



Public Accounts Committee

Quarterly Review Hearing

Witness: Chief Executive, States of Jersey

Monday, 27th July 2020

Panel:

Senator S.C. Ferguson (Chair)
Deputy I. Gardiner of St. Helier
Connétable J. Le Bailly of St. Mary
Ms. M. Scott
Mr. A. Lane
Mr. T. Rodgers

Witnesses:

Mr. C. Parker - Chief Executive, States of Jersey

[14:07]

Senator S.C. Ferguson (Chair):

Good afternoon, Mr. Parker. Welcome to this Scrutiny Hearing of the P.A.C. (Public Accounts Committee) regarding G.H.E. (Growth, Housing and Environment) and general property matters for the States. In our recent public hearing with the Director General for G.H.E. we have had: “The department covers regulation, environmental, operations, transport and property. Property is a big job to be done and a matter of priority that we make sure that we have the right staffing structures to deliver.” He went on to say: “I do not think we have a strategic vision of what our property estate needs to be to deliver the wider needs of government. At the moment we are very much led project by project.” How do you manage to maintain confidence in a department for Housing and the Environment that is unable to develop a strategic vision with the right people and even with the help of a Corporate Asset Management Board and the Regeneration Steering Group and is still working on a project-by-project basis?

Chief Executive:

Okay, so are we going straight into proceedings, Chair?

Senator S.C. Ferguson:

I am sorry. Yes, I should have ...

Chief Executive:

I am not wishing to try and do your role but I just wonder whether that might be helpful.

Senator S.C. Ferguson:

I think it might, yes. If we could all introduce ourselves for the benefit of the public and the transcribers. I am Sarah Ferguson, I am the Chair.

Connétable J. Le Bailly of St. Mary:

John Le Bailly, the Constable of St. Mary and Vice-Chair.

Ms. M. Scott:

I am Moz Scott, I am an independent member of the P.A.C.

Deputy I. Gardiner of St. Helier:

Deputy Inna Gardiner, St. Helier 3 and 4, member of P.A.C.

Mr. A. Lane:

Adrian Lane, another independent member of P.A.C.

Mr. T. Rogers:

Hello there, Tim Rogers, also an independent member of the Public Accounts Committee.

Senator S.C. Ferguson:

Right, I think that is all of us. You are?

Chief Executive:

Charlie Parker, Chief Executive, Government of Jersey.

Senator S.C. Ferguson:

Thank you, Mr. Parker. Shall we get going then? As you will appreciate, the same rules apply as if we were in the Scrutiny rooms and all the discussion will be transcribed and will be published as a transcription and it is also privileged. Right. Let us get going. How do you maintain confidence in

a department for Housing and the Environment that is unable to develop a strategic vision, with the right people? Even with the help of the Corporate Asset Management Board and the Regeneration Steering Group is still working on a project-by-project basis.

Chief Executive:

I wonder whether it might be just helpful for me to reprise some of the conversations that we have been having over property matters during the last 18 months and to just clarify 2 points, Chair, around what I think the acting Director General was saying at your meeting when you last met. We do have an estates management strategy that has been prepared that provides a strategic framework for our estate but I think both Mr. Daniels and Mr. Scate explained that we are doing 2 things. One is we are making some adjustments to take account of COVID-19 and the second is the document is quite a difficult document in the sense it is very technical, it is aimed at professional property people and we needed to adjust its contents, style and language to be more user friendly and readable for the general public in order that those people who were interested in the matter but were more of a lay person could understand what the strategy and framework was seeking to do. We have been doing that and the review of all of those documents and the changes that we are making will then come back through to the Council of Ministers and your good selves for you to see. What I think we have is an issue about the structure and the operational requirements to be able to deliver the strategy which is where perhaps I think there has been some confusion. Therefore it is the organisational arrangements that we are currently doing through the revisions to the target operating model that I think perhaps is where the acting Director General was making his reference last time. So at the moment we probably do not have the capability to deliver a comprehensive estate management strategy in the way that we should and would like to do. Therefore we are looking at ways in which we can improve our ability to be able to do that and then hopefully that will get us into a position where we will become fit for purpose and we will stop looking at everything just on a project-by-project basis. Rather what we will be trying to do is to look at the overall management and delivery of the strategy and within that also deliver key projects which are important in order to ensure that both the strategy and the Government's corporate and strategic priorities are delivered if they touch and are linked to property matters. I just wanted to make that distinction because I think there are 2 themes in some of the discussions that have taken place that there is no strategy - I think there is - but we recognise that we have a problem about 2 things. One is operational capability and the second is do we have enough money to maintain and manage some of the portfolio.

[14:15]

Senator S.C. Ferguson:

All right, thank you very much. Adrian.

Mr. A. Lane:

Mr. Parker, when was that strategy available, please?

Chief Executive:

If you recall, there was a briefing, I think, that took place at the back end of 2019 which included a session with P.A.C. in which the former Director General and colleagues came to talk about the framework and the strategy which was being finalised at the time. That work, if you remember, was about a corporate property framework which is what, in effect, I think is where the confusion about estate management strategy is. As a consequence of that we have also set up a Corporate Asset Management Board, which is about better co-ordination and we have made some revisions to the terms of reference and roles and responsibilities for the Regeneration Steering Group, which also means you have got some political oversight of that. That framework was in effect drafted in 2019 but for the reasons I have just rehearsed is yet to come back in its final form for you to see alongside the Council of Ministers as I just referenced.

Mr. A. Lane:

So you described the construction of a plain English version just now, when will that come back to the Council of Ministers and ourselves?

Chief Executive:

Imminently. I am expecting that to happen in the autumn.

Mr. A. Lane:

Okay. You referenced then a capacity issue. Would you elucidate what is lacking in terms of the capacity within J.P.H. (Jersey Property Holdings)?

Chief Executive:

There are probably 3 levels of issues that we have been having to grapple with. One is we have been trying to go out and secure the leadership necessary in J.P.H. to lead on the property estate management and the strategic issues that we are all interested in. We have been through quite an extensive trawl twice and failed to appoint, both for the capital programme and also for the asset management and operational roles at director level. We were, just before COVID and the pandemic to impact on our arrangements, in the final throes of being able to hold the final interviews in March but unfortunately, for obvious reasons, we have had to pause those. We expect to finish that again very soon because we have a process that is, in effect, in mid-stream. The second issue is I do not think that we have thought through properly the way in which, on a day-to-day operation, we are able and best charged to discharge our responsibilities. As a result of the changes that I announced

with regard to the Growth, Housing and Environment portfolio, and the changes in the leadership, I have also asked for there to be a piece of work undertaken to look at the relationship between J.P.H. and S.o.J.D.C. (States of Jersey Development Company) and as part of that to determine who will be better delivering some of the operational requirements for managing our estate versus some of the strategic land disposal, land management and, dare I say it, our investment estate management issues, all of which contribute towards an estate management strategy. So what we are doing at the moment is we are going through a piece of work looking at how we could utilise the resources that are already in the system better. Whether that is delivered directly through the Government arm or whether we create more capability through our development company, S.o.J.D.C., is yet to be determined. I think the third area is a very simple one which is about making the changes to ensure that we have got one estate. At the moment there are a number of departments who have continued to hold on some responsibility for operational matters, whether it is Health and the hospital, whether it is Education and some of its buildings, or whether it is the Justice and Home Affairs Department. What we have agreed just recently as part of the agreement for the way in which we are going to take forward the new structure for G.H.E. is that all property, operational property matters, will now come into the department. There will no longer be any excuses for their to be operational responsibility for any property sitting outside of that one department. That will create a better oversight and better direct management of the issues pertaining to property. Those 3 areas, I think, have been quite important on impacting on our ability to deliver a coherent strategic and operational answer to the questions that you have been raising for some time now.

Mr. A. Lane:

When you talk about capacity you referenced the amount of money that they would need. How can you be confident that that function, given its history of missing targets and overspending is not going to overspend? How much money more than is budgeted do you think they are going to need?

Chief Executive:

I do not think we have enough money in the system to do 2 things. One is to maintain all our properties to the satisfactory standard that we should and, secondly, there will not be growth in the current economic climate post COVID for us to be able to create additional resources to go in the department. What we have to do is 2 things. One is we have to look much more strategically at what we want to hold, what we want to dispose of and what we want to put into either regeneration or other infrastructure or housing projects. The second thing is, going back to my point about S.o.J.D.C. is we need to look at where resources currently exist within the Government's either direct control or through its arm's length bodies, where we can use those resources more effectively and better to play to the skillsets that are there and to ensure that we do not try and do everything through one body which may not have all the skillsets necessary to discharge its roles and responsibilities.

Mr. A. Lane:

Perfect. Will those 2 things be included in this plain English version of the strategy that is coming out in the autumn?

Chief Executive:

I do not think it needs to be in the strategy because the strategy would not be talking about some of the operational requirements. What needs to happen as there is then a Corporate Asset Management Plan which is the operational handbook, as you might say, for delivering the strategy. When that asset management plan is completed after we have done the work that I have referenced then that is where I think you will find that you will be able to make a direct correlation to the staffing, the roles and responsibilities, et cetera, necessary to deliver the strategy.

Mr. A. Lane:

Okay, and the timing of the Corporate Asset Management Plan?

Chief Executive:

Well, I am not going to give a commitment to that just at the moment because the work that we have asked to take place, particularly with S.o.J.D.C. and also some of the other improvements that you need to bring in to the operational arrangements about bringing everything into the department will be concluded over the back end of this calendar year to 2020, at which point, once we have completed that work, we will then be able to complete the Corporate Asset Management Plan. That I think will probably therefore be in the beginning of 2021. I am not going to give you an exact date, Adrian, because quite frankly at the moment the work is ongoing and I need to see the outcome of some of that work.

Mr. A. Lane:

Thank you.

Senator S.C. Ferguson:

Thank you. John.

The Connétable of St. Mary:

Mr. Parker, how will future restructuring, funding and resources reflect that the States owned property is one of your biggest priorities?

Chief Executive:

I think I have probably just answered some of that in the previous question. So we have recently got Council of Ministers' approval for the proposed new structure for the revised departments, and

that was agreed on 24th June. Subsequently the States Employment Board agreed it on the 21st July at its meeting and we are out now for the next phase of consultation and detailed planning around the new department structure. As part of that, as I have just said, we are doing this review of how best to deliver our property function. There is a bit of me which says history tells us over the last - and I am sure the Chair will be the first to tell me - at least 10 or 15 years there has been all sorts of questions raised about our ability to deliver a coherent property role. Whether we should deliver all of it or whether we should commission it or whether we should work in partnership with others to help us deliver it is the question that I just outlined we are going through at the moment with the strategic review. The key to it is what we have been doing cannot continue, we have to resource it right but we have also got to decide now how we move from properly delivering the strategy in the next 12 to 24 months. That is going to be hugely important for 3 reasons, one is we are going to be faced with some fiscal challenges. Secondly, we have traditionally held everything and that has stymied the potential for developments, particularly around housing. Thirdly, we do not have the resources that will be able to ensure that we maintain every property to the right standard. Some of that will require, as I think has been said in previous hearings by officers, us to dispose of some of those assets.

The Connétable of St. Mary:

That was my next question. The public are aware that we own a massive amount of property which is just going to waste. This could be recouped into the public funds by disposal. Most of the property that is old is also listed, which means that repairs are extremely expensive and that is the ones that should go first.

Chief Executive:

There will be some that will have a real importance to both the States Assembly and also to the Government where it is possible that we should not be disposing of them, listed or otherwise. Part of that is about our heritage and part of that may well be that buildings have a strategic importance. But you are right, where I think we have probably gone wrong over the last period is that we have tended to hold everything and in effect suffered for the inertia that that creates. As a consequence, we have not been able to do things that you have touched upon, which is dispose of liabilities but also to contribute in a positive way to the regeneration infrastructure and housing requirements that we need to do across Jersey. As a consequence of what we are embarked on at the moment, I am about to, I hope, give you more assurance that over the next 12 months you will start to see a shift in some of the opportunities for disposals which, perhaps, has not been there over the last period.

The Connétable of St. Mary:

There is nothing wrong with disposals because they can be passed off on to the developer with conditions so you have not lost something by disposing of a listed building.

Chief Executive:

No, I accept that. But there may well be some listed buildings which are more important. We have the perennial problem about PK House. It is strategically quite an important building, parts of government have traditionally said that they could use it for different things, other commercial interests have come out which said that they could make use of that asset and ensure that it is preserved in a way that is sympathetic to the heritage of Jersey. I think we have to start to be a little bit more ambitious for the way in which we look at those particular properties and honest. Though the costs of dealing with PK House, for example, were prohibitive to be able to move it into some of the uses that were being proposed. But we now have some money in the Government Plan which could take that forward and may well create a use that is important to the Government. However there are other assets, which you rightly point out, where we could dispose under licence or we could dispose with a limited lease period which would ensure that that developments took place in a sympathetic way, both to the building and also net requirements for regeneration of whichever parts of Jersey.

The Connétable of St. Mary:

Thank you. There is still no target operating model for G.H.E., why is this?

[14:30]

Chief Executive:

I have just said, Connétable, we have now got a target operating model for the new department, it was agreed at the Council of Ministers on 24th June and also by the States Employment Board on 21st July. That work now is going out for consultation and then we will be looking to deliver that throughout the remainder of 2020. We already have the first part of the target operating model that was agreed back in 2018, some of which are perfectly legitimate to still use and we have proceeded and implemented that. So we have not sat still during the COVID period but, of course, we have made some changes as a consequence of the discussions and papers that came out regarding the regulation function for the department.

The Connétable of St. Mary:

Thank you very much.

Mr. T. Rogers:

Sorry, just a momentary pause as I turn my mic on. Thank you and good afternoon. We have met previously when we were discussing Broad Street and my recollection at the time was you said the decision to move government offices to Broad Street was made without reference to a property

strategy because it was part of your customer strategy. But you have alluded to, in your very comprehensive briefing at the top of this meeting, that there was indeed a property strategy in 2019. Could you make available to us the section that refers to the move to Broad Street?

Chief Executive:

So Broad Street was not part of the property strategy. I think I have been clear on that on a number of occasions. Broad Street came in for 2 main reasons, one is the point about modernisation and better ways of working, including supporting customers and also staff. So the building was not fit for purpose and able to do that and it was a way in which we could also reduce some of our leases that we currently or at the time had. This decision that was taken in 2018 was not part of a government property strategy in the way that I think you have alluded to. The second part of why we moved out of Cyril Le Marquand House into Broad Street was because of the dilapidations that were, in effect, creating a real problem in Cyril Le Marquand House. For example, the lifts kept breaking down, they were not replaceable. We could not get the parts, we had to have them made and therefore we were not D.D.A. (Disability Discrimination Act) compliant. The list went on about issues pertaining to the way in which the computer systems were supported and a whole host of other issues in reference to health and safety matters. When the decision was taken, which we have, as you rightly pointed out, discussed on numerous occasions it was taken outwith the property strategy. However, what had previously been in there was reference in the property strategy to the need for the States to rationalise its operational portfolio. As part of that going back a number of years the aspiration had been to move into one office for the Government. That in fact has continued. That work is ongoing and we have reported to you over the last period about that.

Mr. T. Rogers:

Thank you for a very comprehensive reply. You are absolutely correct that you at the time said that it was related to customer strategy rather than a property strategy and I note that it was a decision made in 2018 and does not appear in the strategy in 2019. But I am conscious that you have, or I believe you have, a property strategy, a customer strategy, an online strategy, an e-gov strategy and an office modernisation strategy. How do you make sure that these things all work together and are aligned. There do appear to be a lot of strategies apparently working independent of each other.

Chief Executive:

First off, I think they are related to each other but they have more than property at the heart of the different aspects of those strategies. They are talking about the customer. How do we reach and communicate with Islanders and service users in a very different way to what we had traditionally done in the past. That may include changes to the property arrangements that support that strategy, particularly with walk up and walk to facilities. With regard to better ways of working and indeed the

sort of agile working arrangements for modernisation, clearly not being all office based is going to be an integral part of that but you also need to be office based and the list goes on. What we have tried to do is make sure that there is a coherence between all the various different strands of each of those strategies to ensure that we have a proper comprehensive operational estate in which to be able to deliver them. As part of our office strategy that is what we have done. So when you look at the office strategy framework, the way in which we have gone out for procurement, all the ways in which we are assessing the various bids, you will see the relationship between customer, between modernisation and agile working et cetera, et cetera, contained within that.

Mr. T. Rogers.

Thank you.

Mr. A. Lane:

Charlie, when we met with acting Director of G.H.E. he talked to us about “development frameworks” and he told us that these were moving from G.H.E. to sit under the S.P.P.P. (Strategic Policy, Population and Performance) division. Can you just articulate for us what those are and why it was felt necessary to move them?

Chief Executive:

I just wonder whether I ought to take you back to 2018. Right at the beginning of the One Government initiative the establishment of a Strategic Policy, Population and Performance function was agreed and within that it was agreed by the Council of Ministers, and it went through the Assembly I think, that there would be a splitting out of some of the development frameworks, the strategic policy frameworks pertaining to the Island Plan, planning and the way in which we then deal with the strategic rather than the development control component of development. That was all about trying to ensure that we got into a place where we separated out any potential areas where there could be conflict of interest. In effect what was there before, which has in numerous studies, whether it is in Europe, elsewhere in the world, or in the U.K. (United Kingdom) made the point that you do not need the policy framework and the delivery arm, you might say, of planning in this instance to sit in the same place. Otherwise you get accusations of marking your own homework. That was reinforced in the recent review of enforcement functions where it was found to be absolutely right that we separated out those functions and we did that in 2018. It is not a new thing, it is not something that has just come about over the last short period, this goes right back to the original One Government proposal that went out for consultation back in 2018 in March. The consultation completed in June 2018 and then we started to implement those changes.

Mr. A. Lane:

So when was the implementation then?

Chief Executive:

The implementation was completed in 2018/2019 for the new S.P.P.P. Department, as I think you have just referenced, and subsequently in the original target operating model for Growth, Housing and Environment. That has always been there and indeed the Island Plan and the development frameworks for key strategic sites have all been delivered through work that takes place in the policy team. The policy team works across government, so, for example, the acting Director for G.H.E. sits on the Island Plan Group, is involved in discussions about regeneration frameworks and about development frameworks but what he is not responsible for is the drafting and the ownership of it, what he is responsible for is the delivery of it where it is appropriate for government.

Mr. A. Lane:

Understood. Chair, I think that answers my questions on that.

Ms. M. Scott:

Is that my turn then? Good afternoon, Charlie. So you were saying that the Island Plan now is more or less in the area in S.P.P.P., how is this working in terms of stakeholder consultation because we might look at the previous Island Plan and maybe things like the tourist areas ... there has been a lot of conflict in areas where you might have had tourism or building development and these sorts of things. The input of E.D.D. (Economic Development Department), basically they were invited but there was no actual confirmation that they directly inputted into the Island Plan. How are you ensuring that this is a document, because clearly the Island Plan is a land use document as opposed to rolling out the development, gets the input of these different stakeholders and who are you consulting and ensuring this happens?

Chief Executive:

One the reason why all the policy sits in one place is you get the read across to ensure that the key strategic documents that you take responsibility for delivering on behalf of government have a coherent narrative among them. By way of example, the Island Plan is, you are quite right, a land use document but it is not solely that. It talks about designations, it talks about height, it talks about areas of importance in terms of the green belt versus brownfield sites, for example. But by way of example you also need to link it with key government priorities so the low carbon/carbon neutral frameworks that need to be delivered on behalf of the Government which impact very heavily on the Island Plan are also being led and coordinated through S.P.P.P. We have the waste strategy, we have environmental frameworks. We have other areas where we need to take account of aspects of policy development that input into the Island Plan. What we have been doing in the early preparation of the Island Plan is holding a series of stakeholder engagement events, so understand and listen to interest groups and also sectors who have particular views. We know there is a view

about tall buildings and density levels for St. Helier, which will be very different from some of the Parishes. We have been out and talked to key stakeholders who are part of government. Parishes are a good example in that, for the reasons I have just rehearsed. Then came COVID and obviously, as you know because the Acting Director General I think outlined this in the previous hearing that we had, a decision has been taken about can we deliver a comprehensive 10-year plan along the lines of what we have always done in Jersey in the period that was originally identified before the next general election, in order that post 2021 when the current plan ceases to be valid, we have a new strategic land use framework.

Ms. M. Scott:

Can I interrupt you there because I think you are going to tell me about the 3-year plan that is ...

Chief Executive:

Yes, but the reason why I am saying that is as part of that plan to change the way we did it, one of the drivers was that we recognised that we were not going to be able to do the full consultation with stakeholders that would take us right the way through to the long-term plan. What we have been doing is looking at key drivers that fit, whether it is migration, whether it was tall buildings, whether it was environmental and green issues, whatever it may have been in order to be able to comprehensively bring that together in time. So we have taken a different view, which will still see widespread consultation but we have recognised that we will not be able to complete all of that without other pieces of work also being done, most notably the migration policy. Migration also sits in S.P.P.P. and they are responsible for taking that forward but there has been a view that that will, just because of COVID, take a bit longer to complete. The timings for all of that mean that we therefore have had to adjust our stakeholder engagement programme. But there will be, and has been announced - I think the in-committee debate talked about it a couple of weeks - extensive consultation for the revised Island Plan going forward.

[14:45]

Ms. M. Scott:

So you are having this Island Plan launched when you do not have a migration policy and yet the ...

Chief Executive:

No, we will not have a completed migration policy in the timeline for the original Island Plan in order to be able to do it. So the Government's view has been that we need to still deal with aspects of the Island Plan, by way of example, the hospital and the designation of a site which we currently do not have in the current Island Plan needs to be completed in time for any planning inspector decision.

Part of the Island Plan will be completed but it will be further enhanced post the election to take us from a 3-year plan back up to a 10-year plan.

Ms. M. Scott:

Given that for a lot of people, though, development is bit of a runaway train. If you have not got a migration policy identified, how are you dealing with aspects of the perceived runaway train in terms of development. Do you go for a moratorium in terms of development or do you say: "Right, okay, we are going to freeze housing and we are going to carry on having lots of housing even though we are going over the limit." how do you deal with that?

Chief Executive:

Well, I have just explained how we are going to deal with it. The first thing is there will be a migration policy that will come out. It has been delayed for the reasons that I have just rehearsed. That will impact longer term on the wider aspects of a long 10-year plan for the Island but in the meantime it will also feed into some immediate proposals for a 3-year plan. But what it will not do, that 3-year plan, is tick all the boxes that was originally envisaged in the timelines for getting the Island Plan completed by 2022. Therefore the Government is taking a view that it is going to have a hybrid. By way of example, Southwest St. Helier Master Plan and the regeneration plans which impacts on housing, of which there could be 10s of thousands of units potentially contributed to through the Southwest St. Helier Master Plan. That does not need to wait for a migration plan. It does not need to wait for anything because it has been completed and we have been out and we are consulting on it. What we need is the land use and the planning frameworks to be adjusted to take account of whatever is finally agreed by the Assembly in reference to that master plan. Similarly our hospital, we need to be able to get a designation of the hospital site. Similarly we need to be able to get clarity about tall buildings in St. Helier. None of which are impacted by a migration policy.

Ms. M. Scott:

Why just St. Helier?

Chief Executive:

It is not just St. Helier but I used it to make the point. The real point I am making is we already have a shortfall of some 7,000 units in the current population facing the Island that we need to deal with, of which the current Island Plan is not fit for purpose for dealing with. Going forward, if we need further changes as a consequence of the migration policy that will get launched we can do that. What we already have is enough evidence that shows that we have a disconnect between the current land use framework and what we have to do to meet current demand.

Ms. M. Scott:

So you say we have a bit of a kind of adjustment to make down the line in terms of migration policy so in terms of synthesising other things like tourism versus housing in certain areas or environmental concerns versus housing in certain areas, are you confident that that is going to be addressed or are we going have to do the same?

Chief Executive:

No, I am confident that we will be able to address some of those things. But let me just give you another example. The Assembly has committed to a carbon neutral strategy by 2030. In the light of COVID and all the implications of it and also what that might mean from a fiscal point of view, the Assembly may wish to take a view about whether that timetable is correct or not. In the current planning for the Island Plan, 2030 gets covered. If, for example, the Assembly took the decision that it wanted to make it - I do not know, and I use it to make the point - 2035 then it would mean that you would have more time to think about the ramifications for it, which obviously take it outside the current proposed new Island Plan timetable. The fact of the matter is that by splitting it in the way that I have identified ... if you do an Island Plan hybrid for 3 years and then do another aspect of the Island Plan you have time to take account of both the COVID implications but also some of those bigger strategic discussions that the Assembly would need to take. The reality is, post COVID, there are going to be some huge choices, difficult decisions and choices I should add, for the Assembly to make moving forward from an economic point of view. All of which impacts on the Island Plan.

Ms. M. Scott:

Can you give an example of that?

Chief Executive:

I have just given you one which is about carbon neutrality. It is a major example around environment when then in turn has a major impact on cost and timelines.

Senator S.C. Ferguson:

Can we move on, please? I am sorry, I am going to have to cut you short and carry on because we have a lot of questions to go and time is limited. John.

The Connétable of St. Mary:

May I just mention to the public listening into this meeting that the abbreviation S.P.P.P. - or S triple P - is short for Strategic Policy, Performance and Population. Not that anyone will be any wiser. My question is will the role of Chief Economic Adviser remain separate from S.P.P.P.?

Chief Executive:

Yes, it will and it is quite simple really the reasons why. Going back to my previous example of what happened when S.P.P.P. was originally put together. There was, in the consultation that took place over the One Government structure, an agreement that there would ultimately be some economic/economy function that would come together but at the time, because of Brexit, there were some real concerns about the ability to be able to deliver that and all the other changes at a time when we were trying to deal with the fallout of the Brexit referendum and what the implications of that were going to be. As a consequence of that, in the previous structure the Chief Economic Adviser reported direct into the Chief Executive but I established an economic function within the office of the Chief Executive which dealt with financial services, Brexit, trade and economic planning, and felt that it was more appropriate for it to sit there. Obviously at the time Ministers then also put on notice that while it was not the moment to create a new economy function, they would revisit that position. They did in 2019 and agreed that they wanted to go back and establish some sort of economy function that took into account part of our digital function, our financial services and the other work that we were doing around economic planning. At that point, in creating the structure, it was also agreed that the economic adviser would sit within that function because there was more coherence back to the operating arrangements that that department or function would be discharging. So that is the case and that is what we are going to do because obviously the economic activity has greater importance now than at any time probably in the last decade, with the need for an economic recovery programme in a post-COVID world.

Senator S.C. Ferguson:

Thank you, Sir. All right, Tim.

Mr. T. Rogers:

Thank you, Mr. Chief Executive. You have been very helpful and very eloquent and I think some of what you said already addresses my next 2 questions. I would just like to confirm that and then we can move on. You have given a very good explanation of what you mean by the One Government estate and you have also talked about the asset management being a critical part that follows that, which you are hoping might be early 2021, but I recognise your reluctance to commit to a specific date at this stage. You have also talked about the need to look at partnerships for delivery and presumably all those steps have to happen before you start then securing resources, whether they are internal or external or consultants, to do that delivery. Have I understood that correctly? Is that the right sequence of events?

Chief Executive:

Certainly all of those component parts are part of the deliberations. Whether they exactly happen in that order I am not sure I would totally agree with you, but you are correct to assume that they are the ingredients for moving it forward, yes.

Mr. T. Rogers:

But that is in fact the order in which you said that they would happen. I am just quoting back what you said.

Chief Executive:

One of the areas where I think there may be a bit of confusion is that I have said that there would also need to be some assessment of the operational remit between J.P.H. and S.o.J.D.C., by way of example. Now, that does ...

Mr. T. Rogers:

Is that what you meant by the partnerships?

Chief Executive:

No, there is a broader piece on partnerships as well because Andium, for example, form part of the property world and have a role in delivering some of the asset and estate management priorities on behalf of the Government. Similarly, we have through Ports of Jersey another body that has quite important property holdings, which is important in terms of some of the regeneration initiative, so the waterfront, for example. They would form part of our partnership, so there would be a second order set of partnership discussions and deliberations that need to take place.

Mr. T. Rogers:

That is very comprehensive. Thank you very much.

Deputy I. Gardiner:

I will come in. I understand that Tim has finished. Good afternoon and thank you again for clarifications. I think we are getting - and I am getting - more and more understanding. I would like to ask you how we connect 3 parts and I will try to be clear. The first part is that all departments, Housing, Education and Health, will come under one management which will be one estate management. From my perspective, estate strategy should inform your recovery plan, which is now under development. The third part that I would like to ask you to connect is the question, because we did have a failure to develop a public estate strategy and that impacted on the performance of Health, Education and other departments. How do you intend to reflect the department needs through the recovery plan in the coming months?

Chief Executive:

Let me just try and split that down. The first thing I said was that the estate management role needs to be consolidated in one place, so the new department will take responsibility for all operational

estate related issues for government departments. That in turn is separate from investment decisions, the capital programme and also what long-term arrangements we make for our investment portfolio. Those bits do contribute to the recovery plan. What we have been doing over the last period is a review of the capital programme to look at what would be the most important projects that will act as an economic stimulus in a post-COVID landscape. Part of those capital projects may still be led or driven through a department at a strategic level. By way of example, a new school, J.P.H. would be the responsible body for delivering the bricks and mortar and the development, but the strategic rationale for a new school, what it would include, how it would work, its layout and educational offer would obviously be driven by the Children, Young People, Education and Skills Department. In the same way as the hospital - which, as you know, is a separate project and not being dealt with by J.P.H. - the strategic responsible officer is in fact the D.G. (Director General) for Health and Community Services, because you have got to look at what is it that the hospital is meant to be delivering. Once we have agreed a site and got a partner agreed and we are into the delivery phase, the responsibility will pass to the D.G. for G.H.E., so part of the department's responsibility for capital projects will be retained. However, no department, apart from the Treasury Department, will take a view about, for example, the investment requirements for our estate.

[15:00]

By way of example, we own shops or we have rent rolls that come from commercial buildings, all of which is led by the investment frameworks that come out through the Treasury Department's work that is looking at our investment portfolio, but again is delivered then through actively a further department. The recovery plan is currently involving 2 or 3 things. One is a review of the capital programme; secondly, economic stimulus projects that support immediate work in the local economy that will help Jersey through the period of probably the next 18 months. As part of that, G.H.E. has been overseeing the rationalisation of those types of projects that will immediately be shovel ready in order to be able to contribute to an economic stimulus project that will help the construction industry, create opportunities to keep people in work and also to create obviously opportunities for private contractors to deliver, which helps with jobs and other economic activity. The second bit that the G.H.E. is involved in is those projects which the Government will perhaps be prioritising as well, so the office project is a good example, which again contributed and where they will take a lead role in overseeing the activities necessary to ensure that we deliver on that. All of those projects, however they are compiled, whether they are capital, one-off, singular projects et cetera which involve the assets or estates of the Government, will be then controlled and part of a proper analysis that will be either the Government Plan as part of the economic recovery plan or in the economic stimulus plan that we brought to the Assembly in the autumn for sign-off. Then finally, the performance of all of that will obviously impact on 2 or 3 things. One is what are we going to dispose

of, what are we going to develop and what that means for the Island's outcomes. At a performance level, you know in the Government Plan we have a series of outcomes that we are committed to delivering. On the other hand, the rationalising of all of the operational estate into one department, which I referred to right at the beginning of my answer, will impact on the ability of departments to perhaps dispose of properties which impact on their performance and also on their cost base and their run rate for their budgets. If we are in a place where we can start to reduce the number of operational buildings, if we can get out of dilapidated buildings, all of which create this, that will help us with performance. I hope that provides a more comprehensive oversight of the links between the 3 component parts.

Deputy I. Gardiner:

It does. I would like to have a follow-up question. Now I am coming back probably for the first one that we have asked. It is about when the regeneration strategy will be presented and approved by the Council of Ministers. Let us start from the first question, because you mentioned lots of projects, but from my perspective this project should be connected to the strategy in the first place and the corporate management plan in the second place.

Chief Executive:

The economic stimulus will be a series of projects, let us be quite clear, because they are going to be very different from the longer-term arrangements for the asset management of the Government's estate. However, they obviously sit and are part of any asset disposal programme or the capital programme that may include certain assets that we have. Therefore there is a link there, but they are not necessarily all contained within the overarching estate management project, because the way the economic stimulus programme is, it is about being targeted, it is about being timely and it is about being temporary. The longer-term estate management plan needs to look forward in some cases for the next decade, not just for the next 18 months. That stimulus programme framework, as I said, is likely to come to the Assembly in the autumn and the wider estate management strategy that we have been talking about today goes to the Council of Ministers in the autumn and then it will obviously come to P.A.C. because I know it is important that we discuss that with you. I think our ambition is to have a private session with you and then a public session with you in the late autumn.

Deputy I. Gardiner:

I will move to the next topic, but I think that the results strategy is very difficult to prioritise the estate management projects, but we will look forward. I would like to move to S.o.J.D.C. Following the report from the C. & A.G. (Comptroller and Auditor General), the key recommendation, as we know, it was the estate management strategy and also a strategic review of S.o.J.D.C. Are you going to lodge a strategic review? If yes, can you please provide the details?

Chief Executive:

We think it is helpful from the C. & A.G. report to do 2 things about S.o.J.D.C. One is that we need to look at the overlap, as I have been describing earlier, between J.P.H. and S.o.J.D.C., which may require us to look at the terms of reference for how S.o.J.D.C. is currently configured. In addition, there is a second aspect to S.o.J.D.C., which when it was originally set up, a number of the legal operating frameworks in which it currently discharges its responsibilities were particular for that period of time and some of those need refreshing. We do think that there is a need to look at the wider remit of how S.o.J.D.C. operates in 2021 rather than when it was established some 12, 13 years ago. As part of that, there will be a review of part of S.o.J.D.C.'s terms of reference and memorandum of understanding, but in order to be able to effect that we have also got to look at this relationship between J.P.H. and S.o.J.D.C.'s operating capabilities and that piece of work will take place first.

Deputy I. Gardiner:

The question is why, if we are not sure if S.o.J.D.C. is operating and if it is appropriate in delivering, for example, Government regeneration objectives right now, why we will not look first into the strategic point before we start to think about the connections between ...

Chief Executive:

Deputy, that is not what I said. What I said was its terms of reference probably need updating. That is slightly different from whether I think they contribute to the regeneration plans of the Government. S.o.J.D.C. are already doing a number of specific initiatives that do contribute to the regeneration of, for example, St. Helier and will continue to do so. I think the 2 are slightly different. What I think is the issue: is it fit for purpose, as was originally constructed, to be able to do that in the right way in 2021 rather than in 2010, by way of example. I think that is where there probably needs to be some further analysis to be able to see if there needs to be any changes. As for its contribution to regeneration projects, it has done a number of things which have been very important, whether it is commercial, housing or, as we know, some of the master planning. They need to accelerate probably some of those proposals going forward and I think they have good plans to do that. The other bit about S.o.J.D.C. is how does it sit and work, as I said in my earlier question, with wider partners who have a land and property remit. That is another aspect where I think it is not just about S.o.J.D.C., but all of our arm's length bodies who need to have a further review. We are doing some work over that through better co-ordination, and in our response to the C. & A.G. report we will be highlighting where we are up to about shareholder engagement, about partnership engagement, about creating the right strategic overview for how a lot of the States-owned entities and also larger A.L.O.s (arm's length organisations) and property establishments work better together. I think that is the other bit, which is not about the terms of reference for S.o.J.D.C., it is about the terms of operation.

Deputy I. Gardiner:

I will rephrase my question. There are points that were raised in the C. & A.G. report, such as accountability arrangements, the memorandum of understanding, the risks to the Government, a review of financial benefits for us as shareholders. Lots of questions were raised through the report. Would you consider that to have a strategic review of S.o.J.D.C. before we are moving forward would be appropriate?

Chief Executive:

In a way, you have highlighted where you do not need a strategic review to improve things like shareholder arrangements, the memorandum of understanding, which should have been updated previously, which is now being updated for all States-owned entities, so some of those things do not require a strategic review. Other aspects of how they operate, going back to my point about powers, about terms of reference, probably do. I think the key for me is you should not just do everything sequentially. You can do some things as a matter of course, of good practice, before you complete a major wholesale review. In so doing, you do not stop everything before you complete that review, because some things work in parallel.

Deputy I. Gardiner:

No, I absolutely agree. We are looking forward to your executive response to that. Can you please just confirm who will be signing off the executive response to this report?

Chief Executive:

I think it is going to come from me and the Treasurer, because the Treasurer has obviously the shareholder agreement responsibility in relation to States-owned entities.

Deputy I. Gardiner:

Thank you very much.

Chief Executive:

That, by the way, will be in with you later today.

Deputy I. Gardiner:

Thank you.

Senator S.C. Ferguson:

Super. You are going to send somebody in to teach them how to calculate the profit for the sale of a building, are you, I hope?

Chief Executive:

I am sure there will be enough experience to be able to do that, but ...

Senator S.C. Ferguson:

All right. I am sorry, I could not resist that one. Moz.

Ms. M. Scott:

The former Director General from G.H.E. left and then swiftly returned to take up a post with you to work on capital projects, I believe associated with the stimulus programme. What was the recruitment process for that position?

Chief Executive:

Perhaps I can provide a bit of clarity because it was not quite as you said. So the former Director General for G.H.E., before he left ... obviously COVID started and we were faced with a number of issues which we had to deal with. The first was the establishment of the construction permit scheme for operating during COVID and that was a critical piece of work to look at the way in which COVID impacted on the construction industry, how we could manage that and still keep certain key projects afloat and the sector working within the appropriate guidelines for social distancing, et cetera. What I asked was for that specific project, which started in March of this year, during the previous Director General's contract period, to be led by him as a designated discrete piece of work, which would not impact therefore on the work that the Acting Director General was having to do for the department and also because we, in the COVID situation, needed some expertise and advice around the construction programme. The second piece of work that then followed from that was, as you rightly said, a review of the capital programme to slow it down, to ensure that public expenditure was not being committed to projects unnecessarily during a period where we had to review every part of the Government's budget in order to ensure that we had enough liquidity in the system to be able to support the COVID projects.

[15:15]

That project carried on for a period of time and contributed into the review for the economic stimulus. Again, because of the former Director General's expertise and understanding and leadership of the capital programme, it was felt it was important that he led that work. In his contract that came to an end, we had an extension period built in that we took and got approved. First off, it was agreed that the former Director General would lead these pieces of work through the Council of Ministers, then secondly through the States Employment Board, we went back and we referenced that. Therefore it was not a question of going out to recruit for those pieces of work, they were an extension of his

current role and also his responsibilities at the time. Then when that work came to a particular end, his contract finally came to an end in May 2020. That is what happened and therefore we did not need to go out for a recruitment process, as you have described.

Ms. M. Scott:

I am interested in how you assessed his expertise, because I remember when the P.A.C. interviewed the Director General about property matters, he told us his expertise was in sewerage rather than property, yet we find now he was being ...

Chief Executive:

No, that is not what I said. He had responsibility for the capital programme and he had the knowledge and understanding of the capital programme, which was the area that we were looking at. Secondly, he led the work that we dealt with the Construction Council around construction arrangements on behalf of Government. Those are slightly different issues to property. They might be property projects, but these are more about bricks and mortar, engineering, structural work, all of which was in his area of expertise and he led specifically on on behalf of the Government when he was the Director General. I have to say, he did a very good job around those particular areas.

Ms. M. Scott:

If you could just articulate what he achieved then.

Chief Executive:

First off, we had a construction permit scheme that was put through, the legislation was agreed by the Assembly and that construction permit system worked through as we then moved through the different levels of coming out of lockdown. That meant that the industry shut for only a period of about 14 days across Easter and we were able to keep the construction economy going through COVID. That was very well received and has been acknowledged in a number of different places. Secondly, on the capital programme, he slowed the capital programme, which meant that we made a whole host of savings during the COVID period while we reviewed government expenditure. Then he has been able to support the initial work around the economic stimulus project, which has of course now been taken on by the acting Director General, so it was not something that he completed. Within all of that, he did the work to reduce the capital programme down to a certain level and then prioritise those projects that would be appropriate for any economic stimulus programme.

Ms. M. Scott:

Thank you, Chair.

The Connétable of St. Mary:

Could I add a little further to that? How do you intend to, for example, fill the vacancy of the Director of Estates, the current acting Director General of G.H.E.?

Chief Executive:

I think I had referenced earlier on in the hearing that we had to pause the appointment for the Director of Estates. We are expecting to reactivate that. In fact, I know that there was a meeting taking place with the Jersey Appointments Commission today about how best to do that. I expect that to be completed in a matter of weeks, because that process has got through to the final interview stage, so we do not need to start again and go back out for recruitment, et cetera. As for the acting Director General of G.H.E., the approval has now been given by the States Employment Board at its meeting on 21st July for that recruitment to start. We will be appointing the necessary support to make us able to do that and we expect that to formally be going through over sometime in August to start in September. I would expect that appointment to be made and completed within the last quarter of 2020.

The Connétable of St. Mary:

Is that appointment likely to be from locals or will you have to bring somebody in?

Chief Executive:

We are very clear. It is an open competition because that is the prerequisite of the States Employment Board, who are very clear for Director Generals you must do that, and also for the Jersey Appointments Commission. However, I am sure that there will be strong representation from on-Island.

The Connétable of St. Mary:

Thank you very much.

Senator S.C. Ferguson:

Thank you very much, Mr. Parker. Throughout the various discussions we have had with the acting Director General and so on, we keep hearing about the levels of personnel posts to be filled. We have heard about 6 and 7 and we have heard talking about 4 and 5. Do we also look for one, 2 and 3?

Chief Executive:

What do you mean, levels ...

Senator S.C. Ferguson:

You are talking about levels. Seven is the Director or the Director General.

Chief Executive:

No, it is the other way around, Chair. If I can help you with that, when the original arrangements for the One Government were put in place, we agreed that there would be no more than 7 tiers of operation across the public services, but it will be ...

Senator S.C. Ferguson:

It is 8 including yourself.

Chief Executive:

So the Chief Executive, Director General, Group Director, Head of Service, a middle manager, a team leader, adviser and then what I would call front line staff that follows from it. Now, that was the maximum, and I stress maximum because there are certain departments, Health and indeed G.H.E., where you have a very different set of arrangements, for example, if you have got a supervisory level for - I do not know - cleaning staff in a hospital, you often have a lot of people and you have to have more than one supervisory level because of the shift patterns. In G.H.E. you have got the same over some of the manual worker grades, where you have shift patterns and you also have different what I would call assistant sort of team leader type roles that occur, whether that is, for example, in parks or street cleansing or whatever. That is the maximum, of which they are not all management. I think that is important to understand. Going back to that, there should be no greater than a one to 8 span of responsibility for any post. Occasionally again at certain levels you have to have a bigger responsibility, but quite often you can have less, so one to 5 is seen as being another relevant part, particularly in somewhere like policy, where you do not have a lot of people and you therefore do not have lots of tiers; they would not have 7 tiers, for example. It depends where it is you are operating in the organisation, that the design rules, hierarchy and spans of control that were originally laid out in that March 2018 consultation document exist and those are the framework.

Senator S.C. Ferguson:

Excuse me, how are you going to get rid of your silos when you are operating a military type organisation in terms of levels?

Chief Executive:

Because we also have linked grades now, so a level 3 in department X will be the same level 3 in department Y, apart from those areas where, unfortunately or fortunately - depending on how you look at it - we have some operational differences. In fact, we have had incredibly good examples of where the One Government modernisation process has worked incredibly well across the organisation with COVID. We had large numbers of people seconded across different Government

departments to support the different areas that we needed to prioritise during COVID, where we could bring people with the same grades that worked in department X into department Y. I will give you a good example. When I went to visit the P.P.E. (Personal Protective Equipment) cell, we had people from G.H.E., the sports division, people that were working previously in Fort Regent, we had people that were working in H.R. (human resources) departments and we had people from other areas which were all seconded and working under the leadership of the Health and Community Services Team at the time. All of that has been created through the One Government arrangements, which would not have occurred before. That is the cross-departmental working that now exists and we have got that through some of the grade structures that I have just referenced. I think people tend to always say: "Oh, you have got a silo." You have to have an organisational design principle, but what we are trying to do is move people across so that they cover themes. Going back to the very early conversation that was had in this session, we talk about customer. I have now moved, as part of the changes that will be in the Government Plan, all customer-facing functions under Customer and Local Services, which were not there before, so carparking attendants, hospital booking staff, the way in which we do with D.V.S. (Driver and Vehicle Standards). All of those interfaces with customers now sit in one place, but it is not the Social Security Department of old, it is about bringing together customer functions, so whether you are in G.H.E. or C.L.S. (Customer and Local Services) or J.H.A. (Justice and Home Affairs) or wherever department it was, you now have all the customer together in the same way we are doing that with the States, so we can avoid then there being unnecessary differences in grades, unnecessary differences in hierarchy and management control spans. That is what we are doing in property, which is why Health, Education and the J.H.A. functions are all coming together under the new department that will have the responsibility.

Senator S.C. Ferguson:

I have seen county councils where in fact ... well, I suppose it was a regional council. I have lost track of where they do it, but one of the major cities in the U.K. where I visited and they were doing this. I agree entirely about having one building but you have got to have the building set up so that the departments intermingle, particularly relevant departments.

Chief Executive:

I do not disagree with that.

Senator S.C. Ferguson:

You need it flat. All the modern companies have a flat structure. I used to ...

Chief Executive:

Before I arrived, Chair, there were far greater levels than that that we are talking about today. You often had 11 tiers, you had many more departments and indeed you did not have open plan working. If you go out of my space I am in today, I have got 4 different departments working just on this floor. They are not all one department, and although we have to have, because of the floorplates here, floors designated, most people now hot desk or work in a different way, which means that you have got people sitting in more flexible spaces where they are talking about activity that they are jointly working on, rather than departmental areas alone. There was a meeting taking place outside around the hospital earlier and it covered a whole host of different parts of the organisation. There was a session about economic recovery in which there were representatives from 4 or 5 departments, all clustered together, looking at some of the work that is going on there. I do not believe that having ...

Senator S.C. Ferguson:

Yes, but that is putting a function together. That is not putting in ...

Chief Executive:

That is my point, you take a thematic approach to the activity that you do. It does not stop people working across the organisation, but you still inevitably have some - whether you like it or not - hierarchical frameworks. We are trying to reduce them. I would ideally like to reduce them further. It may be that I am able to do that, but of course that is subject to Members' views, and there have been at different times some very clear instructions that have come through either the Assembly or the Council of Ministers or the relevant Minister where they felt that it was too rapid in the advancement of those flatter structures, but we are working much more effectively and I do believe that COVID highlighted that. Recently the Chief Minister and other Ministers said that to other Scrutiny meetings.

[15:30]

Senator S.C. Ferguson:

Because I do hear comments from Islanders who sort of say: "We feel as if we have just got hundreds, with respect, of people from the U.K. who are riding roughshod over ..." I am not saying this of yourself, Sir, but they feel that some of them are just riding roughshod over Islanders.

Chief Executive:

There is always going to be a ...

Senator S.C. Ferguson:

There is too much at the top is what they are saying.

Chief Executive:

But the top is much slimmer. So if you go back to 2018 and now, there are 22 directors less than we had in 2018, just by way of example, at the top. That is a very simple statistic that if Islanders were to just reflect on that would show that we have reduced the number of senior managers at the top. That has gone through, but we will need to and can revisit and go through them again, because we are going to have to, inevitably, because change is a permanent factor now in organisational arrangements. As modernisation, digital and technology advancements come, you will have things being done by machines which were previously done by people. All of that will further slim down the public services, inevitably. We have, as I have said in countless meetings, in different Scrutiny meetings, this unique position in Jersey in that we have the demographic profile that has a very large number - almost a bulge - of people who are between 50 and 65, which is significant. Over a period of time of which a large proportion are in their late 50s, early 60s, those people will retire and natural wastage will come into effect, which will allow us not necessarily to replace them, to be able to reduce our wage bill and to change, because of technology and other advancements, the structure of the organisation. This was never part of the modernisation, that we would just cull people and headcount. We have a unique way of being able to manage that in the interests of the Island.

Senator S.C. Ferguson:

But please do not just throw them out with the bathwater because they are older.

Chief Executive:

Of course not. I would never do that. Similarly, I would stress the numbers of people that have come from the U.K., as you referenced earlier, large numbers of people on this Island ultimately have come from the U.K., so it is not new, but we do have a programme and an approach of looking to develop talent within the workforce. We have been doing that. Most recently we made a number of senior appointments from on-Island that have come up through the ranks because we have spent more time and invested more in the development of people who are tomorrow's leaders and today's stars. That will continue. That is the way in which long term you create a more sustainable workforce. But unfortunately at the beginning we did not have the skills in a number of key areas because we had not invested. A good example - and today's hearing is a good example - in property we have not invested. As a consequence, we have struggled to deliver a coherent strategy, a coherent operational delivery capability and also we have not been able to tackle a perennial problem in terms of the backlog. The leadership of that - and we have had some very good people, so I am not knocking that - has not been invested in and therefore we are now paying the consequences of that and we are having to bring people in to help and support, but I am optimistic that some of the future leadership of that function will come from on-Island.

Senator S.C. Ferguson:

Yes. You have got some very good people in the department, but they have been a bit sort of overlooked and ignored at the moment, I think.

Chief Executive:

Correct.

Senator S.C. Ferguson:

Absolutely. Just one last little plea, which I will confess a real conflict of interest, when are you going to be able to persuade the department, the Ministers, the Treasury that the 26 years since the States made a decision, passed a proposition to get a new headquarters for the Sea Cadets, either the old one renovated or a new one? Can we get it finished, please? It is 26 years.

Chief Executive:

There is a situation with the current premises at Fort Regent, which are not fit for purpose, where there is a discussion taking place about some short-term arrangements because we are going to have to decant them from their existing site for health and safety reasons, and there are plans and proposals for a longer-term solution. There are 2 parties though in this discussion and I am very clear that we need to be able to make something available that works for the Sea Cadets, but we have also got to get a realistic position where Government expenditure over the next few years will be under significant pressure. What we will not be able to do is create a gold-plated single operation for one cadet force. We have to be sensible, we have to be pragmatic and we have to find a solution that supports their ability to deliver a very important service for young people, but we are not going to be able to afford to provide a gold-plated resolution to this.

Senator S.C. Ferguson:

I do not think they are wanting a gold-plated resolution. They just want the leaks stopped and things like that.

Chief Executive:

Yes. The leaks unfortunately in the current site are linked to a much bigger problem about Fort Regent. As you know, Chair, the whole of the Fort Regent issue is something that will be coming forward over the next period. The Chief Minister has made a commitment about that and I think you will see very soon a whole raft of proposals that will form part of our economic stimulus programme, longer-term regeneration opportunities which will resolve that. But it is not going to be a short-term fix and therefore in the short to medium term the Sea Cadets are probably going to have to be relocated out of their existing facility because, unfortunately, the whole of the Fort Regent site is not really fit for purpose.

Senator S.C. Ferguson:

Thank you very much for your time, Mr. Parker.

Chief Executive:

Pleasure.

Senator S.C. Ferguson:

It has been certainly a very enlightening hearing and thank you very much for it.

Chief Executive:

No problems. Thank you all indeed as well.

[15:37]