compliance, critical maintenance and service delivery basis
- All relevant facilities will have a fire management plan
- Deliver targeted training to occupiers to enhance awareness of their responsibilities as users
- Make occupiers aware of procedures for defect reporting and maintenance
- Regularly review assets against evolving workspace trends and technologies
- Provide healthy workplaces and environments through considered design, well maintained assets and the use of smart technology

What gets measured

At appropriate intervals, through the review of relevant Asset Management Plans, identify key performance indicators and benchmarks including those recommended by CIPFA which may include measurement of:

- Customer satisfaction through interviews and surveys
- Rent levels
- Potentially Unsafe conditions
- Asset condition
- Occupier training records

6.3.3 Financial

Economic and efficient operation, facilitating investment, supporting growth and regeneration and delivering value for money

What this means

Jersey's diverse estate must meet its service objectives and policies within the constraints of the Island without overburdening the taxpayer. The Estate will continue to be reviewed to ensure that its assets are economically vibrant, balance both commercial and community obligations and provide excellent service delivery. The Estate must provide facilities and an environment that makes Jersey a desirable destination to visit, live, learn and work.

What needs to be done

- Increase and optimise income from the Estate
- Demonstrate transparency of income and expenditure
- Where beneficial, work in partnership, not in competition, with the private sector or other public sector organisations
- Maintain the assets in a planned and structured manner such that condition, user satisfaction and capital value are maximised
- Implement the terms of tenancies and encourage end users to renew existing leases
- Apply flexible internal charging for property that appropriately incentivises users
- Review the arrangements for charging for the occupation of property and, if an asset rent model is retained, apply it on a consistent basis
- Undertake a maintenance and improvement programme for the Island's property holding to maximise value
- Regularly review the operational estate portfolio to ensure it continues to deliver the service requirements efficiently and effectively
- Administer acquisitions and disposals, balancing commercial and community needs
- Establish lifecycle costs to develop a planned maintenance strategy
- Make available attractive spaces and well-connected facilities to encourage internal and external investment
- Support community health and wellbeing through accessible and good quality, health, education, leisure and social facilities
- Provide attractive environments, infrastructure and facilities that are vibrant, clean and well maintained, accessible and appropriate for a modern tourist orientated island.

What gets measured

At appropriate intervals, through the review of relevant Asset Management Plans, identify Key Performance Indicators and benchmarks including those recommended by CIPFA which may include measurement of:

- Value of the Estate
- Maintenance and lifecycle costs including extent of backlog maintenance
- Occupancy and utilisation rates incorporating assets not being available due to condition
- Improvement in appropriate financial targets
- Revenue expenditure on property
- Time and cost data for projects

6.4.4 Innovation

Continuous improvement through consideration of emerging design and evolving technologies

What this means

We will drive ongoing improvement to the level of service delivery and the quality of the estate through embracing leading design and technological development.

What needs to be done

- Appoint an Estate Innovation Champion and assemble an Innovation Focus Group
- Continuously modernise and improve service delivery through increased utilisation of technology
- Review evolving global workspace and environment trends
- Hold lessons learned sessions for assets with stakeholders to enable collaborative learning
- Investigate and promote the use of smart buildings technology to increase efficiency, reduce costs, provide healthy workplaces and deliver a better user experience
- Ensure open protocol systems are adopted to facilitate connection to the wider smart Island technology
- Investigate and promote the use of sustainable materials and modern methods of construction, extend design life and reduce whole life costs so that we best utilise the resources of the island
- Design using Building Information Modelling (BIM), virtual reality and artificial intelligence to improve the performance and efficiency of the estate
- Create spaces respecting ergonomics which nurture social interface and well-being

What gets measured

At appropriate intervals, through the review of relevant Asset Management Plans, identify key performance indicators and benchmarks including those recommended by CIPFA which may include measurement of:

- Number of smart buildings
- Numbers of people involved in lessons learned sessions
- Number of buildings which have a Building Information Model
- Number of recommendations from the innovation focus group that are implemented

6.3.5 Operational

Effective and efficient operations supported by a comprehensive asset management system

What this means

We aim to be a high achieving organisation employing a joined-up coordinated approach to asset management across the whole Estate, avoiding silo structures. The asset management team will utilise comprehensive, reliable asset data from a single platform to inform and develop the Asset Management Plans. We will continue to review and adapt the plans to ensure the Estate remains relevant and contributes towards excellent service delivery within the Island's financial constraints. All those responsible for delivering the asset management function will enjoy safe workplace environments with the right training, tools and support.

What needs to be done

- Communicate our vision, mission, objectives and strategy for a unified property portfolio to all staff
- Focus the work of property staff around delivery of the objectives
- Amalgamate all our property systems within a single, comprehensive property database
- Implement a rolling programme of surveys of our assets to establish the condition of our estate
- Develop key data requirements for each asset class
- Identify what required key data is currently held and what data we need to obtain
- Develop clear processes and programmes for updating the single database and ensuring data held is 'clean'
- Improve service delivery through better utilisation of technology and the collection and management of data
- Carry out reviews of Asset Management Plans every four years to ensure they remain current and focused on the objectives and are effective and efficient
- Accommodate all staff in comfortable, ergonomic, flexible and productive workspaces and environments
- Work with the Chief Operating Office to utilise mobile technology and enable flexible and remote working
- Implement Personal Development Plans for all property staff to develop training regimes to support their needs

What gets measured

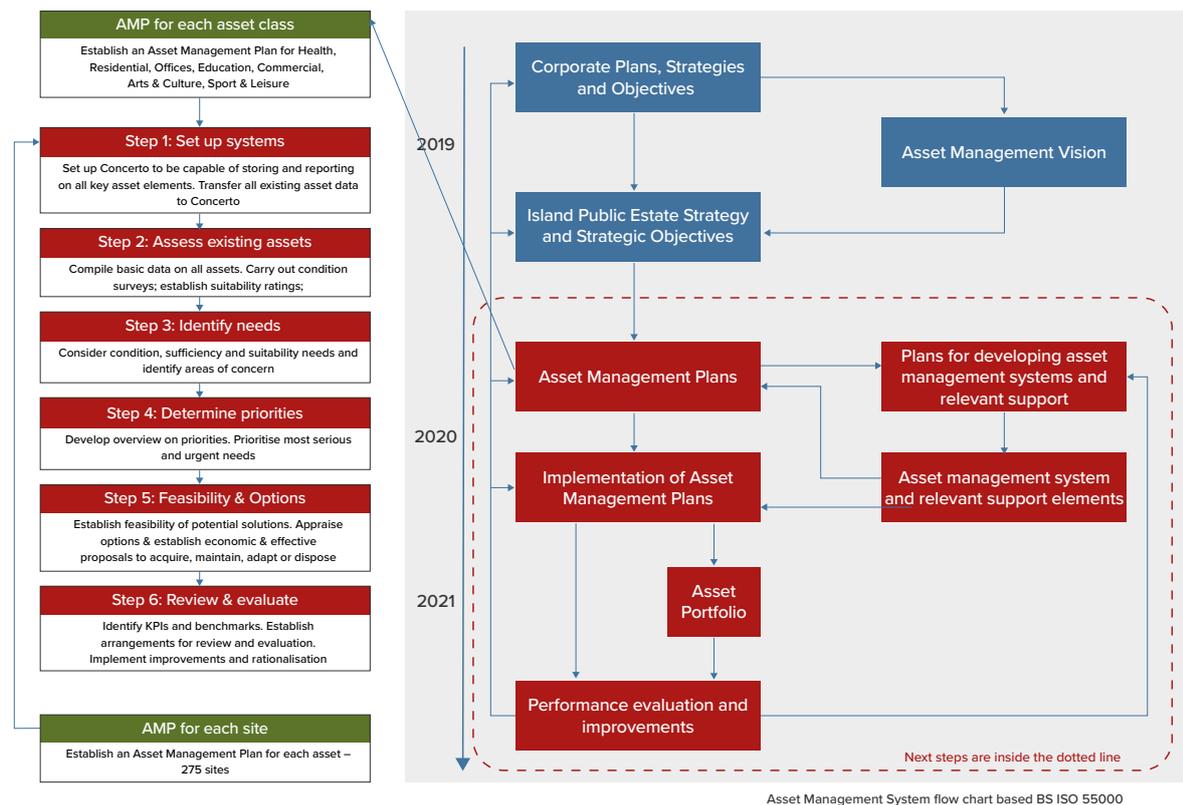
At appropriate intervals, through the review of relevant Asset Management Plans, identify key performance indicators and benchmarks including those recommended by CIPFA which may include measurement of:

- Number of assets fully detailed on the unified database
- Number of Asset Management Plans reviewed
- Number of up to date Personal Development Plans in place
- Operational staff satisfaction levels through user interviews and surveys

7.0 Asset Management Plans

The development of the detailed property Asset Management Plans (AMPs) will commence with asset managers gathering and analysing data on the existing assets while concurrently establishing exact business needs in terms of accommodation requirements. The AMPs will also set out how the present portfolio of property will be adapted to best suit the requirements of customers. Working through the AMPs will lead to review, performance evaluation and improvements which will feed back into the AMPs and ultimately the Strategy. These next steps are set out in the diagram below:

Figure 15. Short term next steps



The asset management planning process works through sets of operational criteria agreed at service delivery level, reflecting business policies and the objectives. Property asset managers will use this output as a checklist for determining the suitability of existing property assets and the changes that may be required to bring the asset portfolio up to the desired standard for efficient and effective delivery. AMPs will be checked financially as they are developed. The ‘whole business effect’ will be appraised, in particular, the demands on other corporate resources, principally staffing and support IT.

Asset Management Plans for a particular asset class or individual property should not be prepared in isolation. There must be an awareness of other AMPs, the objectives and the strategy when developing and implementing the AMPs. The property asset manager will be expected to scrutinise, across the Estate, the need for accommodation, the type, quality and amount of space as well as its location. Each property asset must justify its position within the AMP and within the Estate to provide tangible benefits. The procurement options for potential strategies will be developed and tested financially and with operational managers, to ensure that delivery and affordability targets can be achieved both immediately and over time. Measuring the effect on systems and staffing levels is also a vital step in developing the AMP.

The AMPs lay the foundation for the efficient and effective use of all assets and provide a platform for structured and rigorous forward thinking and decision making about operational and property asset strategies. AMPs enable management to be clear about the extent, value, condition and suitability of the Estate. This will form the basis for Strategy delivery and review together with clear methodologies for measuring performance. Typical actions going forward are summarised as:

7.1 Preparation and implementation of Asset Management Plans

- Gather and analyse data on all existing assets
- Establish clear strategic approaches to the use and utilisation of space, location, size, facilities required
- Consider options for under-used or unsuitable assets
- Consider options for financing of assets
- Acquire, retain, maintain, adapt, re-purpose or dispose of assets

The Institute of Asset Management describes asset management as “the management of physical assets – their selection, maintenance, inspection and renewal”. The Institute goes on to say that “asset management is the art and science of making the right decisions and optimising these processes. A common objective is to minimise the whole life cost of assets but there may be other critical factors such as risk or business continuity to be considered objectively in this decision making.”

There are many tools available to assist in decision-making in asset management. The most common of these can compare condition with suitability, strategic importance and cost to allow reasonably informed decision making when it comes to retain, maintain, adapt or dispose. Options matrices similar to those shown below are regularly used in conjunction with other matrices and data to aid asset assessment decision-making. Appropriate and specific decision-making tools should be fully developed during the formulation of AMPs.

Figure 16. Hypothetical examples of optioneering matrix

IPES example of options matrix - Condition vs suitability

Bad suitability - Does not support and seriously impedes service delivery. The conditions are expected to curtail operations within the building.	Suitability D	Modify and change use	Modify, refurbish and change of use	Disposal repurpose or major refurbishment	Disposal
Poor suitability - Showing major problems and operating inefficiency. Impedes service delivery and staff and occupiers performance.	Suitability C	Modify	Modify and refurbish	Major modification and investment	Disposal or repurpose
Satisfactory suitability - Performing well but with minor problems and operating below optimum efficiency. Generally supports services and staff needs.	Suitability B	Minor modification	Modify and increase maintenance	Modification and additional investment	Disposal or repurpose
Good suitability - Performing very well and operating at peak efficiency. The buildings and grounds support the delivery of services and meets staff and occupiers needs.	Suitability A	Status quo	Increase maintenance	Additional investment	Major investment
		Condition A	Condition B	Condition C	Condition D
		As new condition - typically features one or two of the following: typically built within the last five years or may have undergone a major refurbishment with in this period: maintained / serviced / to ensure fabric and building services replicate conditions at installation: no structural, building envelope building services or statutory compliances issues apparent: no impacts upon operations of the building	Sound, operationally safe, and exhibiting only minor deterioration - typically features one or more of the following: maintenance will have been carried out minor deterioration internal / external finishes: few structural, building envelope, building services or statutory compliance issues apparent: likely to have minor impacts upon the operation of the building.	Operational, but major repair or replacement needed in the short to medium term (generally 3 years) - Typically features one or more of the following; requiring replacement of building elements or service elements in the short to medium term; several structural, building services or statutory compliance issues apparent, or one particularly significant issue apparent; identified problems with building envelope (e.g. windows/roof), or building services (e.g. boilers chillers)	Inoperable or serious risk of major failure or breakdown - typically features one or more of the following: building is inoperable or likely to become inoperable due to statutory compliance issues or condition representing a health and safety risk breach: may be structural building envelope or building services problems coupled with compliance issues: Life expired or serious risk of imminent failure

One of the significant problems when it comes to deciding what to do with assets is the absence of reliable data about the size of operational portfolios and details of each property, without which informed property asset management decisions cannot be made. One of the fundamental elements of information needed for an asset is its physical condition. It is vitally important that every asset has a record of condition reviewed and updated on a regular basis – a four-year cycle of reviews may be appropriate. The methodology for determining condition and reporting via a grading system should follow RICS guidance.

7.2 Review and monitor process

- Establish Key Performance Indicators and benchmarking standards and report against these at least once a year
- Periodically review corporate management arrangements for asset management planning
- Conduct post implementation review of all capital projects that are undertaken
- Establish audit cycles, evaluate performance and implement and corrective action
- Engage with other organisations and share learning to drive a process of continuous improvement

The timing of reviews and audits should be carefully considered and tailored to the performance of the Asset Management System. It would be appropriate to have a 'State of the Estate' review every year and a review and refreshment of Asset Management Plans every four years.

A critical aspect of this next step is the development of performance monitoring to establish if the objectives are being delivered and reporting of the outcomes to allow corrective action to be taken.

8.0 Strategic risk and opportunity

8.0 Strategic risk and opportunity

Increased pressure to cut costs places an increasing onus on management to provide sharper focus on their real risks and accompanying opportunities. This has led to legitimate scrutiny of whether asset management processes and systems offer real value and impact for Jersey. As a result, a fresh look at our risk and opportunity management principles and processes relative to the Strategy is required.

8.1 Risk

Jersey Property Holdings is responsible for ensuring that they have an appropriate risk management framework for the Estate, which is essential to ensure they can remain financially viable and meet the objectives.

A number of risks are increasing in importance, for example:

- Resource risk – if insufficient resources are made available to deliver the next steps then the strategy cannot be delivered.
- Health and Safety risks – with responsibility for ensuring the safety of tenants and staff. Much investment is required in the UK, and potentially Jersey, in fire safety measures since the aftermath of Grenfell Tower and it is important that appropriate controls are in place to ensure compliance with the full range of building byelaws and health and safety requirements.
- Reputational risk – the residential sector is now under greater scrutiny than ever before, and it is vital that recognition is given to stakeholder's needs.
- Property sales risk – with a reliance on sales income to fund future development programmes, Jersey Property Holdings must fully understand the markets they operate in and ensure they maintain the appropriate skill sets to maximise returns.
- Cyber and IT infrastructure / information risks – the asset database will require secure back-up, sufficient resilience and ongoing protection against external threats. There are also internal IT risks associated with updating the systems architecture and the skills base.
- Government cycles risk - brought about by the change of strategy following each change of Government in Jersey such that proposed major development projects could be delayed or cancelled while the new Government seek to reassess and amend

The aim of risk management in an Asset Management System is to ensure that risks are identified as early as possible during the formulation of Asset Management Plans, their potential impacts allowed for and, where possible, the risks or their impacts minimised by sound risk management. Deciding upon the appropriate response to a risk, including any mitigating actions, which will then be recorded in the risk management plan, can only occur after a risk's possible causes and effects have been considered and fully understood.

8.2 Opportunity

Due diligence and continuous improvement in an organised and well-planned manner, without reversal of the measures implemented, are key to successful delivery of this strategy. In addition, unplanned opportunities to meet the objectives will inevitably present themselves throughout the strategy's 25-year period. At the commencement of the

strategy period, major opportunities are apparent in the following areas, which should be considered in the significant asset management planning that is required:

- Planning for building on new land where advancement of the shoreline is promoted in the Island Plan
- Renewable energy and other sustainable measures which lead to self-sufficiency and provide a response to the climate emergency
- Extending the strategic objective from considering green buildings technology to ensuring that only green buildings are developed on the freehold sites and long leasehold sites, which represent more than 85% of the total number of sites. These buildings would be environmentally responsible and resource-efficient throughout their full lifecycle costs: from planning to design, construction, operation, maintenance, modification and demolition.
- Generating land for affordable family housing and efficiencies of Government operations by consolidating sites with initiatives such as the one government office proposal which is indicated in the strategic objective.
- Improved utilisation of buildings due to advancements in technology that will be delivered by fulfilling the innovation objective.
- Self-investment in the improvement of the Estate and assets connected to them, through the Social Security (Reserve) Fund and private sector partnerships using mutual investment models or Local Asset Backed Vehicles where the assets are used as collateral to raise debt finance.

Fulfilling this strategy to utilise the full potential embodied in our unique estate presents the greatest of opportunities to help shape Jersey into being a desirable destination to visit, live, learn and work.

8.3 Community and commercial decision-making considerations

When deciding the future use of assets, there should be an assessment of the current and likely ongoing holding and opportunity costs, and any benefits, arising from the retention of the assets to provide a balanced view about the costs and benefits to the Government of disposing of the asset.

Key essential information will include assessments of:

- a) The best consideration that would otherwise be receivable
- b) The consideration likely to be receivable on the proposed particular terms and conditions and, where available, the actual consideration offered
- c) Any direct and indirect benefits associated with the disposal, in monetary terms wherever possible.

The focus then turns to whether the benefits assessed at c) match or exceed the undervalue, i.e. the value at a) less the value at b).

Examples of where community rather than commercial uses might arise are:

- Providing affordable housing in excess of that which would be required by planning policy

- Disposing of an interest in property to a not-for-profit organisation, designed to achieve social and economic benefits
- Disposal of an interest in property designed to achieve specific physical, economic or cultural regeneration in excess of that which would normally be required by planning policy
- Seeking environmental sustainability benefits in excess of those that would normally be required by planning policy or statute.

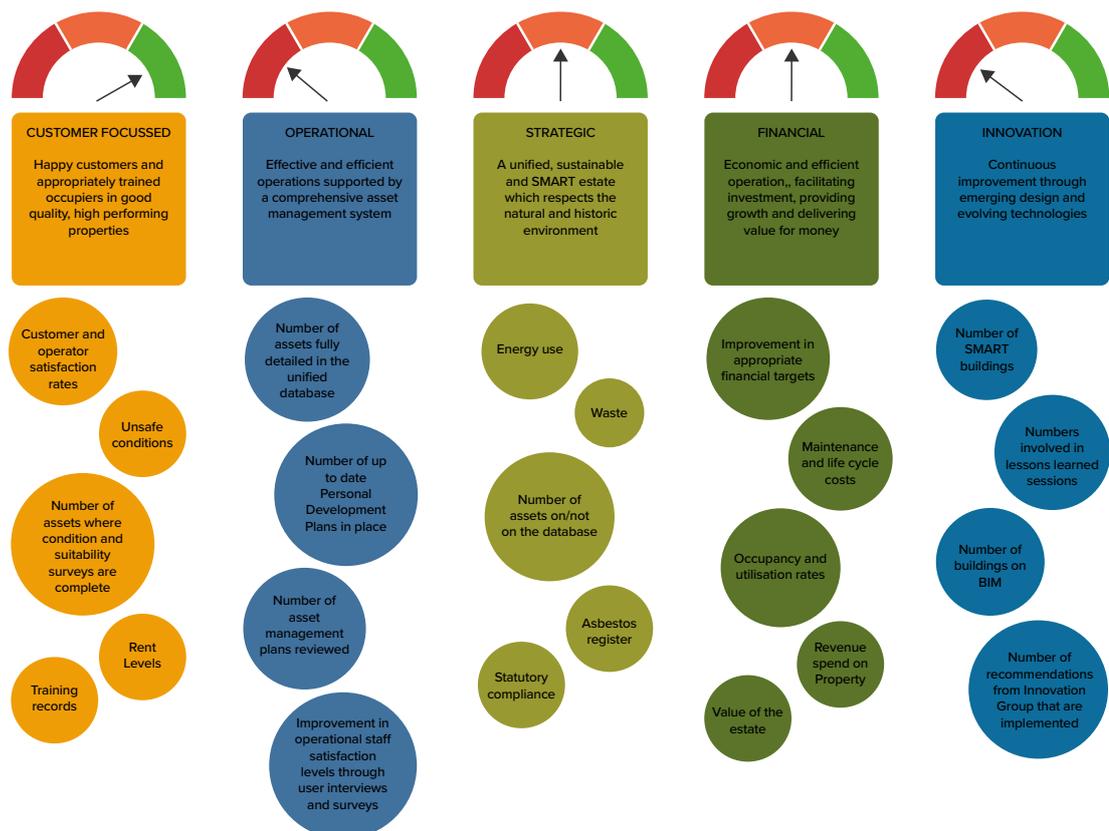
9.0 Performance measures

An important element of asset management is to set performance measures that assess how well the objectives are being delivered. In delivery, the performance measures are focused on ensuring that the objectives are being achieved. Any opportunities that arise from having exceeded the objectives should also be examined, as well as any failure to realise them.

Property asset measures will largely relate to cost, space and utilisation metrics but wider factors associated with efficiency and effectiveness should be included. User satisfaction (both workforce and customers), is important along with sustainability, risk management, asset maintenance and property management services. This quantitative information, which drives qualitative decision making, can be used to improve the efficiency of the property asset base and to benchmark with others to improve the performance of the property portfolio.

This strategy suggests performance measures that may be used to test the delivery of the objectives. The aim is to focus on a select number of key elements of asset performance and to categorise these to match the objectives. A dashboard reporting style in the form of Red, Amber, Green indicators for each of the Objectives can then be implemented on a regular basis. These performance indicators can be used to set base standards to be benchmarked in future periods.

Figure 17: Example dashboard reporting on Objectives



9.1 Key Performance Indicators

KPIs must be consistent and available over time so that reliable benchmarking can be carried out internally and externally. However, measuring for the sake of it makes no sense, so metrics must be completely relevant to Jersey and, as far as possible, cover all aspects of operations. Performance indicators should not be selected purely because

information is readily available. Indicators should be selected because they provide information that is useful to both the performance measurement and the long-term strategy feedback process. The collection of data for excessive and irrelevant indicators creates unnecessary work and does not effectively support performance management.

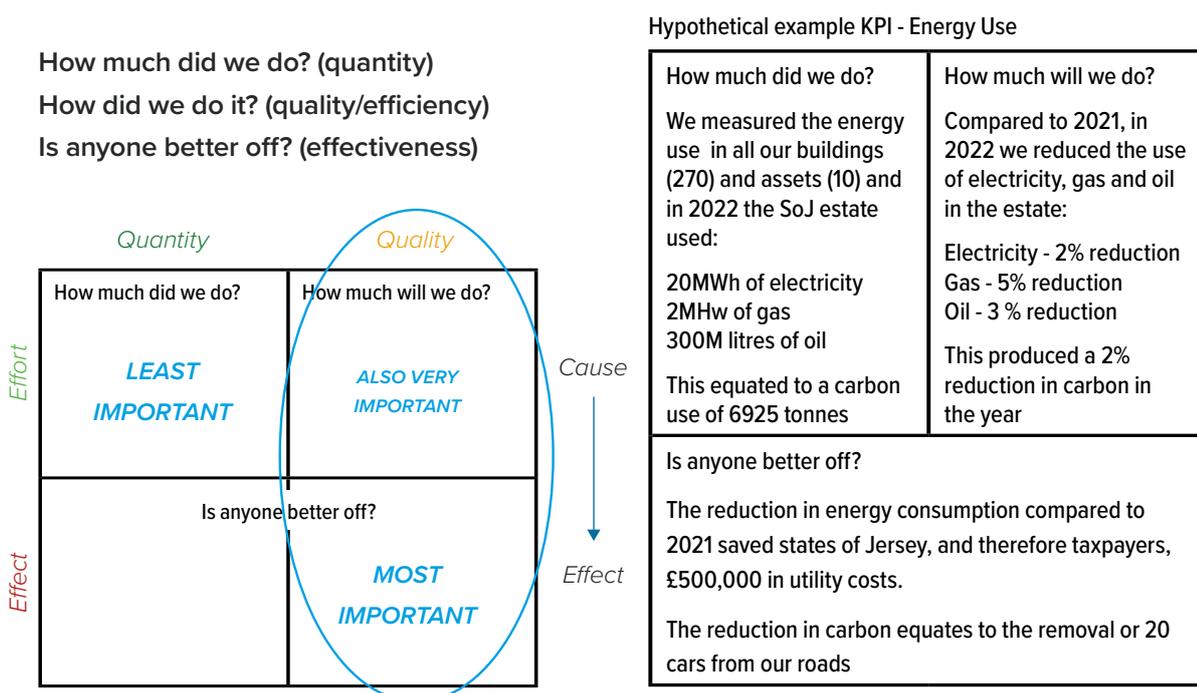
Performance indicators should support or drive improvements in performance, either through internal measurement or by comparing with previous year’s performance and that of other similar organisations. There are established benchmarking groups which have defined performance indicators in use across many sectors. The National Property Performance Management Initiative (NaPPMI) Performance Indicators, managed by the Chartered Institute of Public Finance and Accountancy (CIPFA), are accepted as the ‘industry standard’ for public sector property asset management and their key performance measure areas (listed below) should form the basis for the Estate Strategy KPIs:

- NaPPMI 1 – Condition and required maintenance
- NaPPMI 2 – Environmental issues
- NaPPMI 3 – Suitability surveys
- NaPPMI 4 – Access
- NaPPMI 5 – Sufficiency
- NaPPMI 6 – Spend
- NaPPMI 7 – Time and cost

The method of performance results reporting will be developed during the formulation of the Asset Management Plans. The basic number processing needed as part of the NaPPMI measures can be converted to a dashboard style of headline reporting on performance. Figure 19 (page 51) outlines the draft KPIs and benchmarks to be developed to measure and support the objectives of this strategy.

A hypothetical example of one method of reporting is indicated below. This presents the information in three easy to understand sections – what did we do; did we do it well and is anyone better off.

Figure 18. Hypothetical example of measures that tell us how we are doing



9.2 Benchmarking

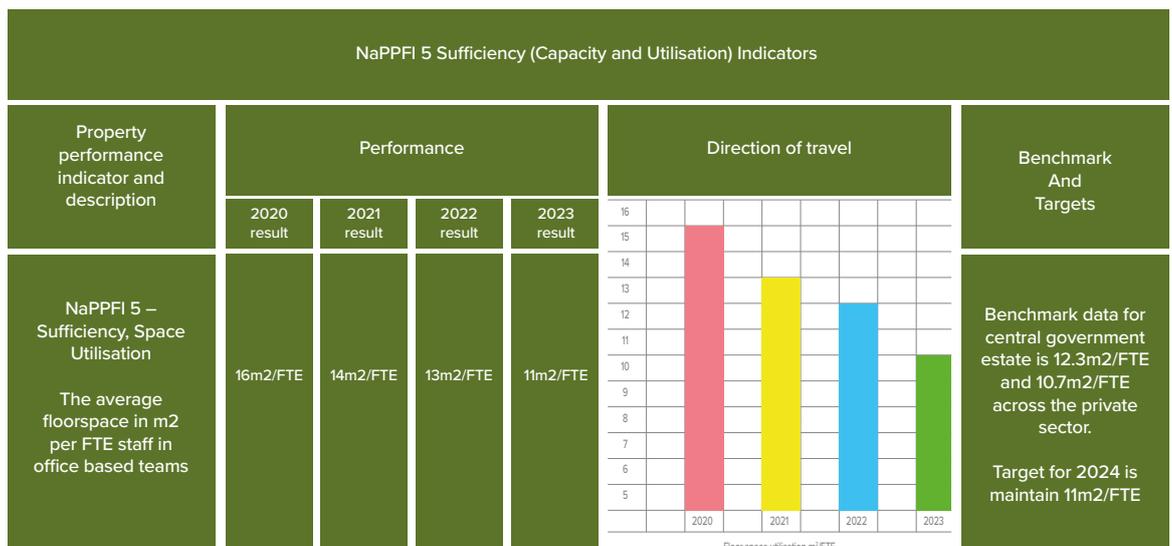
Government of Jersey remains committed to maintaining an effective and efficient estate that provides value for money for the taxpayer, transforms the way people work, reduces the environmental impact and contributes to its growth agenda.

Improving the Government of Jersey’s property portfolio and utilising surplus land and buildings can help to stimulate growth. The aim is to ensure its estate is fit for purpose and meets its business requirements. Efficiency savings can be identified by, for example, benchmarking the amount of office space occupied per employee across the estate; the amount of vacant and mothballed space; rationalisation of owned property versus leaseholds; potential relocation to cheaper property and resultant disposal or repurposing of redundant property.

The assessments, metrics and measures referred to earlier should be included in the reporting section of Asset Management Plans and will provide information to compare with past performance within Jersey Property Holdings and enable comparisons with other similar organisations elsewhere. This comparative benchmarking provides a valuable insight into performance trends, potentially giving ‘sightings’ of how the operations might be re-engineered to further improve services.

Internal performance measurement provides a trend line of performance, hopefully improving over time. It will immediately show where lapses in the performance of property assets or services have occurred and enable immediate remedial action to be taken. External benchmarking offers the prospect of using the experiences of other organisations to leverage our performance. Again, this will highlight lapses of performance compared to other organisations, but care is needed to ensure that the metrics being compared are indeed entirely comparable, a like for like comparison, particularly relevant for Jersey. As with the KPIs above, benchmarking will follow the guidance and recommendations set out by the Chartered Institute of Public Finance and Accountancy (CIPFA). A hypothetical example of one method of reporting year on year internal benchmarking is shown in the diagram below.

Figure 19. Hypothetical example of year on year benchmarking



Excellence in the property asset management process is possible only if operational and management data is accessible, accurate and comprehensive. Reliable data is a crucial prerequisite for the development of property Asset Management Plans, evaluating

and appraising options, decision-making and planning, as well as the performance management processes. The data and management system will be used to:

- Enable accuracy in property asset reviews, appraisal, decision-making and planning processes
- Monitor and assess the implementation of property Asset Management Plans and property asset performance
- Satisfy statutory and other external reporting and compliance requirements
- Support the continuous management, maintenance and expenditure of the property asset base
- Maintain a complete and accurate property asset register
- Improve performance
- Identify risks and opportunities

Table 2. Proposed KPIs and benchmarks to be developed

Category	KPI Ref	KPI	Benchmarks (Where available)
Condition and required Maintenance Indicators	C1	% gross internal floor area (GIA) in condition categories A to D	
	C2	Required maintenance in priority levels	
	C3	Required maintenance expressed as a % in priority levels	
	C4	Total required maintenance	A year on year reduction
	C5	Required maintenance per m2 of GIA	Below inflation rate increase
	C6	Annual change in required maintenance	
	C7	Total annual maintenance spend	Maintain current levels of investment
	C8	Ratio of spend on planned and responsive maintenance	Maintain current levels of investment
	C9	Ratio of spend on planned and responsive maintenance	Maintain minimum 70% planned
Property Costs Indicators	PC1	The gross property running costs of the operational estate as a % of the gross revenue budget	
	PC2	Gross property costs per m ² GIA	Annual reduction in costs / m ²
Environmental Indicators	E1	Annual energy costs and consumption per m ² GIA	Year on year decrease
	E2	Annual energy costs and consumption per m ² GIA	Year on year decrease
	E3	Annual CO2 emissions per m ² GIA	Year on year decrease
	E4	Overall organisational CO2 emissions	% Reduction per annum in all corporate greenhouse gas emissions (property, street lighting and fleet)
Property Suitability Indicators	S1	% of properties graded as 'good' or 'satisfactory'	Maintain a minimum %
Sufficiency, Capacity and Utilisation Indicators	U1	Average office floor space per FTE staff member	To be developed
	U2	Annual property costs per workstation	To be developed

Glossary

Balanced scorecard

A methodology for holistically measuring performance, originally developed by Kaplan and Norton and since developed further by Kaplan and Norton and others. There is a version which is specifically designed for the public sector.

Operating costs

The total annual costs of operating a building, group of buildings or/and or a site. It would include maintenance, energy, rates, water and sewage, management, facilities. It is the annual property related saving that would be made if the building, group of buildings or/ and a site did not exist or was no longer the responsibility and was no longer owned or used by the organisation.

Property asset management

The process which aligns business and property asset strategies, ensuring the optimisation of an organisation's property assets in a way which best supports its key business goals and objectives.

Property Asset Management Plan

A business planning and communication document providing operational, financial and quality 'readings' for all those associated with the organisation. It considers property as just one of the many corporate resources which are needed to deliver services to customers. The purpose of a Property Asset Management Plan is to provide a clear statement of the strategy for the management of an organisation's property asset base. The plan provides a decision-making framework and communicates the strategy to staff, external stakeholders and customers giving details of the direction of change for the property asset base over the period of the plan and beyond.

Property asset management process

The business processes that are adopted by the organisation to undertake property asset management. See also 'Business process' and 'Property asset management system'.

Property asset management system

The systems used to operate property asset management in an organisation

Whole life costing

The identification of whole life costs. The former OGC (now GPU) defined whole life costs of a facility as:

- the costs of acquiring it
- the costs of operating it; and
- the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs.

Useful References

Better Estate Management in local government. DCLG 2011

Better Management Practice: a series of Government-sponsored papers and case studies on topics including:

- Projects IN Controlled Environments (PRINCE2®) – for project management
- Managing Successful Programmes (MSP®) – for programme management
- Management of Risk (MoR®) – for risk management [www.mor-officialsite.com]
- IT Service Management (ITIL®) – for IT service management
- Management of Portfolios (MoP™) – for portfolio management
- Management of Value (MoV™) – for value management
- Portfolio, Programme and Project Offices (P3O®)
- 74 | rics.org/publicsector
- Portfolio, programme and project management maturity model (P3M3®)

RICS Public Sector property asset management Guidelines 2nd Edition -

BS ISO 55000 - providing an overview of the subject of asset management and the standard terms and definitions.

BS ISO 55001 - specifies the requirements for an integrated, effective management system for asset management.

BS ISO 55002 - provides guidance for the implementation of such a management system.