



Environment, Housing and Infrastructure Panel

Quarterly Hearing

Witness: Minister for Infrastructure

THURSDAY, 8th FEBRUARY 2018

Panel:

Deputy D. Johnson of St. Mary (Chairman)

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

Deputy T.A. Vallois of St. John.

Witnesses:

The Minister for Infrastructure

Chief Officer, Department for Infrastructure

Director, Transport Policy

Director, Operations

Director of Estates

Finance Director, Infrastructure and Environment

[10:05]

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

I welcome the Minister and officers to this quarterly hearing of the Environment, Housing and Infrastructure Scrutiny Panel. Could I remind the media, and other witnesses as well, that only the panel is able to ask questions here. For the record, can we go around the table, please, introducing ourselves. I am David Johnson, Chairman of the panel.

Deputy T.A. Vallois of St. John:

Tracey Vallois, Deputy of St. John, Vice-Chairman of the panel.

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

Sadie Le Sueur-Rennard, the Constable of St. Saviour.

The Minster for Infrastructure:

Deputy Noel, Minister for Infrastructure:

Chief Officer, Department for Infrastructure:

Chief Officer of the Department for Infrastructure.

Director, Transport Policy

Director for Transport Policy, Department for Infrastructure.

Director, Operations

Director for Operations, Department for Infrastructure.

Finance Director, Infrastructure and Environment:

Finance Director for Infrastructure and Environment.

Director of Estates:

Director of Estates for Department for Infrastructure.

The Deputy of St. Mary:

Can I also welcome Gabriel, who is a student shadowing the scrutiny officers. Can I begin with a request for an update on the solid and liquid waste charges which we all spent some time on earlier in the year, or last year? Can you just give us an update as to how it is progressing, if indeed it is progressing?

The Minster for Infrastructure:

It is progressing. What we gave an undertaking to do is come back with some consultation in 2018 and we are working on that. We might broaden the basis of that consultation based on the feedback that we had from the summer of 2016 through to the summer of 2017 from businesses. One of their main concerns was that it was not a level playing field. They wanted waste charges to be considered across the board, both for non-households and for households. Obviously that goes against the States decision about that aspect but we are looking to see if we can broaden the consultation to include the feedback that we had from the extensive work that we did with stakeholders over the past 18 months.

The Deputy of St. Mary:

So is that consultation going on now and has been by you or Treasury?

The Minister for Infrastructure:

I am hoping to ... the Council of Ministers are hoping to make an announcement in the next week setting out when the consultation will actually commence and what will be in scope and what will not be in scope.

The Deputy of St. Mary:

Again, I am just trying to work out which department it lies under because it was suggested that Treasury would take it on, as it were.

The Minister for Infrastructure:

It was always a suggestion that it was at least a tri-department initiative and that has been broadened to include the Chief Minister's Department, but the 3 core departments are Infrastructure, Treasury, as you would expect, and also Economic Development, Tourism, Sport and Culture.

The Deputy of St. Mary:

Okay, so there will be a statement very shortly as to the re-engagement of consultation?

The Minister for Infrastructure:

Hopefully within the next couple of weeks we will be launching the plans of the Council going forward into the rest of 2018.

The Deputy of St. Mary:

There will be a statement clarifying that as well?

The Minister for Infrastructure:

Yes.

The Deputy of St. Mary:

Thank you.

The Deputy of St. John:

Just on the office modernisation, have Treasury and Resources identified a funding stream for this work to be undertaken?

The Minister for Infrastructure:

I do not believe they have as such. We have given them, over the last 2 years, 4 potential funding solutions. Now the new chief executive is in post, he is very keen on the central hub with smaller

outlying facilities for those activities and services that do not take place within the town. The meeting I had with him prior to him coming in post, he was very much of the same mind as myself that the scope of who should be in the central hub should be ... we should maybe look at expanding that and bringing in some of those that were originally outside the original case that was approved by C.O.M. (Council of Ministers). So the policy is still there, it is still looking at a central building, it is still identified to be in La Motte Street and we are just waiting for those proposals now to work through from the chief executive down and hopefully in due course, between now and summer, plans will be put in place.

The Deputy of St. John:

The office modernisation has been going on for a long time and your department has already done some extensive work on the office modernisation, what would you say the barriers have been other than funding?

The Minister for Infrastructure:

The barriers have been funding.

The Deputy of St. John:

Just purely funding.

The Minister for Infrastructure:

We have a scheme that we could develop further, the outline case was very robust. It just needs the funding and the capacity of Treasury and the Chief Executive's Department to put it into implementation.

The Deputy of St. John:

In terms of timescale, all the work your department have done and a decision for how funding will go forward, what do expect as a timeline for how long that would take to be up and running?

The Minister for Infrastructure:

Unfortunately, you are asking the wrong person. I cannot say from a Treasury point of view how long Treasury are going to take to do that work and what the remit of that work will be based on what the new world would look like under the new C.E.O. (Chief Executive Officer). There is a target operating model that is being developed by the chief executive and when that has been finalised or at a stage where we can start looking at implementation, that is when the office modernisation will move into gear.

The Deputy of St. Mary:

Just to add on there, I remember having presentations from you on that and you still think that has all be worthwhile, what you have done?

The Minster for Infrastructure:

Yes, absolutely the work on the outline case that we have for the La Motte Street project ... we had 2 options, if you recall, we had 2 options of that, one had an extra floor in it and that was my preferred choice and it looks like we may end up utilising that extra floor by bringing more departments and administration areas into the hub.

The Deputy of St. Mary:

So extra floors on to the ... sorry, I was thinking of the hospital.

The Minster for Infrastructure:

As you can probably gather, I am frustrated with where we are with the office modernisation programme. I would have liked us to be in the ground by now, but, having said that, I am confident that the new C.E.O. will drive it forward.

The Connétable of St. Saviour:

Do you think, in the new House, whoever takes over is going to run the gauntlet the same as you? No, because you said about having to put a new floor, do you think the new person that is going to take over is going to be in favour of that? Do you have any idea? Or have you already ...

The Minster for Infrastructure:

Constable, if I had a crystal ball I would be a very rich man but unfortunately I have not.

The Connétable of St. Saviour:

Or have you already got it secured that whoever takes over, that is going to be ...

The Minster for Infrastructure:

Constable, we do not even know who the 49 Members of the States is going to be.

The Connétable of St. Saviour:

Yes, I know that. I am saying if you have this proposition going forward, are you confident enough that here is enough work done on it that whoever takes up the reins is going to have to continue in the same vein or can they change?

The Minster for Infrastructure:

The need is there. We have a very good solution, I would hope that whoever forms part of the government going forward, and in fact the rest of the Back-Benchers and scrutiny would support that solution. But it is their choice.

The Connétable of St. Saviour:

But they do not have to?

The Minster for Infrastructure:

No, it is their choice.

Chief Officer, Department for Infrastructure:

I think it is worth saying the work that the Director of Estates and his team did before on this still stands very strongly.

The Connétable of St. Saviour:

It is a lot of work.

Chief Officer, Department for Infrastructure:

I will be a bit more candid, there was a bit more of an option to not participate than there is now and I think the new direction for the Chief Executive is one team and to fit that then there will be more people in this building and it will be a more coherent solution. The Minister suggested the extra floor will be essential and I think that is right. That is the next iteration and has to go through planning and all those things but the principles are the same, it is just the participation is at a higher rate than it was before so it is even more efficient in terms of States buildings and it is going to work better in the future than it was before. So this solution ... and the other key aspect is the positioning at that end of town to bring lots of people there when the finance industry is migrating south is essential to keep the daytime economy going in that area and that area still vibrant.

The Deputy of St. Mary:

Just in case it helps the flow of the meeting, we are inviting you, towards the end to let us know what you have achieved in certain areas and what you would like to achieve so if you could bear that in mind.

The Minster for Infrastructure:

We only have an hour and a half.

The Deputy of St. John:

That moves neatly on to the effects of rising costs on the capital programme. Your department runs the capital programme and, of course, there have been issues with inflation rises to do with Les Quennevais School.

[10:15]

I just wanted to understand from your department or your own point of view how you managed those risks around those inflationary costs and it affects potential or future builds.

The Minister for Infrastructure:

In all our budgets, as you know, for large projects the capital sum is agreed up front and the funding is agreed up front and we can proceed. Obviously that puts it at risk of inflation, we do build inflationary contingencies in. With the case of Les Quennevais, it was not ... the increase in cost was primarily down to a change of design based on the original planning application and the measures that we had to take to comply with the wishes of the inspector. There was some inflationary elements in that but predominantly the increase was due to the change of design. I am sure we are going to come on and talk about the hospital project. The hospital project has a significant amount of contingency built in in various guises and you do your best endeavours to ensure that you allow for a normal rate of inflation or a rate of inflation that is going to be relevant to that project. Those long type projects that span 6 to 8 years, there are lots of unknowns and you have to build that into your budget and in the hospital's case we have built that in.

Director of Estates:

If I can add, Minister, the inflation element of Les Quennevais was because of the time lost rather than the rate of inflation changing. However, your observation is right that the building industry is very busy at the moment and going forwards it is an almost inevitable consequence of injecting funding into particularly development of social housing. The capacity of the Island is being soaked up to a point where it is relatively full. We cannot change some of that. That is a market driven factor, however we do look at and have encouraged organisations and the larger companies in the Island to look at innovative ways of building and building techniques partnering with off Island partners to try to spread the load. In addition we operate closely ... we do not operate in silos, we talk to the deliverers of ... the States organisations that deliver large scale capital projects so we can try and co-ordinate not to the detriment of any individual organisation. Our programme is such that we do not try and artificially inflate the market and we can try and produce a smooth release of work within the market. The best thing the market can have is certainty. So where we can provide programmes of work so the market can gear up, that delivers the best opportunity for them to plan. It is not always easy because things torpedo us, planning being potentially one of them, but the more we can do that, the longer the plan horizon we have, the more certainty we can give to providers in

the market, the supply chain, the better it is in terms of them planning and gearing up. So we do do that. We talk regularly. We brief the industry, we talk to the Chamber of Commerce and the local building industry on a fairly regular basis to provide them with information. We have a good information flow and exchange with them. That helps but it is a busy time.

The Deputy of St. John:

This was identified as a potential significant risk right at the beginning by the Council of Ministers, when there was a large amount of capital programmes. Do you think it has been managed as best as it could or are there certain elements that could be put in place to assist further? It is not just your department managing it as and when they need to or gearing up as and when they need to, are there other elements that ...

Chief Officer, Department for Infrastructure:

As the Director of Estates intimated there is collaborative working between Andium, S.O.J.D.C. (States of Jersey Development Company) and ourselves. We do meet and see where the schemes have come in and where there is points of overheat in the market. We also, as the Director of Estates pointed out, try and partner with off Island suppliers with a local supplier as well and one of the innovations that we are looking at to try and keep the inflation aspects and the local aspects is to look at prefabrication. It has a strange terminology, people think it is prefab houses but prefabricating concrete and then building around that is something that we are doing on the new social housing.

The Minister for Infrastructure:

I suppose the best example of that currently is the two I.F.C. (International Finance Centre) buildings. Their whole facades have been prefabricated out of the Island. The first building was prefabricated in Germany, the current building that is going up now has been prefabricated in Italy. New types of building technique means that you do not need scaffolding, the noise levels are almost non-existent and the dust, disruption and vibration almost non-existent. So building methods have become a lot more environmentally friendly for those living around them but also facilitate off Island prefabrication, which speeds up the build and keeps the cost controllable.

The Deputy of St. Mary:

I accept that. I went to a presentation at the Financial Centre when they were in the course of construction and this point was made. Am I right to think there that - I seem to recall the word super thing used - they come in various grades these prefabs and that is more costly as well?

Chief Officer, Department for Infrastructure:

Yes, with prefabrication sections it is made in a factory, so instead of it being made on site to a certain tolerance, it is made in a factory and is to a lot higher tolerance. So there is added value and benefit to that as well. As I say, we are doing that in terms of reinforced concrete, the tanks on the new STW (Sewage Treatment Works)... the walls are going to be prefabricated in the UK probably. All that work of putting the formwork in and the structural steel will all be done in a site in the UK and then those elements will be shipped to Jersey and then they will be put cast in situ on the base. That is where you ... the Deputy of St John, is right, the inflation thing is something we have to keep cognisant of because it is going to mean that things are going to go up. We have to try and be on the front end of that innovation so that we can at least keep it as flat as possible and get the outcomes we need.

The Deputy of St. John:

We will perhaps go on to that process when we talk about the hospital, because the reduction in service is obviously a key element but I will leave that for the moment. You may have seen the Connétable and myself at the presentation and we have some points arising from it.

The Connétable of St. Saviour:

Yes, which was very good, thank you very much.

The Minster for Infrastructure:

Thank you for attending.

The Connétable of St. Saviour:

We took a lot of things back for the Roads Committee to understand fully why things are rejected and why things are not. I am just a little bit concerned about the eastern cycle track. Where are you with that?

The Minster for Infrastructure:

We are in the process of putting together a presentation for States Members and then the wider public immediately afterwards. We are working with Andium and with Education with the new Samarès site, linking that up with the St. Clement schools, Le Rocquier and the primary schools, coming through the F.B. (Florence Boot) fields and into the heart of St. Helier. We are working on routes on the southern side of the eastern corridor. The northern side, which goes through Grouville and St. Saviour, is more difficult because of the topography but plans are progressing and we hope to be having a presentation this side of the end of April.

The Connétable of St. Saviour:

I appreciate it was difficult but the things is all the schools seem to be in my area, there was no way the children can cycle at this moment in time with your plans. I know I have had a stumbling block for something we wanted to do and the company have said no. It is not going to help the kids who want to get across from the coast road into the parishes where all the schools are. This is the only thing that worries me. It is going to help the people in town and the grown-ups, no problem at all.

The Minster for Infrastructure:

Constable, bear with us and by the end of April we will have completed that work to a stage where we can present it to yourselves as the scrutiny panel but also to States Members and the wider public.

Director, Transport Policy

The approach, just to be clear, is that we have a very mature highway infrastructure, there is not the opportunity to create a facility like the western side of the route. So what we have done is we have undertaken analysis of where the barriers to cycling are and we are looking at discrete interventions that link up cycle friendly areas that already exist to help people cycle in. But the eastern cycle network is that, it is a network, it is not a single east west path as it is out west.

The Deputy of St. Mary:

Sorry, am I right in thinking that the presentation was in part prompted by the audit facility or ...

The Minster for Infrastructure:

No, not at all.

The Deputy of St. Mary:

Not at all.

The Minster for Infrastructure:

The presentation was an action plan from the action plan for 2017 to 2019. As you know, under my remit one of the first things I was asked to commission was a road safety strategy. I preferred to bypass that and come forward with a road safety action plan. We are working with the 13 roads authorities, because there are 13 road authorities, and the 13 police forces. We have done that and we are working through that with our colleagues in the parishes.

The Deputy of St. Mary:

But there is an audit facility within this. Maybe I have got it wrong but I got the impression that developers, or maybe the parishes, will be expected to have some sort of audit done at the time of planning applications.

The Minster for Infrastructure:

As an outcome from the Viscount's letter that went to the 13 roads authorities, we addressed that or shared that with the parishes. You are right, D.f.I. (Department for Infrastructure) already do that, we already have a series of audits on any roadworks that we do that are road improvements as opposed to just maintenance. That is what the purpose of the presentation was about earlier this week, to share that information with the parishes.

The Deputy of St. Mary:

So this introduces an external audit possibility then, does it?

Director, Transport Policy

We have been doing that formally since 2015. We have been piloting it since about 2010 and developing it because we are not able to follow the standard procedure like for like so we have been using independent auditors as part of work since 2010 but as a formal policy since 2015.

The Connétable of St. Saviour:

Now you have shifted from the St. Mary end of the Island and you have come to me. We have had a lot of consultation with the people who live in the parish, the people who occupy and will use these roads, so it has been very, very beneficial. You have not pleased everybody but I think we are on a home run now with some of them so we are looking forward to the next step.

The Minster for Infrastructure:

Working jointly with the parishes has been, from my perspective, excellent.

The Connétable of St. Saviour:

Yes, I am, speaking for myself and my Road Committee, we have been very appreciative.

Director, Transport Policy

It has been very helpful from the officers' point of view, not only working with the parish officials but also meeting your residents and hearing from them directly what the needs are.

The Connétable of St. Saviour:

It has been good. I just need this cycle ... I need the children to come safely to school and I know we are working on something with the ladies' college, the Girls' College to come through. I just do not want my children that are cycling, and we are encouraging it, to lose out because it is all going on the coast road because it is an easy option.

Director, Transport Policy

Yes, as I say the schools on the east of the Island have not been forgotten.

The Deputy of St. Mary:

Thank for you for that.

The Deputy of St. John:

States of Jersey Development Company, in P.73/2010 which set up the States of Jersey Development Company, appendix 5 refers to transferring investment properties back to Property Holdings from the States of Jersey Development Company, in particular referring to Weighbridge Square. Why are the States of Jersey Development Company selling them or parts of them, when it is clear in that proposition that they are not supposed to?

The Minister for Infrastructure:

The strategic assets that were set out in P.73/2010 were to be transferred back to direct States ownership at market value. A number of those have already been disposed off. There is an electricity substation that was sold to the Electricity Company because, from our point of view, it was not a strategic asset for States and so that was sold at arms length to the Electricity Company. There are 3 assets remaining in S.o.J.D.C. (States of Jersey Development Company) that were in appendix 5 of P.73. Those are the bus station, the underground car park and Weighbridge Square.

[10:30]

The bus station, I am advised it is going to be signed off tomorrow and it is going to be transferred from S.o.J.D.C. at the end of the current Medium Term Financial Plan, so the end of 2019, in specie as a dividend, back to the government and back to Property Holdings and therefore we will be the owner as opposed to the tenant of the bus station. That is one asset that has come through. The car park, although we would like it back sooner rather than later, currently cannot be transferred back because it is part of the assets that S.o.J.D.C. are using to build out their programme, including providing the housing and the social housing, et cetera, at College Gardens. The last element, which is the Weighbridge Square, hopefully will come back to the States some time in the life of the next M.T.F.P. (Medium Term Financial Plan), again at market value. The section that the S.o.J.D.C. are selling off, or have agreed to sell off, is not a strategic part of that square, it is on the periphery of it so it is not a strategic asset and therefore they were at liberty to be able to sell that section out into the marketplace. Because it is not a strategic asset - and this is my own point of view - I would like to have kept that for a little bit longer until we decide what will take place in Liberation Square and Weighbridge Square. There has been talk over a number of years on and off about combining those two and we are about to embark on a piece of work to see if that is feasible.

The Deputy of St. John:

There is a few questions that come from that. In terms of strategic assets, how is that determined and how does that work in terms of accountability between yourselves and S.o.J.D.C.?

The Minster for Infrastructure:

I put it in layman terms, if we need it to do operational things or to provide a public facility then it is strategic, if we do not need it - and the classic case is the building that we tried to sell some 3 years ago now, which is Piquet House, that is not a strategic asset and States Members did not want us to sell it so it is sitting there currently not being used. It is difficult in terms of what is strategic but I tend to boil it back down to do we actually need it for operational services, to provide services to public, because that is what we are here for. We use buildings to provide services to the public and if it is not needed for that or providing a facility to the public then it is not strategic.

The Deputy of St. John:

How can you determine what is or is not needed if you do not have a long-term strategy for the property portfolio?

The Minster for Infrastructure:

We do have a long-term strategy for the property portfolio.

The Deputy of St. John:

But it is not public.

The Minster for Infrastructure:

It is not hidden either, though. We have stated it many times and many times in this room to the panel. We will dispose of property when they no longer have a use for providing public services, because we do not need to hold property for the sake of holding property.

The Deputy of St. Mary:

Just leading on from that, you said you personally would have preferred not to have sold it off?

The Minster for Infrastructure:

Yes, at this time because of the piece of work that we are about to embark on to look at the feasibility of what would we do. Liberation Square has been there for some 22 years and needs refurbishment. The amphitheatre is getting tired and so before we spend on Liberation Square to bring it back up to the original spec we need to look at the wider picture, is there merit in combining Liberation Square with Weighbridge?

The Deputy of St. Mary:

Yes, but you yourself said you would like to hang on it a bit longer, why is now ...

The Minister for Infrastructure:

Because it is not a strategic asset. If you look at it purely from that point of view, there is no reason for us to object for it to be sold.

The Connétable of St. Saviour:

But it might become that, you might want to have incorporated it into the ideas and the plans you are going to come up with.

The Minister for Infrastructure:

But it would not be strategic, we could still provide public realm and public space without it. It is on the edges. It is already currently used and has a long lease on it for 40-odd years for its current usage. It is not going to become a strategic asset in that time, it is just not available to us.

The Deputy of St. John:

If that was the case, then at what point did S.o.J.D.C. speak to you about the strategic asset and whether it was a strategic asset?

The Minister for Infrastructure:

They did not speak to myself, it was an officer that ...

The Deputy of St. John:

A head of department then.

The Minister for Infrastructure:

It would have been tail end of 2017.

Director of Estates:

Yes, it was before, it was the period before Christmas. I could not tell you specifics on that now, the details, but it was before Christmas. The decision does not sit with the Minister for Infrastructure, it sits with the Minister for Treasury and Resources in terms of his shareholder role. The rents, in this case, are premium payment, so a capital payment, if you like. What happens to that is a matter for the Treasury and is yet to be determined.

The Deputy of St. John:

I mean I understand the shareholding and I think there are issues around planning various shareholders' role and how it works in policy, rather than just money ventures. But I thought that was the reason why the Regeneration Steering Group was set up under P.73/2010 to assure ... I think the scope of activities of that was: "To improve the States Strategic Plan, Island Plan, input from E.D. (Economic Development) on socio-economic issues, States Property Plan, Energy Policy, Planned Infrastructure Investment, Airport Operational Plan, Harbours Plan, Integrated Transport Plan, Housing Needs Survey." I thought that was the reason of having a Regeneration Steering Group, to ensure that that policy side of things was considered before.

The Minister for Infrastructure:

The role of the Steering Group has almost become redundant in the last few years with the Future St. Helier Group. If you look at the two sides bodies they are doing, effectively, a lot of the same things. The disposal of a minor piece of land is not the type of thing that would come to the R.S.G. (Regeneration Steering Group); it is the bigger picture, it is ...

The Deputy of St. John:

But it is integral to the property and this is what I do not get. It states here, accountability: "Regeneration Steering Group will be accountable to the Council of Ministers for its activities." From my point of view, as a Back-Bencher of the Assembly, we have got to hold the Council of Ministers to account and the relevant Ministers and I always thought that the Regeneration Steering Group was that check, just in case, in terms of policy.

The Minister for Infrastructure:

It was originally set up, from my understanding, to accommodate the wishes of the Constable to have a direct input and also of the then Minister for Planning, to have an input on policy decisions around the global property portfolio where the properties were owned then by Housing, which became Andium owned by S.o.J.D.C. or directly by J.P.H. (Jersey Property Holdings).

The Deputy of St. John:

But we, potentially, have a serious issue, do we not? You do not have to agree but we have got a shareholder, which is the Treasury - and Treasury are numbers orientated - and then we have the policy position of your department with regards to property and property plans and how it all fits together in the long-term aims of the Island for public assets. How do we, going forward, or could we at this precise moment do something to fill that gap?

The Minister for Infrastructure:

What gap?

The Deputy of St. John:

The clear gap where it seems to be that Ministers can change things that have been agreed in propositions, where Regeneration Steering Groups are created to give confidence to the States Assembly that there is some check and balance and then it is dismantled and set up for something completely different and nobody ends up held accountable.

The Minister for Infrastructure:

It is doing what its remit is to do but it is not going to be looking at every little parcel of land that S.o.J.D.C. or Andium or J.P.H. decide to sell or acquire or develop. It is there to put it for the larger picture, to make sure that we have a more coherent input to how St. Helier develops.

The Deputy of St. Mary:

You said earlier that it is almost redundant.

The Minister for Infrastructure:

I believe there is a lot of duplication between the Regeneration Steering Group and the Future St. Helier Group, in particular, it shares ... there are 3 political representations on that, which is the Constable of St. Helier and the Minister for Planning and myself sit on both and the meetings are scheduled to take place back-to-back.

The Deputy of St. John:

But the composition of the Regeneration Steering Group was supposed to be the Chief Minister, the Minister for Treasury and Resources, the Minister for Economic Development, you, the Minister for T.T.S. (Transport and Technical Services), as it was known, the Constable of St. Helier and a co-opted Constable for a parish in which a major regeneration scheme is taking place. Has that ever happened?

The Minister for Infrastructure:

No, because the next scheme that would not be in St. Helier would probably be the St. Saviour site and then we would second the Constable of St. Saviour at that time.

The Deputy of St. John:

But anything in terms of what is in St. Helier, which has been since the case in 2010, have all those people met on a regular basis and how public are the minutes?

The Minister for Infrastructure:

Quarterly basis and there are minutes.

The Deputy of St. John:

How public are the minutes?

The Minister for Infrastructure:

I do not know, they are certainly taken by staff from the Greffier's office.

The Deputy of St. Mary:

Okay, well I think we perhaps need to give that group some more attention another time. Moving on, Ports of Jersey, that follows on from the Regeneration Steering Group, since the incorporation, can you, Minister, update the panel as to how the working relationship has developed, particularly regarding properties which are within the ambit of P.o.J. (Ports of Jersey)?

The Minister for Infrastructure:

To be frank, we have had a difficult working relationship with Ports of Jersey since incorporation and an example of that is an incident that occurred yesterday whereby a pontoon was stored on dry land in front of a garage door that was vital that we had access to it. Those types of things should not happen. We say there has been a difficult working relationship over the last couple of years in terms of how the property activities are managed.

The Connétable of St. Saviour:

Do you regret ... well not you personally but do you think the States regrets giving them a free rein?

The Minister for Infrastructure:

The incorporation was the right thing to do. It is just that these teething problems were not anticipated.

The Connétable of St. Saviour:

So it is two years of teething problems?

The Minister for Infrastructure:

Yes, pretty much.

The Deputy of St. Mary:

Is the problem relating to the access to buildings and roads primarily?

The Minister for Infrastructure:

Primarily it is sorting out the leases between ... if you recall back when the ports was incorporated certain land was deemed to be within, what I call, the red line but that meant that there would need

to be an exchange of leases and exchange of properties and so on. Some ports activity was taking place, for example, the harbour office in Maritime House; that is not inside the red line, it is one of our buildings and it is just getting the contractual leases in place. It is taking a lot longer than I would have liked.

The Deputy of St. Mary:

Does the M.o.U. (Memorandum of Understanding) need to be revisited?

The Minister for Infrastructure:

That is a question for the Minister for Treasury and Resources.

The Deputy of St. Mary:

Not a question for the Economic Affairs Scrutiny Panel; that is why I raised it, yes.

The Minister for Infrastructure:

I am hoping that, in short order, all the difficulties that we had with regard to leases are going to be resolved.

The Deputy of St. John:

What are the reasons for the delays then in the leases?

The Minister for Infrastructure:

Just the inability of both parties to be able to agree with the spirit of what was agreed prior to incorporation.

The Deputy of St. John:

This is not acceptable.

The Minister for Infrastructure:

No, it is not acceptable.

The Connétable of St. Saviour:

No, it is not.

The Deputy of St. John:

But is there anything that the States Assembly or the Council of Ministers can do to hold them to account?

The Minister for Infrastructure:

I hope to have it resolved before I leave office.

The Deputy of St. Mary:

Yes, going back to the Deputy of St John's point and I do not, necessarily, think the States Assembly are aware of any such problems and, again ...

The Minister for Infrastructure:

They are internal problems between a States department and a States wholly-owned entity, it should not be. Everyone should be acting as team Jersey and not as individual entities, regardless of what company law says.

The Deputy of St. Mary:

Yes. But aside from the difficulties you referred to earlier and I am thinking in terms of the buildings before Ports of Jersey came to being and being allowed to fall into disrepair, like La Folie. Are you saying that is outside the scope of your remit?

[10:45]

The Minister for Infrastructure:

That is outside the scope of my remit.

The Deputy of St. Mary:

You have got no input at all on that.

The Minister for Infrastructure:

I share your frustration and the lack of progress but particularly that building; it has been empty for far too long.

The Deputy of St. John:

Can I just finally ask, what assistance has the Minister for Treasury and Resources, if any, given you to assist in fulfilling these leases?

The Minister for Infrastructure:

I work closely with my political colleagues and we are putting on pressure to make sure that this is resolved prior to my leaving office.

The Deputy of St. Mary:

Okay. Yes, going on to Property Holdings, what plans are there to transfer J.P.H. housing stock to Andium Homes for key-worker accommodation?

The Minister for Infrastructure:

We have not got much in terms of housing estates or blocks of flats to transfer to Andium. We have pockets of individual houses, for example, it might have been an old caretaker house attached to a school or something like that. We have recently transferred, sold to Andium at a market value, The Limes site and they are providing some temporary key -worker accommodation for us. What needs to happen is - working with my colleague, the Minister for Housing - to come up with a programme with the Housing Associations for them to provide key-worker accommodation to the standard that is required and we are working on that.

The Deputy of St. Mary:

Just developing that slightly, therefore, these are key workers for the Health Department, of course.

The Minister for Infrastructure:

Primarily but there are other departments as well.

The Deputy of St. Mary:

Yes, going on to the next question really, what plans exists that are disposable or other J.P.H.? Is it a case that properties will go to the department concerned or are you going to keep more control?

The Minister for Infrastructure:

As I had said, we have not got that many and they are dotted around. Each property is looked at on its own merit, whether or not it is maintained within the portfolio or sold or whatever.

Director of Estates:

I beg your pardon, may I, Minister? Yes, the residential portfolio, when Andium was created and the vast majority of residential properties were transferred to Andium and proposed because they fulfilled the role of affordable social housing. What remains within the States portfolio are largely legacy properties, a number of which relate to trusts, eg the Le Seelleur trust, which have their own property management plans and investment strategies to return funds to the trusts. We provide accommodation for some key workers directly. I signed this morning a new accommodation agreement for somebody from the Field Squadron. We do provide some key-worker accommodation directly. However, the property portfolio we have got, because it is a legacy portfolio it was never designed for key workers, simply selling it to Andium and then giving Andium or other providers of social housing the problem or the task of finding accommodation for key workers who are an ebb and flow of people, whose numbers will grow and shrink, whose requirements will

change; they are not simply single people. The Limes was great and it was easy because the vast majority of the cohort there are single junior doctors on a temporary contract, so you can have a fixed solution to a period of time that addresses their needs. The ebb and flow of people into the Island that need key-worker accommodation, I think there needs to be some definition about that as well, does not lend itself to the public or owning a block of properties that are stamped key-worker accommodation. The solution, as the Minister alluded to, is having a key-worker accommodation policy that allows key workers to have the ability to enter into the market, such that they can be managed within the market. That means examining the way the gateway process works because at the moment they are not within the gateway process, so it comes back to definitions, it comes back to understanding the current and future demand for key workers. It looks at thresholds in terms of, who should you be providing this for? Is there financial and other thresholds? There is quite a lot of work to understand and perhaps categorise the issue and that is happening within the Minister for Housing's Department, Chief Minister's Department, where we are putting that role. From my perspective, I do not particularly want to run a residential property estate because we already have an organisation in Andium that does that and is geared up to doing that. It would be better for Andium to be the provider, along with other providers and it would have to be Andium and those people who are geared up to run a residential estate, tenant interfacing, billing and all the things that go with that. Our residential properties would reduce down to a core number of properties that are either held to support the trust, like when a property is bequeathed to us; that means we rationalise and invest it in and return funds to the public to be used in terms of the bequest or they are specific individual properties, an example being St. Mary's School. The schoolhouse is within the curtilage of the school, so it could never be disposed of separately and indeed it has to be tenanted by people who have got the appropriate clearance. There will always be a small number of properties that the public own, some because they cannot be disposed of; they are integral to other properties, some where we are the occupier of last resort, in effect, but holding a property just in case it needs a key-worker requirement is an inefficient way of dealing with things. We are moving forwards on dealing with the bigger problem, rather than just shuffling properties around.

The Deputy of St. Mary:

Thanks for the explanation. I am just concerned with what you say, therefore, that properties should have a residential use, you would not aim to keep them. If that is the case, would it not be better to dispose of the ones you can and leave it to the person who has got the appropriate licence or whatever to come in to do whatever they want in the open market?

Director of Estates:

Indeed that is what we have been doing, we have disposed of ... to rationalise the holding, the mix of property and other investments within the Le Seelleur trust, for example, we have disposed of several properties last year and there is another one being disposed of. Because the property itself

provides a low return at the moment, it needs investment within it. The trust would not want to risk its cash on investing speculatively, so it is getting that balance out. Indeed, as properties become vacant, we do look at whether we would retain them or not. If a key-worker policy and strategy were in place, then we would look at it in the light of that strategy and policy, so there may well be further disposals as we go forwards.

The Deputy of St. Mary:

Okay. My next question, have the States certain properties held by the departments to be transferred to J.P.H.? From what you are saying, the departments themselves do not own them.

The Minister for Infrastructure:

Other departments do not own their properties, all the States departments are owned by J.P.H. It is only the wholly-owned subsidiaries that own their own property but no States department owns their own property; they are all owned by J.P.H.

The Deputy of St. Mary:

Okay, and within J.P.H. do you have a sort of a sub-fund for 10 or 20 properties for teachers, for instance? You do not have that policy at all.

Director of Estates:

At the moment we know that within the Education Department, the residential stock that is associated with schools, we have categorised them into properties that we would always own, the public would always own and we would look to target those for appropriate accommodation, often teachers or other school support staff who have clearance checks and the like that are necessary to live in accommodation. Then we have other properties that have the opportunity to detach from them, a schools' or a caretaker's property. There might simply be a property that is lived in by a caretaker, if the situation changes and that property becomes vacant, at that time we will look as to whether we either re-tenant it with somebody associated with the school because there is a defined need or we re-tenant it with somebody else where there is a need and it could be a client of the Health and Social Services Department, for example, or we dispose of it to the market by lease or we dispose of it to the market by freehold disposal. We will take a view as and when properties come forward on a case-by-case basis because they are pepper-potted around the estate. If they have a strategic value because they form part of a larger footprint, so they are a school property that is within a school curtilage, for example, the likelihood is we would tenant it and retain it because it creates space for future development and so on. They are looked at on a case-by-case basis.

The Deputy of St. Mary:

Okay. You said before you are not anxious to run a property portfolio and as and when the opportunity comes up you rid yourselves of those which are surplus to requirements.

Director of Estates:

Yes. There is no need for us to own and run residential properties into the market for occupation by third parties. It is not our core function.

The Deputy of St. Mary:

Fine. The final question under this J.P.H., one property you did mention, you mentioned Piquet House, can you give any update as to where we are with that, please?

The Minister for Infrastructure:

We are waiting for a business case to come from the Bailiff's Chambers for what they think is a need. We have asked them to establish what their needs are and then we will look at what possible solutions there are, as opposed to making a solution to fit the need; it is the other way round.

The Deputy of St. Mary:

Okay, and that is the only business case you have spoken about with them.

The Minister for Infrastructure:

I believe the Greffier is also looking at the possibility of something for States Members, a facility for States Members but, again, it is what do States Members need? Certainly we provide the resources for that need, as opposed to there is a solution and trying to fit the problem to the solution. We need to identify what the problem is and find a solution but it might not be Piquet House.

The Deputy of St. Mary:

Yes. I appreciate that and I also appreciate what you said about the ongoing maintenance charges, so I presume you are trying to get things to conclusion fairly quickly.

The Minister for Infrastructure:

We keep the building wind and watertight and that is all we do because our core activities is to keep operational buildings fit for purpose.

The Deputy of St. Mary:

Okay. What you say if a business case is awaited then there is a chance it might be sorted within the term of your reign ...

The Minister for Infrastructure:

I would love it to but, unfortunately, I do not believe it is the case; I would have disposed of it ...

The Deputy of St. Mary:

I know, that is one of your ambitions, yes.

The Minister for Infrastructure:

I would have disposed of it 3 years ago and we would have had, hopefully, a thriving education business there; that was stopped by the former Deputy, Deputy Young, and, yes, I would have sold it.

The Deputy of St. Mary:

Okay, thank you. Does anyone else want to ... We go on to recycling, we go on to a change of topic. Have there been any recent discussions regarding the extension of kerbside recycling to the 6 remaining parishes, one of whom is represented here today?

The Minister for Infrastructure:

Unfortunately, there has been no progress since the Parish of St. Brelade did the kerbside recycling very successfully and very cost effectively. We have 6 parishes that do kerbside recycling; St. Helier is one of those. I would love the remaining 6 parishes to take it up and to persuade their parishioners that it is a good thing to do. Certainly, we do it in my own Parish of St. Lawrence and have done for many years. As a rates payer, I appreciate the fact that I have that facility provided to me in St. Lawrence. It is for the individual parishes to bring it forward and if the parishioners want it I am sure they will be there if parishes wish to do so.

The Deputy of St. Mary:

You would obviously believe it is the responsibility for the parishes to bring it forward, rather than impose something on ...

The Minister for Infrastructure:

That is traditionally the way it has gone. You will recall that Deputy Tadier brought a proposition some 3 years ago now and asked us to look at doing an Island-wide kerbside recycling system. That did not go down well with the majority of the members of the Comité des Connétables, they wanted to control refuse collection in their parishes and it is their right. But if the parishioners want to have that facility provided to them out of their parish rates, then they need to lobby their parish officials.

The Deputy of St. Mary:

Okay. Moving on to the Island-wide bit then, the bottle recycling, et cetera, there has been a lot of ... the noise, in fact you need to go back to my youth where you placed a deposit on your bottle and got something back when you ...

The Minister for Infrastructure:

You are talking about plastic bottles, Chairman.

[11:00]

The Deputy of St. Mary:

Plastic bottles, yes.

The Minister for Infrastructure:

Yes, that is something I have read quite recently as being in the media in the last few days, the system that has worked very, very well in Norway. I would prefer our parishes to do kerbside recycling, personally, because not only do we collect the plastic bottles, we would end up collecting cardboard and paper and tins and so on, so we would have a bigger recycling bang for our buck, if I can use that term, than just merely having a deposit scheme dotted around with machines to do so at retail outlets around the Island. I think we will have more of an environmental positive impact by extending the kerbside recycling scheme.

The Deputy of St. Mary:

But if the parishes are not all on side on that, then there is a system where the individuals can themselves get rid of the problem ...

The Minister for Infrastructure:

In conjunction with retailers and suppliers and the wholesalers. There is nothing stopping the likes of our large retailers, the Co-op, Waitrose, the Icelands and so on from providing those facilities. Yes, businesses can do it if they want to do it; we will not stop them. But I think that a more efficient way of increasing our recycling rates; one is to bring in charges for our waste and the second one is to extend the kerbside recycling.

The Deputy of St. Mary:

Okay. Anything else on that? Yes, touching base on Fort Regent, last thing I heard the planning application is in and been granted for the removal of some areas which you thought were dangerous. How are we getting on with that?

The Minister for Infrastructure:

Just bear with me... we have gone out to tender for the demolition of the cable car station. There are 3 parts of that we want to remove on safety grounds. There is the old cable car station, the swimming pool itself and also the bridge that connects the swimming pool across to the rotunda area. A planning application has been approved now for the demolition of both the cable car station and the pool and we are progressing that and, hopefully, we will start that process later this year.

The Deputy of St. Mary:

Later this year, we cannot really do better than that, no?

Director of Estates:

Minister, I can help. We are about to go out to tender for the demolition of the cable car station and, hopefully, to get to the point of awarding a contract some time in April. That will be a contract for a local provider because the demolition of the cable car station is tricky in terms of its location but technically not difficult in terms of content. Assuming that we can have a contractor start in May, then we expect to have demolition completed by the summer, probably August, so that would be the cable car and that is the simpler of the elements. The swimming pool and the bridge link, we are currently out to tender for a technical adviser and contract manager on this project because it is a materially different project. It is a complex building to demolish. It has some materials in it that will need to be dealt with carefully. We hope to appoint the adviser by the end of this month and the adviser will help us prepare tender documentation so that we can tender, again, probably March into April of this year for someone to undertake the main demolition works. That is likely to be an off-Island contractor because of the necessary skill set but we would welcome partnering arrangements with on Island contractors as well. The target for commencing and completion of that demolition really depends on what we get back from the tender process but we would expect that demolition to start fairly soon on the heels of the completion of the cable car demolition and it is likely to take approximately 9 months to finish the demolition. We are looking at somewhere spring to summer 2019.

The Connétable of St. Saviour:

Have you any idea what you are going to put in there?

Director of Estates:

The short answer is nothing on completion of demolition; that is a separate work stream. We are focused on the removal of those buildings. The future of St. Helier is a future for Fort Regent and sits within a St. Helier-wide discussion and is being driven elsewhere.

The Deputy of St. Mary:

The future of Fort Regent, you will direct us towards ... that is Jersey Sport essentially, is it? They are the big ...

The Minister for Infrastructure:

It is being politically led by Constable Pallett.

The Deputy of St. Mary:

Again, your remit is essentially into the maintenance.

The Minister for Infrastructure:

Effectively, to maintain the structure as well with any department occupying a building premises. A department has got certain obligations and we, as the landlord, have certain obligations and that is what we are maintaining.

The Connétable of St. Saviour:

It would make a very good skateboard area.

The Minister for Infrastructure:

There used to be one there.

The Connétable of St. Saviour:

Yes, as we were saying, that it would make a very good skateboard ...

The Deputy of St. Mary:

I think Jersey Ports might be quite happy if that was removed, would they not?

The Connétable of St. Saviour:

It is in the pipeline now with Constable Pallett and maybe he might ... but it depends on how long and the voting in May.

The Minister for Infrastructure:

Yes, you need to ask the Constable.

The Deputy of St. Mary:

Okay, before I get on to the hospital, one final topic was transport. The only point I have there is, I think I am right in thinking that the equivalent of an M.O.T. (Ministry of Transport) test is being introduced for commercial vehicles, is that right?

The Minister for Infrastructure:

The first phase of licensed operators came into effect at the beginning of January this year and, to my knowledge, it is progressing well, as you will realise ...

The Connétable of St. Saviour:

Among vehicles, yes.

The Deputy of St. Mary:

Being gradually tightened up to bring it more into the fold, is that right?

The Minister for Infrastructure:

Yes, it is a programme that is a 5-year programme and we have started the first phase of that 5-year programme and it is going well.

Chief Officer, Department for Infrastructure:

Just to add, the industry's view on this has been very positive and there has been a big sort of ... we thought they would be quite concerned about it but they have welcomed it because it has raised the bar. People are now investing in the proper machinery they should be investing in and the effect is, environmentally, we have got a better outcome for Jersey and we have got safer vehicles on our roads, even as we start it has happened because companies have invested in better vehicles, so it is great news.

The Connétable of St. Saviour:

Yes. We threw our toys out of the pram, I have to be honest, down at the depot but we have overcome that and we can see now how good it was. At the time we thought it was ridiculous but the vehicles are well maintained and well checked over. It is a win-win situation for the guys working on them and on the roads.

The Minister for Infrastructure:

Correct. It makes sense to make our commercial fleet on the Island safe because they are the ones that are on the roads the most ...

The Deputy of St. Mary:

On the pollutants, yes.

The Minister for Infrastructure:

It is an important piece of road safety.

The Deputy of St. Mary:

Okay, right. I must say I kept the best until last but the hospital, it is obviously a matter of great public concern and perhaps just ...

The Connétable of St. Saviour:

Can I ask a couple of questions before I go because I am going to have to go to the hospital?

The Minister for Infrastructure:

Yes, sure.

The Connétable of St. Saviour:

We all had phone calls last night or communications with the public, and one particular person in the public was very, very concerned. They sent us an awful lot of questions but the one I would like to know now before I go and occupy the building. On 2nd February St. Saviour's hospital site was looked at, I would like to know two-fold then, why there is a restriction on using the grass in the front of it, because that seems to be really, really, in my mind, a stupid thing when you have got all that grass and I cannot even graze my cows on it? Secondly, has a construction company been signed up to do the hospital because that is what came out of that meeting, be it official or unofficial, it was stated that the contract had been given to a winning builder?

The Minister for Infrastructure:

Constable, what meeting are you referring to?

The Connétable of St. Saviour:

The meeting that took place on Friday, 2nd February. I cannot name the people but yourself, you were there, the Chief Officer was there from D.f.I. (Department for Infrastructure), Property Holdings was there, project development was there, there was an awful lot of people to have a look at St. Saviour, to discuss the future hospital being put there. They said, no, and was adamant it was not going to happen. You see you are all nodding and you are all getting all organised.

The Minister for Infrastructure:

No, no, I am ...

The Connétable of St. Saviour:

I just would like an answer and so would the person who sent me this information. Are builders being signed up for the new hospital?

The Minister for Infrastructure:

The first thing, St. Saviour's site has been considered, as in the documentation that is already in the public domain. It did not meet the right criteria.

The Connétable of St. Saviour:

No, we ...

The Minister for Infrastructure:

The St. Saviour's site is not a site that we will consider.

The Connétable of St. Saviour:

That is fine, that is fine, I quite understand that but I just wanted to know why the lawn cannot be touched.

The Minister for Infrastructure:

Constable, you need to speak ...

The Connétable of St. Saviour:

Also, was there was a signing of ...

The Deputy of St. Mary:

You have got to let the Minister answer.

The Minister for Infrastructure:

Constable, yes, I will answer that. You need to ask that question to the planning team; it is in Environment. My department do not list buildings; we are subject to listings. But you need to ask the Minister for Environment.

The Connétable of St. Saviour:

Okay, will do.

The Minister for Infrastructure:

With regard to a contract, we have been through a process through the States procurement process and using the portal and we have a preferred bidder status.

Chief Officer, Department for Infrastructure:

Yes, we have written to a company to say we would like them to be our preferred bidder at this stage. We are meeting the company next week to discuss the terms of that. Just to be clear, this is to move into a P.C.S.A. (pre-contract services agreement) phase, which is about helping them

work with us on the design. It is not a contract that says you will build the hospital. It is about getting the right expertise from the contractor early because they are really good at building things, they are really good at understanding ground conditions and temporary works and all those things. You get the contractor in and sit with the design team early to help formulate the design and move the scheme forwards. That is quite a mature and an innovative way to work on these projects, instead of here is a specification, here is a price, go and build it. This is about working collaboratively with the contractor. We have found a bidder that is fantastic, one we are really pleased with and we are meeting them next week to discuss this pre-contract services agreement phase, yes.

The Connétable of St. Saviour:

Does that hold them on a retainer? Are we paying them while they are on this retainer?

Chief Officer, Department for Infrastructure:

We will pay them through that stage because they will be helping us design it. But there is no obligation in terms of a contract moving forwards on that. This is about getting the design to the point of being able to know exactly how much it is going to cost, know where we are going to build it, how we are going to build it because a lot of the risks are about how you build it. We have been through that with some of the issues with demolition and noise and dust and vibrations. Getting the contractors involved early really helps and their expertise and experience in building hospitals is fantastic.

The Connétable of St. Saviour:

They might build it but they will be on the retainer.

The Minister for Infrastructure:

They will be providing services ...

The Minister for Infrastructure:

They will be providing services to us that we have procured from them.

Chief Officer, Department for Infrastructure:

It is helping them help us design the project, so it is the best project we can have for the money.

The Connétable of St. Saviour:

Thank you.

The Deputy of St. Mary:

We will be able to question ...

The Connétable of St. Saviour:

I do apologise but I have an appointment.

The Deputy of St. Mary:

Yes, going back to my earlier question, can I say at the beginning that the Constable said there is a lot of concern expressed on this much more than anything else and ...

The Minister for Infrastructure:

I would expect nothing else, yes.

The Deputy of St. Mary:

Yes, I appreciate that but it is not a complaint. I now understand that the Hospital Review Panel is having its own hearing on 26th February and a lot of the questions I would not ... it is primarily their detailed responsibility, rather than here. But, as you are the Minister and the ones that sign contracts, we have a few questions. Yes, going back to the question just raised, following the state of the planning application, can you tell us where we are on that in the sense that there have been rumours suggesting that you are about to sign a contract, which would seem fairly irrational at this stage of the game?

Chief Officer, Department for Infrastructure:

Okay. We do not work on rumours and, Deputy, I think ...

The Deputy of St. Mary:

I know and I am sorry, I am not criticising you, but this question is to bring out clarity so, through this public means, the public can be told.

Chief Officer, Department for Infrastructure:

Yes, okay. We went through a very difficult debate, which we had a successful outcome. Within the debate there was a clause (h), which was an amendment which talked about in the event of the planning application being refused at this stage, what would you do in terms of progress? We have taken legal advice on that and we are within the legal framework that we have been given in terms of we have got to now progress to find a solution and to confirm that that solution is within the budget envelope that was agreed at the outline business case stage; that is the process we are going through.

[11:15]

To do that we need everybody who is ... we need to still be spending money, unfortunately, to help that redesign, liaise with planning, make sure we can get a planning envelope that they are happy with and also the contractors involved with this are going to be pivotal to make sure that the buildability of the redesign is in place. What we are doing is we are getting to that point. If, at the end of this process, our redesign scheme is above £466m, then we will then stop and we will go back to the States for a decision. If the decision is less than that, we will continue. That is a clause (h) which was agreed as the amendment.

The Deputy of St. John:

You are saying within the budget envelope and not the site envelope.

Chief Officer, Department for Infrastructure:

Sorry, Deputy, can you explain?

The Deputy of St. John:

You stated that you have got to redo the design or whatever it is, the planning, within the budget envelope you have been given but not necessarily the site envelope that you have been given.

Chief Officer, Department for Infrastructure:

What we have done is the planning inspector's report was not the best day we have had this year and this is how these projects work. But there were some key indicators in there in terms of how you can progress this and do this differently. One was about phasing and the other was about the actual footprint. We have taken both those things on board, again, having a contractor in place that we can work with to talk about phasing makes a big difference. What we have done is we have looked at those two key elements, phasing and the area we are building on, and that is what the planning inspector signalled very loudly and very strongly, and that is what we are working on with our planning colleagues now.

The Deputy of St. John:

There is a huge issue at the moment is that we have got, the States agreed to the site option, the planning decision that has come back and what was put through to planning is going back to the drawing board basically and ...

Chief Officer, Department for Infrastructure:

Yes, not quite, Deputy.

The Deputy of St. John:

I am not an expert in hospital buildings. You can correct me in a minute but can I just finish what I am trying to ask? You have got a position where the funding has been agreed by the States at a certain envelope, yes, and we have made this mistake many times before in the States where we have handed over an envelope and then an election happens and there is no one in place, necessarily, there is no accountability, the public feels, with regards to what is going on during that period, which is known as purdah. I think there are serious concerns from the public because things have gone quiet. There are a lot of rumours going around, a lot of people do not understand exactly what is happening now. I think I just want you to set the story straight now and explain to me what the position is and particularly the position when it comes to purdah.

The Minister for Infrastructure:

We will be in a much better position to share the current work that is continuing by the scrutiny meeting on the 26th. We have an agreed location. We have an agreed budget. We now ...

The Deputy of St. Mary:

Location of the site, yes, yes.

The Minister for Infrastructure:

We now have very clear guidance from the planning inspector about what would be acceptable and what would not be acceptable. We hope to come back with a solution that ticks all 3 of those boxes.

Chief Officer, Department for Infrastructure:

Since that decision the team has been working tirelessly to come up with a revision; that work is currently being undertaken. It is being done quietly because it needs to be because there is lots of options. You have got to then test it into the medical adjacencies and the temporary works and all those things you have got to do but there is a solution being developed.

The Minister for Infrastructure:

To be fair, the medical staff are providing excellent input.

Chief Officer, Department for Infrastructure:

I am very excited by the solution, I think it is the one. There is a lot of benefit to it. I think what we have got to be careful of is to hold fast, we have got to present this when we have tested it because we are not going through this process again. We want from the scrutiny meeting and when we have articulated the solution out to the public and get the public involved with it, we want a political oversight group, which has guided this project, before purdah, to sign off and revise our planning application to be submitted. Then that will go through to the next Council of Ministers and that will be signed probably after the election. But the sign-off needs to be done politically before purdah

and that is what we are aiming at. There is a huge amount of work being undertaken. It is quite an exciting solution but we need to test how it works through the intricacies of the medical model and the enabling works and the programme in there because it has moved into another part of the existing site. What it has done is it has not deviated from the outline business case in terms of its intent and what it says in there; it is just on a bigger area.

The Deputy of St. Mary:

Yes. You will have signed it off and you are also talking about a preferred bidder at the moment. How can you have meaningful discussions at this stage if you have not got to the ...

Chief Officer, Department for Infrastructure:

In modern construction, the sooner you get the contractor involved, the more certainty you have in terms of risk and solutions in terms of buildability. We were interviewing contractors the week after we got the planning decision given to us and we asked the contractors in the interviews, what they would do in this process at this point? They provided quite profound answers and answers where they would say: "We want to sit down, collaborate with you, work with you." This is not uncommon but it is not the linear process that is a traditional process, it is more about collaborative working at this stage. The contractor's involvement is really essential.

The Deputy of St. Mary:

We are on board with, what I am really getting at here, you need some basic approved plan before we can have meaningful discussions and, technically, at the moment ...

The Minister for Infrastructure:

No, the whole point is the contractor adds added value to that process and added value to the application that goes in for approval.

The Deputy of St. Mary:

You are paying him for this service he is giving ...

Chief Officer, Department for Infrastructure:

Yes, they are effectively like a consulting engineer with a specialism on construction. We pay consulting engineers and programme managers and all that now on any project but we are buying in the intelligence of the contractor at this stage.

The Deputy of St. Mary:

Yes, I hear what you are saying. Getting back to the point, at the moment there is no planning approval, technically you might ...

Chief Officer, Department for Infrastructure:

No. Deputy, to go back, we have an approved location, we have an approved budget and we now know what the guidelines from the planning inspector are and what he is expecting to see from a solution.

The Deputy of St. Mary:

You have got no planning permission, as such, though, have you?

Chief Officer, Department for Infrastructure:

No, we have got no planning permission but for a solution on that. We have got all the parameters that we need to work to and that is exactly what we are doing.

The Deputy of St. Mary:

Just to clarify, you are discounting the possibility that, ultimately, permission will be refused and you would have to go back to the drawing board and try a different site.

Chief Officer, Department for Infrastructure:

No, we have a preferred location; it has been agreed. We have not got the remit to look anywhere else and we have looked elsewhere and the current location is the best site when you score it.

The Deputy of St. Mary:

No, I am not arguing about that, I am just saying at the moment there is no planning permission on that site, is there?

The Minister for Infrastructure:

No.

Chief Officer, Department for Infrastructure:

No. I think there has been some confusion perhaps. Appointing the contractor at this stage is not like saying to your builder: "Here are my plans, build the house." This is about working in an industry where you have got consultants who are ... the industry is more mature than perhaps we realise, the people who work for the ... our design team will transfer to the contractor's design team through novation at the end of this process. This process is about developing the design. What we need is as many people with the right intelligence who have done this before working with us, which has been one of the criticisms about them in the past. The fact that they work for a contractor makes it even better. It is not the move that perhaps has been rumoured about, that that means that we have made a decision and we are going to be going in the wrong direction. This is about getting the right

people and making the right decisions. The fact that they work for a contracting arm is just an aside really.

The Deputy of St. Mary:

I accept the basic concept, the sooner you get a contractor on board and they can be a party the better.

Chief Officer, Department for Infrastructure:

But there is no contractual liability. We have not said to them we are building this scheme. If we get to the end of this process and it does not work, it is in the wrong place, it is over budget, then it stops and then we start again.

The Deputy of St. Mary:

That is one concern of the public. Improbable as it might be from your side, there would still be the possibility that the site might have to change.

Chief Officer, Department for Infrastructure:

How many sites can we look at? The site has been agreed by the planning inspector and we are building it on that site. There is a very remote chance that it will not work and if it does not work then we will do something else, but what we cannot do is stop, and what are we waiting for? We have got to keep developing a design to solve this problem.

The Minister for Infrastructure:

We know we have to have an up and running clinical hospital by the end of 2024 and so we cannot take our foot off the gas, so to speak. We have to hit that target.

The Deputy of St. Mary:

I understand that. It is just the concern that the public have of entering into commitments on a particular site which ...

The Minister for Infrastructure:

No, we are not entering into commitments on a particular site.

The Deputy of St. Mary:

This is what the public's concern is. That has not been clear in the public domain, I do not think.

Chief Officer, Department for Infrastructure:

Why would it be?

The Minister for Infrastructure:

Yes. We have got an offer out for a preferred site. We have not signed anything yet. The whole point of that is so they can help us come up with the best solution for the public.

The Deputy of St. Mary:

I understand that and at the end of the day the worst scenario as far as you are concerned, if you say that you fell down, if you ...

The Minister for Infrastructure:

To be blunt, Deputy, the worst scenario is that the hospital is delayed and people suffer unnecessarily because of that delay.

The Deputy of St. Mary:

Yes, I am not arguing that point at all.

The Minister for Infrastructure:

No, but to me that is the worst case scenario.

The Deputy of St. Mary:

Yes, we know.

The Minister for Infrastructure:

That is why I am determined to do as much as I can before I step down to make sure that we hit that target of 2024.

The Deputy of St. Mary:

Yes, I am not challenging you on that. I am just saying that ...

The Minister for Infrastructure:

But that is the main driver.

The Deputy of St. Mary:

Yes, but then some people could counter-argue that this site is going to take longer than other sites would.

The Minister for Infrastructure:

They are incorrect. They are probably expressing an opinion as opposed to facts. This is probably going to be the quickest route to meeting that 2024 deadline.

The Deputy of St. Mary:

I am pleased to hear you say that.

The Minister for Infrastructure:

I have said it many times.

The Deputy of St. Mary:

I am just trying to make sure that the other options are not closed at this stage.

Chief Officer, Department for Infrastructure:

There was a States Members' decision to build on this site.

The Deputy of St. John:

Is that not where some of the confusion comes from? In the inspector's report he talks about the right location, not necessarily the right site. The site that was agreed by the States ...

The Minister for Infrastructure:

Deputy, I agree with you that there was confusion between the word "site" and the word "location". They mean slightly different things. To my mind the location is the whole of the hospital estate in that part of town where, from my understanding, if I have interpreted it correctly, you are talking about the specific site that was the red line around the boxes. It will not be within those red lines around the boxes but it will be on the existing location and we will end up with a hospital that is fit for purpose for generations to come, on time and on budget.

The Deputy of St. John:

Can I just clarify on that point you just made? You are talking about red lines around the site that has been agreed by the States Assembly and if it goes beyond those red lines you are now telling me the case is that as long as it is in the same location there is no need to come back to the States?

The Minister for Infrastructure:

No. We had a decision that that existing location is the right place to build our replacement hospital.

The Deputy of St. John:

No, the States' decision was a site.

The Minister for Infrastructure:

Well, we will agree to disagree.

Director of Estates:

The States' decision was in relation to an outline business case. The outline business case identified a site.

The Deputy of St. John:

Yes, but not a location.

Director of Estates:

It identified a site but it is an outline business case. The States agreed the outline business case.

Chief Officer, Department for Infrastructure:

The red line was defining the planning application. The States' decision was on the outline business case and if you look in option 4 of the outline business case it defines the site in words which say: "The existing hospital site and the buildings on Kensington Place." We have a legal challenge on that.

The Deputy of St. John:

I just wanted you to state that absolutely clearly.

The Minister for Infrastructure:

We have the remit to build the hospital on the existing location. I prefer to use that word because it is clearer. We have the approved budget of up to £466 million and fortunately we now have the parameters from the planning inspector about what in planning terms will be an acceptable solution. We are working through those and will produce a hospital by the end of 2024 that is fit for purpose for generations to come on budget. To do anything other than that, I just find it unimaginable to be in that situation that we do not meet that deadline.

[11:30]

The Deputy of St. Mary:

Going back to the thrust of our questions, it is simply to get clarity because I think there are a lot of people who do not know and are wallowing in a sea of mud. Just picking up on your point about budget, you are quite confident, are you, that despite having to expand the site into the location that that will not exceed your budget?

The Minister for Infrastructure:

I am confident that we will be able to build the hospital within the existing budget of £466 million.

The Deputy of St. Mary:

Just going on from that on a different dimension really, the recent collapse of Carillion in the U.K. (United Kingdom) has caused a lot of press comment.

The Minister for Infrastructure:

Our procurement system is much better than perhaps those used by councils and government in the U.K.

The Deputy of St. Mary:

Okay. Well, it was the second biggest company and one does have to express concern on that.

The Minister for Infrastructure:

Did they actually apply for consideration?

Director of Estates:

We can say without doubt, Chairman, Carillion are not the preferred bidder.

The Deputy of St. Mary:

That is great. Has the number of people who will be interested in tendering reduced since the Carillion disaster?

Chief Officer, Department for Infrastructure:

Carillion falling over happened after the tender process. I think there is lots of lessons to be learned from Carillion.

The Deputy of St. Mary:

That is what I am getting at, yes.

Chief Officer, Department for Infrastructure:

We have checked with all our supply chain if they have got any liabilities and open issues as subcontractors to Carillion. I think our designer has a small liability with them, but we have checked all of those and there is no knock-on effect. I think the effect is more of the amount of risk contractors take. I think there is an issue in terms of the amount of retentions contractors have and contractors get too big and take on too many risks. I think it is a very difficult market. We have tried to get contractors at the right scale for us, one that treats us equitably as a partner working forwards.

The Minister for Infrastructure:

Working with local partners as well.

Chief Officer, Department for Infrastructure:

We have insisted on local partners so that there is a far better understanding of the Island from the people we work with.

The Deputy of St. Mary:

You used the work “local” and thanks for doing that, because one of the biggest fallouts of the Carillion disaster is the subcontractors are not going to get paid. I am hoping from what you said that you are going to, within your contractual arrangements, try and get a lot of the local firms involved in that.

Chief Officer, Department for Infrastructure:

Yes. Again, we have managed this successfully through the Energy from Waste project that had 52 local subcontractors on it.

The Deputy of St. Mary:

Sorry, I did not catch that.

Chief Officer, Department for Infrastructure:

It had 52 local subcontractors on it and that was a joint venture partnership with a local supplier. This one will be a joint venture partnership, so it will not be one big entity. It will be companies in a joint venture. We are aware of the risks of that, particularly on a small island where if the supply chain does not get paid then there is a massive effect. I think in the 1990s that happened on a scheme on the old Energy from Waste plant.

The Deputy of St. Mary:

That is what I am really getting round to. In the event of a calamity, are there safeguards within your own documentation which will ensure our contractors get paid?

Chief Officer, Department for Infrastructure:

Yes. We have made sure there is bonds and payment terms are back to back and reflected, so we go through all of that.

The Deputy of St. John:

Can I just ask one final question? You were talking about having the contractors involved in the designing process. I have got that right, have I not?

Chief Officer, Department for Infrastructure:

Yes.

The Deputy of St. John:

I do not want to make a mistake having gone through that. At what point do you involve consultants, nurses, the people who are going to be utilising it?

Chief Officer, Department for Infrastructure:

Now, 2 years ago.

The Deputy of St. John:

No, but are they going to be involved with the contractors?

The Minister for Infrastructure:

They are now, yes.

The Deputy of St. John:

Okay. I just wanted to check.

Chief Officer, Department for Infrastructure:

We will employ somebody who focuses on how to move areas and how to decant places and a lot of those are medical staff and the liaison is direct with the medical staff.

Director of Estates:

The medical staff have been involved in updating the brief and kept in the loop. We have two clinicians on the project board, so they are exposed to all of the aspects. They attend design team meetings and they disseminate. We are at the point where the level of detailed design is not sufficient to go and engage on a day-to-day basis but we are not far off it. The next iteration of design will be talking to people about where in a room you want sockets and lights and things to try to get an idea of how people work. There is a lot of walking through with people who operate within facilities to get them to be absolutely bought into the way the facility will operate and it is an iterative process because you take the expertise from people who design these things. They have got to design to standards, they have got to meet all sorts of very rigorous requirements, but you have also got to make it functional for the activities that are taking place and standardised so that if you are in a room, if you are in an operating theatre, it could be theatre 1 or theatre 6 and they look the same,

so you reduce operational risk and you reduce physical property risk by having things the same. That level of input becomes more and more as you get more and more refinement in the design process, but the way the lumps of the hospital fit together are being discussed with the people who are the heads of those services. Radiology, haematology, and all the other “ologies” will have input and have detailed input at the moment. How they lay out the equipment is the next iteration down. That sort of pyramid of engagement has been taking place for some years and will become more and more involved, using different techniques, mock-up rooms, virtual reality. There are lots of techniques to try to provide as near as possible to an environment. We will be taking people off-Island to show them how it is done elsewhere and getting the feedback and that is where we need the contractor on board because the contractor will advance innovation or temper expectation by saying we can do that in a pre-constructed facility of a room or a bathroom or something, but we need to know that early enough in the process so we can design that into the process that we will be running with our offsite supply chain to ensure that it then becomes an efficient, effective and quick build process.

The Deputy of St. John:

Okay. That is helpful, thank you.

The Deputy of St. Mary:

I think the general thrust of these questions was to establish where we are, because I think the public are confused. But going back to there is this review panel hearing on 26th February and, just to recap, you stated that by then you would hope to have some fairly ...

The Minister for Infrastructure:

We will have more information than we can give you today because it is moving quickly. As officers have said, we hope the P.O.G. (Political Oversight Group) hope to sign off on a planning application before purdah begins.

The Deputy of St. Mary:

Do you wish to take up the invitation to tell us what you would like to achieve that you may not have done?

The Minister for Infrastructure:

We do not have that much time. Politics is an interesting life in terms of you are always going to have unfinished business because that is the nature of the sausage factory that we work in in terms of getting projects through. I would have liked more progress on the office modernisation, but I do not want to dwell on what has not been achieved. What has been achieved, particularly in the last

3 years, by the people sitting around the table is phenomenal and I have just played a small part in allowing them to do phenomenal things.

The Deputy of St. Mary:

Well, thank you for that and thank you for your courtesy and help through your period as Minister. I will not say good wishes on your retirement, because I am sure you are not going to retire, but for your future.

The Minister for Infrastructure:

Thank you very much.

[11:39]