

**3.8 The Deputy of St. Mary of the Minister for Transport and Technical Services regarding the £3.62 million rise in the project cost for the new incinerator:**

For the avoidance of possible confusion I would point out before I ask this question that the £3.62 million I am talking about is not the £3 million that the P.A.C. (Public Accounts Committee) have been looking at in relation to the failure to hedge the euro at the time of the contract. It is a different £3.62 million. Further to the answer given on 28th April 2009, can the Minister explain the precise reasons why the £3.62 million rise in the project cost for the new incinerator between the lodging date of P.72/2008 and P.73/ 2008 and the date of the debate was not reported to the States.

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

At the time of the debate of P.72 and P.73 the lone cost of the La Collette Energy from Waste facility was the same as that indicated within the report and proposition. I do not recognise the £3.62 million the Deputy is referring to. It may be that the Deputy is referring to the nominal increases in cost of the project due to currency movements as indicated within the Comptroller and Auditor General's report on management of foreign currency exchange risks. If so, it should be made clear that at the time of the debate the intent of the Treasury and Resources Department was as set out in P.73 to close off the currency risk at contract close and, therefore, the currency impact was not known and indeed could have been a positive figure. Similarly, if the Deputy is referring to the costs of ensuring that the building was of a sufficiently high quality design to meet detailed planning consent, then there were no further confirmed costs that were known to the department at the time of the debate of P.72 and, therefore, there was nothing further to report to the States during the debate.

**3.8.1 The Deputy of St. Mary:**

Can I ask a supplementary? Yes, the Minister refers to a nominal increase. I do not know what is nominal about an increase of £3.62 million. The fact is that the Comptroller and Auditor General's report which he now does refer us to on page 10 quite clearly says that if the euros had been bought immediately the States approved the procurement, that is on 10th July, the project would have cost £109.63 million, which is £3.62 million more than what they voted for and I would like the Minister to say whether he agrees with his Chief Officer who told the P.A.C. a couple of weeks ago that he accepted responsibility as accounting officer for the management of the project and he made it clear during the course of the hearing that included costs. So, we are not talking about how the money is found, we are not talking about whether the Treasury go away and do this or that.

**The Bailiff:**

Could you come to the question please?

**The Deputy of St. Mary:**

Could he say whether he agrees with his Chief Officer that the Chief Officer is responsible for costs and should have told the House that, in the intervening 6 weeks, the cost had risen?

**The Connétable of St. Brelade:**

I agree with the Deputy that the Chief Officer is responsible for costs as accounting officer for the department, but I cannot agree with his contention over the figure submitted. If I may refer to the written question that the Deputy mentioned, £109.93 million, which is referred to on page 10 on the Comptroller and Auditor General's report, the figure relates to a nominal total project cost created by the Comptroller and Auditor General for 10th July 2008, the day following the States approval of the procurement, assuming that all euros had been bought immediately the States approved the procurement. This figure, therefore, is a theoretical figure that it might have been possible for the Treasury and Resources Department to secure had they ignored the wording of P.73 which required to fix the currency at the contract approval, a secured currency at the going rate on 10th July. I cannot do much more than that I am afraid.

**The Bailiff:**

Very well. We come next to Question 9. Question 9, Deputy Tadier, is to be deferred for 2 weeks, I understand. The next question is the name of Deputy Higgins of the Minister for Treasury and Resources.