



Scrutiny Office

## **Corporate Services Scrutiny Panel Quarterly Hearing with the Chief Minister**

**MONDAY, 15th JANUARY 2018**

### **Panel:**

Deputy J.A.N. Le Fondré of St. Lawrence (Chairman)  
Deputy S.M. Brée of St. Clement  
Deputy K.C. Lewis of St. Saviour  
Senator S.C. Ferguson.

### **Witnesses:**

The Chief Minister  
Deputy Chief Minister  
Assistant Chief Minister  
Assistant Minister to the Chief Minister  
Director, Corporate Policy  
Chief Executive

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[10:07]

**Deputy J.A.N. Le Fondré of St. Lawrence (Chairman):**

Good morning. I welcome the Chief Minister and everybody else to the Quarterly Hearing of the Corporate Services Scrutiny Panel with the Chief Minister, where it is our job to hold your feet to the fire, I believe, is the expression from time to time. For the benefit of the new Chief Executive, I assume this is the first time you have been in front of a scrutiny panel, certainly here in Jersey, we will be slightly longer in the preamble than normal. So, Minister, as you are aware, you have the notice to your left somewhere. For the benefit of those who are not familiar with it, I will read the notice out, which says: "The proceedings of the panel are covered by parliamentary privilege through Article 34 of the States of Jersey Law 2005 and the States of Jersey Powers, Privileges and Immunity Scrutiny Panels, P.A.C. (Public Accounts Committee) and P.P.C. (Privileges and Procedures Committee) (Jersey) Regulations 2006. Witnesses are protected from being sued or prosecuted for anything said during the hearing unless they say something they know to be untrue. This protection is given to witnesses to ensure they can speak freely and openly to the Panel when giving evidence without fear of legal action, although the immunity should obviously not be abused by making unsubstantiated statements about third parties who have no right of reply. The Panel would like you to always bear this in mind when answering questions." To the people sitting in the public seating, obviously please make sure all electronic devices are off and there can be no interaction with the hearing as we proceed. Minister, as you know as well, we have a limited amount of your time and so we would like to you to endeavour to keep answers relatively concise. Obviously if I stick my hand up that is an indication that we want to at least move on if possible. So for the benefit of the recording, I am Deputy John Le Fondré, Chairman of the Panel.

**Deputy S.M. Brée of St. Clement:**

Deputy Simon Brée, Vice-Chairman of the Panel.

**Deputy K.C. Lewis of St. Saviour:**

Deputy Kevin Lewis, Panel Member.

**Senator S.C. Ferguson:**

Senator Sarah Ferguson, Panel Member.

**The Chief Minister:**

I am Ian Gorst, Chief Minister.

**Deputy Chief Minister:**

Andrew Green, Deputy Chief Minister and Minister for Health and Social Services.

**Assistant Chief Minister:**

Senator Paul Routier, Assistant Chief Minister.

**Director, Corporate Policy:**

Paul Bradbury, Director of Corporate Policy.

**Assistant Minister to the Chief Minister:**

Deputy Scott Wickenden, Assistant Minister to the Chief Minister.

**Chief Executive:**

Chief Executive.

**Deputy J.A.N. Le Fondré:**

Do you want to raise your mic so we may identify any contributions you may have? Chief Minister, you are aware of some of the topic areas so to kick off we are going to cover aspects that have come out in the last few days on the future hospital, on the planning decision. Has the future hospital planning decision come as a surprise to you?

**The Chief Minister:**

A disappointment. You can never take planning for granted. They rightly had an independent inquiry using an independent inspector, that inspector has said that they felt it was right for the Minister for the Environment to reject the current application and focused a lot on the site rather than the location. So disappointment but not necessarily a surprise, no.

**Deputy J.A.N. Le Fondré:**

Why do you say not necessarily a surprise?

**The Chief Minister:**

Because I have experience of planning. You cannot take a planning decision for granted, particularly when you know that your application, there are some areas ... because of the special place, special building, there were some areas where we knew that it might be difficult from a planning perspective, not least of which was height.

**Deputy J.A.N. Le Fondré:**

So why was so many Strategic Plan policies and Island Plan policies similarly ignored in designing the future hospital?

**The Chief Minister:**

I do not think that they were ignored. I think the future hospital team tried to mitigate them to what they thought was a large extent but the Planning Inspector felt that that mitigation was not sufficient. Members of the Panel will know that if you looked at the other sites that might have been deliverable, they would also have required breaching of the Island Plan policies and mitigation.

**Deputy J.A.N. Le Fondré:**

So do you accept that the quote from the Inspector that: "The proposal, the application, conflicts with the Island Plan Strategic policy SP7 which is best by design, design quality to all buildings, skyline views and vistas and with the design guidance of St. Helier" as an example? That is a direct quote.

**The Chief Minister:**

As would a hospital on the other sites as well, apart from outside of St. Helier, and it might have breached others rather than that particular one.

**Deputy J.A.N. Le Fondré:**

At present we are talking about the site that was the purpose of the application.

**The Chief Minister:**

Yes, but we cannot do it in isolation, we need to understand that any of the other sites that might have been picked would also have breached planning guidelines.

**Deputy J.A.N. Le Fondré:**

Have you taken advice on that, Minister?

**The Chief Minister:**

You need to speak to the Minister for Health and Social Services about exactly the advice he took through this process.

**Deputy J.A.N. Le Fondré:**

We may very well do so. What is the next course of action going to be to move the hospital project forward?

**The Chief Minister:**

I support the approach that the Minister for Health and Social Services has taken, and I say it again, the Inspector, if there any light in that report, says that the location is suitable for a hospital but the site, no, and the massing and height, no, and therefore the Minister, together with his team of

Ministers, and officials will be giving detailed consideration to what the Planning Inspector said and seeing if, in that location, a hospital can be made to work.

**Deputy J.A.N. Le Fondré:**

Sorry, just repeat the last bit again, Minister?

**The Chief Minister:**

The Inspector talked about ... as you well know, Chairman, there is a difference between location and site and it was the site within the application that the Inspector felt breached those planning policies and not enough mitigation had been done. I am using my own words rather than direct translation from the Inspector, in effect saying that the site of the application was not large enough, that you would need to think about extending the site of the application if you were going to come back and propose a hospital there rather than the actual location.

**Deputy S.M. Brée:**

Can I just pick you up there, Chief Minister? The States in approving the preferred scheme voted on the approved site - not the approved location, the approved site - the outline business case and the funding proposal. Are you now saying that you are of the opinion that the preferred site as detailed in the proposition put in front of the States is no longer feasible? That element of it, the site.

**The Chief Minister:**

I have relayed back to you what the Planning Inspector has said to us, which I think is largely what you are indicating. The site of the application, the location is fine but the site would need to change in some way. If you want to get the detail from the Minister for Health and Social Services ...

[10:15]

**Deputy Chief Minister:**

In paragraph 123 it says: "In broad spectrum terms, the application proposal would be a sustainable location."

**Deputy J.A.N. Le Fondré:**

Can we come to that later? We are going to come to that, just to save duplication.

**Deputy S.M. Brée:**

I was merely trying to clarify, Chief Minister, from you that in your opinion, as Chief Minister, the preferred site, as approved by the States Assembly and as contained within the proposition detailing the preferred scheme, is no longer an option according to the independent Inspector's report. We are talking about the site, not the location here.

**The Chief Minister:**

I have to be careful in my words, as do all politicians, because the site from my reading of the Inspector's report will need to change.

**Deputy S.M. Brée:**

Therefore the preferred scheme ...

**The Chief Minister:**

The location, the Inspector does not say the location is the wrong location for a hospital.

**Deputy S.M. Brée:**

We will go on and look at the Inspector's report in a minute, the point I am trying to make, Chief Minister, and you are successfully evading answering, is ...

**The Chief Minister:**

No, I think I have answered your question but it is not ... there is the site issue and I am not disagreeing from what you are indicating on what the Inspector has said but that does not mean that the location is the wrong one. So I do not want the message to go out that that location is wrong, what the Inspector has said is the site of the application.

**Deputy S.M. Brée:**

I was not suggesting that, Chief Minister, I was merely asking the question that if you are in agreement that the preferred site, not location but site, is no longer a viable option then you would surely agree that the preferred scheme falls away because the preferred scheme detailed very clearly a site, not a location but a site. Which would confirm, therefore, that the preferred scheme is no longer a viable option.

**The Chief Minister:**

Within the preferred scheme was flexibility and contingencies and further design work being required, which is why Ministers and officials will go away and consider in detail the Inspector's report and then provide advice and their thoughts on what the way forward is. We are not there yet. What I am saying to you in trying to answer your questions is that the Inspector is quite clearly about what he said about the site. So in some ways I suppose part of my answer is it is too early for us exactly to be able to give you the clarity that you want on that quite detailed question.

**Deputy S.M. Brée:**

Did the States Assembly approve the site or did the States Assembly approve the location?

**The Chief Minister:**

I do not have the wording in front of me, I think it was site, was it?

**Deputy Chief Minister:**

Yes, but if you looked at the outline it is actually the location, if you look at the outline.

**Deputy S.M. Brée:**

No, that was not the question I asked, Senator Green. The question I asked is what did the States Assembly approve, the proposition that you put in front of the States Assembly was to approve the site?

**Deputy Chief Minister:**

The Assembly approved to have a hospital on the current location.

**Deputy S.M. Brée:**

No, you put forward a proposition to the States asking for approval for the site, is that not correct?

**Deputy Chief Minister:**

We put a proposition forward showing that we wanted to build a new hospital ...

**Deputy S.M. Brée:**

The wording you used in your proposition was what?

**Deputy Chief Minister:**

I do not have it in front of me. Site means different things in the context of different discussions. Site to planning means a footprint of where you want to build.

**Deputy S.M. Brée:**

So you are saying that as far as you are concerned site and location can be interchangeable?

**Deputy Chief Minister:**

In layman's terms, yes.

**Deputy J.A.N. Le Fondré:**

Okay, we will move on. Kevin.

**Deputy K.C. Lewis:**

Minister, what has happened regarding the acquisition of property for the current future hospital site, since the States approved funding for the hospital in December?

**Deputy Chief Minister:**

I believe it is really a matter for the Minister for Infrastructure but I believe one property - and it is a matter of public record anyway - has been purchased, the seller had a property that they wanted to buy and they needed to do that fairly quickly, so agreement was reached with them and there are discussions with the other owners of properties at the moment.

**Deputy K.C. Lewis:**

One property?

**Deputy Chief Minister:**

I believe it is only one, yes, but you would have to ask the Minister for D.F.I. (Department for Infrastructure).

**Deputy K.C. Lewis:**

You do not have an overview of what has been purchased?

**Deputy Chief Minister:**

I believe it is only one but that was before Christmas. I do not know where we are today.

**Deputy K.C. Lewis:**

Do you know how much has been spent on that?

**Deputy Chief Minister:**

It is a matter of public record, I would not want to try and remember it and get it wrong. It was done openly, it was done in accordance with purchasing of properties, so according to Standing Orders, it is all there in the public domain.

**Deputy K.C. Lewis:**

Do you know what type of property it was?

**Deputy Chief Minister:**

It was a flat, I believe.

**Deputy K.C. Lewis:**

A flat?

**Deputy Chief Minister:**

A flat or a unit of accommodation.

**Deputy K.C. Lewis:**

So one property has been purchased which is a flat or apartment?

**Deputy Chief Minister:**

Correct.

**Deputy K.C. Lewis:**

Thank you.

**Senator S.C. Ferguson:**

What about the catering arrangements at St. Peter?

**Deputy Chief Minister:**

What about them?

**Senator S.C. Ferguson:**

Has the lease been signed?

**Deputy Chief Minister:**

I think it was signed last Friday.

**Senator S.C. Ferguson:**

How much will be spent on refurbishing it?

**Deputy Chief Minister:**

Again, that is a matter for the Minister for the D.F.I.

**Deputy S.M. Brée:**

Chief Minister, what additional delay to the overall hospital project has this rejection of planning created?

**The Chief Minister:**

I am informed by the future hospital officials that it has not, at this stage, necessarily delayed it but they will need to do further work because until there is a solution we obviously cannot say with any certainty over time whether there may be a delay and, if so, what that delay would be. But we are informed currently, as we sit here, that that will depend on future events of course.

**Deputy S.M. Brée:**

The Planning Inspector in his report stated that, and I quote: "I consider that these are not matters that can be finessed away by clever design at the detailed planning reserve matters stage." Does this not suggest that there will be significant delays?

**The Chief Minister:**

You could read it to mean that but not necessarily. I think what is being referred to there is the issue about the site as I said in my answer earlier and as you indicated. So the previous application and the site perimeters of that application - mindful of what the Deputy Chief Minister said about layman's understanding of site and location so I do not want to step into that - requires a different site footprint in order to deal with the issues that you have just raised.

**Deputy Chief Minister:**

I think the context, having discussed it not with the Inspector but with officers and they have discussed it with Planning, of that is clever design around windows and everything with that Rochdale outline would not work, we need to do more. So that means we need to lower the height for the mass within the same location. It is not a matter of what it looks like.

**Deputy S.M. Brée:**

Going back to this issue of site and location, Deputy Chief Minister, as Minister for Health and Social Services, you have stated publicly that this is the correct site. However, this seems to be contradictory to the Inspector's report where he says this is not a correct site. Can you point to where in the report the Inspector gives unequivocal support for this site?

**Deputy Chief Minister:**

Okay, first of all he did not examine the other sites. Let us put that into context but he says in paragraph 123 that the application proposal would be in a sustainable location ... I am just trying to think, 125, the location would comply with policy guidelines for healthcare facilities. Also the Minister, when he signed the ministerial decision - I did not see any of this until the same time as everybody else, in fact slightly later because we were busy that day - says this is the correct location. So there is a whole host of things in there where the Inspector says this is the right location. He

gave us some guidelines for the future applications on that location. He gave us some guidelines which were very helpful.

**Deputy J.A.N. Le Fondré:**

So just to be clear, Minister, out of the 296 paragraphs in the Inspector's report, you are referring to 4?

**Deputy Chief Minister:**

Yes, but not once in his report did he say this was the wrong location.

**Deputy J.A.N. Le Fondré:**

I do want to quote it, and I am sure Simon will come in and pick up, you are right: "In broader terms the application proposal will be in a sustainable location." Totally right about policy SEO2 healthcare facilities, it was a hospital, or it is a hospital. The report definitely says: "The location site is sustainable."

**Deputy Chief Minister:**

It went on to praise the transport study.

**Deputy J.A.N. Le Fondré:**

Yes, that is fine. You have kind of glossed over the point that he says in his executive summary, and elsewhere in the report, I believe: "The critical issue here is not the case for a new hospital facility but whether the application proposal represents the one and only vehicle that could deliver it. This raises questions about 2 matters that are beyond the scope of the inquiry. The first concerns site selection and the comparative merits of alternative sites and the second concerns the brief." I will pause there because it is quite long. But then he carries on: "If the Minister were to be satisfied that no other site / project brief combination could meet the future hospital needs of Jersey" and basically says that would give sufficient justification to depart from the Island Plan and effectively approve the scheme. But he says: "However, doing so would, in my view, require a convincing justification on matters beyond the scope of this inquiry. It would also require an acceptance of the serious planning harm and conflicts with the Island Plan that I have identified." Obviously the Minister for Planning chose to refuse the application. Now, as a layman, that feels like quite a damning indictment of the application but I think also to me, reading between the lines, it seems that that is not an unequivocal endorsement of the site, the location.

**Deputy S.M. Brée:**

If I may ask ...

**Deputy J.A.N. Le Fondré:**

Hang on, perhaps you can respond?

**Deputy Chief Minister:**

I would be happy to, if you would give me the chance to.

**Deputy S.M. Brée:**

Well, I just wanted to ask again this question. You are using the term “location” to say that the Planning Inspector recommends that this is the right way location and you seem to be saying this in a lot of ...

**Deputy Chief Minister:**

I say he recommended.

**Deputy S.M. Brée:**

All right, that is saying it is the right location.

**Deputy Chief Minister:**

Let us be clear, he did not recommend it, that was not his role, he said it was an appropriate location.

**Deputy S.M. Brée:**

Okay, to quote from his executive summary, though, page 2: “Put simply, the application site area is far too small to accommodate successfully the amount of floor space proposed. The parametric ‘design’ that results is fundamentally unacceptable in townscape and urban design terms. I consider that these are not matters that can be finessed away by clever design at the detailed Planning (‘reserved matters’) stage.” So the Planning Inspector is quite clear that this site is not the right site for the outlined business case at all.

**Deputy Chief Minister:**

The application site, which results in having a very high building is what he is saying is not acceptable. What he is not saying, in fact he says the opposite in his report, is this is the wrong location. He is saying it is an appropriate location. Clearly the Minister for the Environment agrees with him because in his ministerial decision he does say this is the right location. You were asking earlier about the original proposition to the States, it says: “1st December 2016 which approved in principle the site location.”

**Deputy J.A.N. Le Fondré:**

We were just trying to find that. Is that identified by a map?

**Deputy Chief Minister:**

Let us see the P number on it.

[10:30]

**Deputy J.A.N. Le Fondré:**

Anyway, while you are there we will carry on if one of you wants to, maybe Mr. Bradbury, just identify whether there is a map in the proposition. A question I would also like to ask under this section before we move on, in reality, do you, Chief Minister, see a scheme capable of being submitted before the May elections?

**The Chief Minister:**

Who are you asking? Myself?

**Deputy J.A.N. Le Fondré:**

Myself.

**The Chief Minister:**

I would hope so.

**Deputy J.A.N. Le Fondré:**

So what do we have, 12, 16 weeks or something like that?

**The Chief Minister:**

Then it will go through a proper independent process. I am assuming you know, as I do, the ... I am not sure I should use the word "vagaries of planning", one has a conversation with Planning officials, one then gets one's professionals to draw up a plan for a particular site and then they appropriately go and look at it. Quite often they will say: "No, that is not right, you must change this, you must get rid of a house here, you must put an extra storey on here or take another storey off." It is really disappointing and, to some extent, I think, frustrating, and I understand the frustration of Members of the Panel, but this is how the Planning process works and particularly in such a big important building there is an independent Inspector.

**Deputy J.A.N. Le Fondré:**

I was going to say I presume there will have to be another Planning inquiry by an independent Planning Inspector.

**The Chief Minister:**

That is a matter for the Minister for Planning but, as far as I am concerned, I do not see how the process can change from the initial process.

**Deputy J.A.N. Le Fondré:**

Right, okay. So in reality where a scheme might be submitted it is certainly very, very unlikely to receive a decision before the elections?

**The Chief Minister:**

I suppose that would depend on the process that the Minister decides upon. If they decide upon the current Inspector to come and look at the next application, which I understand it would be an acceptable process for them, that may mean it could be delivered quicker because the current Inspector is au fait with the issues of the application that he suggested was useable.

**Deputy J.A.N. Le Fondré:**

But there is a timeline allowed for public interaction on this.

**The Chief Minister:**

Of course there is.

**Deputy J.A.N. Le Fondré:**

The Inspector last year, I seem to remember, it was kicked off in about July or August and obviously an inquiry was held in November, I think, last year and obviously the outcome was in January. So that is a large number of months in there.

**The Chief Minister:**

It takes time as you are suggesting.

**Senator S.C. Ferguson:**

Will you therefore take advantage, because of the time delay, to consult with all Members of your department, all your clinicians, rather than just a few at the top?

**Deputy Chief Minister:**

I hear this all the time and we do not consult with just a few at the time. There are regular medical staff meetings. There are still a good number of clinicians, and I understand why, who think that we can develop the People's Park. That is a site that they prefer.

**Senator S.C. Ferguson:**

That was not what I asked. That was not what I asked. Are you going to consult ...

**Deputy Chief Minister:**

They are consulted. They are consulted.

**The Chief Minister:**

I have said, on record, many, many times, there is no ideal site on our Island for a hospital. That is the constraint in which we are working and, Senator, you know that some people have been really pleased that the current application was refused. Other people are totally frustrated because they are focused on just getting the hospital and they think the location is fine. So that is not going to change as we go through. I have said to the Minister that we do need to do much more communication on the shortcomings of the other sites because they would fall foul of planning policies in the same way, in fact probably to a larger extent, than this location does. But there is no magic bullet, there is no easy, everybody loves this site and it is going to be fine.

**Senator S.C. Ferguson:**

Will you take advantage of the delay ... I cannot find any record of test drilling on the site.

**Deputy Chief Minister:**

It is happening all the time. It is currently happening in the car park.

**Senator S.C. Ferguson:**

You do not know what I am talking about. Which carpark? In the hospital car park?

**Deputy Chief Minister:**

Yes.

**Senator S.C. Ferguson:**

Are the results up on the web?

**Deputy Chief Minister:**

They were drilling it yesterday so I doubt it.

**Senator S.C. Ferguson:**

So they have only just started drilling?

**Deputy Chief Minister:**

No, they have been drilling and doing site surveys for some time. If you want to get technical detail we will bring the technical people with us.

**Deputy J.A.N. Le Fondré:**

Let us move on. Chief Minister, hopefully you can give us some idea what additional cost to the existing future hospital project budget this decision has created?

**The Chief Minister:**

Well, Chairman, one of your Members suggested I was fearful and came with too many Ministers and officials. I am not fearful at all but I am proven right in this respect, that you are asking me questions which are within the remit of other Ministers. What I can say is that there is flexibility, there is contingency within the current overall budget envelope and so far none of the advice that I have received is to anything other than changes that currently could be delivered within the existing envelope, but that, of course, may change dependent on the detailed considerations of what will deliver a hospital.

**Deputy J.A.N. Le Fondré:**

Let me rephrase that. Rather than focusing on whether it can be delivered within the contingency - off the top of my head - somewhere between £50 million and £70 million that is included in the budget at the moment, what is the amount the contingency is likely to be eroded by as a result of this project? It is presumably not in £1 million, it is presumably going to be £5, 10, 15 million or higher?

**Deputy Chief Minister:**

On what assumption do you make that?

**Deputy J.A.N. Le Fondré:**

On the basis one is assuming that you have a very large building of which, according to the Planning Inspector, he has raised concerns on the height, even about the plinth level, the amount relative to the heritage buildings, in other words he observes that the Peter Crill House is 10 metres from the road, which implies therefore, on my reading, that the main building at plinth level and below is already too big in the view of the Inspector. That implies, therefore, that you are going to have to put a large part of the hospital somewhere else. That means on the existing site quite of decamp costs and moving things around, therefore I suspect that is going to be at least significantly more than £1 million. I was wondering if you had had any indication what that might look like at the moment?

**Deputy Chief Minister:**

I have had exactly the same advice as the Chief Minister at this stage. The size of the building is not changing, the footprint will change, we know that. The size of the building is not changing and the way that they calculate the costs on buildings does not change either. Also to build lower is cheaper than building higher. We do not know what that is going to equate to and we are waiting. We have had that advice that there may not be a significant change in the costs. We have a contingency but we will know better when they have had a chance to do their work.

**The Chief Minister:**

I think the problem is, Chairman, we are all working on too many assumptions and reading between the lines of what concerns the Inspector has and what solutions to those concerns might be. So I have no doubt in due course, in the coming weeks, there will be more detailed answers to the questions that the Panel is asking.

**Deputy J.A.N. Le Fondré:**

Minister, thanks to the very good efforts of both my officer and Senator Ferguson, I just found the proposition we were discussing earlier obviously that you referred to in terms of what the States were asked to approve. The exacting wording: "To approve in principle as the site location for the new general hospital the current general hospital site with an extension along the east of Kensington Place and other nearby sites, including Westaway Court, in accordance with the map at appendix 1, with detailed proposals to be brought back to the Assembly." Now, appendix 1, if I flick down to it, does actually - where it is black and white ... I do recall seeing a colour version - specifically identify the existing hospital building proposed to be demolished, the existing hospital building to be retained during construction and in line with the hospital demise boundary the aligned demised properties. Now, I will caveat my comment on that, my recollection from the diagrams we did see was that the area we are expecting to see demolished, that was approved by the Assembly, is what is in the application that has just been refused. In other words, I think you will need to seriously consider whether you need to get further permission from the Assembly as soon as you go outside the footprint that you brought to the States for approval.

**The Chief Minister:**

From my part, obviously, this is ...

**Deputy J.A.N. Le Fondré:**

Perhaps you could come back to us on it?

**The Chief Minister:**

Just a minute, the Minister will, rightly, when he is considering all these issue with his team will involve law officers and they will be asked to consider what, if any, are the decisions that are required by the States. Of course that is how Ministers operate.

**Deputy Chief Minister:**

Before we do that we have to have a scheme that ...

**The Chief Minister:**

Absolutely, yes. Yes.

**Deputy J.A.N. Le Fondré:**

Okay, well I just raise that. Okay, going back to where I was previously, what is the total spend on the hospital project to date, roughly.

**Deputy Chief Minister:**

Total spend, when I asked last Friday was something like £24 million.

**Deputy J.A.N. Le Fondré:**

£24 million, okay.

**Deputy Chief Minister:**

Some of that, of course, includes the works to keep the hospital safe in the intervening period as well.

**Deputy J.A.N. Le Fondré:**

I will ask the question, I think you can give me a very short answer, which is at what point will you be considering alternative sites? I assume at no point is the answer.

**Deputy Chief Minister:**

There is no point in considering alternative sites. That work has been done, we looked at over 50 sites and we came down 4 or 5 main sites and if you apply the criteria and the guidance which very helpfully the Inspector has given us, all of those sites, they fall away for a whole host of different reasons logically and infrastructure wise but in planning terms, if you apply the same criteria as the Inspector suggests that we work to, which is really helpful, all of those sites fall away.

**Deputy J.A.N. Le Fondré:**

Okay, anyone else at this stage? Simon.

**Deputy S.M. Brée:**

Chief Minister, it would now seem that the future hospital review panel was correct and totally vindicated in proposing a delay to the debate on the preferred scheme until after planning permission had been granted. Would you not agree?

**The Chief Minister:**

I am sorry to say this because I know you are the chairman on that panel, Vice-Chairman, but no I do not.

**Deputy S.M. Brée:**

On what ground do you not agree?

**The Chief Minister:**

Because we now have the momentum to keep the future hospital project moving forward. As you know, the independent adviser said that there were 3 risks, one of which was the planning application. So had we not taken that decision, 2 of those 3 risks would have now required much more work. As it is, one of those risks remains rather than 2 of them.

**Deputy S.M. Brée:**

Sorry, the 3 risks were planning permission not being allowed, the funding scheme not being approved and the appointment of the main contractor not going ahead. Are you saying only one of the 3 remains a problem, so have you appointed the main contractor?

**The Chief Minister:**

Well, it is not me that appoints the main contractor, as you know.

**Deputy Chief Minister:**

Nor is it me, but I do know that finally interviews took place for the main contractor last week.

**Deputy S.M. Brée:**

So has a main contractor been appointed?

**Deputy Chief Minister:**

Not officially yet, no.

**Deputy S.M. Brée:**

So you are looking to appoint a main contractor, even though you do not have planning permission approved, is that correct?

**Deputy Chief Minister:**

Yes, because you need an experienced hospital contractor anyway and they can bring to the table their experience of ... okay, it is a different planning machine but their experience of working in large capital schemes to develop large public schemes such as hospitals. They can bring that to the table.

**Deputy S.M. Brée:**

So are we correct in stating ...

**Deputy Chief Minister:**

We are going to have a hospital, are we not?

**Deputy S.M. Brée:**

Are we correct in stating that at the moment properties have been purchased; we are in the final stages, if not completed, of the appointment of a main contractor but we, as yet, do not have any kind of planning permission in place? Is that correct?

**Deputy Chief Minister:**

Yes, that is correct. That is perfectly normal. Perfectly normal.

**Senator S.C. Ferguson:**

It has been said, by people in the industry, that the way we are doing it opens the door to be at the mercy of the main contractor. Have you looked at this?

**Deputy Chief Minister:**

On what basis do you make that comment? We are following the ...

**Senator S.C. Ferguson:**

On the basis of comments from people who work in the ...

**Deputy Chief Minister:**

... Treasury guidelines on how you appoint contractors, how you run a big scheme like this, so on what basis do you make that comment?

**Senator S.C. Ferguson:**

I am merely quoting a comment that was made to me by somebody who works for ...

**Deputy Chief Minister:**

Well, I will tell you we are working ...

**Senator S.C. Ferguson:**

...a leading engineer.

**Deputy Chief Minister:**

...to the Treasury guidelines.

**The Chief Minister:**

Let us just be clear, public infrastructure projects face challenges which private ones do not because of a whole host of reasons, not least of which is the process that we are going through now. Nobody says this is the wrong process, that Ministers should not be scrutinised, that we should not get budgets agreed with contingencies in the public domain but that does have onward implication to how one runs those contracts, the value that one gets for those contracts as well.

[10:45]

We have to be absolutely clear about that.

**Senator S.C. Ferguson:**

Right, thank you. Carrying on, the site is clearly an expensive option, is it now to time to reconsider the proposed location of the hospital?

**Deputy Chief Minister:**

No.

**Senator S.C. Ferguson:**

Right. During the 2014 election hustings, Minister, you maintained that if you do things in the same old way you get the same results. Do you not perhaps feel that this exactly what you are doing with this project? In other words, like Army parlance, which I think you are probably familiar with, it is like the generals before the Second World War, you are becoming wedded to your plans.

**Deputy Chief Minister:**

No, I started in my own mind, it was to be honest, wanting Overdale as a single development site. It was made quite clear that the sort of building that would need to be put on that site would not meet the approval of planning. In fact, although he did not look at that site, applying the criteria of the Inspector's report, it does not. So I started with a very open mind, even whether we could get access with some imaginary scheme off St. Aubin's Road into Overdale. So, no, we have done all that work. We have looked at 50 sites. We have shortlists, I cannot remember exactly whether it is 9 or

10. We have an even shorter list of 4 or 5. They are all falling away for different reasons. That has not changed.

**Senator S.C. Ferguson:**

Even though the Inspector says the application site area is far too small to accommodate successfully the amount of floor space ...

**Deputy Chief Minister:**

You know full well, Senator, what he is talking about there is the site that we applied to build on, not the location. He goes on to say this an appropriate location or he indicates it is an appropriate location and so does the Minister in his ministerial decision.

**Deputy K.C. Lewis:**

The Treasury, Health and Infrastructure Departments are all involved in different aspects of the future hospital project. Who is ultimately responsible for the failure of the planning application?

**Deputy Chief Minister:**

I do not see it as a failure, it is part of the planning process. It was disappointing that it was not accepted, it is not unusual. In fact developers have contacted me over the last week or so saying: "Welcome to our world." You know, this is not unusual.

**Deputy K.C. Lewis:**

Were you expecting a rejection?

**Deputy Chief Minister:**

I thought we might get one of 2 things. We got neither as it happened, if I was to be honest. I thought we might get a rejection until you have done A, B, C, D and E or a qualified yes but you must do A, B, C, D and E. Did not get either but what we did get is confirmation by the Minister, based on the advice from the Inspector, that the location was right. We also got a very useful set of principles to come back with the next application. The Inspector also says that the Rochdale profile was an appropriate way to approach this.

**Deputy K.C. Lewis:**

But who is ultimately responsible?

**Deputy Chief Minister:**

I chair the political oversight group so if you want to hold me responsible for trying to deliver Jersey a good hospital, I will be responsible.

**Deputy J.A.N. Le Fondré:**

Thank you, we will move on.

**Deputy K.C. Lewis:**

So the Members of the Assembly are responsible?

**Deputy J.A.N. Le Fondré:**

If you want to repeat the comment, Senator Routier?

**Assistant Chief Minister:**

We all have the responsibility to try and get a hospital. I think we are all trying to achieve that but we are all putting obstacles in each other's way. I think we all should be working together to try and achieve a hospital. I find these sort of comments, digging around, very difficult to handle but I would suggest that we all need to get behind and deliver a hospital. That is all I am saying.

**Deputy J.A.N. Le Fondré:**

I think we might not disagree on that but the issue is also, which we have had previously, about accountability and transparency. Who is responsible? One thing we would just like to ... and it does lead unfortunately to some harder questions as well, which we thought we might give you the opportunity to at least answer because they have been raised. Firstly, Deputy Chief Minister, the applicant employed a barrister in its team to, I presume, oversee and make the application or handle the inquiry by the Planning Inspector, correct?

**Deputy Chief Minister:**

Yes, that is correct.

**Deputy J.A.N. Le Fondré:**

Okay. There are 2 or 3 examples I would like to raise and then see what you want to ... and then there will be a question. The Inspector has, for example, cited that the Jersey Architectural Commission was used as an example by the said barrister, I believe - certainly by the applicant - but then notes that the reality was completely different. In other words that the Jersey Architectural Commission was, in one sense, held out by the applicant as kind of feedback that had been used to iterate and improve the scheme, however the Planning Officer noted to the inquiry that the Jersey Architectural Commission very specifically did not endorse the design and in effect it could be summed up as a comment: "The sheer scale, mass and height of the building remained a major challenge for the design team and a major concern for the Commission." Secondly, the Inspector does make reference to...

**The Chief Minister:**

Can we just stop there because it is quite a detailed...

**Deputy J.A.N. Le Fondré:**

Well, I am going to do a couple now.

**The Chief Minister:**

No, because you very carefully read out words which mean different things. So if a barrister is stood...

**Deputy J.A.N. Le Fondré:**

Paragraph 177...

**The Chief Minister:**

If a barrister is stood before a panel and said that they have used the Architectural Commission's concerns to improve the scheme that is one thing. It does not say that the Architectural Commission then agreed with the scheme at the end of it.

**Deputy J.A.N. Le Fondré:**

Okay, we will push on this slightly, Chief Minister. It says...

**The Chief Minister:**

Well, if I have not got the detail in front of me I am just hearing what you are saying to me now.

**Deputy J.A.N. Le Fondré:**

I am telling you what you are saying. That is okay, paragraph 177 and 178 in the Inspector's report: "The applicant sought to explain how the feedback from the Jersey Architectural Commission had been used to iterate and improve the scheme." One thing I would say is that by implication that implies that they are supportive of the scheme and they have improved the scheme. What I will also say ... hang on, let me finish. In a presentation to States Members the same impression was given by a statement very similar to that wording on a slide presentation to States Members. What was not provided was the comments by the Commission which are the ones I have read out, which is the sheer scale, mass and height of this building remain a major challenge and a major concern for the Commission. I will continue. In 168...

**Deputy Chief Minister:**

So you do not want me to answer?

**Deputy J.A.N. Le Fondré:**

I am going to let you answer in the round, Minister. 168 makes reference to illustrative material whereby some of it appears to show a building which is notable smaller than the dimensional parameters stated. In other words, the illustrations used were smaller than the reality. As a relatively minor but important point, Senator Green, in Hansard to the States you said: "We have always said and never hidden it will be a big building." Correct, absolutely. You then continue: "It has always been said it would be higher than the current 1980s building and lower than the current chimney." But the Inspector has confirmed that the total height of the building is higher than the chimney.

**Deputy Chief Minister:**

If you put the tiny little flues that will be in there.

**Deputy J.A.N. Le Fondré:**

Without being derogatory in any sense at all, Senator Green, when we measure our own heights we start from the head, not from the shoulders. In other words you cannot lop off part of the building and say it is not the height.

**Deputy Chief Minister:**

But if I was to have a beehive hairstyle you would not measure it from the top of that, would you?

**Deputy J.A.N. Le Fondré:**

I think we will stop at that. Now, what I think the actual question really should be, bearing in mind those comments by the Inspector, is...

**Deputy Chief Minister:**

Look, I would like a chance to answer your question about the Architectural Commission.

**Deputy J.A.N. Le Fondré:**

I am asking the question and then you can answer. Would you not consider that both States Members and the public have been misled on a number of occasions, in the respects that I have identified?

**Deputy Chief Minister:**

No, absolutely not. We always said it would be a big building. We always said it would be higher than the current building and we always said, and I do not deny that, that it would be slightly lower than the chimney. It was on the basis of the chimney and the current 80s building that Planning indicated to us that it would be possible to go high on that side. Now, the independent Inspector disagrees with that, at least in relation to the 80s building. What he says, in layman's terms, that if

you want to go high you need to be much closer to the 80s building than the road. That is what he says in layman's terms. When officers went to discuss this with the Architectural Commission and they saw the original very tall building at roadside it was their suggestion that we needed to find a way of mitigating the building and coming in with a plinth at that level and then going up. So effectively from the streetscape you only see the floors of the plinth, the rest is still there and there is no denying that and you will see it from a distance, but it is still there. That design came about as a result of work with the Architectural Commission. It does not mean that they rubberstamped the whole scheme. Of course they did not.

**Deputy J.A.N. Le Fondré:**

The understatement in terms of size of the buildings by the illustrations, the diagrams and drawings, the pictures that were provided?

**Deputy Chief Minister:**

That is a matter of opinion. There was nothing intentional there.

**Deputy J.A.N. Le Fondré:**

But it is a matter of fact that they were wrong?

**Deputy Chief Minister:**

It is a matter of opinion.

**Deputy J.A.N. Le Fondré:**

It is the Inspector saying some of it appears to show a building which is notably smaller.

**Deputy Chief Minister:**

He said he noticed one drawing.

**Deputy J.A.N. Le Fondré:**

Okay. So you do not accept that a comment made along the lines of iterating and improving the scheme, in other words the feedback from the J.A.C. (Jersey Architectural Commission), does not imply that they are in some shape or form endorsing the scheme? You do not accept it gives a rosier picture than was actually the case?

**Deputy Chief Minister:**

We never said that they endorsed it, we said there had been discussions with the Architectural Commission, which had resulted in the scheme that was on the table.

**Deputy J.A.N. Le Fondré:**

You did not tell States Members that the actual Architectural Commission did consider that the sheer scale, mass and height of the building remained a major challenge and concern to the Commission?

**Deputy Chief Minister:**

Well, they always said it was going to be a challenge.

**Deputy J.A.N. Le Fondré:**

When did you inform States Members of that comment?

**Deputy Chief Minister:**

I said it was a big building, it has always...

**Deputy J.A.N. Le Fondré:**

No, when did you inform States Members of the fact...

**Deputy Chief Minister:**

It was always going to be a challenge.

**Deputy J.A.N. Le Fondré:**

When did you inform States Members, Senator...

**Deputy Chief Minister:**

States Members know.

**Deputy J.A.N. Le Fondré:**

No, when did you inform States Members of the concerns raised by the Jersey Architectural Commission?

**Deputy Chief Minister:**

Every time we talked about it we talked about it being a big building.

**Deputy J.A.N. Le Fondré:**

So you did inform States Members of the concerns of the Jersey Architectural Commission, yes or no?

**Deputy Chief Minister:**

No...

**Deputy J.A.N. Le Fondré:**

Thank you. That will do.

**Deputy Chief Minister:**

...they did not put it that way. They helped us mitigate the effect.

**Deputy J.A.N. Le Fondré:**

I am sorry, I have just read the quote, Deputy Chief Minister, it is in paragraph 178, of what the Commission said, whereas you have said to us you did not inform States Members of that. Would that have not been a material matter that States Members should have been informed?

**Deputy Chief Minister:**

The resulting design that we had was a result of the work with the Commission. That is all I am going to say.

**Deputy J.A.N. Le Fondré:**

But you have said you did not inform States Members of their comments, correct?

**Deputy Chief Minister:**

The resulting application was a result of the consultation with the Commission, and many other people, come to that...

**Deputy J.A.N. Le Fondré:**

Okay. Chief Minister, a question that needs to be asked, it has been put and it gives you a chance to formally respond and I am sure it is going to be put to you tomorrow as well, is do you have full confidence in the Minister for Health and Social Services?

**The Chief Minister:**

Yes, I do.

**Deputy J.A.N. Le Fondré:**

Thank you.

**The Chief Minister:**

We can get rid of Senator Green, who has spent the last 3 years and put his heart and soul into it, put his own health risk in order to try and move this project forward. Every time you come against a problem you do not just walk away. That is the easy thing to do. It is easy to walk away from a problem. You face it up front and you try and find a way through it, and that is the sort of person

that Senator Green is and that is why he is in the job he is in. He might have been a little bit more robust with you than I might have been today but he is the person that we want to help us get over the problems that we now face because, by goodness me, do we need a new hospital and did we need it yesterday, yes, we did.

**Deputy J.A.N. Le Fondré:**

As we said, we are giving the opportunity, which is good, to answer the questions that we thought needed to be asked. The next question on that, which allows you to continue, by the way, Minister, is how you would respond to calls by the public for the Minister's resignation. How would you respond to the calls by certain members of the public?

**The Chief Minister:**

Well I am not asking him to resign. When you have been through a project like this, in other parlance you would say he has got the scars on his back. He came, he thought he could deliver a change, he has moved us further on towards a new hospital. The public will have their say in May of 2018. The States will then decide after that who they want to be the person to take this project forward. I do not see a long list of people knocking on my door saying: "Yes, Senator Green should resign and I am going to transform this project" at all.

**Deputy J.A.N. Le Fondré:**

Thank you, Chief Minister. Do you want to ask your question?

**Senator S.C. Ferguson:**

No, just sometimes is it not better to review and regroup, but we have had the answer to that so carry on.

[11:00]

**The Chief Minister:**

Well, Senator Ferguson, there is an issue that occurs to me as we are sat here in this hearing, and the Minister and I have discussed this quite a bit, about communication with the public about the other sites that people still harbour as going to be a better example. I think, and I will discuss it with the Minister, that it might be worth ... we do need to do more communication about why those other sites did not pass the test in that way, but it would be useful because he and I do agree that what this Planning Inspector's report shows is that those other sites would also fall foul of planning policies, and in some cases to a much larger extent than this. So I think there is a piece of work that we could do to help address some of Senator Ferguson's concern, and that is use the Planning Inspector's report as a matrix to view the other sites and show where they also - and as I say, to a

larger extent - fail those planning policies. That might give extra confidence because I can see, Senator, you are thinking: "Just stop this site and go to another site because it is going to be easier." I do not think there is a site that is going to be easier in the generality. There are other sites which are just as challenging, some of the in other ways. So I think there is an opportunity for us there to do that piece of work as well over the coming weeks.

**Deputy J.A.N. Le Fondré:**

We are going to move forward to, you will be delighted to note, a different subject; migration policy.

**The Chief Minister:**

Why stop now, Chairman? **[Laughter]**

**Deputy J.A.N. Le Fondré:**

Can you outline the key changes being proposed in the new migration policy?

**Assistant Chief Minister:**

Would you like me to?

**The Chief Minister:**

Yes, please.

**Assistant Chief Minister:**

Well, the introduction of the short and medium term time limited work permits for registered workers; that will hopefully support a number of businesses who are having difficulty finding people to do their work. Also criminal record checks for new migrants to ensure public safety and reduce demands on the criminal justice system. This is all in the proposition which has been lodged as a report. Also photographs on the newly issued registration cards, so that will help with compliance and getting people access into work and into housing, so when people are applying for work or housing they will have a photograph on the card. Those are the main aspects of it.

**Deputy S.M. Brée:**

Chief Minister, can you explain why this very important policy has been proposed only essentially a few months before the elections?

**The Chief Minister:**

Because the work of government does not stop. We as individuals may no longer be in the States or in government but the work of government does not stop and it should not stop, and we have to get into a mind-set that means government brings forward improvements to policy, changes of

policy, with the recognition that it might be others that then take them forward; so I do not think that is an issue. There are some changes here that we have been discussing for quite a number of months, perhaps longer than we might have liked to get it to this stage. But it is still the right policy so we should continue with it.

**Deputy S.M. Brée:**

Chief Minister, you are seeking for the debate and for the current States Assembly to vote on this new migration policy. Does that vote effectively tie the hands of the new Assembly and a new Council of Ministers to follow a predetermined course of action?

**The Chief Minister:**

Well, in some respects you could argue that it does but there is other detailed work to be undertaken underneath this which we are asking the States to agree to allow officials and departments to go away and do that work, and quite a lot of that will come back in changed regulation, changed secondary legislation, ministerial orders. So it will not be binding them completely in the way that you might be suggesting.

**Deputy S.M. Brée:**

So it will be binding them to a certain extent?

**Assistant Chief Minister:**

Well, the back of the document we just laid before the State is an implementation schedule which takes us through to July 2019, and during that time there are various times when the States will be asked to consider things so there will be opportunities for new Members and a new Assembly to put a view on to what is happening with migration. So it is quite clear the implementation schedule is over a long, long period.

**Senator S.C. Ferguson:**

What target population increase does the migration policy aim for?

**Assistant Chief Minister:**

It does not talk about a number, what it talks about is making sure we have the appropriate skills within the Island to ensure that we are able to fulfil the needs of our business community and ensuring we have got people who can care for elderly people; a broad cross-section ensuring that the skills are in the Island to provide the services that we need.

**Senator S.C. Ferguson:**

But surely having an idea of the numbers underpins just about every policy that we have got to consider? Have you not unofficially looked at numbers?

**Assistant Chief Minister:**

Well, the Statistics Unit have sort of given some projections. We have sort of looked at what has happened over the last couple of years and as a general theme we are sort of considering that what has happened over the last couple of years has been too high and we want to try and work to having a lower number of people than has happened over the last couple of years. But the priority is to make sure we have got the right people here and who are doing the jobs that are needed. You have seen over the weekend that the farming community are now sort of finding a totally different issue, trying to attract people to come to the Island, so it is a very difficult thing to become hard and fast about with regard to...

**Senator S.C. Ferguson:**

Yes, but if you will excuse me, yes, the farming people are having problems; why are we not as a government encouraging industries like that to look at machinery rather than scraping around the globe to find workers?

**Assistant Chief Minister:**

Well, the farming industry in particular, they are doing quite a lot of mechanisation but there are certain things which they are unable to mechanise, daffodil picking I know for one is certainly one that needs to be done very, very carefully with handpicking. We have had this discussion with the industry and they are telling us there are things that they can mechanise, but it also depends on the state of the ground, and the comments that were made over the weekend by the farming community was that they were waiting for the right temperatures and all the rest of it. I am assuming it would only work in certain temperatures and ground conditions, but if there was not the right conditions in the ground they had to do it by hand. So they were desperately waiting for some people to arrive in the Island this weekend.

**Senator S.C. Ferguson:**

Yes, but judging by the senior executive at Harper Adams there is a lot of work going on that I do not think is reaching over here. So what...

**The Chief Minister:**

Senator, can I just say I do not accept that. I met with - I do not know if it was October/November time or you will be able to remind me - the Farmers Union, with at least 3 representatives, some of the international companies, some of the local growing companies. They have mechanised and

they continue to explore it, but they have got economies of scale to manage, we have got field sizes to manage, so there is an environmental impact. Do not forget elsewhere across the globe where they are not constrained by land they are ripping out hedges, they are having a detrimental environmental impact...

**Senator S.C. Ferguson:**

No, if you will excuse me, the Harper Adams gentleman...

**The Chief Minister:**

...now, mechanism...

**Senator S.C. Ferguson:**

...talked about robots. So let us...

**The Chief Minister:**

Yes, exactly, so that is where you come down to capital costs at the moment in time when you have got a premium product. So they are looking at these areas, it is not fair to say that they are not. I am defending them because I think they are.

**Deputy J.A.N. Le Fondré:**

Okay, we need to move forward.

**Senator S.C. Ferguson:**

What is the level of annual population increase that is sustainable for Jersey?

**Assistant Chief Minister:**

I think that is a debate we are going to be having once the Statistics Unit give us their latest piece of work. I think you will see in the implementation schedule there is the new economic and fiscal model that will be produced by the Economics Unit. There are lots of things and we need to get that information together before we can come to answer that question clearly for you. It is a big piece of work and we need to do that, and that will be done.

**The Chief Minister:**

But the other bit of that question is really important because that is why we are introducing the time limited permits because you cannot just say: "Well, we can deal with this number every year." It depends how many of those people stay for the long term, what are the calls on infrastructure into the future, how many go somewhere else. You have got to get away from believing there is a straightforward yes and no number answer to these questions because there are not, but this policy

will help us to manage that more and mitigate the long term detrimental impacts of immigration that I think Islanders are rightly concerned about.

**Deputy S.M. Brée:**

Chief Minister and Senator Routier, do you think it entirely appropriate to put forward a migration policy that contains no number whatsoever with regards to the Island's growth in population, it is purely open-ended. Do you think it is appropriate to put forward that sort of policy?

**Assistant Chief Minister:**

Well, as I said earlier on, the issue for us really is to ensure that we have the right skills within the Island and if you have - as we had - a number previously we know that that number was not a good thing to have in the policy and we know we exceeded it. It has been exceeded because of the needs of our community and so having a number can be a false thing to have. But we do have a view that what has happened over the last couple of years is probably at a level which is too high so we are aiming for lower than that.

**Deputy S.M. Brée:**

But your policy puts no count whatsoever on the population of the Island; is that correct?

**The Chief Minister:**

It says lower.

**Deputy S.M. Brée:**

But it does not put a cap, it gives a name but not a cap; is that correct?

**Assistant Chief Minister:**

Having a cap is a very difficult thing to have because if you got to whatever cap you would like to think about it, if you got to a situation where you had reached that cap and then a really good business opportunity came to the Island...

**Deputy S.M. Brée:**

I am merely trying to establish that there is no cap, you have a name but no cap; is that correct?

**Assistant Chief Minister:**

Correct.

**Deputy S.M. Brée:**

Not for the reasons why, just to try and establish.

**The Chief Minister:**

There is no cap, I mean, if you have a cap you stop people from getting married, I mean, you cannot...

**Assistant Chief Minister:**

I am merely wanting clarification. Thank you very much, Chief Minister.

**The Chief Minister:**

But what this is doing is though trying to mitigate the long term detrimental impact that Islanders are concerned about around the growing levels of migration.

**Deputy J.A.N. Le Fondré:**

Right, we will move forward. Kevin?

**Deputy K.C. Lewis:**

Well from a quote from the migration policy, footnote page 4: "The average net migration experienced since 2001, when annual net migration statistics began, has been 700 people per year, resulting in a population today of 104,000. The Statistics Unit 'Jersey population projections 2016 release' reports that continuing with this level of migration will result in a population by 2035 of 122,000." That is from the migration policy report. The current trend will see a population of 122,000 by 2035. What is the target total population for the Island by 2035 following this new strategy, taking into consideration your previous comment?

**The Chief Minister:**

But that is if we do not change the policy. This is a policy that will bring in time limited licences and, therefore, what you are doing is trying to manage it. What we are saying is we think that there should be less or lower levels of migration in the future than there is today, but there is going to be fluctuations in that, and rightly so.

**Assistant Chief Minister:**

The big difference being with the short term work permit policy which is being brought forward is that it will be more of a churn of people and they will not be staying as long to gain qualifications. So that is, from our perspective, a real plus to ensure that there is some constraints on the number of people who eventually stay here. We know that industries like agriculture, horticulture, tourism, they need people and they do not need them to stay here all the time, they can sort of rotate and so they do not gradually increase our population as an overall number. But that is one of the benefits of having the short term work permits.

[11:15]

**Deputy K.C. Lewis:**

Has a maximum population that the Island can support been identified and, if so, what is the figure?

**Assistant Chief Minister:**

No, there has not ... sorry, Paul?

**Director, Corporate Policy:**

A very quick interjection; part of the purpose we did the Future Jersey work, and were very clear throughout, that the level of migration and the size of the population had a very clear relationship with a whole range of other policies including people's choice around how they get to work, the amount of housing that is produced, the level of skills and investment that takes place in education. As the Chief Minister said, birth rates and death rates. The point I am trying to make here is it is about a package of policies, not just the migration policy, and that is why we are doing Future Jersey, and that is how you process any ...

**Deputy K.C. Lewis:**

But taking into consideration birth, marriages, incoming, outgoing; the figure, we are a 9 by 5, do you have a figure? What is the maximum that Jersey can sustain?

**Director, Corporate Policy:**

I will just give you one example, just in terms of statistics and the variables, something like household composition, how many people live in a household and the trends in that make a huge difference to our manpower and, therefore, I do not think you can just look at one variable, and that variable will change under all sorts of different circumstances. So I do not think it is correct or appropriate to say there is a single population number that Jersey should have in 20 years...

**Deputy J.A.N. Le Fondré:**

No, that was not the question. What we are saying is what is the maximum this Island can take? Has there been that discussion?

**Director, Corporate Policy:**

My answer would be the same for that question too.

**Deputy J.A.N. Le Fondré:**

Okay. Let us skip through 16 and can we go for a brief answer.

**The Chief Minister:**

But the challenge that I am concerned about, and whoever takes this job afterwards, is the challenge of what is the effect of mechanisation going to be upon the number of jobs and the ability for us to have a strong economic position in the future. So we spent the 80s and 90s worrying about population growth. We are about the only Island of this size that is worrying about population growth; virtually every other one of our size is worrying about population decline and we are about to go into the effect of digitalisation and digital mechanisation on our economy in an unprecedented form. This is a good model because it helps us get ourselves in place post-Brexit, and to deal with some of those issues. But we should be starting to worry about population decline, not the continuing yes and no black and white answers to population in the way that perhaps we are having this conversation about.

**Deputy K.C. Lewis:**

What consultation of the public and industry have you undertaken before lodging this report?

**Assistant Chief Minister:**

Considerable amounts. We have been discussing with the Chamber of Commerce, the I.o.D. (Institute of Directors). We know this has been developed over a number of years, I am trying to think back to all the things we have had. Future Jersey was a huge part of this. Future Jersey was a considerable amount of consultation which this population migration policy sort of comes from the Future Jersey work. So it has been ongoing.

**Deputy J.A.N. Le Fondré:**

Just picking up on one question and then I will led into mine. So, for example, the tourism industry is absolutely happy with the principles of work permits?

**The Chief Minister:**

Absolutely happy?

**Deputy J.A.N. Le Fondré:**

It is a fairly straightforward question.

**The Chief Minister:**

Absolutely happy is hardly straightforward.

**Assistant Chief Minister:**

I cannot answer it like that but...

**Deputy J.A.N. Le Fondré:**

Generally happy.

**Assistant Chief Minister:**

Well, they have been asking for work permits for a number of years, so whether you can take it that they are happy with that...

**Deputy J.A.N. Le Fondré:**

So from your perspective tourism should be generally happy on work permits because they have been asking for them for a number of years?

**Assistant Chief Minister:**

The last I heard, they should be.

**Deputy J.A.N. Le Fondré:**

Okay. What work has been done to date to assess the overall financial contribution from immigrants against the demands that may or may not be placed on the Island economy?

**Assistant Chief Minister:**

Well that is a piece of work which is part of this implementation schedule. You will find that there is...

**Deputy J.A.N. Le Fondré:**

So, just to be clear, there is nothing that has been done yet but that is a piece of work that is going to be done?

**Assistant Chief Minister:**

There has been some sketchy work done but the economic work that is in here for ... I looked at it, in June it is going to be done by the Economics Unit will helpfully give us that information.

**Deputy J.A.N. Le Fondré:**

When did you say; by June this year?

**Assistant Chief Minister:**

The implementation schedule has talked about the piece of work that is being done in June.

**Deputy J.A.N. Le Fondré:**

Okay, June 2018?

**Assistant Chief Minister:**

Yes.

**Deputy J.A.N. Le Fondré:**

Okay. It is just I do remember asking the question, I think it was 2 years ago, and being told that plans were in hand to provide the information and I think it was in the foreseeable future. Obviously 2 years down the line one is still waiting. The policy also states that we may need to raise taxes and contributions while ensuring our tax system remains competitive and fair. What proposals have been discussed in relation to raising taxes and contributions thus far?

**Assistant Chief Minister:**

In relation to this migration policy?

**Deputy J.A.N. Le Fondré:**

Yes. Page 8, I believe. I do not have a copy in front of me.

**Assistant Chief Minister:**

No doubt that would fall out of that economic and fiscal model probably in June.

**Deputy J.A.N. Le Fondré:**

So to your knowledge at this stage there have not been too many discussions on that and what that might look like?

**Assistant Chief Minister:**

No, Economics are going to be doing that work in June.

**Deputy J.A.N. Le Fondré:**

Okay. So in your opinion do you think tax increases to support a larger ageing population are inevitable, despite what the migration policy might achieve?

**Assistant Chief Minister:**

I look forward to seeing the work of the Economics Unit.

**Deputy J.A.N. Le Fondré:**

Okay, so you do not have an opinion yet then.

**Deputy S.M. Brée:**

It has recently been decided that residents from outside the E.E.A. (European Economic Area) will now have to take an English language test after 2.5 years in order to be eligible to apply for further leave to remain. How does this tie in with the new migration policy?

**Assistant Chief Minister:**

That topic is sort of covered by the Minister for Home Affairs with the Immigration Department. It is their decision about how that happens. But with regard to the decisions that they make about immigration for people outside of the E.E.A. is not something which is covered by this migration policy.

**Deputy S.M. Brée:**

So did you have discussions with the Minister for Home Affairs in relation to this recent...

**The Chief Minister:**

No, my understanding is that you know that we follow U.K. (United Kingdom) immigration rules and it is a U.K. immigration rule that has changed. I have not considered the detail so I am assuming that we are just following on from that, but if you wanted further details then you could ask those of the Minister for Home Affairs. That is separate to the immigration policy and it always has been. We have always had our own legislation, above that we have had the immigration rules that we follow of the U.K., and the conditions that are applied on top of that to people outside of the European Union.

**Deputy S.M. Brée:**

So are you aware of what happens if somebody fails this particular test?

**Assistant Chief Minister:**

You would need to...

**Deputy S.M. Brée:**

Once again we need to direct that to the Minister for Home Affairs you feel?

**The Chief Minister:**

Because it falls within their legal remit.

**Deputy J.A.N. Le Fondré:**

Just in summary on population and then we will move on to a different subject area, the present target, I shall use the word, for net migration I think was meant to be ... I will say 325, I always get

mixed up between 325 and 350 a year. I have understood that you have made reference to the fact that - this is in the document itself - the actual has been 700 people per year since 2001, and in fact as you have also referred to it, in the last 2 or 3 years it has been significantly higher and certainly either at or above 1,000 a year. Is this policy not just effectively accepting that that policy has failed and we are just going to increase our targets to try and match the reality without actually controlling it?

**Assistant Chief Minister:**

I think there seems to be a misconception about what that 325 or 350 was; that was a planning assumption which departments working to, to plan services. But the reality of the commercial world and providing staff for our community is that we needed those additional people to come to the Island. When you are faced with people coming to the Housing and Work Advisory Group complaining that they cannot get licences for staff because the Population Office have refused them, we do look at each case very, very carefully. If it is shown to be of significant value to our community, whether it be economically or socially, we do give those permissions. But...

**Deputy J.A.N. Le Fondré:**

But you do accept there is a major difference between ... I cannot remember the numbers for the last year or the year before, but say 1,200 or whatever it was and 325, and certainly for planning purposes it means even the planning purposes are up the swanny?

**Assistant Chief Minister:**

We cannot deny that, I mean, that is the reality of things. We are faced with the reality every day. The Population Office get applications on a daily basis for businesses who are really crying out for staff, and they have to deal with that. We have got to recognise that they do refuse about half. Half of the applications are refused.

**Deputy J.A.N. Le Fondré:**

Thank you, Senator. Right, moving forward, there are couple of extra questions we want to throw into the pot just to keep you all on your toes just in case you are feeling slightly bored at the moment.

**The Chief Minister:**

No, we never feel that coming to the Corporate Services Scrutiny Panel.

**Deputy J.A.N. Le Fondré:**

Is the introduction of the transformation team, alongside the new chief executive, a sign that previous attempts at public sector reform have failed?

**The Chief Minister:**

It is a transition team. I...

**Deputy J.A.N. Le Fondré:**

I am not commenting on the present team, I am talking about the previous efforts.

**The Chief Minister:**

No, I do not see it as a failing. I see it as there was not sufficient pace, I am not sure there was sufficient commitment and buy-in right across the organisation to think about the broad change that was needed, and you, Chairman, and this Panel have continually challenged us about proving that we deliver efficiently and effectively and in a non-silo mentality. There were good foundation works undertaken but, let us be honest, the *Care Inquiry Report* said that still silo working, still not working in the best interests of Islanders, and that was why in the recruitment of a new chief executive we recruited the first class candidate whose remit would be to almost do baseline work on where we were, and then think creatively about where we should be into the future.

**Deputy J.A.N. Le Fondré:**

Very quickly, on the basis of what you have said, Chief Minister, do you consider the tenure of the previous chief executive, therefore, was a success?

**The Chief Minister:**

I do not want to think about personalities. The previous chief executive served the Island and the government for 36 years, sometimes in difficult posts. There was some good foundational work started during his tenure of chief executive.

**Deputy J.A.N. Le Fondré:**

Can you just confirm, when did his tenure and remuneration as chief executive officially end?

**The Chief Minister:**

I do not have the detail in front of me but I know it is in the public domain because I have spoken to the media about it, so we can re-provide it for you.

**Deputy J.A.N. Le Fondré:**

Has the former chief executive ... has everything been terminated or is he still being remunerated?

**The Chief Minister:**

I will need to get back on exactly that. I am not sure if it was a termination point or there was payment throughout a number of months post his ceasing employment. But what I have said, and I said it

clearly, and I have said it in the public domain so I have got no problem in providing that to you again. It was several months ago that I put this information into the public domain.

**Deputy J.A.N. Le Fondré:**

If you could reconfirm it to us?

**The Chief Minister:**

Yes.

**Deputy J.A.N. Le Fondré:**

The final thing on transformation and then we will see where we are on time and hopefully something more positive, which is what does success look like at the end of the initial 6 months for the transformation team? I do not know if the Chief Minister or the chief executive wish to comment on that one, relatively briefly but hopefully it gives an opportunity just to say where we are hoping to get.

**Chief Executive:**

I think the Chief Minister has made the point that there is a transition team doing some due diligence work at the moment and we have made that very clear.

[11:30]

That will give us the basis on which to be able to then look at the future operating model for public services. Until that work is complete, and it is almost complete, I would not want to prejudge the outcome of all of that, which will obviously be discussed with Members accordingly. I think I have said to you before, we fully anticipate some fairly robust scrutiny around all of these measures because what we do not want to do is create something which does not learn the lessons of what has gone before and also is not fit for purpose for going forward, both in terms of a new Council of Ministers coming into office after the general election, but also picking up on some of the points that have been discussed today about the economic and future direction of the Island and what it wants to achieve in terms of service offering and how best to deliver that in conjunction with partners and stakeholders.

**Deputy J.A.N. Le Fondré:**

Thank you very much for that. We did start slightly late, do we want to call it a day now or do you want to ... no, okay, we will end bang on time you will be delighted to know, Chief Minister.

**The Chief Minister:**

That is greatly appreciated.

**Deputy J.A.N. Le Fondré:**

Thank you for your time.

**The Chief Minister:**

It is a pleasure, as ever.

**Deputy J.A.N. Le Fondré:**

I will never apologise for giving everybody a hard time but that is what the quarterly hearings are sometimes about, but thank you for your responses.

**Deputy Chief Minister:**

We would be disappointed if you did not.

**Deputy J.A.N. Le Fondré:**

I would hate to disappoint.

**The Chief Minister:**

Thank you very much.

**Deputy J.A.N. Le Fondré:**

Thank you. That concludes the hearing.

[11:31]