



OFFICIAL REPORT

OF THE

STATES OF GUERNSEY

SCRUTINY MANAGEMENT

COMMITTEE

Policy & Resources Committee
States Property Unit Public Hearing

HANSARD

Guernsey, Tuesday, 18th November 2025

No. 1/2025

*Further information relating to the Scrutiny Management Committee
can be found on the official States of Guernsey website at www.parliament.gg*

Members Present:

Panel Chair: Deputy Andy Sloan – President of the Scrutiny Management Committee

Deputy Haley Camp – Member, Scrutiny Management Committee

Advocate Charisma Lyall - Non-States' Member

Deputy Liam McKenna - Vice-President of the Scrutiny Management Committee

Mr Mark Huntington – Principal Scrutiny Officer

Business transacted

Procedural – Remit of the Committee	3
EVIDENCE OF Deputy Lindsay de Sausmarez, President, Policy & Resources Committee; Deputy Gavin St Pier, Vice-President, Policy & Resources Committee; Mr Jason Moriarty, Chief Operating Officer; Mr Mark Ogier, Director of Estates	3
<i>The Committee adjourned at 3.25 p.m. and resumed its sitting at 3.35 p.m.</i>	18
<i>The Committee adjourned at 4.28 p.m.</i>	33

Scrutiny Management Committee

Policy & Resources Committee

States Property Unit Public Hearing

*The Committee met at 2.30 p.m.
in Castel Douzaine Room*

[DEPUTY SLOAN *in the Chair*]

Procedural – Remit of the Committee

The Chair (Deputy Sloan): Good afternoon, everyone. I would like to thank everyone here today, elected representatives, senior civil servants and members of the public alike. Our session this afternoon is with the Policy & Resources Committee, and in this hearing we will be focusing on the work of the States Policy Unit.

Our Panel this afternoon consists of myself, Deputy Hayley Camp, member of the Scrutiny Management Committee, and Advocate Charisma Lyall, who is a non-States' Member of the SMC, and we are joined by the Vice-President of the Committee, Deputy Liam McKenna.

Following this event the Committee will decide on any further actions or activity of the commission as part of the overall Scrutiny review. But turning to the arrangements for today, I can confirm that a *Hansard* script will be available from this proceeding, and will be published in due course.

So just to confirm, this is a parliamentary proceeding and therefore members of the public are not permitted, I am afraid, to ask questions or comment during today's session.

Can I ask everybody with mobile devices to put them on silent. It is essential during the session that the Committee is able to hear from our witnesses without any interruption from the gallery.

EVIDENCE OF

Deputy Lindsay de Sausmarez, President, Policy & Resources Committee;

Deputy Gavin St Pier, Vice-President, Policy & Resources Committee;

Mr Jason Moriarty, Chief Operating Officer;

Mr Mark Ogier, Director of Estates

The Chair: Firstly, may I start for our witnesses, for the record, could you just please introduce yourselves? We will start in the middle, if I may; just for the record we can all introduce ourselves.

Deputy de Sausmarez: Can I just check the mics are on; we do not have to press them, yes? Thank you. I am Deputy Lindsay de Sausmarez, and I am the President of P&R.

Deputy St Pier: Deputy Gavin St Pier, the Resources Lead for Policy & Resources.

Mr Ogier: Mark Ogier, Director of Estates.

Mr Moriarty: Chief Operating Officer.

30 **The Chair:** Across the next two hours we will explore three overarching themes, we hope. Effectiveness, whether the Property Unit is delivering against the objective separate; governance, whether the lines of accountability are clear; and value for money and how budgets are controlled and how major spending decisions are justified.

35 We have a structure, I have got to keep us to time. We have just under two hours but we will take a break at some indeterminate point in the middle.

To the first question, we will start with objectives if we may, and Mark Ogier very kindly provided a briefing document to us previously as part of the preparations for this hearing, and within that you outlined the SPU's mandate, which is very helpful. You explained that the mandate of the SPU
40 is to provide professional portfolio management and sustainable property solutions for the States of Guernsey, underpinned by technical and strategic expertise, delivering an efficient, economical and a fit-for-purpose estate. That is all very well and good.

In that vein, may I ask what the current strategic objectives of the SPU are today, and how do they align with the broad objectives of the States? Deputy de Sausmarez, I was looking at Mark
45 there because he had scripted this but I appreciate you might wish to start. But I am looking at you, sir.

Mr Ogier: Yes, I am happy to pick up on that. The States Property Unit, itself, is very wide-ranging in terms of the services that it delivers and, predominantly, if we look at where it is, the operational
50 aspects form the largest part of that; so the delivery of the hard and soft FM, those operational delivery across the estate forms the lion's share of the work we do. So looking at that, part of what we are looking at is how do we provide that fit-for-purpose estate so it is providing a suitable estate for the delivery of those operational aspects, be that across the school estate, hospital, or any of our operational assets. That ranges all the way from public conveniences, as I say, through to the
55 historical properties as well.

When we look at delivering a fit-for-purpose estate it is wide-reaching to try and create an estate that can deliver for those operational uses that come out of those buildings.

The Chair: Thank you very much. In terms of fit-for-purpose estate, that objective there, how is
60 it translated into a measurable performance indicator and what evidence is there that that is being met?

Mr Ogier: We have service standard documents that we look at across the organisation. Those are not designed to be full SLAs because we are an internal service delivery to different areas. But
65 overall we look at what are the services that we should be delivering, how are we delivering those, and whether or not we are meeting the expectations of those services.

From an operational point of view, do you mean broader than that?

The Chair: Just specifics of – that might be an operational detail, but specifically, what is your
70 KPI for the unit? At the end of the year, you turn around and say, 'Look, we achieved X. That was what we set out to do'.

Mr Ogier: Again, we do not have specific – they are not measurable KPIs that we look at. We do have a number that we look at in terms of looking at our property rationalisation programme,
75 whether or not we can – what we are looking at in terms of generating receipts for that. But obviously, that is something that is very much determined on operational direction of the States that we are not necessarily completely in control of.

The Chair: So no measurable KPI, per se?

Mr Ogier: No.

The Chair: In the briefing paper, you said that since its formation the SPU has driven significant efficiencies. Could you just quantify those?

Mr Ogier: When we look at the efficiencies that we have looked at, it is across the delivery of those services. So how we deliver our services across the portfolio. We have a number of staff that deliver services across the portfolio; how we deliver those. When we are looking at efficiencies, we are looking at energy efficiency. We have a programme that is trying to introduce energy efficiency across the estate. In simple terms, it is looking at how we are using our energy. Do we change –

The Chair: So we would expect year-on-year reductions in energy use across?

Mr Ogier: It is certainly something we are trying to achieve, yes. There are areas that we are looking at about how we can do that. I think I referenced in the document that we would very much like to get to energy performance certificates at a time in the future. We are not there yet, because we just do not have the background data or the systems that allow us to accurately collect that data. Yes, we are striving to make those types of improvements, but there is still work to go.

The Chair: But again, in the document, you did say you were driven. You used the past tense. You are talking about striving, which is the present participle there. What significant efficiencies that you claim in the briefing paper have you delivered?

Mr Ogier: The actual delivery of the target operating model reduced the number of staff that were in there. We saw an efficiency from the numbers of staff and a reduction when the unit came into formation. Then it is trying to deliver that same level of services with a reduced headcount but actually seeing and continuing to deliver those services in a much more challenging arena. We have seen a very considerable increase in areas that require or have legislation on them, so our statutory compliance obligations have gone up significantly in the past few years, and we have managed to deliver those without actually detriment to the rest of the service. So we have had to drive efficiencies in other areas, in terms of our staff, in terms of our delivery, and our management –

The Chair: So you have quantified that the number of staff that have gone down over the last two years.

Mr Ogier: Not over the last two years, that was when we delivered.

The Chair: But nothing else to quantify. I will move on from objectives now because I was about to get into the budgeting there when we talked about it, but I do not feel the need to do anything more just yet. I just wanted to get a sense of the objectives that you have been working to because the briefing paper does talk a lot about the target operating model and how much you have achieved there or working towards achieving that, I should say.

Deputy Camp, would you like to cover any questions or if I move to you next, as it were? I am quite happy.

Deputy Camp: Sure. I wanted to ask really, as a high-level summary, what policies are in place around the work that the SPU does, particularly around the cradle to grave process that I think is anticipated the SPU participates in.

130 **Deputy de Sausmarez:** Are you talking about the services that SPU provides, so for example from the design stage of designing properties that are fit for purpose and/or taking a look at the current property portfolio and making sure that they can be best adapted to the end of life, so repurposing? I am sorry, I am not clear on the question.

135 **Deputy Camp:** It is purposely a wide-ranging question because the SPU appears to have a lot within it, and that is what I am essentially asking – why I have started with quite an open question – is, what are the major policies that govern what you do and how you do it, essentially, to try and start to understand how all that is pulled together?

140 **Deputy de Sausmarez:** Can I just make a preamble comment on this, while Mark maybe thinks of some specifics? I think this bounces off the questions that Deputy Sloan started with, really, and I appreciate it is a little bit frustrating trying to pin down specific metrics, etc., but the fact that we can actually get any metrics at all, which you have seen pulled together in the briefing paper, I think is testament to the fact that we have taken a much more professional approach, or Mark's team has taken a much more professional approach, compared with a very much more ad-hoc way property was managed in the days before the PTOM and the SPU.

145 So I think it is helpful to understand that the starting position was very much more dislocated. We did not have any of the policies that you are referring to, Deputy Camp, or not necessarily consistently applied, and so I think that is one of the advantages, and actually in the grand scheme of things, this is still a relatively new process. We appreciate there is an awful lot more to do.

150 One of the metrics that we do have and have included in the briefing paper is an estimate, for example, of the backlog of maintenance that is still required to catch up. It is that kind of thing. We do appreciate we are not there yet. But I think the fact that we can take a much more consistent approach to property, a much more rational one, and take that Government overarching view rather than ad hoc per Committee area is progress in its own right.

155 **The Chair:** I see what you are saying. But Mark said you did not actually have any particular measure that he was working towards. If we are looking to improvements, it is nice to know year on year what it is that we are improving. A holistic approach sounds very nice on paper, and a more professional approach sounds very nice, but again I am trying to strive down to in terms of delivery. That is where we are coming from.

Mr Ogier: I think there are a number of aspects where I think we can – because I think, as has been pointed out, the unit itself is very broad and very wide and covers a number of different areas. If I can break it down into the three areas.

165 If we look at delivery of projects, so we have a team that looks at a delivery of projects, and that is essentially our maintenance and minor work. It is classed as routine capital. That now is any project up to a value of £3 million. Whilst it used to be called minor, I am not sure many people would call it minor anymore.

170 We have seen, if we look at a measurable difference, one of the objectives that we set at the beginning of this was that the spend on that was not enough, looking across the estate, and actually was not keeping track of the budget that had been allocated to it. In terms of where we measure it and look at it, one of our key objectives over the years was to increase that spend to be able to try and get on top of the routine maintenance of those other areas.

175 Just to run you through and to give you some figures, in 2021 that was a spend of £2.2 million, in 2022 went up to £3.4 million, in 2023 £4.8 million, 2024 it got up to £7.1 million, which is our target to get to in terms of the routine capital spend. This year, we are at £5.6 million, so again on targets to hit that spend.

180 That was a real measurable desire that we had to try and rectify some of the underspend on the estate. That, coupled with, obviously, the rationalisation to try and reduce the numbers of properties

is trying to remedy some of those areas. There are some areas that we are very focused on in terms of that spend in some of those areas.

When we switch into the operational side of things, which really is the delivery of that, I am sure as you have seen from the documents, runs all the way from the laundry at the PEH through to all the housekeepers, through to school caretakers, and then premises managers across the whole estate. That is looking at actually keeping things running.

Obviously we look at the numbers of tickets that come through there, the numbers of jobs that are being done. Reactive maintenance on the health estate alone gets to 6,000 tickets a year and the planned preventative maintenance is around the same. We are looking at ways that we can get on top of that to drive that forward. We are recording these metrics and looking at them and seeing about what we can do to improve those.

But a lot on the operational side and the delivery of those are those day-to-day services of we can go through how many things we wash in the laundry or how many beds we clean. Those are measurable, we can see what they are, we try and drive efficiencies in terms of what are the staff numbers, can we do it, and we are reviewing that all the time. We are going through a process now of looking at what are the staff numbers that we can deliver a lot of those operational services.

That is predominantly where our big spend is. We are always reviewing those staff efficiencies that can drive that, which really underlines some of those performance indicators of can we continue to deliver the services at a reduced cost, which is something that underlines everything that staff is always looking at.

The Chair: Again I suppose, what it comes back down to is those measures, which is the first question about your KPIs, which we did not have. But in terms of obviously spending more money could be a metric of success, how do you – I want to come back to Deputy Camp, she has some questions on governance, but I will throw governance questions in there. When you have got routine maintenance, how do you decide who gets the routine maintenance? You have got all these different Departments, you have got P&R, you have got the Head of Resources – Chief Operations Officer, my apologies. Who is the master in all of this, or mistress?

Mr Ogier: There is a governance structure that sits behind the routine capital process, which is a routine capital management board, and then it is broken down into various categories of which I am one of the category heads.

We run an annualised process that looks across all of those different areas and we take submissions from every single operational area of the estate that is eligible to come under the routine capital banner. Previously and prior to PTOM that would have been the different service areas that would have fed those in. Now it is a lot of the staff that sit under the SPU. But there are some outside of that as well that feed into that.

We send out a full assessment criteria that goes out to all of those areas with a very clear scoring and assessment area too, and a submission saying this is what we expect from you, this is the information we expect, this is how we will score it. Those all come in, and they often well exceed the budget that we have available. Those will come in and then they are scored on each of those assessments in two categories. We have maintenance works, which forms the lion's share because that is really what it is there for, and then minor works, and those are service delivery changes to properties; so if somebody has a reason why they want to do that. That forms a portion of the work, assuming that they have merit.

That is then scored by a panel of three people within SPU who scored across the categories. That is then shared back out to those areas, and I think there is a copy of the flowchart in the documentation. That is then given an opportunity for those operational areas, and that is not just the property people, that is the operational service leads to review that and make any representations about the scoring and the way that those have been scored and assessed, which then produces a ranking of where those would score and therefore the prioritised list of projects to be delivered.

The Chair: This is for projects down to what sort of size?

Mr Ogier: This is down to around £20,000. It is the difference between revenue and capital and where that falls. Generally capital is anything that will increase the capital, but some of them could fall into either way.

The Chair: That says a lot. Have you ever done a time of motion study about the resources that go into that prioritisation?

Mr Ogier: We have not done time and motion. We have looked at it but yes, it is resource intensive but it is – to be able to prioritise what that looks at and because the estate is so varied and I think – if you looked across the estate and looked at prioritisation of maintenance works and you did it in a very linear, simplistic way, I think you would find that hospitals and schools would always end up with a lion's share of the funding.

Because we have a very diverse estate and other areas such as Castle Cornet, for that particular service area are incredibly important. So actually trying to judge across those areas, we look across the metrics in terms of how do we score it. It is looking at a really broad section of what are the improvements, what difference will it make, what proportion of the public will be impacted by it, does it include accessibility, does it include energy efficiency, what is the payback period?

Actually it looks across a large number of metrics to try and come up with a way that we can prioritise what is effectively limited funds to deliver the best value for the portfolio. So yes, while I agree the process takes a little bit of time, actually we have got quite slick at it now. We are quite good at it.

Deputy Camp: Yes, because I presume this is not a process you are doing every time. The unit does have – there are some assumptions in there that can be consistent all the way through, so how have these policies adapted to building those things which are always true; example, that people will generally prioritise certain things over others and you have got to balance that. Again, to follow on Andy's point about how you deliver maximum efficiency and KPI and demonstrate that there is that improvement, how has all that learning come together to streamline that process?

Mr Ogier: We look at it annually, when we look at the process, to look at how can we streamline that part of the process and then how we deliver within that process. We have gone from quite a manual process to a more online process in terms of how we deliver it.

Each year we look at how can we make this a bit easier to be able to do that. The scoring has become more simple. The submissions have become better over the years as we have trained people to give us better submissions, which means that the scoring process has become much quicker.

We have looked at it a number of different ways and we have tried to assess it differently. But the reality is, to try and balance the needs and the hugely diverse submissions that we have in, you do need quite a comprehensive process to go through. Because otherwise, as I say, it would be very easy to have 10 submissions from the hospital, prioritise all of those, and then the rest of the estate would not get a look in.

When we are looking at things, down to public toilets and other areas, actually those have very high public engagement and public usage. So it becomes something that will actually score relatively highly.

Deputy Camp: The purpose of my questions were to look at a governance side because clearly these are complex estates, there is a lot of public money focused around it. When we started looking at things, for instance, like the Thornton Report, which is talking about governance around projects and things like that, there were a number of issues that were found. I think what we are trying to

285 understand as well is how those lessons are being learned in the processes that the SPU is following generally to the extent that they absolutely apply.

Mr Ogier: Yes, I think two different levels there. The Thornton Report was generally looking at major capital.

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Deputy Camp: It was a higher level, yes.

Mr Ogier: It was a much higher level. What we are doing is we are delivering maintenance across the estate. We are delivering from £20,000 up to multiple millions, but actually those bigger projects are a roofing project, a significant one-off delivery of those. Those recommendations, whilst we look at them, actually applying everything at the major capital level to what is routine capital would become hugely cumbersome.

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The Chair: I suppose on that question, how do you, in terms of major projects, therefore determine where the buck stops, what role the Property Unit has, what role P&R has, what role the Department has?

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Mr Moriarty: Before I get on to that question, can I just go back to the question you asked before around the setting of the strategic objectives and how we look at the value of that? Just to add a comment, which I think is an interesting benchmark.

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The Chair: We can come back to that because we just want to keep on this one.

Mr Moriarty: In terms of the major projects, the way that I would split that out is the business as usual, the general revenue expenditure within those general revenue budgets. Then there is the process that Mark has just described, which is with the routine capital and the allocations, the categories and the prioritisation that takes place, and looking around that on a needs basis, and the submissions that come in from all of the service areas, and the decision around where that expenditure is allocated. Then the review of the success or otherwise of those projects and ensuring that we learn the lessons before we go back out to the next round.

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On the major capital, that comes down to obviously the pipeline of major projects that comes through. That is as a result of engagement with the respective Committees, understanding what may already be in pipeline, looking at where we are with the existing capital portfolio and then preparing for the next round. Then that is around taking those back to P&R, looking, re-engaging with Committees, understanding what the recommendations are to P&R around where those priorities would be, but ultimately that is a States' decision around where those capital projects would sit within the next capital portfolio.

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Deputy Camp: I suppose why we ask is because the public perception certainly – perhaps my perception coming in – is that if you form a property unit with the expertise sitting around that area, why is that area not utilised more on major projects as routine? I am just trying to understand the relationship.

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Mr Moriarty: What we have to remember when we are looking at major projects, a construction element will be just one aspect of that in relation to digital and technology, wider delivery projects. There are also those around building out and new requirements that we have to provide for, for the States of Guernsey and for the community. Then there will be a lot about maintenance and replacement around what we need to do to replace those assets.

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In relation to learning in terms of construction, one of the things that you highlighted, Deputy Camp, was the Thornton review, and across all of those major projects what we have identified is we have actually, whether it is the Director of Estates or one of the senior team or

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others, we have up-weighted the involvement of the key professional and technical team members on each of those capital projects. But we have also identified, and that is sometimes through the advisory that we have, through the States Property Unit, sometimes externally, so if there are specialist requirements, whether that may be on an education estate or it could be something as far-ranging as an incinerator or repairs to a crematorium or the hospital estate, then we are looking to procure and engage expert professional advice to work in collaboration with SPU, and to advise those programmes accordingly.

The Chair: Where does the buck stop then in terms of one of these major projects? There are lots of different parties involved, what is the role of the SPU in a major construction project?

Mr Moriarty: In terms of major construction, the SRO, the senior responsible officer, reports into the principal Committee of the sponsoring Committee because obviously the States will allocate the funding into that Committee.

The Chair: So it is the Committee that is responsible?

Mr Moriarty: It is the Committee that has that responsibility for that programme and the SRO reports into that Committee.

The Chair: Does the Committee actually have in-house property expertise to sit as the SRO there?

Mr Moriarty: The SPU will allocate, so they will sit as a member of the programme board but on occasions we also have external property advisory where the aspects are either technical expertise.

Deputy Camp: So it is not necessarily then that the SPU member would be the SRO?

Mr Moriarty: No, absolutely not.

Deputy Camp: The SRO could be somebody with, for argument's sake, no relevant experience or qualifications in the wider area?

Mr Moriarty: What is most important is that it is the right combination of expertise from a number of different skills and disciplines that sit around the programme board.

Deputy de Sausmarez: Can I just use the incinerator example? Jason has just mentioned the incinerator, and I think that is a really interesting example actually because it links back to your earlier question about measurable efficiencies. So that project has been a really interesting project from the States' perspective, including some very valuable input from this team and, weirdly, I was first involved in it with a different hat on, so I see it from a different perspective. But not only does it cross two different Departments, it produces something that is quite a novel solution. But actually in the process of that, and in the process of figuring it all out, it produces a really notable waste saving. So it massively reduces the amount of waste that is actually generated and needs to be dealt with, so it drives efficiency in that respect as well.

Deputy St Pier: In terms of governance, clearly projects that are under £3 million are dealt with by their routine capital board. Projects above that, as Jason has said, it is likely that even our largest construction projects are not just construction projects. It is about delivering a project of which property is simply a part.

I think it would be quite unusual to expect the SRO would be, certainly coming from the property side, but certainly the participation at the project board level is where you would expect to see the professional input and professional expertise.

There is a whole separate discussion that we could have no doubt at a separate hearing about the governance around large capital projects and the role of SROs and whether we have the right SROs, and that is something that Policy & Resources are –

The Chair: It does come to the role of the unit here and where does the SPU sit in all of this. Is it a sponsoring Department? Are we trying to stick a square peg in a round hole as it were?

Thank you. Sorry, Deputy de Sausmarez, I do agree that is a very helpful answer.

I am cognisant of the time. In terms of resourcing and governance, would you like to move on to a question in terms of resourcing?

Advocate Lyall: We have heard quite a bit about the wide-ranging responsibilities of the unit, and we have also heard about the engagement of specialist resources, particularly at the larger capital levels. What I would like to talk about is actually the resourcing of the unit itself. How do you assess whether or not the unit has sufficient capacity and capability to manage the property portfolio?

Mr Ogier: So as part of when the target operating model was envisaged and brought into use was a review of the resourcing that was needed to deliver the level of service across the estate. And I think, at that time, it was an assessment that the bringing together of those services should, over time, see improvements in terms of efficiency but actually was a point in time to say, 'We are not looking to vastly improve them, but we are looking to stay static and then see improvements'. And that included an assessment of the number of staff that were across the unit and what they did.

So that was a complete workforce review to look at where are they sitting, have they got enough to deliver this and what are the numbers? That includes a review of vacancies and other factors, so there was a review at that time.

What we have seen since that point, and obviously we have been going through a stage of looking at that and getting into a steady state, there are areas that have changed over that time. So health and safety and resources and, as I mentioned earlier, compliance, which is a major area which has seen a significant uptick in terms of resource requirement, and then generally actually how the work has to be carried out in other areas.

So we are going through a review all the time with the resources. Part of that is a balance. We have talked about the increase in delivery in terms of the routine capital. That is driven by a review of how we delivered our services, a greater use of outsource in those areas, and actually using our internal team for those slightly harder, more technically challenging projects. Clarence Battery being a prime example of really technically difficult challenges which the marketplace could not deliver. We had to bring in-house and deliver, so some of those areas we look at.

Other areas where we can outsource to deliver we use it. So we use a mix of insource and outsource to deliver the projects and to deliver services across the whole estate. So it does flex and it does change. But it is that review of what are we delivering and how we try to deliver it. That review of how many resources, what does it look like and that composition of the resources, as I say, because we have a hybrid model of outsource and insource, it does change over time.

Advocate Lyall: Is there any specific criteria that you use when determining whether or not to use your internal resources or to outsource an activity?

Mr Ogier: There is, and it just depends. If you look at the operational side of the business, we generally use our insource for those areas that are more technically complex. So even if we are talking about cleaning provisions, we outsource a lot of those areas that are more routine, so offices, schools and other areas. We insource and use our specialist teams for things like operating theatres

440 and other areas where there are technically difficult areas that we have to do, and also challenging working times.

We run a cleaning team from six in the morning until three in the morning the next morning, so we run some really challenging shifts over those times.

445 We balance that with, 'Well, where can we use insourcers?' There are other areas where we deliver. We obviously run the only crematorium on the Island, so where we offer unique services, and the same, we are the only place on the Island that run steam mains other than the power station. So there are lots of those areas where actually we are quite specialist, so we hold those specialist skills in-house because it is the most efficient use of those resources.

450 Where we are more routine, so various testing compliance areas, we outsource those. But it is a balance of that. Where do we best use those resources? When we get to the project work, that is the same.

We hold a number of different specialist skills in-house so, in particular, on our project specialist skills side, in terms of seawalls and sea defences and repointing, and that extends to our engineering team where we look at cliff stabilisation and other areas.

455 However, some of the geotechnical work, which is very specialist, we will bring external consultants in to do that. Mechanical and Electrical (M&E) work we will generally outsource because we do not hold that in-house.

460 Then where we have got delivery of projects, we will assess them. So actually if it is a relatively simple roofing piece of work, we might outsource that. Where it is a more complex piece of work that is actually on heritage buildings, we have surveyors in-house who are very good at that and will deliver that. So we assess on a project basis between that.

465 Again, we have been running a project up at the fire station recently, which is a heritage building. It comes with its own complexities. We use our in-house resources to deliver those. So it is a balance of looking at what is the project, what is the best resource to do that and how can we deliver it in the most efficient way across all of those.

Advocate Lyall: You have talked about you do have a process. Is this process a written policy and are there records kept of these decisions of when they were made, when you decide you are going to, 'Actually we not have the expertise on a one-off basis to provide this service but we are going to outsource it'? Is there written documentation on the making of these decisions to insource and outsource an activity and do you have a machine written policy somewhere?

475 **Mr Ogier:** No, this is it. On a project-by-project basis, we look at what the resources are. We would look at it and we look at a resource plan to say, 'Where are we going to focus our resources? Where we best use our internal resources and external resources'. Obviously, that project team is relatively small, and so we know where we are going to focus those areas and they will look at that. Across the operational area as part of the PTOM, that look of blend of insource and outsource was part of that process.

480 We looked at a complete range of services of should it be a completely outsourced operational delivery or should it be completely insourced and the outcome of that was actually that balance of a hybrid solution is actually best the way that we deliver our service and the way the Island is. We then manage that internally about where is the best way to do that, and things do change. Obviously our skills change.

485 I do not think it needs a written policy that we definitely outsource all of that because that is not the way it would work. We would definitely insource that because actually these are based on specific circumstances at that time and it is also driven by, 'Have I got the internal resources to deliver these areas or actually am I having to use sometimes more expensive externals to do that?' So it is a balance the whole time.

490 **Advocate Lyall:** Do you keep a written record of those decisions?

Mr Ogier: Yes, well, in any of the projects it will be decided, yes, absolutely if this is going to be outsourced or insourced. But that is through the individual project process.

495 **Deputy de Sausmarez:** If I can just add, sometimes there are wider factors as well. Mark
mentioned one example that I was involved in as President of E&I where we had actually gone and
looked for an outsourcing option but the market could not deliver that. So that is when we had to
go back and say: 'Actually, plan A has not worked twice. Can we think about a plan B?' Then it was
a matter for Mark to see if he could fit that into his busy schedule which, to his credit, he did manage
500 to do.

Advocate Lyall: If I can just turn to, I am sure, it is everyone's favourite topic, Fermain Café, but
specifically in relation to that case, there was a decision to appoint external legal resources. What
formal process was followed to determine the use of external legal resources as compared to the
505 use of the Law Officers of the Crown.

Mr Ogier: That was obviously our first point of call, is Law Officers of the Crown. They look at
their, in the same way, workload and look at their resourcing, and for this one, they did not have
the resourcing to be able to do it. So it was their recommendation and their decision, so it is always
510 through the Law Officers to outsource that piece of work.

Advocate Lyall: Okay, so it was the Law Officers' decision that it needed to be outsourced.

515 **Mr Ogier:** Correct.

The Chair: How do you set any constraints on that before you start operating?

Mr Ogier: How do you mean?

520 **The Chair:** In terms of you going to external resource, how did you set any constraints on how
much resources used?

Deputy St Pier: All litigation is managed in accordance with the litigation directive. I suspect
Jason probably can speak to it in greater detail than I can, but that would govern the management
525 of any case.

Mr Moriarty: In any matter of litigation, there is a requirement to, if it goes over a certain
threshold – the threshold has recently changed, but it is approximately about £40,000.

530 **The Chair:** 4-0?

Mr Moriarty: £40,000. So anything where there is a matter of litigation where we are at litigation
risk, there is a requirement to ensure that there is a paper written and presented to the principal
Committee or the Committee in question and then there is a consideration around the risk and the
535 value based on the principles of what the purpose of the paper is.

So there is an evaluation around whether to proceed or otherwise, and that is under the litigation
directive and it is often taken with legal advice to a Committee.

540 **The Chair:** Would that include Law Officers' legal advice?

Mr Moriarty: Yes, so ordinarily, as Advocate Lyall has referenced, so it would ordinarily be a
member of Chambers who would attend or give advisory to a Committee, and this is wide-ranging.

This is not specific to SPU. This is a litigation directive that sits right across all aspects of delivery in the public sector.

The Chair: To take external legal advice, you would need internal legal advice in the preparation of the document.

Mr Moriarty: In terms of the setting of the litigation directive or in terms of the particular case?

The Chair: In terms of that process that you just described.

Mr Moriarty: Yes, so when the litigation directive was put together, the Law Officers of the Crown supported and advised on what that directive should be and should set out under protocols that should be followed and the guidance that that would need to be adhered to in those circumstances.

Deputy St Pier: So I think the question is specifically in relation to this case.

Mr Moriarty: Sorry, I thought it was in relation to –

The Chair: No, it was a general case. if the position is to –

Deputy St Pier: Yes, but not in terms of the preparation of the directive. In terms of the management of litigation.

The Chair: Yes.

Deputy St Pier: If there is litigation which has been advised by external lawyers, is St James involved in then advising the Committee?

The Chair: But you say yes.

Mr Moriarty: Not ordinarily. Not necessarily. It depends very much on the particular circumstances. So they would not necessarily have –

The Chair: It could be the case that they are getting legal advice to actually –

Mr Moriarty: It could be the case, yes.

The Chair: Okay. So to come back to that point, Jason, in those circumstances, in that scenario, it would be a P&R political Committee decision.

Mr Moriarty: Yes, or a principal Committee depending on the nature of the case, yes.

The Chair: In all these cases, the buck stops with the political Committee?

Mr Moriarty: They would have a consideration, yes, around –

The Chair: You say, 'have a consideration'.

Mr Moriarty: Have a decision on the recommendation or otherwise, yes.

The Chair: Okay.

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Deputy St Pier: P&R also has a role in the management of litigation generally in respect of other Committees as well, depending of the level of litigation. From my memory –

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The Chair: So if it is a principal Committee, we could have another layer of discussion.

Deputy St Pier: If the litigation had principally been involving another Committee, then the financial risk would clearly be something that is of interest to P&R and is the subject of oversight through P&R.

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The Chair: Is that another threshold to the £40,000 or is that a similar threshold?

Deputy St Pier: I do not recall.

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Mr Moriarty: Yes, I cannot recall the specific amount, but it largely depends on if the litigation risk is escalating and the Committee is unable to resolve it, it would be within their budgets or there is a risk, then they would be flagging that to P&R by way of caution.

The Chair: Is there an expected value associated with that risk?

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Mr Moriarty: There is not a specific value.

The Chair: So once the threshold of £40,000 has been passed, there is not another review?

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Mr Moriarty: No, it is based on the legal advice and the evaluation on the risk and it is also around whether the risk is insured as well.

The Chair: So who is giving the legal advice on the risk to hire externals?

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Mr Moriarty: Sorry, could you repeat the question?

The Chair: You say it is based on legal advice and the evaluation of risk. If the projects involves externals, whose is giving you that legal advice?

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Mr Moriarty: So the legal advice would come from Chambers and/or with external legal advice but ordinarily, in most cases, it comes from the Law Officers' Chambers. The financial risk and that dialogue would be taking place with the Policy & Resources Committee. There would also be consideration around litigation risk and whether that risk is insured, and then that paper will be re-evaluated based on the circumstances and the risk that will be presented.

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Deputy St Pier: And would continue to be evaluated as –

Mr Moriarty: On an ongoing basis.

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Deputy St Pier: Through the case management.

The Chair: So the answer to my question is once you pass the – there is not another threshold that automatically defaults. It is just –

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Deputy St Pier: It is not a fire and forget. It is very much – as you will appreciate litigation evolves in a unique way case by case, so there will be decision points as that litigation progresses.

Mr Moriarty: And it would be returned for consideration, as Deputy St Pier says, on an incremental basis depending on the development of the circumstances.

650 **The Chair:** What sort of increments?

Mr Moriarty: It depends on the circumstances and the case at hand.

655 **The Chair:** Okay, thank you. Thank you, Jason. I think we have got time for a few more questions just before we break, I suppose.

In terms of, just the same tack again, you mentioned the PTOM, which is the – I am going to have a guess here for my acronyms – Property Target Operating Model, okay. I assume was derived after much external advice and consultancy, but I am going to take a presumption there. Again, if you back to your document – this is complete change of tack here. It is a filler before the break, as it were.

660 You mentioned this previously, Mark, about the operational level and it is in the briefing document and, following the instruction of PTOM, service standard documents were drafted. This came up in an internal meeting. We were asking this. But you said:

They are introduced to regularise the levels of service that building occupiers can expect from the SPU. As this is an internal service to internal occupiers, it was not considered proportionate to utilise more formal management intensive and rigid service level agreements that may not drive and encourage the right collaborative working relationships across internal departments.

665 And I remember reading that and we had this discussion. How does everyone get charged a rent then internally? How is that better than a more transactional rent? To an economist here, I like the price mechanism. How is that a more efficient process?

670 **Deputy St. Pier:** We do not charge rent.

Mr Ogier: That is not a decision for SPU. That is a decision that has been taken, not at SPU, but there is a view that those wooden dollars actually is not something that we do, so we do not charge rent.

675 **The Chair:** When you say that a decision is taken, it is not an SPU decision?

Mr Ogier: No.

680 **The Chair:** But to ask you the question, because that said it is – you have got these rigid service level agreements. Would you think that would be a more efficient mechanism to –

Mr Ogier: A more rigid agreement?

685 **The Chair:** Charging rent. Do you think that would be an easier process to manage and more understandable? Would it be an easier process for a property unit to be able to utilise?

690 **Mr Ogier:** I think charging rent adds another layer of administration, so we would have to do that. There is always the argument that charging rent against budgets may help drive good practices in terms of space utilisation in areas, but it does come with other areas of you are just moving money around different Departments. So at this stage, we do not charge rents for internal service provision. I think that goes down to how do you charge a school or how would you charge the hospital or are you just talking about actually operational buildings?

695 If you look across the estate, a lot of what we deliver is not Sir Charles Frossard House and an office. This is a school that operates from a premises that is the premises that they have and the same with the hospital, those areas, so that rental model for those buildings would be quite odd.

700 **Deputy de Sausmarez:** There is one really interesting example, and actually it engages your Committee, because Edward T Wheadon House is actually not owned by the States. It is owned by the States' Insurance Fund and so there is actually an argument, as former VP of ESS, to say that actually those people who are not engaged in the activities directly related to that fund should actually be paying rent accordingly, but it is a really interesting area.

705 **The Chair:** Yes, and ironically the question came up in the Committee. To me, it seems illogical or counterintuitive not to do a hard and fast.

710 **Deputy Camp:** I think there is another point that does not arise and possibly why it is being asked, is that when the States costs something out, if it is not charging rent, it almost impossible to work out what the true cost of service provision is. Because there are always numbers that are missing from those estimates. I think it is not just about moving wooden dollars. I think it is about how you demonstrate value for money generally as the States of Guernsey.

715 **Deputy de Sausmarez:** Just to add, I appreciate Mark's comments about the rent but, actually, as a Committee, you are charged or we are charged – correct me if I am wrong – for the involvement of in-house expertise in terms of project costs. So there is some element of charging out or something to keep the economists happy anyway in that respect.

The Chair: Probably not enough. *(Laughter)* It is not my job to be happy though, is it?

720 **Deputy St Pier:** If I could just add one comment on that. It is certainly an area which I have raised in the past as to whether it is appropriate we should be thinking about it.

As Mark has suggested, there are clearly reasons why you would do it and there are clearly cost implications of doing so in terms of administration and so on that need to be considered. I would suggest that probably one of the biggest barriers to having done so, so far, and certainly not precluding it ever being appropriate in the future, simply has been the matter of the States' priorities in terms of where the focus has been in terms of people and resources and the projects they are trying to deliver.

730 So whether it has been, for example, in the Treasury team, the International Public Sector Accounting Standards (IPSAS) project or within the Property team, of actually bringing them together as part of the SPU and so on. That does not necessarily provide a justification to the question but it provides perhaps a practical explanation.

735 **Deputy Camp:** Yes, I accept your point, but I think also it asks is – I suppose the other side is it can be seen as a barrier to looking at where service provision within the States might be better handled outside of the States because you cannot ever get a true cost comparison. So the cost of privatising, for want of a better word, often then looks a lot higher than the reality in context.

740 **Deputy de Sausmarez:** Can I bring one other element in? It is not as simple as it is in the commercial world where you are dealing with a full profit entity, it is very different when you are dealing with something which provides social good, such as education etc. Health is slightly more complicated, is it not? Actually the other area which is really interesting – and I agree with Gavin's comments that this is ultimately down to prioritisation of resources, which are not as fulsome as – if we had any amount of resources, we would certainly have done it.

745 But I think another really interesting area is a consistent changing mechanism for the public realm, and I know that is something that was brought up when we debated the change to the

alfresco permit system. Actually, I think we would benefit as an organisation and probably as an Island if we took that more consistent and, dare I say it, more slightly commercial approach to the public realm as well as just properties charging rent.

750 **The Chair:** I agree. Again, to this economist at least – was it the school of bogus economics? I cannot remember which. It seems perverse not to use what is a price mechanism. It is only a unit of account exchange. It is not evil money. We started off this session, I asked about efficiencies. How are you measuring your efficiencies? If we are not even using rent as a tool to discipline our use of resources, then I do query how we are able to demonstrate and say, 'Yes, we have achieved more efficiencies' because we are not measuring anything. We did not have a measure.

755 I appreciate you wanted to come back to it, Jason, but I would like to understand, like I said before, if the Property Unit delivers value for money to the public purse. I am struggling to see how we are measuring this.

760 **Deputy de Sausmarez:** On the subject of efficiencies, I have just jotted down, while the conversation has gone on, a number of areas where I think we can demonstrate efficiency. So, for example, in the number of properties, specifically the rationalisation of administrative hubs. So I remember when I started at E&I, we were based in Raymond Falla House. We were moved out of there as part of the property rationalisation process. There have been a number of disposals of surplus properties, especially those that are substandard, so that is another example. Mark has already mentioned the rationalisation of staff and getting better value for money out of them.

765 We have got various programmes which are looking at energy efficiency, and I agree that is not something we are yet able to measure, but that is definitely a priority for the team. I know because I have seen them in action on training. The maintenance programme again, as I said earlier, has been much more consistent. The compliance, Mark has already dealt with. Generating capital receipts, reducing the outgoing liabilities and waste, I mentioned earlier, and just generally making sure that we are delivering better fitness for purpose.

770 Not all of these are easily measured, but I think we can demonstrate across the board a number of efficiencies, even if we are not yet at a point where we have got a little checklist with numbers in each box beside them because some of those are still evolving.

780 **The Chair:** Sorry, Deputy de Sausmarez, I see Jason nodding to you there, but since that response was not proffered when I asked the question, we shall leave that subject today. At the end of the day, being in less properties does not necessarily make it more efficient spending more money on maintenance and rationalisation. Unless there is a clear and consistent measure that the efficiencies have been driven that you actually set out to achieve first and, at the end of the year, this will be better, a lot of it is just qualitative, I am afraid.

But we will stop there because it is 25 past 3. We will have a 10-minute break for refreshments and for convenience if anybody needs to, and we will reconvene in 10 minutes' time.

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*The Committee adjourned at 3.25 p.m.
and resumed its sitting at 3.35 p.m.*

The Chair: Okay, thank you very much. We will reconvene for the second half of the session. I decided to cut everything off there because I was desperate for a cup of coffee clearly.

790 But we were talking about value for money and efficiencies., I would like to continue that theme across into this half in terms of value for money. I think Deputy Camp you had a question you would like to set off with.

795 **Deputy Camp:** Yes, and I think it is important to set the scene. From this perspective, the public, largely through the media, sees consistent reports of overspend, prospective or otherwise, insufficient spec, poor communication, recurrent delays, lack of maintenance and things like that.

I am also aware that people generally scratch heads around the perception that some prime properties have been sold at undervalue and that when there are interactions with the public, they can often appear fractious.

800 So, having reflected on the fact that disposals and maintenance were, before the break, described as an area of efficiency, I am interested to hear about how that plays out against the public dynamic and the media dynamic that is clearly there. Quite rightly, the public is asking questions. What do you think is the primary driver of the consistent and recurring themes that are playing out in the public spotlight?

805 **Deputy de Sausmarez:** Sorry, can you run through your list of themes again? I did not catch them all.

Deputy Camp: There is a lot and I could have included a lot more. I have tried to limit them. Overspend, specification, poor communication, recurrent delays, properties sold at undervalue, is 810 certainly a perception that I hear and I have been told a lot. Interactions with the public have appeared fractious.

I appreciate this is what we are hearing in the media and then that encourages public debate around that. But that is something that P&R and the Property Unit should address because it is so widely out there.

815 **Deputy de Sausmarez:** It seems to me, but please do correct me because I might have misunderstood you, as though we are conflating a lot of different things. Some of the things you listed in terms of overspends, etc., seem to be related to capital projects.

820 **Deputy Camp:** What I am trying to do, in particular you talked about disposals and maintenance of property and things like that as being areas of efficiency. Given that, I suppose, larger message at play, how would you address those comments? Because clearly when a property is sold at undervalue, that is a disposal. Clearly when there are other things that have happened around maintenance, the SPU has described that as part of their remit. How does the SPU feed into those 825 themes and what comment would you make on them?

Deputy de Sausmarez: I will leave some of the details and technicalities because I do not think that we have necessarily materialised any disposals in this time, maybe one or two, but I do not think that has been something we have dealt with directly. I will leave details of that to people more 830 on the operational front line.

But what I would say is that we hear some of those criticisms and we, as a new Committee, are very determined to get to the substance of any such concerns and make sure that we are addressing them.

835 I would go back again – we have only been in these roles for a few months, so we have not really had a chance to get our feet properly under the table on this, but we are really keen, speaking on behalf of the whole political Committee, to do exactly that. Your review is going to be really helpful. It might help those listening to understand that this is not just a Scrutiny Management Committee hearing, this is part of a much bigger process.

840 I would be keen to hear before the end of this hearing what your timelines are, if you have any idea yet. But we are really looking forward to participating further in any information that you might want, following this hearing, but also seeing what recommendations you have, because we are certainly not sitting here and saying that this is all perfect and we have got everything right. This is very much an evolving process, and there have always been criticisms, and I am sure some have been substantiated and some less so.

845 As I say, I have to leave the details of any specifics in terms of valuations or whatever to people who are involved in those things. But we are very keen as a Committee to make sure that we are taking a consistent and professional approach to these things.

One thing I would also like to pick up on, because it is something that is really personal to me, one of the things you mentioned was a fractious relationship. Now, I do not know, because I was not a member of the former Policy & Resources Committee, but I can say as someone who was not a member of the former Policy & Resources Committee, that the impression I got was that there was quite a bullish political approach that had been taken, and certainly that is something that sits quite uncomfortably with me.

As I say, that is just a layman's impression. I do not have anything to substantiate that. But I can say that that sort of approach is not the kind of approach that sits well with me personally, and I do not think it sits well with the rest of the Committee, and I am keen to make sure that we improve that interface, if you like. That is an area that I am personally very keen to address.

I am sorry, I will hand over to people with a better grasp of operational details when it comes to things like valuations.

Mr Moriarty: Okay, thank you.

Deputy Camp, if I could just refer back to you talked about how the public perception, and really from an SPU perspective, I would just like to refer back to the 2019 SDSB Policy Letter, because that has real relevance here. Deputy Sloan asked Mark the particular question around benchmarking around operational services. That is incredibly difficult to do when you are dealing with ranging from PH, clinical environments, laundries, power control rooms, incinerators, swimming pools, hydrotherapy rooms, it is incredibly difficult to get standard benchmarking.

However, there were guiding principles that were set out in the 2019 Policy Letter, which are the fundamentals of what was the PTOM. Those are key elements that we continue to benchmark around the progress that we have and continue to make. As the President says, it is a journey, and the Policy Letter sets out that this was going to be incremental, and it was going to go over a number of years.

That work sets out that it was around looking at arrangements, and it recognised that the efficiency and effectiveness of the services was not there, and it was not fit for purpose, and that there was a need to improve the corporate management of the estate. The SPU Senior Management Team have made great strides in delivering that, and sitting around things, as you used the example of disposals, are key processes.

So where you look around that, they will have market valuations, they will be brought to the table, they will be evaluated, and decisions will be made as part of that process. When looking around the estate and the property objectives and the need to be aligned with the corporate objectives, we talked about property rationalisation and the number of properties that were either sold or relinquished in some way. Each one of those properties went through an evaluation, looking at its fit-for-purpose nature, did it meet public environment, was it client-focused, was it open to discussion, did it meet accessibility standards.

So all of these considerations were taken back into effect around that, but went through a process, data was collected, and then it was decided, or a decision was then taken as to whether they should be removed. So –

Deputy Camp: Sorry, are you then, I suppose, saying, because clearly this is a question around public perception, and lots of things are being done, so can you make an undertaking then that, as part of both the efficiency and effectiveness measures, you will take the temperature of the public? That could be through things like understanding the column inches that are being filled up in the press around disputes, and also potentially also consultation and feedback-type services? Because we keep on talking about KPIs, and the public seems to be one of the stakeholders that needs to be taken on this journey.

Mr Moriarty: What I am saying is that it may well be that we need to do more in the public domain to explain where we are on that journey, as we have gone through the discovery phase, we are in a process of stabilising, we are able to then build more metrics and more data in. But what

we are able to demonstrate as an SPU, that we have got better working locations and that is a continuous process. We have the team and we have increased and we continue to increase the improved professional practices, the consistency of those standards across those services, the consolidation of that work, and the improved value or return from the estate. We will be able to, if the Scrutiny Management Committee think it is helpful, we can sit down and have a more detailed discussion to go through some of those, against the principles of that Policy Letter, and how we have evolved that over a period of time.

The Chair: Thank you for bringing up the target operating model. Because, if you go into the internal audit reports of 2023, in summarising, it said that the PTOM workstream brought together property and estate staff that form all committees into a single unit. You have talked about you have got consistency of a team and consistency of locations, and you talk about quantifiable deliveries, but in the internal audit report it says this model went live in 2022.

The original savings targets in the investment case have fallen short, but work is continuing to identify further savings opportunities. So, in 2023, the internal audit said they have not delivered the savings that you have purportedly have, and earlier on we are still not there. But I would like to be specific in terms of, Mark said earlier, this is about the best value for the portfolio and value for money.

How is it then, with all this process that you have gone through, that we still have the Castel and King Edward empty and falling to wrack and ruin?

Deputy de Sausmarez: So, are you talking specifically about the King Edward and the Castel?

The Chair: How is that delivering value for the portfolio, given the process that Jason has just described?

Mr Ogier: I have got a few here. I have got some areas as well from Deputy Camp that I will pick up as well. Because I think there were some areas that were not touched on. Castel Hospital, there are still 300 staff working from that site. So it is not a non-used site, and up until recently it also had medical records stored on that site. Far from it being an empty site, it is not.

P&R have included it in their submission under the IDP to try and get it included into the local centre, and that opens up far more development opportunities for that site. Looking at the future and how we look at these sites under our Strategic Property Plan, which tries to look across all of the sites and say, what are we using them for and what is the future for them, not just next year, this year, but actually looking at all the States' objectives within this capital portfolio, but those projects that are longer term, that are sitting outside of that, they are all going to have property needs and property desires.

We need to make sure that we have got space to do that and the estate to do that. We try and forward plan and look across all of those properties to take a longer-term view about that. So, Castel Hospital forms part of that; as I say, it is in use.

King Edward is the same at the moment. King Edward is broken down into various sites, but at the moment we have services being delivered out of that building. Albeit they were moved there temporarily. They are part of the programme to move out, but Electro Biomechanical Medical Equipment (EBME) runs from that building, which is essentially where all of the beds from the hospital and all of the electrical items have got to be maintained and looked after.

On that site, you also have the Perruque and Carrefour sites, which are also in operation. So, that site is in operation, and I am sure you have seen recently that we have been progressing into a care village with heads of terms. So, that site is actively being moved forward.

I think there is a perception that we have a huge amount of sites that are empty and not being used by something, whereas they are. Castel is a case in point where, at the moment, there is not a funded programme to move those staff. That would sit in the Principal Community Hub, which is a pipeline project.

A lot of the property moves, and it is a big jigsaw puzzle, is reliant on a lot of other capital programmes. I cannot just decide to move those people somewhere, because there is no capital allocated for me to do that. It is a big, complex jigsaw puzzle that we have to try and work our way through, but we are taking a longer-term view when we look at all of those strategic sites.

Deputy de Sausmarez: Can I just put in a little point, sorry to interrupt you?

The Chair: If I may, because I just wanted to let Mark finish and then come in, because I know that he has got quite a long list.

Deputy de Sausmarez: Okay, it was just –

Mr Ogier: It is okay, if it is on that subject

Deputy de Sausmarez: It was

Mr Ogier: Because I will move on to something.

Deputy de Sausmarez: It was just to say that SPU does not work in isolation on this. I can speak from experience that there is an awful lot of cross-Committee co-ordination that goes into that strategic portfolio, the strategic property planning, and understanding the different needs of different service areas and Committees is a big part of that jigsaw puzzle that he explained as well. I think he has already dealt with the problem of decants.

The Chair: That was a theme of earlier, was it not? We kept asking where does the buck stop, who is in charge, how do you allocate this. It seems a very, almost impossible task that you have here with all these competing different objectives.

Mr Ogier: Yes, I think it is. The Strategic Property Plan does attempt to pull that together. It provides a strategic framework looking across those sites to say, 'Here are the properties, here is what they are currently used for, here are the other uses that they potentially could be used for, how they align with the Government Work Plan and those priorities', but also what would have to happen with them, because there are always options for it.

If you look at various other, as I say, Principal Community Hub, if you take that or potentially law enforcement, all of those are going to have property requirements. Where they would go, but actually the States of Guernsey has quite a limited property portfolio, despite there being views otherwise. If you look at our portfolio, it is operational buildings. Yes, we have a lot of schools but they are all in use. We have a big hospital; it is in use. We have a lot of other operational buildings; we have a lot of service delivery areas.

The properties that you have mentioned really are about the only ones that are empty. There is not some swathe of properties that are not in use or do not have something in mind for the future, where we do have to look at it much more strategically, rather than let us just sell off all the assets straightaway.

The Chair: Okay. I am cognisant of time, and obviously we will just accept that the Castel is being actively moved forward for now, and obviously a lot of the other properties that I consider derelict have been actively moved forward. But I want to bring it back to value for money, and Charisma had an area of value for money that she wanted to ask, and probably I cut her short before the break.

Advocate Lyall: We understand that the States' legal costs in relation to the Fermain Valley matter are reported to be in excess of £100,000. What alternative options for achieving vacant

1005 possession, which I understand was the purpose of the legal case, such as negotiation, mediation, alternative dispute resolutions, were considered before and during the litigation?

Deputy de Sausmarez: I feel as though a political answer would be the most appropriate one to give. The challenge is that, as politicians, we were not involved in that. We came to this process very, very late.

1010 What I can say is, this is what I was referring to earlier. My sense is, although I cannot evidence and substantiate it because I was not around the same Committee table, that the predecessor political Committee took a more bullish approach than I feel we would have done; and that is a strictly political comment, I do appreciate.

1015 Although I cannot answer your question directly, I can give you a sense of how – I agree there may have been other options, that had there been a different political make-up around that Committee table, may have been preferred but –

Advocate Lyall: Would it be possible that someone may be able to look and see what the records reflect, or are these records not going to be available?

1020 **Deputy de Sausmarez:** I am sure we are very happy to work with you. As this is part of a review, we are happy to share any information that can be shared to that end.

All I will also say is, we have to be careful because this is still subject to a legal process. It is fair to say that those options are still being explored. But I have to be very careful because this is still –

1025 **Advocate Lyall:** Possibly, if I can bring it back to something which will not be subject to a legal process. What formal process was gone through to select the outsourced legal provider?

Mr Ogier: I think that is a question for Chambers.

1030 **The Chair:** Not to put words into your mouth, Deputy de Sausmarez, but possibly I am inferring a different character set of the political actors might come to a different approach.

Deputy de Sausmarez: All I am saying is I do not know because I was not around the Committee table at that time. We want to sit here and be able to answer your questions as fully as possible. However, we are not the people that are able to provide you with a definitive answer.

1040 All I can give you is a general sense, and it is purely a personal perspective because I do not know, I was not party to those discussions. But I agree, and this ties into the point that Deputy Camp was making earlier about this perception that we end up in disputes, all I can say is that, as a Committee, we are keen to understand how we can end up in situations like that less often or not at all, in an ideal world.

The Chair: But the most recent leg of that was in this administration.

1045 **Deputy de Sausmarez:** No.

Deputy St Pier: We were not party to the decision-making that has led up to this, and we can really only talk from where we are. I think we are clearly keen to ensure that it is possible to reach a mutually agreed solution, which is if it is possible to do that outside what remains of the court process that would be a good outcome.

1050 **The Chair:** Okay, moving back to something that is in the administration, I am going to ask about, if I may, Leale's Yard. In terms of value for money as well. I appreciate, and thank you ever so much again for pack and the share points. I have gone back over the files and seen how many times the topic has been discussed at previous Committees and this Committee. My first question

is, in terms of value for money, what was the process that it went through to determine that the approach that has now been adopted is better value for money than the one that was previously being pursued?

1060 **Deputy de Sausmarez:** Can you be specific about what you mean by previously?

The Chair: Well, previously, my understanding was that the States was in discussions with private sector developers, with a view to the private sector developers to develop it. Now, my understanding is, obviously the first meeting of our term, that the States have then decided to buy the land. My question is that seems – there was a statement by the previous P&R President that there was discussions in the press about how that process, that journey, had come to an end. What was the process to determine the route that has now been decided was a better route than previously?

1070 **Deputy de Sausmarez:** I think we need to be clear that the previous route was no longer a route, that was not something that – because it was a route that involved two different private entities, so one being the Co-op and one being the development partner Omnibus, and that process was no longer being progressed, and so, I mean –

1075 **The Chair:** They decided it was no longer being progressed, I assume? I only read what I read in the media and the parties said they were keen to continue it.

Deputy St Pier: Mark is probably in a better position to comment on all of this than any of the rest of us, but again, to be clear, the commitment to enter into that contract was entered into before the beginning of this term.

The Chair: Sorry, Deputy St Pier, which contract?

Deputy St Pier: To acquire.

1085 **The Chair:** So that had already been enacted?

Deputy de Sausmarez: Yes.

1090 **Deputy St Pier:** So although completion has taken place in this term the contractual commitments –

The Chair: Those were the three meetings in June that I can see, that the States Property Unit attended P&R presumably.

1095 **Deputy St Pier:** Yes.

The Chair: So the gift, as it were, of not spending.

1100 **Deputy St Pier:** So again, going back to your question, Deputy Sloan, we are not really in a position to comment on –

The Chair: Presumably, you will have been briefed subsequently and taking the administration, you would have been presented with the business case for pursuing this route for the commitment – the commitment to capital expenditure on behalf of the public sector, and that must have been discussed. You would have been briefed, I assume, about what were the States effectively is committed to spend on this route.

1110 **Deputy de Sausmarez:** Yes, it was basically a question of, do we want to see progress on Leale's Yard, or do we want it to continue to be effectively a barrier to regeneration in the whole area? That is essentially what it came down to.

1115 **The Chair:** Essentially it is a route to spend public money up front, as opposed to allow the private sector to do the heavy lifting. My question is, when was that case developed and presented? Now, you are saying it was not –

Deputy de Sausmarez: I think it is a mischaracterisation.

1120 **The Chair:** How is it a mischaracterisation? To commit to expenditure, to purchase a piece of land, and then subsequently have committed effectively to the remediation to that, there would be a business case presented to the Committee. Surely.

Deputy St Pier: To the previous Committee.

1125 **The Chair:** But you will have had sight of that case, you will have presumably been briefed in this term.

Deputy St Pier: We were briefed that the commitment had been entered into.

1130 **The Chair:** When was that business case developed then?

Mr Ogier: I think we have got to go back, so Leale's Yard, as you will have seen from the meeting, has been something that has been in consideration by the States for a long period of time, various different approaches over the years.

1135 We were asked to do a comprehensive assessment of various proposals that have come through, including technical reviews. Ultimately, what was being offered by a development partner and the owner was assessed, and whether that was something that was looked at, and ultimately that deal did not happen. So it was assessed that that was not something that was going to come forward, and therefore that ended at a point in time. That is documented about why, the reason that that

1140 happened. That is a deal that did not get over the line and therefore stopped.
At that point, there were other discussions with P&R around what they wanted to see for the future of the north of the Island, and that involved a much wider reaching look at Infrastructure and how that could be used to make significant improvements, as again has been publicised through infrastructure improvements through the north of the Island, how that could be delivered through the States of Guernsey.

1145 Now, they presented an opportunity, after the deal with the development partner and others had come to an end, to look at a different option with the land owner. That P&R Committee was very keen to do that because they saw a greater benefit of actually bringing it into the public ownership to be able to deliver infrastructure in other areas rather than it sitting there without any development. So a decision was made to progress a different route at that point, and that is where that got taken forward in terms of those papers and a P&R decision to proceed in the way that it did.

1155 **The Chair:** I am looking at the chronology of this. What my question is – quite clearly that was the case. My question is, when was the – my time in the States was a five case business model. When was the business case put together to demonstrate that this route and this capital commitment and this expenditure would provide an economic benefit, a financial benefit, a commercial benefit? There were five cases. There are another two, is there not? When was that done? Because I am looking at the chronology and I cannot see how that work was done.

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Mr Ogier: It was a high-level review that was taken but it was a decision that P&R took based on the information that it had and the information –

The Chair: So, there was not a five-case business case model put together to justify this?

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Mr Ogier: As I say, there were papers that were taken to –

The Chair: It is high level. How high level? How high level are we talking?

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Mr Ogier: I would have to go back and check all the papers. But, as I say, it is high level papers.

The Chair: In terms of the future commitments, what is the expectation, ballpark figure, of the capital commitment that we have entered into to pursue this route?

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Deputy de Sausmarez: Are you assuming that it is all public money?

The Chair: Presumably there is a business case put together that this will have been worked out and I am asking what is the current estimated public capital commitment of the whole of the life project? Because you must have done this before we entered into this.

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Mr Ogier: We are looking at infrastructure across not just that site, and I think that is the point of this. This is about looking at infrastructure across a number of sites, and there are numbers that were put together at very high level, and they are being reviewed and looked at, but the next stage is to work up the detail of all of that.

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The Chair: So the commitment was done without a real idea of the scale of the commitment.

Mr Ogier: No, I think it understood the scale.

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The Chair: What is that scale?

Mr Ogier: I have not got the numbers in front of me, I am afraid.

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Deputy de Sausmarez: But, also, there are clearly going to be a number of different options. I would imagine that around the P&R Committee table, when this was being presented, it essentially came down to – we have had 20-25 years of Leale's Yard; of being promised that Leale's Yard is going to be progressed, and frankly its complete lack of progression has stymied that whole area. You go and talk to businesses in that area, they will tell you, you talk to residents in that area, they will tell you.

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So, ultimately, I can imagine that for the previous P&R Committee, some of it came down to the fact, we knew that infrastructure and the provision of infrastructure was a key barrier, so ultimately it came down to the fact that – or the question of whether the States wanted to be an enabler in the regeneration of the second biggest centre in the Island. That is probably part of it.

1205

There are clearly options for how it is developed going forward, and we have seen some of those suggestions. But ultimately, at the end of the day, we have got a real pressing demand for housing and for regeneration in that area. We need to take into account some of those things. It is really difficult to do on a site-by-site basis, for example flood defence and infrastructure, that actually the States is uniquely positioned to make a positive impact on.

1210 **The Chair:** Deputy de Sausmarez, I agree. All that sounds marvellous, but my specific concern was the commitment that has been entered into without, it appears, the necessary understanding of the commitments that we have effectively signed up to.

1215 If this was just one isolated case, I seem to recall over the last term, and this is not anything to do with members of this Committee, that the States got into the habit of buying land that was not fit for purpose. We have land in the north of the Island that has been bought that was not zoned for development in the idea of putting it for key worker housing. There are sites in the north of the Island which would not necessarily have been purchased just to leave fallow for three or four years. Because my understanding is that is not a good use of capital and I hate to be an economist about money, but if you waste your capital, you cannot deploy it somewhere else. That could have been
1220 deployed somewhere else to improve the estates.

May be in the Castel we could have been doing something rather than actively considering it. But I appreciate that is not the decision of this Committee. My concerns are, and it will come out, is the necessary thinking and concerns for value for money for the taxpayer was not done when that decision was made.

1225 **Deputy de Sausmarez:** You have to take into account, or they would have taken into account, the opportunity cost of leaving Leale's Yard undeveloped and continuing to be an albatross around the neck of that area. I was not around that Committee table when that was being done. But also there are options and it would be naïve to suggest that we are looking at 100% – the only option
1230 in front of us is 100% taxpayer's money go into that. I do not think that would be a realistic way forward. So I very much anticipate there are multiple different ways you can do this.

But the important thing is, we need to get the infrastructure sorted out in a way that benefits the whole area. We have got a unique opportunity with Leale's Yard to do exactly that. That is not something necessarily that could be done in private ownership. That is something that is a fairly
1235 unique opportunity for Government to do.

The Chair: Deputy de Sausmarez, I completely agree. The opportunity cost I am sure will be real. But I am not entirely convinced that they were worked out. That is my consideration there. It would be a jolly good idea to me is not a sufficient justification for action.

1240 However, I would like to change the topic again. In terms of you talked about housing and such, in terms of a completely different topic, key worker housing. Again I remember the requête back in 2022, 2023 and key worker housing. I know it has come up every year in terms of P&R. May I ask, in terms of strategically approaching just a line of the Committee's thinking on where it wants to take the key worker housing, it has been a few years?

1245 **Deputy St Pier:** Again, of course, the States Property Unit has responsibility for the management of key worker housing. But of course, the question of key worker housing more broadly does not sit with Policy & Resources. Clearly, we are at the stage of thinking about where our housing priorities are more generally as part of the whole Government Work Plan process, and obviously of
1250 course key worker housing and so-called affordable housing is very much part of that thinking. We are doing that in our role as co-ordinators of policy rather than it being part of our policy brief.

The Chair: The briefing that was provided, obviously you referred to it in terms of the review being undertaken in the States Property Unit, looking to support that. I just wondered if there were
1255 any more detail coming forward that wanted to be shared at this juncture.

Deputy de Sausmarez: Yes, I an important distinction probably to be made is that key worker can mean a lot of different things to a lot of different people. It is probably helpful to clarify that we mean States' workers in this respect. I am not sure –
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The Chair: Yes, I assume doctors, nurses, teachers.

Deputy de Sausmarez: No, well, yes. But there are lots of those that are not necessarily employed by the States, which is why it gets confusing. I think that clarification is necessary.

1265 One of the things that we are keen to, and we have started this process of getting a better handle on, is I am very mindful of the fact that the way that we manage key worker accommodation, or States' worker accommodation, has an impact on the market more generally. That is something that I, in particular, but I know it is shared by the Committee more generally, really keen to make sure that we are managing it in a way that meets the needs of the organisation and the Island, without
1270 creating unintended negative impacts in the wider housing market. That is a really important point.

I feel very strongly, I am not sure I am safe to get started on this particular subject, and we might not get out of here on time, but that is something that we are very alive to. That is something that we are working on at the moment as well. But, as Gavin rightly points out, we have responsibility for one aspect, but not necessarily the policy around it.

1275 **Deputy St Pier:** I think I have understood your question the second time, not the first time round, in terms of the review and purpose of the review. Clearly, again, historically, the key worker housing as termed was principally the responsibility of Committee for Health & Social Care for their staff. So we now have a situation where P&R, through the States Property Unit, are responsible for
1280 looking after that, but the income and expenditure side of that still goes through Committee for Health & Social Care.

So, for me, in terms of understanding what the review is trying to – hopefully the output of that will be actually what is the best model for the public sector to own and manage accommodation for those kind of workers? Would it be better for that to be the responsibility of a housing
1285 association, for example? Would that be a more efficient way to do it? Would that provide better value for money? Those are the kind of questions which I think this kind of review needs to deliver for us.

But clearly we are not in a position really to comment on that at this point. But that would be my expectation. Because it is a bit of an anomaly, to be honest, in terms of where we are at the
1290 moment.

The Chair: I am going to give a subtle hint to my fellow panel members that we might have things like project management or finance, just so that we let them know where we are. I thought that would be good, or rolling major projects. Because I am cognisant we have got about 10 minutes
1295 to go.

I just wanted to come – I am a numbers person, I suppose – back to the numbers to set the scene for this final bit. The last couple of years, the Property Unit, the budget has gone up 18% nominal terms, probably 9%, probably 5% or 6% year on year. What is driving that, do you mind me asking?

1300 **Mr Ogier:** If we look at the breakdown of the budget, around about £50 million of that budget is staff costs. So a large proportion of our costs are staff costs. Around £7 million of that is utilities. Obviously, utilities certainly can be volatile, some of those areas. Our year-on-year increase is relatively small in terms of those.

1305 **The Chair:** Sorry to interject, they are not that volatile, they just keep going up.

Mr Ogier: In terms of our usage, weather dependent. As you can imagine, the hospitals and the schools particularly, the utilities spend on some of those is very considerable. There is a fluctuation there in terms of that. So that drives, obviously, that budget growth and obviously we are driving
1310 energy efficiencies as best we can in those, but we are still seeing growth in those areas.

Mr Moriarty: Mark, can I just interject there, just on that point of the 326 FTE, I think it is important, going back to Deputy Camp's point around perception, it is really important to

1315 acknowledge that 88% of those staff are frontline staff. They are our hospital porters, they are working in our laundries, they are our caretakers in schools, they are not primarily clerical workers, although very valuable are they. These are members that are working out in the community across all of those 420 sites that we manage in some way, shape or form. They are colleagues that are in the front. That is what makes up the primary part of that £50 million wage bill.

1320 **Mr Ogier:** If I come back to some of those areas, grounds and gardening, £1.2 million of that. Repairs and maintenance and servicing, so that is the stuff, the bit of painting, the bit of maintenance; it is £7 million of that budget.

1325 I think when you look at the fact that we have got an £800 million estate, some of those questions that were asked earlier about that perception of why is more maintenance not done, the reality is that we have to make difficult decisions all the time on that maintenance. We have to direct those resources, and that is across the routine budget, but also that capital budget, and that comes back to that prioritisation. We are always having to make very difficult decisions, so there will always be things that cannot be done.

1330 I think we have seen changes as well; I know glyphosate and other areas has had quite a big impact on us. Rightly or wrongly, I am not here to debate that, but the reality is when we had that it was much easier for us to keep on top of weeds and various things. So we have had to increase that maintenance to be able to do it in a different way. So those costs come with time.

1335 **The Chair:** I am looking forward to the quantification of that.

Mr Ogier: External cleaning in itself, £2 million. These are big numbers but they are driven by it, but these are the public perception areas. When you hear people, 'Why aren't those gutters cleaned?' We can only afford to clean them twice a year and things grow in between the times. There is lots of those areas where we do have to make those difficult. So our budget is very constrained in terms of what we have to deliver for the size of the estate.

The Chair: It is cost pressures rather than more things being delivered.

1345 **Mr Moriarty:** There are two or three other key areas of this around some of those services where we have seen, as Mark talked about utilities, is the over-inflationary increases that we have seen on some of these contracts has been quite significant. These are in key areas or contracts where we simply do not have a choice. These are essential 24/7-hour services where we cannot just rest the contract or wait, we have to find a way of going out to market. Sometimes we have not had choice of suppliers.

1350 The other key point is around making sure that where we are going out to deliver these services, one of the things that certainly I have witnessed increasingly over the last five years is, and Mark mentioned this at the beginning of the Scrutiny hearing, our statutory requirement around regulatory and compliance work. The work that we are having to invest, and our teams and our contractors are having to invest, in order to ensure that they meet their minimum critical standards across a whole range of work, is also increasing costs.

The Chair: Okay, so it is cost, it is not doing more, but it is still a 9% per annum increase in budget.

1360 **Mr Moriarty:** But some of it is doing more.

1365 **Mr Ogier:** That is part of that, we are trying to deliver more. Obviously we are doing our best with the money that we have, but we are trying to deliver more with the monies that we have. So part of that is to look at how we can drive that efficiencies and do things more efficiently to be able to deliver that.

But, yes, the cost pressures are high, and if you look at the inflation in the construction sector, so for us trying to deliver a lot of those maintenance jobs, they have gone up significantly in the past four or five years. Then on top of that, those compliance areas, so health and safety compliance, various other areas, has just pushed the cost of those projects up.

1370 So, in every area we are facing bigger and bigger cost pressures while also trying to at least stand still but actually try and deliver more. The budget increase is very marginal considering that, I think, the size of the estate that we are trying to manage.

1375 **The Chair:** You talk about the size of the estate being £800 million; you made that a couple of times. But does that include the hospital site valuations?

Mr Ogier: Yes.

1380 **The Chair:** Right, so you take out the hospital and schools, the portfolios, it is obviously clearly larger I would have thought then.

Mr Ogier: Those are the big – but if you look at the health estate, so you have got the hospital is a part of it.

1385 **The Chair:** Yes, but if you look at the non-specialist.

Mr Moriarty: One of the issues there is also, not only around the size, it is the complexity.

1390 **The Chair:** Yes, the hospital is more complex than an office site.

Mr Moriarty: When you are looking around, you will be seeing some incredibly exciting new capital developments coming online. But as we set out for you, our estate, not only are we working on the backlog of some of the maintenance work post-COVID, we have also got an ageing estate. So that is also comes –

1395 **The Chair:** Jason, I just want to say, where I was going was that if I have break out the hospital, or break out the schools, the rest of the portfolio is quite small.

1400 **Mr Ogier:** Absolutely.

The Chair: In terms of the management task itself, is that more manageable?

Mr Ogier: Yes, but it is very diverse. If you look at the schools, you are left with crematoriums, absolutely, you are left with –

1405 **Deputy de Sausmarez:** The Breakwater.

1410 **Mr Ogier:** Alderney Breakwater sort of falls outside. We do the work on that one. But if you look, that is then office blocks, kiosks, all the other bits and pieces, historical sites. So grounds maintenance, you have got playing fields and various other areas. There is lots of other bits that come in. It is the diversity of the estate that is probably – if you look at it, and if you talk to a big commercial property manager, they would say that that value of the estate, you can have one building in London that is worth that.

1415 'The reality is that ours is so diverse, there are so many different facets to it, and they all do very different things to deliver it. Our team has to be quite skilled in lots of different areas to try and deliver the property solutions that we do. That comes with a burden to try and do that because

what you have to do for a castle is quite different to what you do for a hospital, which is different to what we do for Footes Lane grounds.

1420 If you look at our budget, yes, the lion's share of that, and of course that is predominantly our staff budget, sits within that HSC area because that is the big areas, our housekeeping and our laundry teams there and portering and all those others, predominantly some of those 24/7 services as well. Yes, those are our big cost areas. Education, those estates are big, but the rest is smaller.

1425 **The Chair:** Yes, and thinking out loud, it seems the rationality of putting it all together into one single homogenous unit, this target operating model seems a bit, to me, this simple soul, because it is so specialist and so diverse, I am just wondering how you are expecting to achieve efficiencies going forward over the next five years.

1430 **Mr Ogier:** What we have found is, out in those wider estates, prior to PTOM, we had a lot of people that worked in property that were not particularly specialised, that were doing their best in a lot of areas, or that were having their budgets used for other things that were not necessarily budgets when they were not centralised, so Committees would use them for other areas.

1435 Then other things like the statutory compliance and oversight and various other areas were not as efficient as we needed them to be. There are also pockets of – when we launched the PTOM, what we found is pockets of poor practice in some areas, the compliance was not where it needed to be, some of the workmanship was not where it was, because actually those people, while doing an excellent job out there, did not have the central support and the professional areas that the centralised property unit could provide.

1440 We have also been able to layer over that centralised health and safety areas so we can provide advice into them. So what the model has enabled us to do is provide expertise across all those areas, so we can utilise the central core of staff. So we have at the hospital M&E specialists that help out in the schools estate now, that never would have happened before. Our health and safety adviser can go in and go across all of those areas. The way that we manage water hygiene and water quality is now consistent and being rolled out across those areas, so we can have consistent reporting.

1445 We are managing to use staff across those areas and the learnings from those different areas to look at how do we do a help desk or how are we centralising these services, how can we look at energy efficiency across all of those, how can we look at procurement in all these areas? Let us say for our grounds maintenance contract, a separate one for the hospital, a separate one for the schools, why are we not combining these together to drive efficiency.

1450 From the formation of the States Property Unit, I will be quite evangelical about it, I think it was absolutely the right thing to do. Having disparate teams all around the estate trying to do their best was not the most efficient method.

1455 **Mr Moriarty:** It comes back to the point around data and the point you raised before, we do now have line of sight across all of these in order to look at the prioritisation against that spend, recognising the different priorities of the different teams.

1460 **Deputy de Sausmarez:** I will give a different perspective, so from a Committee perspective I can tell you that, as the former President of the Committee *for the* Environment & Infrastructure, it is really frustrating having a team of people who specialise in nature and land management and all of that, having to deal with a heritage building project, because that is not their core expertise, and it is diverting that expertise from what they should be devoting it to. That is really just to illustrate Mark's point, if we do not do it this way, let us have a think about the implications of that, and I completely agree, let us not lose sight of the fact that it used to be very disparate and a very poor use of resources.

The Chair: I appreciate that, and it is nice to have line of sight. But I am saying in terms of the sight of the internal audit report saying the savings were not delivered in 2023 of what was originally promised – just hold on, let me finish. And then in terms of unable to quantify, we have got budgets going up. What I would like to see –

Mr Moriarty: One of the other key things around 2021 as well is the –

The Chair: Jason, one moment. Let me tell you what I would like to see. I would like to see where the plans are for efficiencies going forward so that we have got something to measure against. I think that would be very useful.

Mr Moriarty: Just on that point, just on that 2021, I think it is important for the record to note, and I would absolutely recognise it is a continuous programme of works around that and improving inefficiencies, we were delayed by over a year due to COVID. So we actually did the PTOM transition 2021 into 2022, so that is where you will see more efficiencies coming through as we phase that.

The Chair: I get that, but it is now 2025, that was 2023. When I ask what efficiencies have been achieved in the last two years, no answer was forthcoming in terms of quantification.

Deputy de Sausmarez: There was but it was a bit late.

The Chair: Less sites is not a quantification of an efficiency, we can be more efficient on one site, we can be more efficient on five sites, but I am going to ask my fellow panel members if they have any final questions.

Deputy Camp: No, I do not.

Advocate Lyall: Possibly, and this may just be my misunderstanding. You talked about 50% of the costs being staff costs. When you are talking about staff costs, are you talking about employees of the States or are you also including the outsourced service providers?

Mr Ogier: Employees.

Advocate Lyall: Employees only, so any money spent on your ground maintenance contract with an outsourced service provider is going to fall outside that 50%?

Mr Ogier: Yes.

The Chair: I would like to finish – Deputy de Sausmarez, you have a final comment?

Deputy de Sausmarez: I am just hoping that when you summarise you might be able to give us some foresight of where you are going.

The Chair: I would like to finish on time, but I am going to speak for about two minutes possibly. In terms of this process, obviously this is our first public hearing as a panel, which has been an enjoyable experience, thanks for coming, we enjoyed it, thank you very much.

Deputy de Sausmarez: Thanks for having us.

The Chair: Like I said, we have three areas that we want to see – I cannot do lists. I have to look them up again, it is really quite embarrassing, is it not? It is value for money. *(Interjection)* Thank you very much. You are a list person, Deputy St Pier, I am not clearly.

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Deputy St Pier: I was listening.

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The Chair: We have had to put a call out to the Departments for evidence, I am not aware people have been beating a path to our door, maybe they are all, like the budget, getting their feet under the table, the lay of the land, that sort of thing. But we have had a call for evidence, we would like to – obviously there are some questions that we will follow up with, written questions.

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Again, we are not going to be doing a rule 14 and making it difficult or anything like that, but there are some questions. We did appreciate all the documentations. As you will appreciate, we went through the share points, so thank you very much for that. We will be looking at that over the course of this calendar year and hopefully putting together some sort of response to you, the final response early in the new year, but some dialogue back and forth about some questioned areas, and our comments on those three areas and just frame a short report on that and hopefully move forward.

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One of them clearly being the provision of setting targets I think for us looking to achieve. If we do not set up what we are trying to progress against how do we know we have got anywhere?

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Deputy de Sausmarez: Can I just reiterate on record that we are more than happy, we appreciate a hearing is quite a time-constrained process and we do not necessarily have the details that you are after at our fingertips. We are really happy to sit down and work through with you in whatever format works for you, any of that detail that we have not been able to provide today.

Also, I can speak on behalf of the Committee, we are really looking forward to your review and taking on board whatever recommendations it comes up with. So thank you very much for choosing us as your first subject, and we are really looking forward to seeing what comes out of it.

1545

The Chair: We have just done a couple of on-sites, I know what it feels like being a guinea pig, so thank you very much, Deputy de Sausmarez, Deputy St Pier, Jason. Thank you very much, my fellow panellists, thank you all for coming, and the technical staff, thank you very much for being able to live-stream this event for all those people that have got very busy diaries. Thank you ever so much.

1550

The Committee adjourned at 4.28 p.m..