

STATES OF JERSEY

Environment, Housing and Infrastructure Scrutiny Panel Quarterly Hearing

THURSDAY, 2nd JUNE 2016

Panel:

Deputy D. Johnson of St. Mary (Chairman)

Deputy T.A. Vallois of St. John (Vice-Chairman)

Connétable S.A. Le Sueur-Rennard of St. Saviour

Witnesses:

The Minister for Infrastructure

Chief Officer

Director of Finance

Director of Estates

Director of Engineering and Infrastructure

Director of Transport

Director of Operations

[10:34]

Deputy D. Johnson of St. Mary (Chairman):

Can I welcome the Minister and his officers to this public hearing of the Environment, Housing and Infrastructure Scrutiny Panel? I am just going to kick off by introducing everyone, if you could give your names for the record. I am David Johnson, Chairman of the panel.

Deputy T.A. Vallois of St. John (Vice-Chairman):

Deputy Tracey Vallois, Vice-Chairman.

Connétable S.A. Le Sueur-Rennard of St. Saviour:

I am Constable Sadie Le Sueur-Rennard.

Director of Finance:

John Littlewood, Finance Director for the Department for Infrastructure and the Department of Environment.

Director of Estates:

Ray Foster, Director of Estates, Department for Infrastructure.

The Minister for Infrastructure:

Deputy Noel, Minister.

Chief Officer:

John Rogers, Chief Officer of the Department for Infrastructure.

Director of Engineering and Infrastructure:

Chris Sampson, Director of Engineering and Infrastructure, D.F.I. (Department for Infrastructure).

Director of Transport:

Tristan Dodd, Director of Transport, D.F.I.

Director of Operations:

Ellen Littlechild, Director of Operations.

The Deputy of St. Mary:

Thank you all and, again, welcome. Right, we have quite a heavy agenda. Can I start off with waste management? Is the Minister bringing something to the States to approve before the lodging of the M.T.F.P. (Medium Term Financial Plan) addition on 30th June?

The Minister for Infrastructure:

The M.T.F.P. would be asking for States Members to approve in principle user-pays commercial charging for both solid and liquid waste. Myself and the department will be bringing a report and proposition to the States after the M.T.F.P. debate, probably sometime in the first half of 2017, when I will be asking States Members to approve the user-pays funding mechanism for both solid and liquid waste for commercials. There will be an introduction of a Jersey Waste Law with that and we

would be maybe looking at bringing forward our proposal for a social enterprise incorporated body to deliver the waste services, as identified in the outline business case. This is the case that we sent to the Scrutiny a little while ago.

The Deputy of St. Mary:

Right, so things have moved on since an initial workshop I attended and other members attended.

The Minister for Infrastructure:

What has happened since the workshop is 2 things. In the M.T.F.P. 2 addendum there is net targets that have been agreed of £3 million in 2018 and a further £7 million in 2019 from a user-pays funding mechanism. Further work is being done on that and we are looking at increasing that for 2019 by a further £3 million but only a further net £1 million because departments themselves will have to pay the user pays. For example, the liquid waste charge will apply to Health and Social Services, as it does to private enterprise. It will be a net £1 million increase on the targets that are currently set out in the M.T.F.P. 2.

The Deputy of St. Mary:

Just to recap, what you are saying is that there will be a separate company incorporated to raise this charge?

The Minister for Infrastructure:

We are looking at various means and ways of funding, administering to Jersey waste, so to speak, and the social enterprise incorporated body is one of the recommended routes that we had in the strategic outlined case and we are exploring that further.

The Deputy of St. Mary:

There was one workshop and there was to be another one. Are there consultation processes to take place before ...

The Minister for Infrastructure:

Yes. The next, which I think invitations are going out later today, is in 2 weeks' time on 16th June where we will be going to, hopefully, put up a straw man, as we suggested last time, for States Members to work with to move this forward and that is on the back of the report that we issued after the last workshop.

The Deputy of St. Mary:

Sorry, what you said earlier, you have worked out a formula already, have you, or have I got that wrong? Is this workshop going to influence your plans?

The Minister for Infrastructure:

Yes, very much so. It is the second workshop. We are putting forward a straw man in 2 weeks' time for States Members to comment on, to pick apart, to make suggestions, et cetera, just to move that whole process forward.

The Deputy of St. Mary:

Okay.

The Deputy of St. John:

How dependent are these charges on the current Royal Court's discussion over the covenant?

The Minister for Infrastructure:

There is a case going through the Royal Court as we speak on the Bellozanne destructors covenant, whereby we have a view to what the covenant means and the parish have another view of what the covenant means on the destructors. We are at different ends of the same telescope, so to speak, and we are asking for the Royal Court to opine on what does the covenant mean on the Bellozanne destructors.

The Deputy of St. John:

What is plan B?

The Minister for Infrastructure:

That affects the solid waste charging, it does not affect the liquid waste charging. It will be difficult to move forward without negotiation with the parish if the court opines in favour of the parish, then we will have to enter into negotiations with the parish and that will mean the cost of that, because they will want some remuneration for that, will have to be borne by the commercial enterprises.

The Deputy of St. John:

Could that, potentially, also leave you with a hole in your budget?

The Minister for Infrastructure:

That will mean that we will have to charge ... it is a user-pays funding mechanism, so that the costs will be higher because a proportion of those costs will be going to the parish, so the user will have to pay them.

The Deputy of St. Mary:

Do you anticipate, therefore, that the proposition you are going to put forward will take into account whatever decision is made or is it going to be in 2 parts, effectively?

The Minister for Infrastructure:

Whatever we bring back to the States we will take account of the situation we are in at that time. We are confident that we will have a suitable workable outcome from today's proceedings.

The Deputy of St. Mary:

If it does not involve negotiations, you are confident that they will be concluded by then.

The Minister for Infrastructure:

They will have to be.

The Deputy of St. Mary:

Okay, all right.

Chief Officer:

We will try to get the court ruling before the M.T.F.P. is lodged. We have had an extension of time request from the parish that we have agreed to and it is now in court today. But we tried to get that in the right order, so that whatever the outcome is then it can be amended in the M.T.F.P. before it is lodged.

The Deputy of St. Mary:

Have the Law Officers given any indication on how long it might take before the ruling is publicised?

Chief Officer:

No.

The Minister for Infrastructure:

But it is unusual to get that from a court without them hearing the application.

The Deputy of St. Mary:

All right. Do you want to go to 3?

The Connétable of St. Saviour:

Yes. You have implemented the recycling in the parish of St. Brelade. Could you tell us how it is going and how the parishioners have received it?

The Minister for Infrastructure:

Firstly, we have helped the parish implement it. It is a parish scheme because parishes do the collections and we do the disposals. The feedback that I have been advised of is that the comments have been generally well received. The contractor has advised the parish that the initial observations that they have had 82 per cent to 90 per cent uptake, which is really, really good, more than I would have personally expected to start, so if that continues, it looks like it will follow the other 5 parishes that already do kerbside recycling and that will be successful.

Chief Officer:

I spoke to the parish secretary this morning and the data for the first month has been sent to them now. I think so far, in terms of boxes handed back, 5 parishioners have handed boxes back because they recycle in another way already, but the take-up has been superb and I think everybody is very relieved. The contractor has done really well and how he has rolled it out and I think it would be the general feeling is very positive. Quite surprisingly, the parish has not suffered a lot of the negative things that we had sort of expected, so they are very happy. I think they collect paper every 2 weeks and it is 3.5 tonnes of paper every 2 weeks that is coming out of the waste stream. You can look at that in terms of actual capture rate but it is a positive contribution to our Island being a bit more environmental.

The Connétable of St. Saviour:

Have you still left the containers in the different areas, so that if people have too much stuff and they cannot wait for the contractors, they can go and take it ...

Chief Officer:

That is right, yes.

The Minister for Infrastructure:

Yes, the bring banks are still in place.

Chief Officer:

We have kept the bring banks and we will continue to keep them because you are quite right, it depends on what people do and how they run their lives. In areas where there is high density accommodation then there are different bring banks, there are different systems in place. The simple answer for us, being the most complex parish and it has been a long time coming and they have spent a lot of time planning it but I think the rollout has been superb, so we are really pleased.

The Connétable of St. Saviour:

Do you think, as a flagship, it will have a good knock-on effect for the rest of the parishes?

Chief Officer:

I hope so. Hopefully, a parish of a similar style like St. Saviour could take it on next but I think we should learn the lessons from St. Brelade and then think about the next one.

The Connétable of St. Saviour:

Moving on, thank you very much.

The Deputy of St. Mary:

Yes, a slightly different topic. In my own parish I had a resident who was seeking to connect his and other properties up to the mains network. I think he said there were about 40 properties available. What are the criteria for having a public sewerage system extended to meet ...

The Minister for Infrastructure:

We met with your parishioner and it was quite a productive meeting in terms of exchange of knowledge.

[10:45]

I was quite clear with your parishioner that we currently did not have a budget available to extend the mains network but we are bringing in some type of user-pays funding mechanism for commercials that I would envisage to have a small amount available, a modest amount every year to be able to extend the network. But we are always willing to work with, and we have done, St. Ouen and St. Lawrence and a little bit St. Helier and other parishes to try and help those parishioners that are currently not on mains to connect if they want to. For those individuals there are quite high costs in doing so. To help alleviate that in the future we can bring in some type of user-pays funding mechanism. We are about to extend the main drains to areas as indicated in that part of ...

The Deputy of St. Mary:

You are effectively saying an extension of the public sewerage system to private ones is dependent on the user-pays system going through?

The Minister for Infrastructure:

It will be because there has not been funding for 12-plus years now, from memory.

Chief Officer:

In terms of our priority, the cost per connection in the properties that have been left, my recollection is 12 years ago it was £25,000 per property to connect if there was not a pumping station, £35,000

if there was. It got to the point where it was not best value for the public to do that and our existing assets were not being maintained to an adequate level. What we do, we are investing our money in maintaining our existing assets to an appropriate standard. The main priority has been to take surface water off our foul system and that will have a big knock-on effect in terms of the environmental benefits it has and the extra capacity it would gain in areas like St. Helier. We look at our priority list; unfortunately foul sewer extensions are lower down. One of the big levers, as the Minister has suggested, is if it comes to get a charging mechanism in which is high propagated into drainage, it will then open up these opportunities again.

The Connétable of St. Saviour:

Because of the location of some of these properties it will mean going across farmland and different things. Do you have a problem with contacting landowners to say: "We wish to dig a trench through your property"? Do you have to compensate them?

Chief Officer:

Yes, it is quite a difficult area and an area where there has been ransom strips and all sorts of issues. We have tried to find a mechanism that makes it fairer and more open for either private people to do that or the public to do that. Generally, if it is a public scheme we have a standard mechanism and we will use compulsory purchase if necessary to gain access but we have tended to not need to do that because it is in the public interest. When it becomes a private small development and small scheme that is when it becomes far more emotional and far more challenging. We are trying to find a mechanism that makes that fairer for everybody, so there is an open cost so that the compensation is basically from a table and we can look at how that works.

The Minister for Infrastructure:

Without a new funding source, sewer extensions are not going to happen any time soon. The last 12 years has proved that because when we are up against other capital projects in bidding, even within our department but in a wider remit of the States as a whole, when we look at a sewer extension compared to a new piece of medical equipment at the hospital or an extension to a school, et cetera, it is always going to get pushed down the list. If we can get, effectively, a hypothecated funding system for it and that will allow us to start tackling some of the unfairness in the consist ...

The Deputy of St. John:

Can I ask in terms of how this particular sewerage network sits as a priority with, say, public health? Have public health got any particular issues or concerns over the fact that there is not a full sewerage network?

The Minister for Infrastructure:

None that I am aware of, but you would have to have surplus.

Chief Officer:

Certainly when the foul sewerage extensions were at their full swing, the drivers for doing them were twofold: environmental problems and also public health problems. When there was an opportunity for discharges into streams or problems like that, then those were the schemes that were dealt with straight away. Pretty much now the areas which are left are ones that do not really cause an environmental issue and not an issue in terms of public health but that can change if soakaways stop working and all sorts of other issues. It is an ongoing that we need to monitor but those were the original drivers and that is why a lot of foul sewerage extensions were undertaken.

The Deputy of St. Mary:

Okay. We can move on to the next major topic now.

The Deputy of St. John:

The M.T.F.P. that was agreed by the States last year, the growth bids that were agreed within there, one in particular was £1.1 million in growth due to electricity market conditions and, therefore, there was predicted pressure on income. Is this materialising?

The Minister for Infrastructure:

Yes, the growth bids have been successful in getting our growth bid. I do not really see it as growth. Originally we had an income target from the electricity produced from the E.F.W. (Energy from Waste) of some £2.3 million per annum. We are only getting about £1.2 million per annum, so there is a £1.1 million shortfall each year. That is, effectively, what the growth of it is. I do not view it as growth, I just view it as the original income targets that have not been met for external reasons; the electricity prices in Europe have dropped substantially. The contract that we have with the J.E.C. (Jersey Electricity Company) is linked to the European prices and the exchange rate has gone against us as well. We are producing the same amount of electricity but we are getting less for it.

The Deputy of St. John:

Can I ask in terms of this, because it is an external pressure and obviously it is unpredictable, it goes up and down and things can happen in those terms? Surely agreeing just the £1.1 million if it should go down further, then how would you access further funding?

The Minister for Infrastructure:

We have seen that since the start of this year that the prices have, effectively, been re-fixed and we are short of another £200,000 and something ...

Director of Finance:

Yes, in fact that was when we updated the growth tables there was a further allocation that has been made for 2017, which has reflected that as well. It is tracking it at the minute. It is going to be difficult to go any lower than it is at the moment but ...

The Deputy of St. John:

Every time an external or anything happens, an unpredictable situation like this, is it not more conducive to use something like the contingency where it is, therefore, the one-offs and these types of things that happen, rather than having to go for the growth bid?

Chief Officer:

From a D.F.I. perspective this is too big for our contingency and ...

The Deputy of St. John:

But there is a central contingency that is held by Treasury.

Chief Officer:

There is and if they want to use that that is fine, but at the moment the long-term view on the electricity prices in Europe is not going to bounce back, so this is not a short-term blip. We cope with lots of these in terms of tipping for income and lots of our income is quite variable, depending on the market and then how many people are building and developing. We deal with these as much as we can but this one is very external to us; it is based on Europe. At the moment we do not see, certainly over the period of the M.T.F.P., electricity prices re-establishing to anything near what we originally got in 2011.

The Deputy of St. John:

Are you expecting this to be a permanent funding feature within the M.T.F.P.?

Chief Officer:

Unless we can change the way we get paid for electricity.

The Deputy of St. John:

On to the next question, what other income in your department, Minister, is materially affected by market conditions?

The Minister for Infrastructure:

The big one that we have, apart from the electricity that we sell to the J.E.C., is our inert waste-tipping charges, which is non-recyclable rubble from the building industry. That is very, very

dependent on what is happening in the marketplace and how successful they are in recycling on site or recycling at different providers on the Island and we get the residue, so that fluctuates.

Chief Officer:

Yes. The variation has been between sort of ... what is the maximum we have had, Ellen?

Director of Operations:

Approximately £2.3 million.

Chief Officer:

£2.3 million down ...

Director of Operations:

We have invested ...

Director of Finance:

I think we have gone down to about £800,000 in one year, something like that.

Chief Officer:

Have we? Yes, at the depth of the recession we were down to £800,000, so it is very much a variable and at the moment we are doing okay.

Director of Finance:

Yes.

The Minister for Infrastructure:

It is site-specific as well. Some sites produce a lot of non-recyclable inert waste and others, effectively, manage to recycle everything on site.

The Deputy of St. John:

Depending on the market conditions, if they were to turn in your favour and you have been provided with this particular funding, how does your department deal with that? Do you divert it to somewhere else or does it get returned to the Treasury?

The Minister for Infrastructure:

It depends on what funding pressures we have at the time. At the end of the day if we have difficulties in other areas we will use that money to make sure that my accounting officer, the Chief Officer does not break financial regulations and over spend. If we need to use the money internally

first, if at the end of the year this effectively becomes an underspend, then we have a negotiation with Treasury about what gets carried forward and what gets returned back to Treasury.

Chief Officer:

If one area is doing better than normal because of the diversity of the organisation, there is always an area that is struggling and having a problem with funding. We tend to try and balance that as much as we can within the Finance Law. But if we do have an excess of income and we cannot find a use for it and it is not appropriate to do that we will give it back. If we are doing schemes we will tend to do schemes that are spend-to-save, so they will either have to make something or change a process, which would mean that the future revenue costs will be less. But we have a huge list of priorities that we never get round to and we will try and focus on delivering some of those if we have the opportunity.

The Deputy of St. John:

In the annex to the M.T.F.P. it was stated that there may be an opportunity to rationalise services. Has the Minister identified any of these opportunities?

The Minister for Infrastructure:

There are 2 areas that we are looking at. We have service-level agreements, effectively reliant on Government corporation-scheme funding and in funding Ports of Jersey, so we are looking at those S.L.A.s (service level agreements) for those bodies. Obviously, other things we are working on is the integration of Property Holdings into what was T.T.S. (Transport and Technical Services) to form D.F.I., so, yes, a sort of work in progress.

The Deputy of St. Mary:

Sorry, on that, you charge out your services to those bodies?

The Minister for Infrastructure:

Yes, we do. We have service level agreements with both Andium and Ports of Jersey where we charge for the services that we are providing and we also charge some of the architectural services within J.P.H. (Jersey Property Holdings) to specific projects.

The Deputy of St. John:

Do you charge back to departments as well?

Director of Finance:

Sorry, Minister, at the moment the services that are provided for cleaning, grounds maintenance, et cetera, some are charged internally intra-department. As we move forwards we will untangle that

as we develop the service-level provision between departments. We are in the process of doing that and then other charges are from the D.F.I. to other departments for services that are provided.

The Deputy of St. Mary:

That extends to what Tracey mentioned earlier and your charge of vehicle fleets, does it? Do you ...

The Minister for Infrastructure:

Jersey Fleet Management is a self-contained trading entity that we administer, yes.

The Deputy of St. Mary:

Again, each department pays a fair share on that, do they, or ...

The Minister for Infrastructure:

For the vehicles that they use they have a revenue cost and we capitalise the purchase cost and, effectively, lease the vehicles back to them, along with our maintenance programme.

The Deputy of St. John:

With regards to the upcoming M.T.F.P. addition, can the Scrutiny Panel expect any information in advance in order to start their work, because you have seen our terms of reference?

The Minister for Infrastructure:

Very much led on that by Treasury and so we are working with Treasury to identify what information can be given out in advance of the lodging period. As soon as we know we will be able to pass on the information, but at the moment we are still in discussions with Treasury about what information they are willing to give out prior to lodging.

The Deputy of St. John:

That is more likely a "no" then because we are looking at 4 weeks until the legal publishing of the M.T.F.P. addition.

The Minister for Infrastructure:

Yes. It is a Treasury-led process.

[11:00]

The Deputy of St. John:

Historically, Scrutiny have not had those issues before. What seems to be the secretiveness of this?

The Minister for Infrastructure:

That is a question for Treasury, I am afraid it is a ...

The Deputy of St. John:

You are part of the Council of Ministers that has collective responsibility. Surely there is a view from all of ...

The Minister for Infrastructure:

We cannot release information prior to the lodging of the M.T.F.P. about the M.T.F.P. without the approval of Treasury and we are in discussions with them at the moment.

The Deputy of St. John:

Okay.

The Connétable of St. Saviour:

Could I just throw something in the mix? Being an ordinary person, you have been talking about the electricity coming from France and the discussions you have been having on the exchange rate. If Britain decides to pull out, is that going to affect any of your negotiations or will it not make any difference as we are only associate members?

The Minister for Infrastructure:

It will not make a difference to the contract that we have with J.E.C. It could well affect the price that the J.E.C. purchase at and I think they purchase in 5-year contracts and things.

The Connétable of St. Saviour:

Okay, way in advance, yes.

The Minister for Infrastructure:

You would have to check with them for exactly how they do it but they do buy forward. The price that they buy at will affect the price that we get. How much do we get? Just under 3 pence per unit and we buy it back from the J.E.C. at, on average, about 14.5 pence per unit. There is a big discrepancy about what we get paid for the electricity we produce and the electricity that the States buys back.

The Connétable of St. Saviour:

Sorry to have thrown that at you but I had just been thinking about it. Thank you.

The Deputy of St. Mary:

All right, let us move on to Jersey Property Holdings for a minute. Minister, you confirmed in the States Assembly that the proposition establishing Property Holdings still stands. That involves 3 particular areas of the proposition which are yet to be implemented. First, could you explain why there is no property plan as yet that has been agreed by the States?

The Minister for Infrastructure:

A decision was made a number of years ago now that a global property plan was not the best way of dealing with the property portfolio because it is so diverse in terms of the end-user needs. What has happened is that the property plan has been done for Health and Social Services and broken down into subsections. There is a property plan, effectively, for Education. There is a property plan for the office accommodation, which we are working on. An overall plan to fit all would not work and a more structured, more targeted plan for each service area is what we have been working on.

The Deputy of St. Mary:

You are working on it and they are in place?

The Minister for Infrastructure:

Pretty much so, yes. There is a work in progress in a number of areas. Some things have been reviewed and implemented, primary schools for example. We have done a full review and are very close to implementing improvement works to primary schools to align with the primary school needs that Education have delivered. We will deal with other areas proactively but also we have to look at the reactive needs because departments' needs change. Often we are not early on in that change of process, so we do not always understand their needs until they are brought to us. Sometimes we have to operate reactively to departments' needs, as well as proactively. In a period of change, particularly across the States, those needs can vary significantly because the change of the way the States delivers its service is going to have an impact on its property requirements.

The Deputy of St. John:

Does that not give rise to the ability for the departments to enable a silo mentality approach to property again, instead of having an overarching property plan rather than individual for each department?

The Minister for Infrastructure:

No, an overarching plan to cover all of the States properties is really in reality to this because there is such changing need and such diversities between the different departments and by concentrating on the end user requirements for departments will give us better outcomes.

The Deputy of St. John:

Would you see an across-the-system property plan more in an administrative capacity rather than, for example, you have got your hospital and your schools and their specific uses?

The Minister for Infrastructure:

At the end of the day, the property is a tool that the departments use to provide the services to the public of Jersey and it is being able to make sure that they have got the right tools, and so the right properties, to provide those services. That works better by concentrating in service areas as opposed to as a global overarching policy.

Director of Estates:

However, that does not mean we look at them in silos. By having a property function that is a centralised function it enables us to look at how we can combine needs, how we can utilise our assets to deliver service benefits so that we do not have one department simply looking at its assets as their assets and trying to resolve a departmental specific problem within their own assets. What we encourage and require of departments is to come to us with their requirements, with their needs, with their problems, and for us to identify solutions rather than to come to us with a solution which is based around their own assets. So, we do de-silo the mentality. However, as the client we have a difficulty insofar as we do not know the businesses. They are very specific and different businesses so we cannot step into the shoes of the client and determine what their needs are because their specific needs are determined by their service, the pressures on the service, how they deliver it currently and how they can deliver it in the future. What we can help them to do is to understand what the opportunities are and whether we can facilitate or remove property constraints to allow them to operate effectively in the way they want to operate. So we are acting as the intelligent client from a property perspective but not the service delivery client. It is an interesting role and it is sometimes quite a challenging role to undertake.

The Deputy of St. Mary:

On the non-silo mentality, if you can call it that, you will have properties, the landlord and tenant situation. Do you seek to allocate them to different departments or do you make a decision as to where it might be or, if it is claimed by a particular department, how do you deal with that?

Director of Estates:

When you have got a property that becomes vacant, for example, because the department either no longer uses that property or the service has stopped or for some other reason it becomes a property that is not required operationally, our structure is relatively straight forward. We would look to see whether there was another known use, and by "known" we do not mean opportunistic but identified, documented and funded use, so we have got a need somewhere else that could suit that

property. If there is no such need, and that is across all departments not just within the department that formerly occupied the property, then we would look at what the future of that property could be. It could be a number of futures. It could be a straight disposal of the property because it has no operational requirement. It could be that we retain the property and derive an income stream through letting it out. It could be that it serves another purpose for the public, so it may provide a suitable site for affordable housing, for example, or it might satisfy another strategic need. It might provide open space, it might provide something which is not the highest financial return but solves a problem or an issue that is a high public priority. So that is an activity that we co-ordinate within the property function in discussions with the party. We are aware of departments' needs because we communicate with them frequently through formal and informal meetings.

The Deputy of St. Mary:

As you are aware, States Members frequently come up with the question as to how many empty States properties there are. Is that a valid question?

Director of Estates:

I think it is a valid question and I think it is perfectly reasonable for States Members to be curious about that, to ask the department responsible for ensuring assets are managed effectively and that returns are delivered to the public either in terms of financial return or public benefit appropriately. We are very conscious of properties that are either under-utilised or not being utilised and how we would deal with them.

The Deputy of St. Mary:

Yes. I am sure my question was wrong. I should have asked was it a valid concern rather than a valid question. You answered that by saying that ...

Director of Estates:

The answer is yes. There will always be a certain level of voids within any property portfolio and there will be a reason sometimes to retain void properties as part of site assemblies and the like. The La Motte Street site, for example, that was vacated by the Youth Service, we have some temporary users in that site. It is being under-utilised, but the future of that site takes it down a different route. So, there will always be what I would call frictional under-utilisation and there will be some void periods where we are maintaining and managing buildings. There are not many buildings that are vacant for a long period of time and the ones that are we are aware of and have plans for.

The Deputy of St. Mary:

Thank you for that. Moving on to other functions, how many service level agreements are in place with departments?

The Minister for Infrastructure:

If you exclude what were departments, Andium and Ports of Jersey, I think ...

Director of Operations:

We have a significant number of service level agreements with all the different schools, for example the gardening contracts. We have different cleaning contracts even intra-departmental between D.F.I. and within D.F.I. for the work that we do for Jersey Property Holdings. I would not know the number.

The Minister for Infrastructure:

There is a substantial number.

Director of Estates:

We also have maintenance contracts in terms of service level agreements with the Education Department, Sport, Health and Social Services, Community Health, Special Funds and there are a number of others, multi-occupancy offices that we manage directly. From a maintenance sense they deal with the difference between a landlord and tenant maintenance requirements and they vary from place to place. It depends upon the appropriate type of building, the nature of the activity. For example, in Morier House it is much more a serviced office type of activity where there is a high level of facilities management activity that takes place. In other departments, Sport for example, there is an embedded Sport team that do quite a lot of the internal maintenance and activities and are best placed to do it so we end up with more of an external maintenance fabric and services kind of maintenance arrangement. So they are tailored individually to departments' needs. It becomes more difficult the more specialist the buildings are.

The Deputy of St. Mary:

I think the general concern of the panel is that your department gets remunerated for the work it does for others. You are happy with that, are you, that you are not ... by your staff, you are not funding in a ...

The Minister for Infrastructure:

I am content with the position that we have got. It can always be improved on. What I would like to do is try and change departmental behaviour and the office modernisation programme is aligned to that. We want people to ... if you have a free good you do not necessarily value it and you do not necessarily use it to its most potential. We need to maybe in some areas change the departmental behaviour to make sure that they use only the space they need to use and use it in a more effective way.

The Deputy of St. John:

But that is the same line that has been trotted out for the last 7 years. Well, longer than that, I think.

The Minister for Infrastructure:

It is, and departments do not necessarily like to move forward because they do not have the necessary budgets to do so and this goes back to colleagues of ours wanting departments to pay rent on the premises that they occupy. That is all well and good if they had effectively the paper dollars to do that. But what we want to do is encourage behaviour so people make best use of the property that they occupy.

The Deputy of St. John:

But how do you do that when it has been an ongoing issue historically with Properties Holdings? The reason for establishing it and doing what was needed was to change that behaviour. We are now 2016 and we are saying exactly the same things.

The Minister for Infrastructure:

Yes, that is because behaviour takes a long time to change. Change any behaviour, no matter what it is, whether it is use of property or use of any asset or any activity, and actually changing behaviour is very difficult. One of the catalysts of getting behavioural change is to consolidate service users into effectively one or a small number of locations.

[11:15]

That is what the office modernisation programme will be one of the catalysts for, not the only catalyst but one of the catalysts to get that cultural change going through certainly the office occupation of premises.

Chief Officer:

Until we charge for office accommodation ... let us not talk about charging for schools because that is going to be a very strange activity. If we charge for office accommodation then it is going to incentivise everybody to move to smaller, more appropriate, more effective office space. At the moment, there is no incentive for departments to move out of big, old-fashioned, multi-roomed offices into smaller offices or into a central office. Until you have got a financial benefit of doing it or a financial incentive to do it I think we are going to burn another 7 years. I completely agree with you. I think the catalyst for change was the nice things we have done but until we get it is a financial one and a how you do your business one, until those things align ... businesses in Jersey are moving to bigger offices and moving to open plan offices and moving to consolidating multi-sites into one

site. They are doing that for financial reasons. They are doing that because it is cheaper for them and it provides a more effective business. The States are exactly the same but we have more barriers against that and I think a big one is not charging for the existing office accommodation.

The Deputy of St. John:

But in the 2009 business plan it was actually said that there would be a charging mechanism introduced in 2009 and we are now 2016 and that has not happened. So what are the chances of getting a charging mechanism if that is the appropriate method?

The Minister for Infrastructure:

It is going to be difficult but it is something that we need to strive to achieve. There are different ways of producing a charging mechanism. It is always easier to do it with a rising tide. So when they have less financial pressures it is easier to do for departments but when departments are facing greater efficiencies and greater savings, it is difficult for effectively new money to be produced in their budgets to pay for the accommodation that they have got. It is a conundrum that myself and the Minister for Treasury have to unscramble.

Chief Officer:

We are leading by example. In the next 2 weeks, myself, my Minister and some of my team move to Bellozanne into office accommodation at Beresford House and by the end of the year the Department for Infrastructure will not be based in South Hill. We will be in 3 existing locations: La Collette, Maritime House, where we are already, and Bellozanne.

The Deputy of St. John:

But leading by example does not necessarily work. Jersey Property Holdings did that a couple of years ago when they moved into Maritime House and they tried to show that and it has not necessarily materialised. The thing is if you set yourself up to say we are going to bring in a charge and then not do it you are just making your position weaker, are you not?

Chief Officer:

I agree.

The Minister for Infrastructure:

Yes, but I cannot dictate that to my fellow colleagues and their departments. We have to work with them to take them on that journey.

Director of Estates:

The creation of a rationalised office portfolio for the States in a larger central administration building with generic standard space does make life a lot easier. It gives us the opportunity and the catalyst to create the charging mechanism. What needs to happen, in my view, is that all of the current arrangements, which are historic and sit strangely around the organisation where you have organisation occupiers who pay a rent and have a budget to pay a rent, some who pay little rent and some who pay no rent, that needs to be removed and a new system put in place. That system has got to be net nil at the start to avoid the pushback that we would get trying to rationalise the current system. So I believe we need to sweep it away, put a new system in place that recognises the cost of occupying space and fund people for the cost of occupying space on day one. That will be derived from a process of identifying their needs, not their wants, and then move forwards with the ability to allow people to rationalise the use of space through incentivisation, so if you use less space you get charged less. The public has got to make a saving but the department may need some financial encouragement from the charging mechanism. We recently, as part of the project, visited the headquarters of Suffolk County Council in Bury St. Edmunds. They are co-located with some district councils, which is an interesting juxtaposition which would not have happened many years ago in the U.K. (United Kingdom). They have a simple charging mechanism that for every desk there is a £3,000 annual charge, so if you have less desks you have got less charge. That had the effect of their social work team being less deskbound and more agile in their usage because having a desk that you pay for that is not occupied for very many hours a week starts to become an overhead on the cost centre, on the activity. That then enabled them to move a further organisation into that headquarters building.

The Deputy of St. John:

But that assumes that all the staff understand the costs and the finance and all those types of things. The C and AG (Comptroller and Auditor General) has recently shown in a report that that is not the case in the States. How does that materialise?

The Minister for Infrastructure:

It is an ongoing piece of work that the Council of Ministers has to grapple with and have to move forward. It is not going to be easy, but certainly I believe that we should be leading by example and that is exactly what the D.F.I. are doing. We are going from 4 properties. We have done it from 3 to one and now we are going from 4 to 3 and that will put pressure on our colleagues to move them into different space that is more efficient.

The Deputy of St. Mary:

A final question on this, I think. I hear what you say that it is a work in progress because of how long it takes, but are the individual departments aware that they are using excess space, for

instance, to what the actual cost ... are they made aware of the costs they should be subject to at the moment?

The Minister for Infrastructure:

Yes, they certainly do know what that ... if you look at the States property portfolio, it is quite diverse in terms of the standard of accommodation. We have a lot of office accommodation, for example, that is substandard in modern terms and inefficient. We have many departments occupying those types of premises. They are generally quite willing to move but they are fearful that with fixed budgets and without a known funding mechanism that they effectively cannot afford to move.

The Deputy of St. Mary:

Again, one of the rationales behind transferring Property Holdings to what was T.T.S. presented an opportunity to achieve efficiencies. Can you say has that been successful and what efficiencies have been achieved?

The Minister for Infrastructure:

It has been. As I already said in the States, I will be producing after the first 6 months, which will be the end of now this month, a report and publishing it and circulating it with Members about what achievements we have made in consolidating J.P.H. and T.T.S. into one organisation. Straight away the obvious ones are the intra-department activities that go on whereby Property Holdings use D.F.I. services for parks and gardens and cleaning works, et cetera, and vice versa where D.F.I. are using Property Holdings services for some tenant expertise in terms of property management. So those barriers are coming down and we are working on driving out efficiencies, but we will be producing a report in July outlining what we have achieved in the first 6 months.

The Deputy of St. Mary:

Thanks. Parking. I think there is quite a lot of parking availability on States-owned land. How is this charged for and do you have any plans to charge for parking?

The Minister for Infrastructure:

It is quite common knowledge that we have been out to tender for a new way of the public purchasing their parking requirements from our offerings. It is likely to be a smartphone app-based product. We have been out to tender. I believe we had around 9 or so tenderers that came in. I think we shortlisted it down to 3 and that is ongoing, but we are looking at a solution that not only allows for Islanders to pay their parking in our car parks but also to use the same method to pay for on-street parking as well. That does not mean that we will be outlawing or doing away with scratch cards because obviously not everybody has a smartphone or not everybody wants to use a smartphone. So we will be running both systems in parallel but we have a range of ways of paying for our parking,

whether it is States-provided parking, parish-provided parking or private parking. We have a range of different types of on-street parking facilities and it is quite confusing to the public. We need to streamline that and come up with a solution that will give more flexibility for Islanders but also make it easier for them to avoid incurring unfortunate parking fines by going over their time limits, et cetera.

The Deputy of St. John:

What about the actual parking within the States estate? You have Cyril Le Marquand House that has got parking that does not get charged. You have got parking at South Hill that does not get charged. Actually within the estate.

The Minister for Infrastructure:

Within the States it is a tricky thing because where do you stop? Do you charge in the outlying schools around the Island for the parking that they have? Do you charge for the parking that Health and Social Services have on their facilities, or do you just restrict it to, say, within the Ring Road or within some geographical background?

The Deputy of St. John:

Surely a question for you to answer.

The Minister for Infrastructure:

It is the type of thing that I would probably want to do in conjunction with private parking generally. There is some unfairness in the current system whereby if you have to use public parking you obviously pay for it through the current system that we have. If you have got private parking on private land within St. Helier you may or you may not pay for it, depending on what your landlord or what your employer offers. To treat the States parking that we have, for example at Cyril Le Marquand House and other States offices around, we need to do it in a fair way and not just penalise those people who happen to work and serve for the States of Jersey. What we will be doing, for example, with the office modernisation programme is that effectively the only parking available on those sites will be for fleet vehicles and for those vehicles that are required to provide the services from those buildings.

The Deputy of St. Mary:

On a related point, those who do get parking free with their employment, whether it is in the private sector or the States, is there some mechanism or formula whereby that is a taxable benefit?

The Minister for Infrastructure:

I believe some of it could be treated as a benefit. That is really a question for the Minister for Treasury as opposed to myself because it is a tax-related issue. I believe there is some unfairness out there that could be addressed.

The Deputy of St. Mary:

Thank you. The office modernisation project, can you give us an update, please?

The Minister for Infrastructure:

We are partway through the feasibility study on what we believe to be the preferred site, which is the La Motte Street site. There is a separate piece of work going on to make sure that we have got clear title on that site in terms of restrictions on it. That is coming back to the States probably not in 2 weeks' time but probably in 4 weeks' time. But apart from that, we are continuing on with the feasibility of it.

The Deputy of St. Mary:

The funding for completing it, is that being worked on by ...

The Minister for Infrastructure:

Funding is a separate issue. There are a number of funding sources that we could use for it and we are in discussions with our colleagues at Treasury to explore those but there is a range of options that we do have available.

The Deputy of St. Mary:

At the moment you cannot divulge any further information as to how it might be funded?

The Minister for Infrastructure:

It is quite a range. Part of that site is currently owned by the Social Security Fund.

[11:30]

Philip Le Feuvre House and Huguenot House are owned by the Social Security Fund and the department, for their non-fund-related activities, pay a rent to the fund for that. So there is an opportunity for the fund to expand their property portfolio and for us to rent the space that we are occupying off them. There is opportunities for Treasury to raise the funds in other ways, be it using reserves or a combination of funding sources. We also have disposal of the properties that we release so there may be in terms of a cash flow in off the office build, et cetera, and occupation by releasing other States sites and any shortfall between what we dispose and what it costs to build a

new central administration block. There are different ways that we can do it. We have not decided on a final way yet and that work is very much a piece of work in progress.

The Deputy of St. Mary:

I appreciate it is work in progress. Do you have any idea of timetable when possible alternative ideas might be put forward?

The Minister for Infrastructure:

We will have a better idea when we come to finalise the feasibility on that site because then we would have got more certainty on the numbers themselves and so we would be able to have an idea of the likely income we will get or the capital receipts we get from the disposals and what is the shortfall between capital receipts and the cost of providing the accommodation.

The Deputy of St. John:

Could we expect to see something in the budget?

Director of Estates:

The M.T.F.P. annexe will obviously make reference to the need to fund and may look at opportunities. Really that is a matter for Treasury but we are in discussions. We have had several meetings with Treasury to look at what the opportunities are for this project, alongside other currently approved but as yet unfunded projects moving forward to the M.T.F.P. period. So that is a matter of discussion with Treasury. The feasibility work that the Minister mentioned is ongoing. We have engaged consultants to look at the preferred site and look at the overall business case for delivery of the project which is more than just the central administration building. That is due to complete towards the end of August and in September we will be taking reports to the various bodies in the governance process so that by the time the M.T.F.P. debate happens we may have more information. Certainly by the time the budget for 2017 is provided we will have a much clearer picture of what is needed when to deliver and what the mechanisms and opportunities are to deliver.

The Deputy of St. John:

That just moves on to capital schemes. What does the Minister envisage happening to his revenue budget with the initiatives ongoing through capital schemes? For example, the new police building has been shown to have cost more in terms of revenue budgeting. What does the Minister envisage happening?

The Minister for Infrastructure:

The new police headquarters is an interesting example. We knew from the outset that the buildings that they are currently occupying we effectively only do reactive maintenance to those and so the

maintenance level is quite low. They are unsophisticated buildings in terms of they do not have air conditioning and the mechanical provision within those buildings is quite basic. So, with the move to a new building at new standards there was always going to be additional costs incurred. That does not mean that the new buildings are inefficient. It is the opposite. They will be providing very good, efficient accommodation that is suitable for the operational needs from that site. It is something we have to look at. If you under invest in your property portfolio on an ongoing basis, when you come to have to replace it as opposed to keep it going by ongoing maintenance, then you will have a spike. It is our job to try and ensure that we avoid those spikes. So, if you underspend on your revenue currently compared to what you should be spending in the future when you replace that building you are inevitably going to be spending at the appropriate level not at a lower level.

The Deputy of St. John:

It is just the case that we have never put the appropriate money in to properly maintain the actual building in the first place, hence the reason why it looks like we are having to spend more?

The Minister for Infrastructure:

I think if you look back over time you will see the same thing. What was our housing stock and is now Andiums, they have a £207 million process that they are going through of refurbishment to bring those properties back up to the standard that they should have been. When you are faced with making savings, one of the soft options is to defer maintenance and if you keep doing that on an ongoing basis and underinvesting in your infrastructure, at some point you have to make up the shortfall.

The Deputy of St. John:

Can we expect to see higher costs with regard to Les Quennevais, for example?

The Minister for Infrastructure:

In terms of ...?

The Deputy of St. John:

Higher costs in terms of revenue in terms of the new building with Les Quennevais?

The Minister for Infrastructure:

Operating costs. Possibly. It depends on the finished design and on how the heat, light and water is provided for that building. Technology moves on all the time. There may be scope for, for example, some of the electricity used in that building to be provided by the building itself in terms of solar energy. We have done that at the last school that was completed, which is St. Martin's School. That has some cells on the roof that provide some of the energy.

Director of Estates:

In terms of energy, buildings are more energy hungry now than they ever used to be and the users of the building are more energy hungry than they used to be. Our ways of delivering that energy are becoming more efficient. Building bylaws require buildings to be more energy efficient, so there is a capital cost upfront in improving energy efficiency in buildings but that gives a payback in revenue terms. However, the improvements in energy-efficiency measures are probably offset by the energy-hungry activities. So, there is a constant strive to improve but it is catching up. Schools have banks of computers now that they did not have 20 years ago and there is a lot greater drain on energy in terms of comfort cooling in offices and the like. Where that is the norm, it was not previously and the buildings that the police are moving out from were never fit for purpose. They have not been ever because they were never police buildings. They were adapted buildings. So it is not unreasonable or unexpected that the level of maintenance being undertaken on those buildings over the years has reduced and, as the Minister said, they are a relatively easy target. The trouble is that that budget then disappears from the States base budget and is used as early savings or is prioritised elsewhere. So when we get to this step change in activity and create a new building there is a gap. That is why there is a funding bid in the M.T.F.P. for that to increase. What I would say is that we need to ensure, and we do work much more closely with the occupying departments, to understand what the likely cost of putting in a proper maintenance regime for the buildings is. The bid that you will have seen in the M.T.F.P. is based upon us working with the department to understand how they use the building, to understand how we can design in energy efficiency measures particularly but also maintenance measures so that we have as straight forward as possible maintenance regime and try and not create building difficulties or building costs going forwards.

The Deputy of St. John:

Finally just on this bit, in terms of the maintenance side of things and going forward, the responsibility will be sitting with Property Holdings or with the specific department for which that building is used?

Director of Estates:

Interestingly, the Home Affairs Department as was, Community and Constitutional Affairs, is one of the departments where we provide some services to but not a complete range. Their buildings are probably the most unusual or unique: prison, courts, Territorial Army centre, fire station and the police headquarters. Interestingly, I have a meeting with the Chief Officer this afternoon to talk about how we hand over responsibility for maintenance and developing proper service level agreements with the departments for individual buildings. The move to the new police station is the obvious time and catalyst for setting out those service level agreements for that building. In a similar way, what we will provide for the prison will probably be a relatively light touch from the property function and

probably a more substantive element of maintenance regime from within the prison service itself who have some specialists. So there is a horses for course issue but this is absolutely the right time to have those conversations. The facilities manager of the police function is part of the project team for the development of the new building. So we have been in constant contact from the early design stage through to completion on how we manage this and who will do what post completion. So it is a much more integrated process than perhaps it has been in the past.

The Deputy of St. Mary:

Right. Perhaps we will move on to other topics.

The Connétable of St. Saviour:

The Rue des Pres trading estate, and I have to declare a massive interest in this, being the Constable of St. Saviour, so I apologise now. It has been a bit of a thorn in our sides. You are planning to bring some legislation through to the States regarding this estate. Can you tell us when, hopefully?

The Minister for Infrastructure:

It is going to be the latter part of this year by the time we get the law changes back from the Law Officers' Department, but I would like to have this resolved by the end of this calendar year so we can implement changes from the beginning of January 2017.

The Connétable of St. Saviour:

The changes you are hoping to bring through, this means the road system or other things you have in mind?

The Minister for Infrastructure:

Yes. As you know, Constable, the roads are currently private roads in public ownership. That causes us some policing issues because being private roads neither ourselves nor the parish have any policing powers on those roads and because of the day-to-day activities operating within the trading estate, we need to be able to police those roads. So we are bringing forward a law change to make them public roads in public ownership and the only roads that we currently have a designation of are what is termed as grandes routes. We will be hopefully bringing a proposition to the States to bring the private roads currently on the Rue des Pres into being, under the law, public roads so we can police them.

The Connétable of St. Saviour:

Are you then hoping to bring in paid parking on these areas?

The Minister for Infrastructure:

We are looking to make that small road network self-sufficient. We have some land there ourselves that is currently given to parking and we are looking at opportunities to raise revenue from that parking provision by the users of it in the area to fund the ongoing maintenance of that small road network.

The Deputy of St. Mary:

Just leading on from that, at the moment who is responsible for maintaining the roads in their present state?

The Minister for Infrastructure:

They are private roads in public ownership, so it is my department that are responsible for maintaining those roads.

The Deputy of St. Mary:

What is the state of repair at the moment then?

The Minister for Infrastructure:

They are suitable for use. They are generally in fair condition. As and when there is any deterioration, for example a pothole or damage has occurred, we will go in and do the required patching and maintenance on those. There was some work done over the last few years whereby tree rooting was damaging the footpaths and the roads and unfortunately those trees had to be taken away and more suitable species planted and minor improvements were done at the same time.

The Deputy of St. Mary:

If your proposal goes forward to change the designation of the roads, which enables parking to be charged for, presumably the income generated will be sufficient to cover maintenance in future years?

The Minister for Infrastructure:

We are confident it will be. We have not finalised our sums on that yet but we are confident that there is adequate provision there to provide a funding stream that will continue to maintain those roads, and we have been maintaining them for the last 50-odd years, for the next 50-odd years.

[11:45]

The Deputy of St. Mary:

Am I right in thinking that the estate is dangerous, by all accounts, at the moment as it stands? Is a contributory factor the fact the Post Office have changed their system for delivery of parcels?

The Minister for Infrastructure:

It has gone back up to the top of our priority list in the last 12 months or so. Since the estate was first constructed back in the early 1960s, the uses of it have changed. It was originally purely an industrial estate with no retail activities on it. Retail activities now are quite common there, the latest one effectively being the collection of parcels from the Post Office has increased the amount of public traffic on the road network there. But also the estate was never envisaged to have residential units of accommodation on there and now over a number of years there are residential units on there, be they caretaker accommodation, et cetera, or whatever. So the uses have changed from its original conception in line with changes in society. There is a lot more traffic in terms of public interaction down there and that is causing us some difficulties which need to be addressed and this is one of the few tools that we have to address it.

The Deputy of St. Mary:

I accept the changing nature of it and that is not your fault. Just going back to the Post Office element, though, would it be helpful if they could be persuaded to revert to their old system of enabling ... it seems to me that the new system requires extra journeys which are not otherwise required?

The Minister for Infrastructure:

It would really be treating the symptom and not the cause. This has been ongoing for decades now, effectively, the problems down there and it would not change the function. Currently they are private roads in public ownership and we have no policing powers and that needs to be addressed. It does not make sense, from the general public perception, to have these roads that are open to everybody but, effectively, cannot be policed in terms of parking infringements although they can be policed in terms of speeding and if anyone was caught drink driving, et cetera. Those are still captured under the current legislation but parking infringements, et cetera, are not covered currently and we need to address that.

The Deputy of St. Mary:

So anything that could be done to reduce traffic would be helpful?

The Minister for Infrastructure:

You could say that about any part of the Island and that is why we have a sustainable transport policy, which in fact yesterday I launched an initiative to try and help relieve some of that.

The Deputy of St. Mary:

This panel also had the benefit of presentations on another front, which is the removal of vehicles legislation which is going to apply to Andium Homes and Ports of Jersey. In the context of considering that, we have been advised that there is going to be a more general ... our concern was to why those 2 bodies should have priority. We have been advised, almost assured, that there is be in place a piece of legislation covering all other private roads and that should be in place within 12 months or certainly in the course of this Assembly. Do you have reason to doubt that?

The Minister for Infrastructure:

No, I do not have reasons to doubt it. It is a different tool for a different problem. The law coming through for Andium and Ports of Jersey is because their policing provision was valid and now it is not valid because they are no longer a States department. The fact of trying to give landowners an opportunity to self-police their own premises with people parking without authorisation on their land is something that the Minister for Home Affairs is looking at. Obviously we are feeding into that process as and when we can, and that is an Island-wide issue. Rue des Pres is very much an isolated case because of the nature of the activities that are operating there. I believe that what Home Affairs are planning to do is more about people parking without authorisation on private land as opposed to private roads.

The Deputy of St. Mary:

You are not seeking to bring this legislation in because you feel that the other legislation being brought in to cover land other than Andium is ...

The Minister for Infrastructure:

No. It is my understanding that the other piece of legislation relates to unauthorised parking on people's private land as opposed to private roads.

The Deputy of St. Mary:

Fine. Thank you. The final major topic is asbestos, which has not been raised lately. In general terms, what are the present arrangements for storage?

The Minister for Infrastructure:

Unfortunately, much to my and the Minister for Environment's dissatisfaction, we are still currently storing legacy asbestos in the containers at La Collette. Any new asbestos delivered is going into the specially designed cells. We are in the process of negotiation with the Environment Department and our various expert advisers - each department has expert advisers on this matter - trying to find a decision that works for both. I had a telephone conversation this morning with the Minister for Environment, prior to him leaving the Island on States business, whereby we want to try and resolve

the situation we have where we have differing views between different experts to identify which is the best way of moving the legacy from where it currently sits into the specialist cells.

The Deputy of St. Mary:

With respect, we have heard something similar for some time before. How near are we to solving this?

The Minister for Infrastructure:

If I may, prior to the current incumbent as Minister for the Environment and the prior incumbent to my own position I think there was some friction. There is certainly no friction between myself and the Minister for the Environment. We both want the same thing and we are both eager for it to happen as quickly as possible but it has to be done safely.

The Deputy of St. Mary:

I was not implying any delay on your part personally. Regarding the charge for receiving asbestos at the moment, what is the cost structure?

The Minister for Infrastructure:

Nothing has changed. Currently there are 2 charges between licensed and unlicensed. Unlicensed is what I term bonded asbestos, which is effectively the sheets which are relatively safe compared to the licensed material which is very much not safe. Both are received at La Collette, wrapped in plastic accordingly, and both currently are going into the specially lined cells and they are charged accordingly. I believe the charge is ...

Director of Finance:

Just over £700 now for licensed material. The unlicensed material is the same rate as the amount of waste I think still, is it not?

The Minister for Infrastructure:

Yes.

Director of Finance:

I think it is about £15 a tonne.

The Deputy of St. Mary:

You say £700, but covering how much?

The Minister for Infrastructure:

It is per tonne.

Director of Finance:

Just over £700 per tonne.

The Connétable of St. Saviour:

Could I just ask, going back to something that came up before about obviously the La Motte Street School will either have to be demolished or is going to need a lot of work done to make it fit for purpose. Are you envisaging finding asbestos there and, if so, how do you propose to deal with it?

The Minister for Infrastructure:

Any asbestos we find on any States building where it is no longer safe to leave it in situ, because a lot of the time the safest thing is to leave it alone, when we are developing a site, like any other contractor we have to go through the same processes and adhere to the same standards before it is removed.

The Connétable of St. Saviour:

Do you think the school has been there for such a length of time that you most probably will come across asbestos? It must be something you are thinking about in the plan.

Director of Estates:

The answer is almost certainly yes. I do not have the details but we have an asbestos register that covers all of our buildings so we have that information. We have done work on the roof in the previous 5 or 6 years ago, so we will have undertaken the relevant surveys at the time so we will have a good knowledge of the asbestos, if there is any, within the building. It may have been removed when that work was undertaken.

The Connétable of St. Saviour:

We know that it is not too dangerous until you start poking it and particles keep blowing around. That is when you have a problem.

The Minister for Infrastructure:

The actual older parts of the school, or just the buildings, almost certainly anything that would be done on that site, the facades of those buildings would remain.

The Connétable of St. Saviour:

Thank you.

The Deputy of St. Mary:

Just leading on from that, obviously there are major projects coming up which will probably have asbestos in them. Are you fed information that will enable you to anticipate how much asbestos you are going to get?

The Minister for Infrastructure:

It is difficult to identify it from the private sector. We have a fair idea of what is within our own portfolio so we know to expect that. For example, as and when we would demolish the former Fort Regent swimming pool site, we know that that has asbestos in it. We have a rough idea of the quantities, so we will manage that process. Other States buildings would be the current Les Quennevais School.

The Deputy of St. Mary:

The hospital in due course.

The Minister for Infrastructure:

The hospital in due course. Jersey has got a significant legacy issue in terms of asbestos and we will have to deal with it in the appropriate way as and when we have to.

The Deputy of St. Mary:

Is this anticipation causing more urgency in the department to find a solution?

The Minister for Infrastructure:

We have a solution, but what we need to do is find the agreed solution of how we transport the existing legacy that we have in containers at La Collette from its existing site into the specialist pits that have been designed to permanently deal with the asbestos.

Chief Officer:

Just for clarity, dealing with the legacy asbestos is our highest priority and has been our highest priority for the last 5, 6 years and it is not through want of trying to resolve this over that period of time.

The Deputy of St. Mary:

I did not mean to imply anything else. No, I realise that. Again, continuing with the theme of your department being remunerated for its own services, when it comes from other States departments, for instance, do they pay or ...

The Minister for Infrastructure:

As we were saying with developer building, we are not different to any private sector organisation. We have to pay our charges as well.

The Deputy of St. Mary:

The final point on this is there was a case recently publicised where someone put in asbestos to a mixed load. How easily is that detectable at La Collette?

The Minister for Infrastructure:

Quite easily, because it was detected.

The Deputy of St. Mary:

How easy is it to detect or how easy is it to slip asbestos into a load?

Director of Operations:

I could answer that, Minister. All our staff at La Collette working on the waste reception sites have had asbestos awareness training and we have got procedures in place when we think that there is a load that could be contaminated. Certainly with regards to that case the staff notified the Health and Safety Inspectorate and the Waste Regulator, who are undertaking an investigation.

The Deputy of St. Mary:

It is your own staff that monitor that side of things?

Director of Operations:

Yes. That is why we have staff at those waste receptions and they follow the procedures if an occurrence like that happens.

The Deputy of St. Mary:

Presumably the costs can be recouped from the perpetrator of the offence?

Director of Operations:

In certain cases. It depends on what costs we have incurred in dealing with that, but certainly to deal with contaminated material we would expect the contractor to be paying for the costs to deal with that material suitably.

The Deputy of St. Mary:

Good. Thank you. Anything else on asbestos? Have you got one more minute? Just on taxis, we have not been there for a while. Progress has been made, I see, and compromises were made from the original situation. Where are we in the general scheme of things?

The Minister for Infrastructure:

In the general scheme of things, we have had a number of changes come through pretty much in line with what we originally planned. The big obvious difference from what we announced in September to where we are now is that back in September we had discussions with the industry and we could not identify a fair way of allocating W.A.V.s, which is wheelchair access for vehicles, among the P.S.V. (public service vehicle) licence holders. That led us to a discussion because we knew there was more demand than supply of those vehicles for the public, so we laid down a challenge. We said: "If you cannot come up with a solution, it is going to have to be 100 per cent W.A.V.s." We said all along that it would be 100 per cent accessible, which is slightly different. We have worked with the industry to come up with a 20 per cent initial target and we believe that will be sufficient to meet the demand.

[12:00]

We have managed to work with the industry now to find a fair way of allocating those, that 20 per cent across the whole fleet, whether it be taxis, which is the rank vehicles, or the private hire cab vehicles. The whole fleet will have a 20 per cent provision to cater for those individuals who are wheelchair-bound. I can give you an update newsletter, effectively, that we distributed to P.S.V. holders.

The Deputy of St. Mary:

The absence of taxi drivers today suggests that they are happy with the compromises.

The Minister for Infrastructure:

We always knew it was going to be a difficult negotiation. There are some 350 to 400 P.S.V. licence holders, effectively 350 to 400 different businesses, and to get them into one place is a credit to my team and a credit to the drivers themselves and their associations. It is something that previous Ministers have not finally resolved. We have not finally got there but we are well on in the process and I am pleased that the industry has decided to work with us to provide a better service for the public as a whole.

The Deputy of St. Mary:

I think we are pleased too that progress has been made. The final point on this, and it may well be in this update for which thanks, one proposal at one stage was branding either on the roof or bonnet. Is that still on the cards?

The Minister for Infrastructure:

Branding is still on the cards. Most of the initial proposals that have been put forward have been adopted and enhanced by the industry. We are just looking at what branding will look like. They favour a windscreen-type strip. The argument, which is a valid argument, is that many of the vehicles are used privately and so they do not want them permanently branded if they go off Island or when they are not working, but they do want some type of branding to make their vehicles easily recognisable because it helps in terms of hailing and identifying if they are taxi vehicles or private hire vehicles. We are working with them and by the end of this summer we will have an agreed form of branding for both types of the provision.

The Deputy of St. Mary:

Thank you for that reply and thank you also for your efforts in getting a resolution. I think that concludes our hearing. May I thank you for your co-operation and information.

[12:03]