

**Response to a Question Pursuant to Rule 14
of The Rules of Procedure of the States of Deliberation and their Committees**

Subject: States Property
States' Member: Deputy Steve Falla
Date received: 25th August 2021
Date acknowledged: 26th August 2021
Date of reply: 7th September 2021

Question

1. How many properties in total are owned by the States of Guernsey: a) Excluding social housing; b) Including social housing?

The States' property portfolio,¹ excluding any of the incorporated or unincorporated trading entities, totals 508 land, building and property assets plus 1,652 units of social housing. This does not include de minimus assets such as small strips of land adjacent to roads, small areas of cliff land and the like which are not separately identified on Cadastre records.

The following table provides a break-down of these assets:

¹ Includes a small number of assets legally owned by the Crown but under the control and management of the States of Guernsey

Row	Category	Asset Types - as identified on the States Cadastre	Number of Assets	Comment
1	Land and Strategic Assets	Agricultural Land	2	Includes Home Farm Artificial Insemination Centre - most Agricultural Land Parcels are leased out-see category 6 below
		Amenity (community) assets	237	Represents open public spaces, such as parks and cliff land.
		Landfill Sites	12	Most Landfill sites are located under public open spaces
		Strategic assets	19	Comprises 18 land parcels (typically close to social Housing estates) and Castel Hospital.
2	Operational Administration Land & Buildings	Admin Land & Buildings-General	6	Sir Charles Frossard Hse., Raymond Falla Hse, etc.
		Admin Land & Buildings-Health	7	Duchess of Kent, Lukis Hse, Swissville etc
3	Operational Specialised Assets	Health & Social Care-Hospitals Land & Buildings	3	Includes PEH, Oberlands and Mignot General Hospital (Alderney)
		Industrial Buildings, storage etc. Land & Buildings	5	Includes New Slaughter House and various small stores.
		Monuments, Museums & Libraries	9	Includes Castle Cornet; Candie Museum and Priaulx Library
		Police, Fire & Prison Services Land & Buildings	3	
		Public Conveniences	20	
		Schools Land & Buildings	17	Comprises 48 separate structures across the 17 school campuses
		Sports & Leisure Land & Buildings	3	Comprises Beau-Sejour and Ron Short Centre; La Vallette Bathing and Osmond Priaulx Playing Field
4	Residential Accommodation	Other [specialised] Land & Buildings	5	Includes Gov't House; Le Foulon Church and Alderney Breakwater
		Social Housing Dwellings	1652	Comprises 1,169 Houses; 168 Bungalows; 250 flats; 2 Cottages; 28 Maisonettes and 35 Bedsits/Rooms. Does not include communal land.
		Key Worker Accommodation	11	Comprises circa 170 unit of accommodation within the 11 facilities (includes 66 units in John Henry Court at PEH)
5	Surplus Assets & Assets Held for Sale	Health & Social Care Residential Accommodation	15	Represents disability; mental health etc. residential accommodation.
		Non-operational Surplus Assets	8	Includes KEVII (inc swimming pool building), Hayward Hse, Wesleyan Chapel, the old Mill (ruined enclaved mill), Walter's Rocque (filled in quarry), 45m2 on Southside and Fountaine Cottage.
6	Property Leased Out	Assets Held for Sale	1	The Grange (under offer).
		Land-Agriculture	29	Represents Agricultural Land Parcels leased out
		Sport & Culture facilities	13	Represents properties leased out for sports and culture purposes, such as Sylvan's, Rovers, shooting range at Chouet.
		Car Parks	4	Private car parks rented out to businesses
		Industrial Land & Buildings	9	Includes Stones' Yard; Mont Crevelt & Longue Hougue; Bakers Quarry and Griffiths Yard
		Office Space	8	Includes Market Buildings; old Income Tax buuilding and Sir John Leale House
		Restaurants & Cafes	5	Includes the old Slaughter House, Vistas and the like.
		Residential Accommodation	23	Represents mainly separate domeestic properties rented out
		Education Land & Buildings	7	Includes MFL school (Elizabeth College) and Ladies College
		Other	27	Includes 14 beach kiosks; 9 properties leased to Sure, 2 War Grave sites and the Islands of Herm & Lihou
Total			2160	
Total (excluding social housing)			508	

2. What is the total value of the States' property portfolio? If the work to assess this is not yet completed, how is it progressing and when is it expected to be completed?

The reinstatement value, for insurance purposes of the General Revenue assets is £1.85bn (not including contents, plant & machinery and IT); however, that is not the market value. As part of the work to introduce International Public Sector Accounting Standards, a valuation exercise is being carried out which should be complete during the first half of 2022.

3. In its deliberations over the Tax Review, what consideration did P&R give to the additional returns (whether revenue or capital in nature) that could be obtained by better 'sweating' the States' assets, including both the property portfolio and the entities that fall under the mandate of the States' Trading Supervisory Board?

Although some discussion on reductions in expenditure and economic growth is included for context, the Tax Review addresses the following question: *“If it is necessary to increase revenues to the limit of the Fiscal Policy Framework (24% of GDP) to meet the cost of public services, what is the best way to achieve this?”*

Whilst the Tax Review primarily focuses on the income taxes and consumption taxes, any increase in other income streams, such as rental income, would reduce the overall required revenues.

The table above includes those property assets that are currently leased out. Some assets are subject to a legacy agreement but, by and large, assets are leased out on full commercial terms with annual rental income of c£3m.

Assets which are deemed to be surplus to requirements will be disposed of in the most appropriate manner to secure best value for the States.

The potential to derive income – either an ongoing revenue stream or one-off capital receipt from the trading entities also continues to be considered.

In addition, the next few months will see a rationalisation of properties occupied by the States of Guernsey as a result of the implementation of the Property Target Operating Model (PTOM).

4. In order to release value from publicly owned assets, has the Committee considered or would the Committee consider actions such as, for example, selling minority stakes by publicly floating Guernsey Electricity, Guernsey Post or Guernsey Water on a stock exchange, as Jersey has done with Jersey Electricity?

The Committee has not considered this and it is not currently part of the Government Work Plan.

**Deputy Peter Ferbrache
President
Policy & Resources Committee**