

3.1 The Deputy of St. Mary of the Minister for Transport and Technical Services regarding the withholding of information relating to the increased cost of the incinerator when the matter was debated on 9th July 2008:

There is a slight difficulty with this question because it has got garbled in transmission. I know not why and I did ask for it to be rectified but I still see that it is the same question down here. So I hope the T.T.S. (Transport and Technical Services) have been able to answer question I meant. **[Laughter]** It is just one figure and because of editing process through the Greffe it has got changed. So I will point that out as I read the question. Would the Minister advise whether information was withheld from Members regarding the fact that the cost of the incinerator had increased by £3.62 million when the matter was debated on 9th July 2008 from the £106.31 million (not as it says in the Order Paper) indicated in Projet 73/2008 and, if so, why was this done and what purpose was served by this action?

The Connétable of St. Brelade (The Minister for Transport and Technical Services):

I think my response should cover the Deputy's question. I can confirm that no information was withheld from States Members regarding the cost of the La Collette Energy from Waste facility when P.73 of 2008, the Energy from Waste facility funding, was debated on 9th July. The additional architectural costs required to obtain a detained planning consent was the result of design negotiations that took place between my department, the preferred bidder and Hopkins Architects Limited. These negotiations formally commenced in August 2008 and progressed until the point at which the plant had received detailed planning consent and the engineering procurement and construction contract was signed on 14th November 2008.

3.1.1 The Deputy of St. Mary:

If I may ask a supplementary; I am fairly astonished by that answer: "No information was withheld in Projet 73" but the fact is that the cost given for the overall project, including de-commissioning of Bellozanne, was £106.31 million. That was the cost when the proposition was lodged 6 weeks before. We learned from the Auditor General's report that in the intervening 6 weeks the costs had gone up by £3.62 million and I can refer to the exact paragraph if the Minister wishes.

The Bailiff:

Just ask the supplementary question, please, Deputy.

The Deputy of St. Mary:

So I am just putting it to the Minister again that the £3.62 million hike in 6 weeks should have gone to this House and Members were faced with evaluating the cost comparison report without that data.

The Connétable of St. Brelade:

I refute that and suggest once again that no information was withheld from States Members regarding the cost of the plant. The details of any additional costs have been included within a Ministerial Decision and I can refer to Ministerial Decision 2008-0105. That all has been completely open and my department has no wish to conceal anything from States Members and is always open to Members communications when necessary.

3.1.2 Deputy R.G. Le Hérissier:

Would the Minister not concede that the sum of £3.62 million is an awful lot of money to be sloshing around which, late in the day, has apparently to be found because of ongoing negotiations between, among others, his department and the Minister for Planning and Environment? Where did this £3.62 million come from? What programmes were dropped in order to come up with this rather flexible amount of money?

The Connétable of St. Brelade:

Clearly, on a construction of this magnitude, there are several decisions which have to be made during the course of its construction and contingency funds were put in place to cover these. Clearly the demands on these have been probably in excess of what was initially anticipated in that there were increased costs referred to by the questioner regarding the exchange with the Minister for Planning and Environment and also, of course, was the well-documented exchange rate scenario which prevailed at the time. There is also a need, in any contract of this size, to have an engineering contingency. There will be a stream of decisions to be made during the course of the project which will inevitably incur changes in cost. The department is aware of this and contingencies were put in place.

3.1.3 Deputy R.G. Le Hérissier:

A supplementary; would the Minister announce how much the Minister for Planning and Environment's very worthy but apparently very expensive intervention cost his department and whether there was any serious negotiation in terms of reducing it?

The Connétable of St. Brelade:

The Minister for Planning and Environment costs the department very little. I think, in terms of changing of planning arrangements, there was some £200,000 cost and that has been referred to in the answer to other questions. Effectively, the Minister for Planning and Environment put in place his principles on the design and construction of what is going to be a landmark building and I fully accept he has his views and wishes to stick with them. From a T.T.S. point of view, an ideal situation would be to have no controls over the planning whatsoever, which is logical because we want to build the plant for as cheap as possible. But I do respect the Minister for Planning and Environment's views and they have to be accommodated.

3.1.4 The Connétable of St. Helier:

The Minister referred to contingencies being required for changes in costs where I think he means increases in costs. Could he advise the Assembly of the current estimated out-turn costs of the incinerator?

The Connétable of St. Brelade:

Regrettably I am unable to do this on the basis that, with exchanging of the changing currency rates which we are all well aware of, the exact price is fluctuating. Now, at the moment, I think that the euro exchange rate is somewhat better than it was at the time when the contract was signed and when the first milestone payments had to be made. But I do not think we would be able to pinpoint the exact costs until such time as either the funding is ... if and when the funding is hedged, if the Minister for Treasury and Resources decides to take that approach, or the contract is finalised in July of 2011. Clearly we can get a closer figure and I can produce the closer figure if Members so wish. I am happy to do that, of, shall we say, the estimated figures to date.

3.1.5 Deputy A.K.F. Green:

I am just a little confused because on one hand we have £3.6 million difference and then we are told it is £260,000 because of planning and yet, in the Comptroller and Auditor General's report, unless I have misread it - and I do not have it in front of me, unfortunately - refers to a £4 million cost of change in design. Which figure is it?

The Connétable of St. Brelade:

There were no changes in design as a result of the Hopkins intervention, if you like, in that when the original design plan was put forward it was a design by the contractors' architects. Clearly these were not acceptable to the Minister for Planning and Environment and, when the design was submitted, it was submitted on the basis of consultation with Hopkins and that probably altered figures from the original conceptual situation. So, in terms of changes from the submission of design to acceptance, the cost was very little. The department was obliged, I suppose, to take on board either Hopkins or an equivalent architect of merit to produce a building of design which was acceptable to the Minister for Planning and Environment, and this is something that we have to live with if, in the Island, we wish to cultivate a high standard of designs which are tending to come into place throughout the town and the Island. It is a philosophy, I think, that most of the Island agrees with.

3.1.6 Deputy D.J. De Sousa:

Bearing in mind what the Minister has just informed the House, that the cost of the incinerator we are not sure of because of the fluctuation of the euro, are you informing the House that nothing has been safeguarded yet against the euro and the amount we are losing?

The Connétable of St. Brelade:

This is really a matter for the Minister for Treasury and Resources, who I am sure will deal with this in due course. Clearly my department is extremely concerned that costs are minimised. But, by the same token, it could be argued that a fixing of the exchange rate at this stage may be to disadvantage, and the public of Jersey and I would be keen to see that that does not happen. I am well aware that the Minister for Treasury and Resources has the whole situation well in hand and will, no doubt, look after the public interest to the best of his ability.