

STATES OF JERSEY
Environment Scrutiny Panel
Medium Term Financial Plan Review

TUESDAY, 24th JULY 2012

Panel:

Deputy J.H. Young of St. Brelade (Chairman)
Deputy S.G. Luce of St. Martin (Vice-Chairman)
Connétable P.J. Rondel of St. John

Witnesses:

Deputy Kevin Lewis, Minister for Transport and Technical Services
Chief Officer
Acting Finance Director

Also Present:

Scrutiny Officer
Professor M. Oliver

[14:02]

Deputy J.H. Young of St. Brelade (Chairman):

All right, so I am going to open the meeting. Ladies and gentlemen, welcome to this public hearing of the Medium Term Financial Plan 2013-2015. This huge document, which arrived with us on Friday, we are here to look at the aspects of this plan which concern the Transport and Technical Services Department and the elements from this hearing will be taken on board by the Corporate Services Scrutiny Panel that have got the job of looking at the whole plan right across the States. So this is one meeting out of a series of meetings for all different departments. So, first of all welcome to the Minister and his team. Before I ask everybody to just introduce themselves for the record, I will also explain that we have with us Professor Michael Oliver of ESC Rennes who is an adviser who is advising the Corporate Services Scrutiny Panel and has asked to join us today. Minister, have you any objection to Professor Oliver's presence?

The Minister for Transport and Technical Services:

None at all.

Deputy J.H. Young:

Excellent. Thank you for that. Would you have any objections to answering any of his questions on matters of fact if ...

The Minister for Transport and Technical Services:

None at all and hopefully we know the answers.

Deputy J.H. Young:

Thank you very much. So just to introduce myself, John Young. I am Chairman of the panel.

Deputy S.G. Luce of St. Martin (Vice-Chairman):

Deputy Steve Luce, Vice-Chairman of the panel.

Connétable P.J. Rondel of St. John:

Connétable Phil Rondel, a member of the panel.

The Minister for Transport and Technical Services:

Deputy Kevin Lewis, Minister for Transport and Technical Services.

Chief Officer:

Chief Officer of Transport and Technical Services.

Acting Finance Director:

Acting Financial Director of T.T.S. (Transport and Technical Services).

Deputy J.H. Young:

And our Scrutiny Officer. This might be a bit ambitious but we are going to try and set the goal of 3.30 p.m. but if we overrun slightly and if we have got a lot of material coming forward we will carry on a bit but we will definitely not go beyond 4.00 p.m. Now, Minister, to start with you must be absolutely expert on this wonderful tome. Would you like to help us by referring us to the key pages that set out what T.T.S.'s position will be starting, I suppose, with your revenue budget, what used to be called revenue budget, what you get to spend annually each year under these targets in here?

The Minister for Transport and Technical Services:

All right, what page are you on?

Deputy J.H. Young:

I think, Minister, you might be referring to page 49. I do not know but I will leave it to you. Any advance on 49?

The Minister for Transport and Technical Services:

Page 49.

Deputy J.H. Young:

So, Minister, on my reading of that line it says at the moment you have got £24,604,000 budget.

Acting Finance Director:

That is Treasury and Resources.

Deputy J.H. Young:

Sorry, wrong number. Thank you. [Laughter] We will start again. £26,938,000 and your budget is reduced to £25,599,000 but going up again in later years, 2014 and 2015. Minister, would you be able to summarise the changes that have taken place between your current budget and what you are proposed to be given or ask your officers to do so?

The Minister for Transport and Technical Services:

Absolutely. Do you want to take that?

Chief Officer:

Yes. Quite simply that is the final year of our commitment to C.S.R. (Comprehensive Spending Review) which was 10 per cent of our gross revenue budget.

Deputy J.H. Young:

So how much is the saving in 2013 for your C.S.R.?

Chief Officer:

Just over £2 million.

Deputy J.H. Young:

£2 million and have you been able to make that saving?

Chief Officer:

We have.

Deputy J.H. Young:

Can you tell us how you have managed the saving? Not in every detail but summarise.

Chief Officer:

We have a selection of about 30 different aspects of this.

Deputy J.H. Young:

Would you like to identify the main items for us?

Chief Officer:

Predominantly improving the efficiency of the business, cutting overtime ...

Acting Finance Director:

A review of the plant and vehicle and equipment that is in use to try and minimise the internal recharges in relation to those. What else have we got?

The Deputy of St. Martin:

Could I ask maybe, Chairman, while we are talking about vehicles, just something I noticed earlier, does fleet management come under your budget?

Chief Officer:

It does.

The Deputy of St. Martin:

So we will come back to that later. That is interesting.

The Connétable of St. John:

In its entirety?

Chief Officer:

In its entirety, yes.

The Connétable of St. John:

Fire engines, police cars, everything?

Chief Officer:

The whole thing.

Acting Finance Director:

With the exception of the airport vehicles, I think. That is the only one.

Deputy J.H. Young:

Those numbers you gave us, Minister, sounded a bit kind of academic and fairly sort of difficult concepts to get hold of. Would you like to explain that a little bit more in reality where those main savings have happened? Have you cut services?

The Minister for Transport and Technical Services:

We have not cut services.

Chief Officer:

We have not cut services. What we have managed to do is re-engineer what we do and we have been fortunate in that we have had new assets like the new Energy from Waste plant which has enabled us to make the solid waste elements more efficient. We have challenged a lot of the existing operation but we have also just negotiated a new bus contract which shows a 10 per cent saving over the previous contract, which gives us the majority of the savings for 2013. So it is a combination of ourselves and our supply chain which we have managed to make the savings on.

Deputy J.H. Young:

So how much are the bus savings in there, out of the £2 million, roughly?

Chief Officer:

Ten per cent of the growth so it is ...

Acting Finance Director:

It is overall, £600,000.

Deputy J.H. Young:

£600,000. So £600,000 is in the bus contract. Overtime; started cutting back on overtime, for your operatives? How much is that?

Chief Officer:

We have got a target of 15 per cent reduction but it is across the board in different areas so it is hard to quantify exactly.

Acting Finance Director:

It is mixed up as part of the individual ...

Deputy J.H. Young:

All right, so reductions in the pay bill, yes?

Chief Officer:

That is what we are trying to achieve, yes.

Deputy J.H. Young:

You can give us a figure on that, a total?

Acting Finance Director:

We might need to come back to you on that because I have got to find it. I think I have got it in here.

Deputy J.H. Young:

Okay, we will come back to that. Also other variations; have you got any new money in there, in your revenue budget, for 2013? Is there any new money? Any new growth?

Chief Officer:

Well, C.S.R., we are committed to making 10 per cent savings and as a department who did commit to that we have delivered it and so it is part of the C.S.R. process to park that. There was no growth in answer for that for T.T.S. On the M.T.F.P. (Medium Term Financial Plan) we have put a bid in for enhancing the centre of the Parishes and to actively try and stimulate some local work and to do some urban renewal, effectively, in the village centres which we got agreement for next year to £450,000.

Deputy J.H. Young:

So that is in there.

Chief Officer:

That is in there, yes.

Deputy J.H. Young:

So sorry, how much was that money?

Chief Officer:

We got £450,000.

Deputy J.H. Young:

£450,000 for village infrastructure. Highways and streets and so on, like that?

Chief Officer:

Again, it is a concept we have discussed before but to put it very simply it is a French village treatment to Jersey villages.

Deputy J.H. Young:

To make them more friendly, street friendly?

Chief Officer:

There are many facets to it. The key facet is it protects the vulnerable road user and then it defines the village and it gives the village a better identity.

Deputy J.H. Young:

So how much money did you bid for on this?

Chief Officer:

£2 million.

Deputy J.H. Young:

£2 million and how many Parishes was that going to do?

Chief Officer:

Very difficult to ascertain that, depending on the schemes, but we are looking at doing 2 a year and we will drop to less than that but we have got some money which is of great ...

Deputy J.H. Young:

So you are going to be making a start in 2013?

Chief Officer:

We will be making a start, yes.

Deputy J.H. Young:

Thank you for that. I should have perhaps asked rather than just close on the comprehensive spending review, taken as a whole over the years of that, because 2013 being the last, how much have you saved overall?

Chief Officer:

It was 10 per cent of our gross budget which is ...

Acting Finance Director:

Just short of £4.3 million.

Deputy J.H. Young:

So really you have made savings of £4.3 million?

Chief Officer:

Correct.

Deputy J.H. Young:

So that has gone back into the pot?

Chief Officer:

Yes it has.

Deputy J.H. Young:

And you have got back £450,000?

Chief Officer:

Yes.

Acting Finance Director:

In future years, in 2014 and 2015, there are additional items that come in like the treatment and disposal of ash.

Deputy J.H. Young:

Okay. Well, perhaps, let us pick those up shall we? So what have we got in 2014 as new money? Does the Parish scheme carry on?

Acting Finance Director:

Yes, it carries on and there is a slight enhancement, it goes up to £500,000 from £450,000. The bid, originally, was £500,000 within 2013 that was approved and then there was a slight reduction in all of the growth bids in order to accommodate ...

The Connétable of St. John:

You say within the Parish schemes but does that include St. Helier because St. Helier over the last 10 years has taken all of that, all monies for road improvements.

Chief Officer:

What I would suggest is the prioritisation is committed to the Connétables and they can decide where best to place the money and ...

The Connétable of St. John:

Well, that is not a problem because he does not attend that meeting so therefore he does not ... **[Laughter]**

Deputy J.H. Young:

So how many Parishes do you hope to do a year?

Chief Officer:

We will be looking to do one a year to be honest but it depends on the size and scale of the scheme and how vociferous the Constables are in terms of arguing for their case and prioritising it.

Deputy J.H. Young:

Since you have got the support of the Council of Ministers can I presume you have got the support of the Minister for the Environment in this environmental safety initiative?

The Minister for Transport and Technical Services:

I think he is yet to comment.

Deputy J.H. Young:

Okay. Thank you, Minister. You were telling us that programme has gone up to £500,000 and you have got some other new money as well. What was that for?

Acting Finance Director:

There is a new growth bid of £1 million in 2014 which is for treatment and disposal of ash, either remediation or on Island. There is a further £1 million on top of that, 2015, which is about the backlog of ash which is the A.P.C. (Air Pollution Control) residue, et cetera.

Deputy J.H. Young:

Okay. I think we will come back to ash in a moment. I think the Professor would like to ask a question.

Professor M. Oliver:

Just a simple one, gentlemen. You have got a note here that it is going to be working with the Construction Council for the Parish centre improvements: "To provide training opportunities for unemployed locals and allow continuity of work for local companies." How many new workers do you think you will employ and train up on this £500,000 scheme?

Chief Officer:

On a £2 million scheme we did the calculations. We have not reworked that for a £500,000 scheme. Obviously, the scale is substantially less but the ethos and proposal we want to continue, but obviously it is proportional to the financial position we have been put in. At least we have got some money for it which we view as very positive, but it is not ... the local employment elements of it were far more substantial in £2 million than it will be on £500,000.

Professor M. Oliver:

How many were lined up for £2 million of expenditure?

Chief Officer:

We were looking at ... and again the devil is in the detail, whether or not you took on some young people out of each Parish to work just on the scheme or whether you had more continuity. We were looking at sort of additional training for about half a dozen people. So we have not calculated how that works back to a £450,000 scheme at the present time.

Deputy J.H. Young:

Can I just ask; where in the schedule is this particular project?

Professor M. Oliver:

Page 72.

[14:15]

Deputy J.H. Young:

Page 72. Thank you very much.

The Connétable of St. John:

While we are finding that, will there be any additional funding come out of whatever Treasury call it from here onwards - the fiscal stimulus it was - because the Minister seems to be drawings rabbits out of the hat on a weekly basis at the moment when I hear him on the radio and he is going to move things forward. So are you likely to be applying, Minister, for additional funds out of whatever the Minister for Treasury and Resources is going to find all this extra money.

Chief Officer:

We welcome any rabbits, definitely.

The Minister for Transport and Technical Services:

Absolutely, yes. I do not think we have any surprises at the moment but that, as you say, would be more than welcome.

The Connétable of St. John:

Well, over the last couple of years with the fiscal stimulus, did the department get additional funding for them to ...

The Minister for Transport and Technical Services:

Yes.

The Connétable of St. John:

How much please?

The Minister for Transport and Technical Services:

We did the, was it Victoria Avenue?

Chief Officer:

We got just short of £8 million on fiscal stimulus.

Deputy J.H. Young:

Out of the various sources?

Chief Officer:

Yes. It was over a very short timeframe and perhaps did not give us the best solutions but it certainly kick-started the road renewal programme, which has been very positive for us.

Deputy J.H. Young:

£8 million, over how many years?

Chief Officer:

We did that over 18 months.

Deputy J.H. Young:

Eighteen months. You did Victoria Avenue. What else did you do with that?

Chief Officer:

There was more than Victoria Avenue as schemes. I cannot recall the exact ones.

The Connétable of St. John:

Was the airport anything to do with that?

Chief Officer:

No.

The Connétable of St. John:

It was just had we been there.

Chief Officer:

Yes. There were some drainage schemes and there was a selection of other schemes. It was all the schemes that had local impetus.

The Connétable of St. John:

So with what he has been speaking about in recent weeks would you anticipate getting a fair chunk of whatever has been put out?

Chief Officer:

If there is money available there is always a need for it and if it can have a community benefit and a benefit to the Island's infrastructure then we will try our best to secure the monies.

The Connétable of St. John:

Thank you.

Deputy J.H. Young:

Can I just clear up this training issue because I see that it is an E.S.C. (Education, Sport and Culture) item? Was it said that T.T.S. is going to have a share in that money? This is the apprentices' money which I had missed, an E.S.C. project.

The Minister for Transport and Technical Services:

We have taken on several, have we not?

Chief Officer:

Yes. We run our own. Well, we run apprentices now and we are getting to the position where the apprentice scheme is sustainable and will continue with some of that allocation.

Deputy J.H. Young:

Does that mean you will take on new apprentices and increase the number over the lifetime of this plan if it goes ahead?

Chief Officer:

There is a critical mass which you have got to be careful of with apprentices where you have got to be careful not to take on too many because they have got to have the proper training and that ratio of staff to apprentices has got to be kept very carefully in balance. We have a certain limit for the business to remain effective but we are trying to maximise that in all the areas we specialise in.

The Connétable of St. John:

I can recall a year or 2 ago I was speaking to an electrician who changed from, I think he was a chippie, at late 50s, and he was an electrical apprentice. I thought: "What is going on?" I would have been quite happier ... I had no problem with the chappy changing over but I would have been far happier if I had seen an 18 or 20 year-old going in as an apprentice and then we would have had that person, hopefully, for a considerable period of time but training somebody at a senior age when he should possibly, or maybe even had, a temporary retirement scheme. It seemed rather odd to me.

Chief Officer:

The gentleman in question worked for Harbours and it was a legacy item we took on from Harbours and we had committed to his training. But without being ageist I think there is a far better benefit for the Island for training young people in to do jobs which they can recover the value of that through the lifetime of their careers. At the current time we have got 3 electrical apprentices who are all under the age of 20.

The Connétable of St. John:

That is fine. So that is going forward but of your apprentices how many of them ... they are guaranteed, not many people guarantee the job for life nowadays, but after their apprenticeship they are ... I presume, they are not just saying: "Right, you move on now, you have learnt the trade." We take advantage of them staying within the workforce so they can use their skills to teach other people in years to come?

Chief Officer:

If we just took apprentices on to serve ourselves we would have less apprentices. We have made a strategic decision to take apprentices on to train the youth of Jersey

because I think there has been a big gap in that and some of them may not have jobs. We believe most of them will. They will then go into the private sector within the Island and learn other skills and may then come back to us, and that has happened over the life of the apprentice scheme over the last 15 to 20 years. So if you have to tie into a guaranteed job at the end it limits the numbers. So what we have tried to do is get a scheme which trains people up. There is the likelihood with the ageing demographic and workforce we have got that the majority of them do have jobs. If they have to go down to the private sector for a few years that is great for the private sector and it is great for us because they get a better balance to understand how the private sector works as well as the public sector.

The Connétable of St. John:

Then they come back with all that additional knowledge.

Chief Officer:

Exactly, yes.

Deputy J.H. Young:

That takes us back to the budgetary picture. Minister, if I understand it correctly, these numbers also include some things referred to in this document to do with carry forwards. These are, I think, on page 56. If I am right, are these monies that you have previously had voted to you and did not spend and are, therefore, now going to spend going forward from now? Is that correct?

The Minister for Transport and Technical Services:

I believe that is correct.

Deputy J.H. Young:

Would you like to clear that up for us?

Acting Finance Director:

Well, these particular areas were underspends that have arisen in 2011. They are one-off items, effectively, available to carry forward into 2012. The intention being that those are used, hopefully, within 2012 although it is likely that one or 2 of them might be slipping partially into 2013, depending on timing of certain approvals.

The Deputy of St. Martin:

I note that one of those items is £1.2 million for the disposal of asbestos. I wonder, Minister, if you could enlighten us as to where we are with that because this is an ongoing issue which has been brought to our attention on a number of occasions by various people? I think we are aware that the storage facilities at La Collette are not as any of us would want them to be.

The Minister for Transport and Technical Services:

Absolutely. I think we just got the report in on that?

Chief Officer:

Yes. The Minister for the Environment wanted more information, which we have just provided him with, and we are awaiting his decision on approving the plan that we have in place.

The Deputy of St. Martin:

That plan is?

Chief Officer:

Is to put the asbestos in a permanent cell built at La Collette on the south side with the objective of every 5 years reviewing technology to see whether we can extricate the asbestos into ... quite an innovative solution we have developed with the Environment Officers and the Health and Safety Inspectorate which they are very happy with but the Minister for the Environment is still currently looking at alternatives including export and treatment.

The Deputy of St. Martin:

Sorry, can I just ask, how long has that decision been on the Minister for Environment's desk to be made?

Chief Officer:

About 12 months.

The Deputy of St. Martin:

Twelve months.

Deputy J.H. Young:

Is it because he has got the right under the Waste Disposal (Jersey) Law to give approval or not for that?

Chief Officer:

I believe it is the Planning Law and the approval of the planning permission for it.

Deputy J.H. Young:

Okay. So at the moment you cannot spend that money, it is a carry forward. Mostly it depends on the Minister for Environment when you get consent. So the proposal is, I think, you are going to build a separate cell, if you get consent, to put it separate from the ash, is that it?

Chief Officer:

That is correct, yes.

Deputy J.H. Young:

Will these monies of carry forward on this page be spent only on the items listed in this plan or is it proposed that you will be moving the money about between these headings?

Chief Officer:

We endeavour not to move money about. One of the risks we have got is since the asbestos job was priced and has been tendered another 40 containers have arrived on site because of big demolishing jobs. I assume the airport job has had some effect. So there is an additional value and additional cost to that which we will have to bear, so we are trying.

The Deputy of St. Martin:

Minister, could I just suggest that the asbestos situation is not good. None of us, I am sure you are with us in not being happy with it?

The Minister for Transport and Technical Services:

Absolutely.

The Deputy of St. Martin:

I assume that you are pressurising the Minister for Environment as hard as you can to come up with a decision. Twelve months is a long time to wait for something.

The Minister for Transport and Technical Services:

Indeed. We are in regular talks and we would encourage him to make an early decision.

Deputy J.H. Young:

How many years accrual of asbestos have you got stored down there?

Chief Officer:

Since they shut La Saline.

Deputy J.H. Young:

How many years is that?

The Connétable of St. John:

Approximately 10 years.

Chief Officer:

Oh, it is longer than 10 years.

Deputy J.H. Young:

Twenty years.

The Connétable of St. John:

No, it is my time.

The Deputy of St. Martin:

The last decade.

Chief Officer:

The Constable of St. John will remember. He goes back further than... **[Laughter]**

The Deputy of St. Martin:

He goes back to the last century.

Deputy J.H. Young:

So would I be right in assuming that this solution is urgent? It cannot be left any longer?

Chief Officer:

The safe storage of asbestos is the highest risk on our risk register within T.T.S.

The Connétable of St. John:

Given that the regulator is the Minister for Environment, you must be really concerned that something has been sitting on his desk for this length of time. If you are concerned, what are you going to do about it? Who do you complain to if the regulator has found some ... it has taken a misdirection?

The Minister for Transport and Technical Services:

I say at the moment we are encouraging a quick decision.

Deputy J.H. Young:

Perhaps we will come back to this; not perhaps, we will come back to that on another occasion.

Chief Officer:

The answer is probably Scrutiny, is it not? **[Laughter]**

Deputy J.H. Young:

But you have got the budget to do it anyway if you are permitted to do it and therefore that is why those monies are there. If I can refer to page 81, and I interrupted you when you were speaking earlier, there includes a sum for £2 million for treatment and disposal of incinerator ash.

The Deputy of St. Martin:

Sorry, I was looking for ... now, I am looking for something. I have just found it.

Deputy J.H. Young:

I think we are all learning as we find our way through this document.

Acting Finance Director:

I think that the £2 million mentioned there includes an element of the backlog treatment. It is more likely that the ongoing annual amount will be lower than that. We are still working on the projections at the moment.

Deputy J.H. Young:

So this is money to...

Acting Finance Director:

In 2015 it is likely to be £2 million; that is the average.

Deputy J.H. Young:

So it is money to deal with backlog and to enable you to improve ways of dealing with this in the future?

The Minister for Transport and Technical Services:

Yes.

Deputy J.H. Young:

What is your feeling now? Are these monies sufficient, do you believe, or are there steps that still need to be taken to examine those costs and funding?

Chief Officer:

As you are aware, the final strategy for ash, both A.P.C. residue and bottom ash, has not been fully ascertained because we are on with that at the moment and you are reviewing that with us. We are fairly comfortable with the figures we have got. The fact that we have got some money in the M.T.F.P. is a fantastic achievement I think, and I think it means we can do something. The prize for the Minister is to not leave a legacy at La Collette, which is something the Minister has successfully argued to secure this money in the M.T.F.P., and we have just got to make sure that we can find a solution that fits into the budget.

Deputy J.H. Young:

So decisions can be made after the various reviews and so on to work out the best way of doing this. Would that be dependent on the Minister for Environment giving consent?

Chief Officer:

Yes. On some elements, particularly the export I believe.

Deputy J.H. Young:

Okay. Well, we will be coming back to that on another occasion. Can I ask, we have covered, I think, your C.S.R. savings, those elements of new money that you have got in your budgets. Were there any things that you bidded that you did not get?

Chief Officer:

Yes.

The Deputy of St. Martin:

That is just what I was coming to.

Deputy J.H. Young:

Would you like to highlight those to us?

Chief Officer:

Can someone find them?

The Deputy of St. Martin:

No. I can tell you that they are on pages 85, 86, 87, or a little bit before, a bit after, but that is the section. I see, Minister, that you got your money for ash and you got your money for Parish Centre improvements. You did not get your money for sustainable transport, hopper bus service or the school bus contract.

The Minister for Transport and Technical Services:

The hopper bus was unfunded to start with. Are you referring to the proposition by Deputy Southern?

The Deputy of St. Martin:

I am referring to the 3 items in the plan which are entitled: "No growth funding available." Number 58 on page 85: "Sustainable profit for transport policy" and then further on, on the last page, page 87: "The town hopper, increase the concessionary costs and the school bus service capacity." Now none of that money has been forthcoming?

The Minister for Transport and Technical Services:

That is correct.

The Deputy of St. Martin:

My question would be; ash, village centres and bus transport, for want of a better word, what were other subjects that you considered bidding for when you must have had a list of things you would have liked to have done under growth? Were there any others that you considered that did not make it to the table to be rejected?

Chief Officer:

T.T.S. is a department that delivers critical infrastructure for the Island and we take a pragmatic approach in terms of what we bid for because the reality is there is a finite sum of money and the domination from Health, Education and the other departments tends to put us at the bottom end of the prioritisation list.

[14:30]

So our strategic choice was to bid for the ones that we felt had a bit more attraction and more ability to get than to just have a huge wish list, which then trivialises the bids. So that prior to coming to this bid process we have a rake of bids and then we prioritise them within T.T.S. and find out how to solve them and from there we then put bids forward, which we believe are the ones which we are going to struggle to do if we do not get the money.

The Deputy of St. Martin:

Could I ask how do you set out prioritising? If you have 20 subjects in front of you, all T.T.S. subjects and all worthy causes, how do you set about prioritising the ones you want to take forward and the ones you leave behind. Do you score them? Because you have got a system within T.T.S., within the Government, within the States, we are going to have to try and find a way of prioritising T.T.S. against the Environment, against Education. It is hugely difficult.

Chief Officer:

We have got 3 core values within T.T.S. There is custodian of infrastructure, protecting the environment and improving the training of what we do and our sort of image and getting on the front foot. For us the key - it fits into that - the reality is we have looked at prioritisation of different needs and one of them is an automated mechanism you can use which costs out the cost of not doing something. So you put

an actual cost of not doing, fixing a road and the cost of not fixing a sewer and that then gives you ... it is done negative but it gives you a priority score for doing it. Now, it is still a subjective matter and how our priorities, and ones which are set by the Minister, set by yourselves in some respects, and set underneath all of this, so we take an educated view, based on the professionalism of everybody in each team to say what their priorities are and what their needs are. So as long as there is trust and confidence in the team I think you can do the prioritisation without a formula.

Deputy J.H. Young:

When was it done? Was this done earlier this year or are these longstanding priorities?

Chief Officer:

We do it on an annual basis for the Business Plan but we do it almost on a weekly basis in terms of our Strategic Reserve and the priorities therein.

The Connétable of St. John:

I have real concerns on what you are saying here because you look at a road and you see it starts breaking up but below the road, in many cases, we have got a lot of other infrastructure, whether it be sewerage, whether it be electric cables, whatever it may be. Given that a road starts breaking up, do you take all this into account, what is below, or just that particular piece of equipment that is actually deteriorating? When you look at that piece of equipment and say: "Well, okay we will give this another couple of years as it is and we will patch it." But it is the damage that is happening below that infrastructure, to the infrastructure below it, that it may be mains services, as I say, it may be a whole host of other things given over the last 100 years all our infrastructure has gone below in the majority of roads instead of going off the road. Is all that taken into account or do you deal with each item, i.e. the road is standalone, main drains are standalone below that because 9 times out of 10 the problem has been caused by what is above it?

Chief Officer:

You are right. Each specialism in each area looks at it. We have done a full survey of the road network and prioritised the road network in terms of the key routes then the quality and standard they are and we prioritise all the time on that. For the sewers, we have done full sewerage investigations to understand where the assets are, what quality, conditions they are in and we scored them and rank them. So for

each of the separate assets there is a hierarchy of where the priority spend is. They have all got money to spend. If they need more money then it comes back into the sort of decision-making process within T.T.S. If an asset is at a point where it is causing damage to another asset then it is higher up the priority range and that would be dealt with straightaway. One of the challenges you have got is the infrastructure is all stuck in the roads and in putting it in the roads it tends to degrade the quality of the roads, which is sort of the opposite, as you suggest, but it is a really big issue we have which is why our road assets are struggling and we need to invest heavily in them.

Deputy J.H. Young:

I think we will probably come back to that under capital because I think what we are dealing with here is this issue of your ongoing budgets. Obviously there are bigger issues about capital monies to completely rebuild things. Can I throw you back? You told us, I think, you bid for about £1 million for sustainable transport and advised Deputy Luce we did not get any. Does that mean that we will not see any improvements in town services and the school buses and indeed in examination of the park ... the opportunities for a Snow Hill multi-storey car park and so on? All of those were elements made in the case for those but does that mean we will not be able to do any of those things?

Chief Officer:

We are very fortunate in that we have got a new bus contract starting with an innovative provider who is going to look at the services that have been provided. So we may be able to reprioritise them. In pure terms, if we have not got the money we are not doing it. It is as simple as that. What we will always do is try and find innovative ways of funding things and maybe doing some joint work with other utilities and lots of other things, but some of those schemes will not go ahead because we have not got the money.

Deputy J.H. Young:

Minister, how do you feel about that? I mean sustainable traffic, transport strategy, it is approved by the States, high importance policy, are you prepared to accept that position?

The Minister for Transport and Technical Services:

Well, as my Chief Officer just pointed out we have got a new bus company coming in shortly and they are very, very proactive and we are encouraging that and they will look at the entire network and where we can tweak things we will tweak them. It may not be a hopper bus service but we may be able to include a town service.

Deputy J.H. Young:

So you are having a look at that. Okay, Minister, if I just kind of draw that session, with a couple of questions, to a close. The big picture. What are your staff numbers like? Have they maintained levels or have you reduced staff over the period of the C.S.R. and this 2013-15?

Acting Finance Director:

They are slightly down due to some of the C.S.R. savings.

Chief Officer:

Yes, we have reduced staff.

Deputy J.H. Young:

So it is roughly how many? Was it civil servants and administrators you have lost? While you are looking at that ...

The Connétable of St. John:

On that point, on staff, how many contract staff have you got within the company, within your department?

Chief Officer:

Some of the services we use external providers for.

The Connétable of St. John:

Numbers please?

Chief Officer:

Do not have a clue.

Deputy J.H. Young:

Perhaps you will find that. What about user pays charges? Are you proposing in these numbers any new charges to the public for services or any increases in charges?

Chief Officer:

We have included a user pays charge in, I think, it was March of this year which was the green waste charge of delivery here from commercial.

The Minister for Transport and Technical Services:

The compost.

Deputy J.H. Young:

The compost. That was in March this year?

The Minister for Transport and Technical Services:

That is just commercial that is not domestic.

Deputy J.H. Young:

So are there any public charges in there going forward?

The Minister for Transport and Technical Services:

No.

Acting Finance Director:

The only new item of income that is in there is additional vehicle licence auctions.

Chief Officer:

Yes. Potential auction of plates.

Deputy J.H. Young:

We are going to see another auction, are we?

Chief Officer:

Possibly yes.

Deputy J.H. Young:

What is the income projection for that?

The Deputy of St. Martin:

It is not millions. [Laughter]

Chief Officer:

Good answer.

Acting Finance Director:

Very special numbers.

Deputy J.H. Young:

What is then the purpose? What would that money be spent on? What is the prize, as it were, a new hopper bus or something?

Chief Officer:

No, it will not be a hopper bus.

Acting Finance Director:

It is just seen as part of our income projections I think. I do not think it is ...

The Minister for Transport and Technical Services:

It used to come to me when I was the Assistant Minister for Community Projects but that disappeared some time ago under my predecessor.

Deputy J.H. Young:

This was a proposal to raise income and then put the money back into the community?

The Minister for Transport and Technical Services:

Yes. It goes into general revenue and we ...

Deputy J.H. Young:

Now it just goes back into the pot and there is no ...

Chief Officer:

We have not done it since then. That money ran out, did it not? We spent that on community projects.

The Minister for Transport and Technical Services:

Mostly on smiley SIDs (Speed Indication Displays) and such like.

Deputy J.H. Young:

Would it not, Minister, raise more money if there was seen to be a particularly desirable public purpose for the licences?

The Minister for Transport and Technical Services:

Quite possibly but, as my Chief Officer said, we have not done one since. So it will be interesting to see how much we can raise on that.

Deputy J.H. Young:

So maybe you will look at that, Minister?

The Minister for Transport and Technical Services:

Absolutely.

Deputy J.H. Young:

Excellent. So, my colleagues, do you want to raise any other questions on the ongoing revenue budget before we go on to capital?

The Deputy of St. Martin:

Well, before we get on to capital, maybe a good way of getting into the capital would be to talk about contingency. Minister, do you feel you have got enough contingency in the bank in case you need a contingency fund in the coming years? Are you happy with the level?

Chief Officer:

As the accounting officer it is my ...

The Minister for Transport and Technical Services:

The buck stops with the Chief Officer.

Chief Officer:

It is mine and I try and delegate most of that job but basically we run a strategic reserve within T.T.S., which is a non-committed allocation which we then, as the year

progresses, try and utilise to improve the business and work on our own spend to save projects. The worst case scenario is something going badly wrong in December but we try and manage that. What we have done in T.T.S. is build up a trust over the years where each part of T.T.S. trusts the fact that if there is income, a lot of additional income, or additional lack of spend then it goes into the Strategic Reserve and can be reallocated.

The Deputy of St. Martin:

I mean I note your example but seeing as we are getting on to talking about capital expenditure, that you are planning to spend £16.3 million on sea defences in the coming years, I mean that would be the obvious one in December that might be something that would come up in like your contingency, so to speak. I notice, in particular, that there is another over £9 million to be spent between First Tower and West Park, was that not the stretch of wall that got repaired most recently?

Chief Officer:

It was.

The Deputy of St. Martin:

It is on page 259.

The Connétable of St. John:

Would that be the sewer outfall?

The Minister for Transport and Technical Services:

The sea wall was breached there.

The Deputy of St. Martin:

It starts on page 258, there is an extensive, well not extensive, but a short review of the sea wall situation.

Deputy J.H. Young:

Can I just come in on this because I want to, just when you are referring to that, I want to make sure I understand that page because we have only had this document a couple of days. Is this section here for long-term capital where there is no money or is this money that you have got now?

Acting Finance Director:

The figures that are within the programme, capital will have to be agreed every single year within the period of the Medium Term Financial Plan anyway. These are forward projections for the next 20 years. So this is what we are expecting to be a requirement but which has not yet been agreed.

Deputy J.H. Young:

So it is a wish list?

The Connétable of St. John:

It is a total wish list.

Deputy J.H. Young:

It is a wish list, is it?

Acting Finance Director:

Funding will be allocated ideally in conjunction with ...

Chief Officer:

Sorry, the wish list is not a fair terminology. This is our needs for managing assets into the future as custodian reserve infrastructure. So for each of the areas, whether it is sea defences, whether it is infrastructure assets like highways and sewers, that is the projection of what we need to spend to make sure the infrastructure is maintained to a level which is adequate for Jersey.

The Deputy of St. Martin:

For example, number 540 on page 262, bottom ash recycling, £1.5 million and that is scheduled to start in 2014 if that is correct.

Chief Officer:

Yes.

Deputy J.H. Young:

What I am puzzled at, Minister, is why this is here if there is no money. It seems to be what has just been said is very important, that these are a list of what needs to be really spent to put our infrastructure right.

Chief Officer:

Well, there is money. The allocation on infrastructure is based on 1 per cent of the asset value of the infrastructure, which is currently about £8 million rising to about £9.5 million then to £10.5 million through the programme. So there is an allocation there.

Deputy J.H. Young:

So in the fund, compared to some I am bit a slow on this, there is an allocation of around about £9 million each year in these figures, which is 1 per cent of the infrastructure cost, which means that you can replace everything once every 100 years?

Chief Officer:

Correct.

Deputy J.H. Young:

Is that the right period?

Chief Officer:

Interesting question.

Deputy J.H. Young:

Minister, is that the right question?

The Connétable of St. John:

Minister, you know as well as I do, you have been in business, no way ... yes, the odd bit of culvert somewhere might last 100 years, but in general you are being poorly served by the Council of Ministers, surely, to allow 1 per cent of the infrastructure value to be the only figure that you can rely on, so you renew everything once in a 100 years. This is absolutely crazy. I would expect you to be thumping the table and you should be looking between 5 and 10 per cent of the real value to even keep your head above water because at the end of the day we are sinking.

[14:45]

Just look at our roads and that is what we can see; how bad those are. It is what is going on, all our infrastructure elsewhere, and I am thinking of Bonne Nuit jetty. Several years ago when I happened to go down there and all of a sudden a big hole appears and I ring up and they send down, I do not know how many loads of concrete to fill this hole. Honestly, I expect our Ministers to be thumping the table, in particular in this area, because you are about the only person around that table, when you are sitting with your 9 other colleagues, who knows how bad things really are in this Island. You have been fire-fighting, the department has been fire-fighting, going back to all my time on the former Public Works Committee or Public Services Committee, they were fire-fighting then when we had plenty of money coming out of our ears and we had to fight like billy-o to get things done. Now that we have got our backs to the wall I would really be expecting you to be fighting as hard as I see ... obviously, Health are getting funding in big proportions. I would expect you, Minister, to be fighting equally as hard around the table. But to be talking about 1 per cent of infrastructure, to me that is absolutely ludicrous.

The Minister for Transport and Technical Services:

Well we are not replacing sea walls, we are maintaining them most of the time but it is very difficult to fight against Health. I mean if they need something at the hospital. We are fighting our corner, do not worry.

The Connétable of St. John:

I am worried, Minister.

Chief Officer:

Just to put it into perspective, 3 years ago T.T.S. had £4.5 million to spend on all their capital; we have now doubled that so we are in a position now where the assets are going to last 100 years not 200 years.

The Connétable of St. John:

So there has been an improvement in the money?

Chief Officer:

So there has been a substantial improvement in the money and that is for infrastructure assets which, just to define it, are the sea defences we manage, which does not include the outlying harbours, which are another asset which is held by

Ports; it includes the roads and it includes the sewers. Other assets are not classed as infrastructure.

Deputy J.H. Young:

I wonder if you can help us with this because we have got this plan. Page 257 appears to list the T.T.S. assets at £471 million. Is that the list of what is covered or ...

Chief Officer:

No.

Deputy J.H. Young:

Can you direct us to the right page?

Acting Finance Director:

No. The list on page 257, that you describe there, is the list of capital that is proposed over the next 20 years. This is what is proposed to be funded albeit some of it like the allowance for Liquid Waste Strategy is not funded at the minute.

The Connétable of St. John:

So this would include the major works that will be required, Gorey jetty, which has been moving for a number of years which I understand you will currently ...

The Minister for Transport and Technical Services:

That is Economic Development.

Chief Officer:

That is nothing to do with us.

The Minister for Transport and Technical Services:

Not ours.

The Connétable of St. John:

Does not come under you?

The Minister for Transport and Technical Services:

That is not ours.

The Connétable of St. John:

That comes under ... is that something else that we have to look at?

The Minister for Transport and Technical Services:

Yes.

The Connétable of St. John:

I see.

Acting Finance Director:

Within this, T.T.S. 3, towards the top of the page, infrastructure assets various, £187.7 million there, that is the vast bulk of the infrastructure funding. There is a bit elsewhere within the other lines.

The Connétable of St. John:

But honestly, £187 million with what we have got; are those figures really correct?

Chief Officer:

I do not really want to get into the debate on asset valuation because that will take us for ever but we have £1 billion of ...

The Connétable of St. John:

That worries me.

Chief Officer:

We have £1 billion worth of assets which T.T.S. administers.

The Connétable of St. John:

That is more like it, yes.

Chief Officer:

So of those some are fixed assets and some of those are infrastructure assets. Now, the Energy from Waste plant is not an infrastructure asset, for example, and that is £110 million. It is not uncommon to have a 1 per cent asset replacement value as your maintenance value for infrastructure assets as we have defined it. Many water

companies and other utilities run sort of 150-year systems. It is a measure. It does not define everything because it is the start condition.

The Connétable of St. John:

But a water company, generally, say Jersey Water, has not got the road sitting on the outside of it bringing the thing to pieces and it has not got, ripping it apart as we saw in Victoria Avenue a couple of years ago, roads to look after which are being travelled over by lorries, 5 tonnes. The roads were constructed for up to 5 tonnes and we are putting 40 tonne lorries on those roads. So we cannot use, the water company, for instance, with 150-year asset value on their bits of equipment, because they have not got the wear and tear of the equipment we are referring to here, i.e. whether it is sea walls, whether it is roads and our sewage, et cetera, because when we built our sewers originally they would take human waste solely. Nowadays with all the drugs and chemicals that go down them you are getting wear and tear from that also, which creates all sorts of other problems. I am really concerned when I see the figures. I am not blaming yourselves, but to me, and we said it earlier, this is a wish list and they are just numbers here which, to me, do not mean a great deal because they are not reflecting the true figures. I would like to see the true figures.

Deputy J.H. Young:

I wonder if I can just ...

The Connétable of St. John:

Sorry, Chairman.

Deputy J.H. Young:

It is obviously an important discussion. I just want to get some clarity about this report because this is what we have got to review. This page here, 257 then, £470 is what is proposed to be spent up to 2032, so it is 20 year plan?

Acting Finance Director:

£470 million.

Deputy J.H. Young:

Yes, £470 million. That is out; you have told us you have £1 billion of assets of which £470 million needs to have these major sums spent on them over the next 20 years. Would that be a fair assessment?

Chief Officer:

Yes, pretty much.

Deputy J.H. Young:

To do that over 20 years we would need, what, just about £9 million a year, would we not, for that? Somebody do my maths. £470 million, 10 years, that is £20 million, we want £23 million a year?

Acting Finance Director:

This is the allocation specifically for infrastructure within this is £190 million. The balance of the £470 million is about things which do not fall under infrastructure, but which are either requiring spend, like a new sewage treatment works, or maintenance work of the E.f.W. (Energy from Waste) plant and things of that nature. So, there is clinical waste in there as well. Now, that is specific projects. The allocation of pure infrastructure is £190 million within that overall total.

Deputy J.H. Young:

Pure infrastructure.

Acting Finance Director:

So, if you look at T.T.S. 3, which is the third line down, that £187 million and there is another £3 million further down, which relates to another year, is to do with the pure infrastructure rolling vote, which is about ongoing maintenance of assets.

The Deputy of St. Martin:

Waste management, sea defences, highways infrastructure, that type of thing.

Acting Finance Director:

Exactly.

Chief Officer:

Just to clarify, that maintains the asset in the condition they are now. That does not improve the asset. One of the criticisms we face, and I think it is a valid one, is if you look at the roads particularly they have degraded. They have degraded because that spend did not happen from 2000 to 2007.

Acting Finance Director:

That is why the line under T.T.S., T.T.S. 23 Roads Backlog is £38 million. So, there is an additional allocation over and above.

The Connétable of St. John:

We want to help you ...

Chief Officer:

I know you do.

The Connétable of St. John:

... get the funding you require. If it means that we have to beat the Minister round the head to go into a meeting with his colleagues and fight his corner, because his head is swollen because he has been beaten around, that is what we have to do to make it happen, so that the money is being spent in the right areas. So that we leave something for our children and our grandchildren that we can be proud of not something that they are going to picking up bills in years to come, because we have left it ... and I know the Minister feels the same way as I do. But, we need to be able give him that support. We need to see those numbers is such a way ...

Deputy J.H. Young:

Let us see what the Minister ... having heard that, Minister, obviously the exchange, the numbers, where does that leave us? Are you content that what you have here is a good plan that brings the Island's essential amenities to the standard required or are you being let down by the Council of Ministers? Is this plan disappointing to you?

The Minister for Transport and Technical Services:

We can do the job with the money we have. We can always do with more, obviously. We could do with doubling that.

Deputy J.H. Young:

What about your sewerage plant? The other week we had a discussion with you, these figures, if you had these funds available in the next 20 years, would that enable you to do what you need to do to the sewerage plant?

The Minister for Transport and Technical Services:

Yes, they are being done incrementally at the moment. We are putting in new sludge digestion units in the plant at the moment, which you saw the other day. The old green ones are being phased out and the new ones on the hillside are being brought into service.

Deputy J.H. Young:

But you also told us it was costing you money to keep the existing plant going.

Chief Officer:

It is. The difficulty we face is that the Council of Ministers have agreed to our balanced budget. They have allocated some growth. The majority of that growth is in Health. Now, the philosophical argument between improving the hospital and improving the road network is something which is very difficult to have. The element is to have a balanced budget. The only other way you can change that is by getting more income in. That is not something which is within our control. We have argued, I believe, the best we can to get the best deal we can out of the M.T.F.P., and I believe we have done. At least we have been noticed. You know, the last few rounds of this over the last 10 years, I have seen Transport and Technical Services get nothing and huge cuts. T.T.S. have strengthened their position for once. I do accept there is a backlog. We would love Scrutiny to go on a white charger and rescue £38 million, so we can spend it on the roads. But the money has got to come from somewhere. The responsibility for all of us is finding the mechanism to get that.

The Connétable of St. John:

We mentioned Health, a new hospital or whatever they are going to do, can only work if the infrastructure to design that hospital is there also. One goes with the other. Your ambulance have to run on good roads to get from A to B otherwise they can do damage to the persons in the back of the ambulance. Two, they need their waste taken away, the same as everybody else in the Island. As you told us the other day when we were down the sewerage works ... we are good at managing poor quality equipment - I do not think they were the exact words - but we need to be where we are in 2015 or 2012, we do not need to be using equipment which is way out of date and is no longer fit for purpose. One or 2 digesters and various other bits of plant we saw down there are costing us money, considerable money to put things in place. We are buying these tablets or should be buying these tablets from Japan at great cost, when we can be doing it in far better ways in 2012. It will be another 3 or 4 years before all these things are up and running. The Health Service can only

benefit if the infrastructure is in place. We have to get it across to the Minister somehow that the 2 go hand in hand. We see at the moment problems with the legionnaires virus in the hospitals, I know it is nothing to do with your department, I appreciate that, but all these things at the end of the day are all linked together. One thing I know, it does worry me.

Chief Officer:

Primary health care comes from the sewage treatment works and a clean water supply, the real basic healthcare elements. We valued that as successfully as we can within the Council of Ministers. The difficulty is the hospital has a bigger agenda and the change of demograph and the ageing workforce and the ageing population and all the challenges on Health mean that we have done the best we can. Beyond that, if you look at page 248 there is a graph there which shows some of the longer term capital plan and some of the issues there. What it does show is the new funding. All of the new funding has gone into Health.

The Deputy of St. Martin:

Can I touch on Health, Minister? I am flicking through those capital spends for the next 20-odd years, trying to find ways of saving you money. I am looking at things like the glass recycling plant, which is £1 million, and I think to myself: "Why do we not just continue to push it into La Collette?" I know it is very short term-ist, but you could save £1 million there. The one that jumped out at me was the refurbishment of the clinical waste incinerator. That is £15.2 million. We have just spent £100 million plus on a new Energy from Waste incinerator. I think I know the answer, but I am going to ask the question anyway. Why do we not just put all our clinical waste in our new incinerator?

The Minister for Transport and Technical Services:

I will leave that to the Chief Officer to do the techy bit.

Chief Officer:

I will do the techy bit. Clinical waste needs to be treated at PG5/1(95), which is an enhanced treatment. There is opportunity, and we are currently looking at this, to do a pre-treatment of clinical waste, whereby you are rendering it safe with autoclave or microwave or some form of process and then it can be treated as normal waste in an Energy from Waste plant. We are currently reviewing that at the moment. So that opportunity is absolutely there.

[15:00]

The Deputy of St. Martin:

Do you have any early indicative ideas of the cost of that sort of treatment compared to the £15.2 million for a new incinerator?

Chief Officer:

The further away you go, the greyer the capital figure is. What we do is put a conservative figure in. That would be for a mass burn clinical waste incinerator, which is something we want to try and avoid next time round.

The Deputy of St. Martin:

The £15.2 million is for a mass burn clinical waste ...

Chief Officer:

Yes, worst case scenario, replacing the existing one, which was built in 1997. If we can get a pre-treatment process, it will be substantially cheaper and potentially co-located on the E.f.W. site as well.

The Deputy of St. Martin:

Right.

Chief Officer:

So, we are looking at that. The problem is the timescale of M.T.F.P. means that ... and it is one of the key things we have had challenges on. We have put in a costing, but the closer we get to engineering that through feasibility studies ... we have just commissioned a feasibility study for this anyway and it is a similar thing with ash. We cannot say that ash is going to cost us X when we do not know what the outcome is yet.

The Deputy of St. Martin:

Is it normal to have a 15-year lifecycle for something like a clinical waste incinerator?

Chief Officer:

Well, M. and E. assets tend to have a 15-year life.

The Deputy of St. Martin:

Sorry, could you expand on M. and E.?

Chief Officer:

Mechanical and electrical assets.

The Deputy of St. Martin:

Oh, okay, sorry.

Chief Officer:

Clinical waste is a bit of a tricky one, in that it has had quite a hard life, because the amount of clinical waste the Island produces is more than it was ever envisaged. We still have some work to do with the Health Department to try and ...

The Deputy of St. Martin:

Sorry, can I just butt in and say why is that? Obviously there must be a normal figure per capita of clinical waste to be produced, are we doing a lot more than normal?

Chief Officer:

We do, yes. We do more waste than we should.

The Deputy of St. Martin:

None of us are health experts, but can we surmise as to why that might be?

Chief Officer:

I think it is an understanding of what is clinical waste and what is not and try to incentivise the wards in hospital and the limited space they have to try and think about what goes into clinical waste and what does not. That has been the traditional issue.

The Deputy of St. Martin:

I take it clinical waste is seriously more expensive to deal with per tonne than normal waste.

Chief Officer:

Clinical waste is just short of £1,000 per tonne on a recharge basis. Normal waste is, at the moment, free.

The Deputy of St. Martin:

How many tonnes of clinical waste do you have to deal with a year?

Chief Officer:

I do not know.

The Deputy of St. Martin:

A rough idea. Are we talking ...?

Chief Officer:

Not many tonnes, but ...

The Deputy of St. Martin:

It is not many? Are we talking 2 figures, 3 figures?

Chief Officer:

About 2 or 3 tonnes a week, something like that, so it is not a lot.

The Deputy of St. Martin:

That is still £150,000 worth of expense.

Chief Officer:

We have the figures for that here. Sorry, £418,000 a year we charge for our clinical waste, which is the operation. Not all that is from the Health Department. There is private sector produce of clinical waste, beauticians, tattoo parlours and places you would never think of.

Deputy J.H. Young:

Can I just check some of the numbers? Obviously, Deputy Luce there was referring, I think, to the £15 million on the long term to refurbish this incinerator, page 261, but we also have on page 135, which I think is the immediate capital spend or spend in the next couple of years: "Refurbishment of clinical waste incinerator, £1 million." Is that to keep it going?

Chief Officer:

Yes.

Deputy J.H. Young:

So, we have £1 million to keep it going, to maintain it. And we get £400,000 back a year.

The Deputy of St. Martin:

It fits in quite well, if it is £1 million a year to keep it going, it is £15.2 for a new one and its life expectancy is about 15 years, so it is pretty much one and the same thing.

Chief Officer:

That is not quite how it is worked out.

Deputy J.H. Young:

So, not only do we have to spend £1 million a year to maintain it, we have to provide £1 million a year to replace it in 15 years' time?

Chief Officer:

If the solution is that one, yes.

Acting Finance Director:

We are not spending £1 million a year on maintaining it. That is a one-off allocation, because of specific issues.

The Connétable of St. John:

Okay. So, what is the running cost? Does it wash its face?

Chief Officer:

£418,000, yes.

Acting Finance Director:

It is fully cost recovered.

Deputy J.H. Young:

If I can just look at the other items on page 135, because I think these are monies that you have got.

The Deputy of St. Martin:

Before we move on, could I just have one last question?

Deputy J.H. Young:

Yes, go on then.

The Deputy of St. Martin:

This potential new technology which would allow us to do all the interesting things and then put this clinical waste into our current plant, that would be considerably cheaper than replacing the existing clinical waste incinerator?

Chief Officer:

Substantially cheaper, yes.

The Deputy of St. Martin:

You are pursuing that with the greatest endeavours?

Chief Officer:

Vigour.

The Deputy of St. Martin:

Thank you.

Deputy J.H. Young:

I am sure we will be coming back to this. This schedule here, of long-term assets, but not monies funded in the immediate ... certainly, can you tell us, under this medium-term plan, are the capital monies going to be approved as part of the medium-term plan in advance or are they going to be subject to the budget each year still?

Acting Finance Director:

Annual votes. So, while the revenue budget is determined over a 3-year period, where there is a guaranteed minimum, the capital is considered each year.

The Deputy of St. Martin:

So, for example, if your sea wall blew down in December or in November, you could come to the budget and say: "We need £20 million for the sea wall and we will not do the clinical waste incinerator" or something along those lines?

Acting Finance Director:

Or a complete reshuffle of the capital programme or however you have chosen to be funded.

The Deputy of St. Martin:

Yes. Are you happy that the annual budget continues to allow you to move monies around, if you are required to do so, with Treasury approval?

The Minister for Transport and Technical Services:

It is always good to have that flexibility.

Chief Officer:

The negative element is long-term frameworks with local suppliers to give them continuity of work are challenging, but it is something we need to aspire to, to try and keep the industry who supply these capital projects to us in a place where they can train local people and keep local employment here in Jersey.

Deputy J.H. Young:

Minister, I am a bit puzzled. Sorry, the procedure of this plan, as a member of the Council of Ministers, what we have just heard is this plan inscribes the annual revenue budgets, but the capital is still going to be approved annually. Why is this information in this plan now about the next 20 years' capital spend? What is the commitment that is being sought of the States in this plan on capital?

Chief Officer:

It is the first time, I believe, that we have a document that says where we are going and what is over the hill. The key reason for this is to say: "Those are the needs in the future." I think what it does is it allows politicians particularly to stop going on wish lists and nice to haves, to see that there are huge issues going forward about infrastructure and legacy issues we face and boring stuff that we deliver, on top of the potential for a new hospital and the mechanisms that are going to be needed to provide a new sewage treatment works. So, what this document does is it engages ...

The Connétable of St. John:

It maps out the future.

Chief Officer:

It maps out the future and it is a fantastic document, even if that is the only thing that it does. It is, for once, a document which has it there. I am not aware of that ever being done before.

Deputy J.H. Young:

It will draw a line then under lots and lots of disclosures of rabbits out of a hat.

Chief Officer:

Exactly.

The Minister for Transport and Technical Services:

Everyone knows where we are coming from, it is a road map.

Deputy J.H. Young:

Will it not allow, Minister, the assessment of priorities right across government then?

Chief Officer:

If you can find a mechanism to do it, that is the secret.

Deputy J.H. Young:

Is there a mechanism here in doing that, because I am not hearing it, not on capital? I am finding it difficult to understand these schedules of capital.

The Deputy of St. Martin:

For example, there is one schedule of capital, in the next 3 years we are expecting to spend £635,000 on pedestrian and cycle track improvements. Now, I would venture to suggest that that money should be spent on roads, where cyclists and pedestrians and cars all travel, and not on cycle tracks where bikes travel. In fact, cycle tracks where bikes do not travel, sometimes. I mean, would you not agree that that £635,000 could be better prioritised to something which is essential. I mean, let us look at the list. Sewage treatment works, that is pretty essential. Ash cells in La Collette headland, that is probably essential. We need a scrap yard, that is essential. I do not see pedestrian/cycle track improvements as essential.

Chief Officer:

That is an interesting view.

The Deputy of St. Martin:

That would be a personal view, I agree. If I was a cyclist maybe I would take a different view.

The Minister for Transport and Technical Services:

Some of your colleagues would beg to differ.

Chief Officer:

As a vulnerable road user, to have off-road facilities for children, vulnerable road users, one of the best things about Jersey is the cycle route to Corbière. If we could enhance that, improve that, and make that bigger, that would have a huge effect on the long-term health of the people of this Island. You are right, if you look at hard-nosed, we are in a dire straits position, then you just deal with the basic assets, but we have to look at quality of life and look at the benefit to society of what we do. I firmly believe that improving cycle tracks ... now, the £635,000 might mean that we tarmac the road that goes to the airport, the cycle track that goes to the airport, so that it does get more use, as opposed to some of the problems facing it at the moment. I understand the issue, but we have to get that balance right. In this document, what we are saying is we do need to spend money on those things.

Deputy J.H. Young:

Minister, I have just found the answer to my question myself, in that I have read the proposition; should have done before. I will read it out, and you will perhaps put me right whether I have explained it correctly. It says: "The medium term plan seeks approval for the amount of capital expenditure in 2013, 2014 and 2015 for each year in total. The approval for the allocation to individual capital schemes will be sought for each year in the budget report for the States. The schemes are therefore indicative and may change according to the needs at the time."

The Minister for Transport and Technical Services:

Correct.

Deputy J.H. Young:

So, it is a moveable feast?

The Minister for Transport and Technical Services:

Yes.

Deputy J.H. Young:

But presumably, Minister, as a member of the Council of Ministers, the totals will not change then. So, in each of those years the totals for capital will not change?

The Minister for Transport and Technical Services:

I believe they could change if the need arose, but this is the road map.

The Connétable of St. John:

So, therefore, any unspent votes will go back in and ... thereby in full? At the moment your unspent votes, you can use that as a safety net at the end of the year, yes?

Chief Officer:

No.

Acting Finance Director:

Not on capital. Capital schemes, if they are underspent when the project is complete will either be returned to the capital fund or permission sought from the Treasury if there is another one that is overspending or projected to overspend that they may require a small transfer between. But normally they would return to the capital fund.

Deputy J.H. Young:

Does this mean, Minister, we will have to go through this process of projects each year? If they are not being described in detail and they are going to be approved individually in the budget, what we have is the whole lot and then each year we are going to have a process of setting of priorities between those schemes each year?

The Minister for Transport and Technical Services:

I think there will always be a little bit of movement there, yes.

Deputy J.H. Young:

Will you be reviewing ... you have explained in reply to Deputy Luce, some of the issues in relation to those items. Will this be an ongoing review of those capital needs?

The Minister for Transport and Technical Services:

We are constantly reviewing.

Chief Officer:

The closer you get to whatever scheme it is, whether it is Phillips Street shaft or whether it is a digester platform, your cost certainty gets closer. What that does, if you have a budget ... clinical waste is a great example. You set a budget of £15 million. Bit of a wet finger in the air. That is an inflationary figure based on the cost of the 1997 plan, inflated up to that time period. Very coarse way of assessing the capital, but it is a mechanism of doing it. The reality is that scheme could cost us £2 million. If it does cost us £2 million then there is another £13 million back in the pot.

The Connétable of St. John:

But if it goes the other way and you are £15 million light?

Chief Officer:

If it goes the other way then we go back to the Treasury and say ...

The Minister for Transport and Technical Services:

Not going to start.

Deputy J.H. Young:

What about if the project changes, what happens? Just take an example, ash cells and La Collette headland, £3,153,000 is in here. That tells us what the project brief is, the cells and the long term of the headland. From what you have told us, and what we know, that is under review.

Chief Officer:

It is.

Deputy J.H. Young:

What is the procedure then if it is agreed that you would do something different? Do those monies automatically then get carried forward to the new project, whatever it is?

Chief Officer:

We will make a very robust bid to Treasury if it is a fundamental change but it is around a similar area. You know as well as I do, ash cells and La Collette headland will have to have some money spent on it. What that money is spent on, whether it is export of ash, treatment of ash, doing as we are doing now with ash, doing something different with ash, is all in the mix. The difficulty is you have a document that has been published at this time to give yourselves and all the politicians time to review it by November. We have made some assumptions on these figures.

[15:15]

Those assumptions, I can probably guarantee, will be wrong. What we have got to be able to do is, say, well those are wrong and we will amend it accordingly. What we are hoping is all our wrongs mean that our wrongs are conservative, in that these are conservative figures, and we can do stuff more cost effectively than that.

Deputy J.H. Young:

But you will be able to go back to the Minister for Treasury and Resources and seek approval to revise those schemes in the light of best information as things go on?

Chief Officer:

If is less money, definitely, yes.

The Connétable of St. John:

But that said, as long as the money stays within your department and does not get whittled out into someone else's department.

Chief Officer:

To be fair, if we do not need the money it goes back. We cannot play it both ways. There has been a very mature discussion on the M.T.F.P. where I think it has been more open and perhaps ... the fact that it is all in one document here shows an openness. If we are not going to spend ...

The Connétable of St. John:

Yes, but some of the numbers, as I referred to earlier, £187 million or whatever it was, because the numbers are not even close to being what I would consider the real cost, it would mean nothing.

Chief Officer:

Perhaps all our requests to Treasury go via Scrutiny.

Deputy J.H. Young:

But, Minister, presumably you would not ... if a project gets cancelled on this list, you are not going to just transfer it to something else, the money would go back to the pot?

Chief Officer:

There is a very clear mechanism with Treasury, is there not?

Acting Finance Director:

Yes. You cannot just use money that has been voted for one capital scheme to fund another without a number of hoops to jump through in terms of permissions and so on and so forth. If you are aware of something in 15, say, that was no longer required, but there was an alternative that was required, which was cheaper, more expensive, whatever it was, then because you are seeking the permission of the States each year for the capital programme, as long as it was not right at the very last minute, you would have time to reprioritise, reword and explain why the project that was in the M.T.F.P. has actually changed in nature at the point of doing the budget for 15. So, it is only stuff really in year that is going to be of that sort of impact and I would not imagine that that is going to be arising too often. The planning horizon that is within here is far longer than we have ever had before.

Deputy J.H. Young:

Okay. I think one of the things that was pointed out to us yesterday by the Minister for Planning and Environment is the item called In-vessel Composting Scheme. He queried whether it was still in-vessel. Is it still in-vessel?

Chief Officer:

That is a very interesting question. The answer to that, which I believe is the right one, is in-vessel composting schemes are very difficult to achieve and the benefit they achieve when dealing with purely green waste is marginal. So, we agreed about 4 years ago to go through a phased approach of rolling out the least cost and best available technology in a staged approach, which started off with providing an adequate site, providing a better type of shredding mechanism, optimising the process, optimising the turning with a specialist turner and then optimising the

screening with a screening plant, which has odour control and dust suppression on it. You also then optimise the site with banks and misting systems and then you monitor it. If it proves that that does not provide an adequate resource and still forms complaints and problems with neighbour issues, then you go to an in-vessel system. But what you do not do is put an in-vessel system in when you do not need one.

Deputy J.H. Young:

So, really this is a modification of the project which is ... I have found it now. Page 263.

The Deputy of St. Martin:

Can I ask how the level of complaints has gone in the last 18 months?

Chief Officer:

We have not had a complaint in the last 18 months. So, we believe we have achieved that ...

Deputy J.H. Young:

You might get some this coming week if the temperature rises.

Chief Officer:

We have really fundamentally changed the operation. I think the key element to that is we are currently monitoring it and applying a very different ... a lot higher control in terms of what comes in as well. That is the other issue. Yes, potentially you ... we have not really had any ... if we had a hot summer we could really test it.

The Deputy of St. Martin:

How is that process being operated at the moment? Is that being done in-house or is that private contract or under contract?

Chief Officer:

The actual process itself is in-house and then once you get off slab it is done by private contractor. The Minister for the Environment is not wrong, the original concept was an in-vessel concept, but in-vessel does not work for dealing with cellulose-based green waste. In-vessel is more predominant for food waste composting.

The Deputy of St. Martin:

Could I go back, Minister, to the Council of Ministers and how you prioritise spending? This is purely a political question and it will be interesting to hear your answer. How do you prioritise, like £2.5 million for the St. James Centre and £7.5 million for improvement works at the prison, when you have liquid waste strategy and things like that, and roads which are desperately in need of funding?

The Minister for Transport and Technical Services:

Are you asking me to comment on other departments?

The Deputy of St. Martin:

How does the conversation go around the table when it comes to ...? When I read: "Construction of a new gatehouse which completes the terrace of 3 buildings, forming a new façade to Her Majesty's Prison, La Moye" I think to myself that reads like a description of a rather nice estate agent's listing page in the *J.E.P. (Jersey Evening Post)*. Are you happy that there is £7.5 million of improvement works which desperately need to be done at La Moye?

The Minister for Transport and Technical Services:

Well, if you want to ask me that I would say I would rather have it than them. But a new gatehouse implies security as well. But St. James has been ongoing for some time.

The Deputy of St. Martin:

Would there not be a case to say that while it would be nice to have the St. James Centre finished and of use, the fact that we are going to have to spend £2.5 million doing it, that £2.5 million could be spent much more constructively in the short term somewhere else while we look at another £2.5 million to do St. James?

The Minister for Transport and Technical Services:

I dare say we can, yes. Likewise, Health and Education, you just go down the list.

The Connétable of St. John:

This is a team effort, the way you are explaining it. You mentioned "likewise Health and Education".

The Minister for Transport and Technical Services:

Well, I mean, they could have ...

The Connétable of St. John:

They are the big spenders from within the Island's budget, those 2 departments. We are the poor relative down this end and everyone else is in between. But I do have real concerns. Can we move on: the scrapyards, you are obviously moving on in that area. There is going to be a clean-up operation. Is the new scrapyard going to be on the same site or is it going to be moved?

The Minister for Transport and Technical Services:

It could be on another site temporarily.

Chief Officer:

We cannot answer that at the moment. The reason we cannot answer that is we do not know what the environmental legacy is for the existing scrapyard and we are currently doing investigations on that. We will know that very soon.

The Minister for Transport and Technical Services:

Until it is tested.

The Connétable of St. John:

Okay. I understand what you are saying now.

Chief Officer:

If the environmental legacy is minimal we will hope that the new operation will work alongside the ... or certainly be put on the existing operation as soon as possible.

Deputy J.H. Young:

The money is in here for that project?

Chief Officer:

We will ...

The Deputy of St. Martin:

It is £1 million budgeted for the next 3 years to allow you to meet environmental regulations and new alternatives.

Chief Officer:

Until we know what the environmental issues are there, we need to keep that money in. If there are no environmental issues and everything is tickety-boo then we may not ...

Deputy J.H. Young:

So, the money goes back?

Chief Officer:

The money will go back.

Deputy J.H. Young:

So, this is a provision?

Chief Officer:

It is.

The Deputy of St. Martin:

If I could change tack, Minister, because time is marching on. How many major sites do you operate out of at the moment? I can think of 3 off the top of my head, but I am sure there must be a lot more.

Chief Officer:

Major sites?

The Deputy of St. Martin:

Major sites. Obviously South Hill, you have La Collette, you have Bellozanne.

Chief Officer:

Yes, we have got 2 La Collettes. We have La Collette as in La Collette 2.

The Connétable of St. John:

Warwick Farm as well?

Chief Officer:

Yes, Warwick Farm and we have a small satellite at H.D.F. (Howard Davis Farm).

The Deputy of St. Martin:

The reason for the question being, is there money to be saved by relocating to one or 2 sites and reducing the amount of areas that you operate out of?

Chief Officer:

There is a substantial benefit for T.T.S. to have some sort of co-location and consolidation at either Bellozanne or La Collette, one of the major sites. I think the enabling elements of that in terms of property and the beneficial elements of that for the business will be substantial.

Deputy J.H. Young:

One of the things in here, it says that South Hill is being emptied. Do you know where you are going?

Chief Officer:

Very good question.

Deputy J.H. Young:

It is in the plan.

Chief Officer:

It is in the plan. It always is in the plan. Was it in the plan when you were there?
[Laughter]

Deputy J.H. Young:

No. Touché. [Laughter]

The Deputy of St. Martin:

Treasury and Resources have been allocated £750,000 to demolish Fort Regent Pool, Minister. Maybe you could move in there and save some money.

The Minister for Transport and Technical Services:

I have been advocating demolishing Fort Regent Pool for some time.

The Deputy of St. Martin:

What would you like to do with it once it is demolished?

The Minister for Transport and Technical Services:

Well, it was dangerous and an eye-sore. What would I like to see done with it?

The Deputy of St. Martin:

Well, if you propose something you must have an alternative ...

The Minister for Transport and Technical Services:

No, I just wanted to remove the eye-sore. I did not propose anything in its place.

Deputy J.H. Young:

Right. Where could you go, Minister, then?

The Minister for Transport and Technical Services:

Where could we go?

Deputy J.H. Young:

Yes. In answer to Deputy Luce's question, you said there is major advantage in co-locating, to put yourself in one location, efficiency and so on. What are the options, do you think, because you know better than most?

Chief Officer:

Our preferred choice is to consolidate at Bellozanne within an obvious facility there.

Deputy J.H. Young:

What are the barriers to doing that?

The Deputy of St. Martin:

You would intend, ideally, I guess, to move all your recycling to La Collette?

Chief Officer:

The natural place for the solid waste operation is La Collette and the natural place for the liquid waste operation is Bellozanne. Bellozanne has the core of T.T.S. there. The fleet management is there, the maintenance workshops are there. With the demolition of the old Energy from Waste plant, which will happen at the end of this year, we are going to have more space to perhaps move out of La Collette, if possible, and move the other La Collette office and yard operations to Bellozanne.

So, there is quite a lot of benefit of getting ... the more you get in one location the more efficient an operation is.

Deputy J.H. Young:

So, you could move your office base to Bellozanne once the incinerator is down?

Chief Officer:

If we had an office there, yes.

Deputy J.H. Young:

Presumably it would be cost effective to build one?

Chief Officer:

If you look at the value of South Hill and the benefit of South Hill, yes.

Deputy J.H. Young:

What is your square footage space?

Chief Officer:

I do not have a clue.

Deputy J.H. Young:

Okay. But there is an opportunity there and you will be looking?

Chief Officer:

There is definitely an opportunity and it is being looked at by Property Holdings.

The Connétable of St. John:

Your recycling, you are pushing to recycle even more, what help are you giving the contractors who are doing the recycling? Have you got a site in mind for them? I am thinking here of Reg's Skips, for instance. They were promised a site by the States a couple of years ago. These people are doing the recycling for your department, at no cost to your department, and bringing things in. What is the long-term plan, Minister, for your recycling by private companies and a site for them to operate from?

The Minister for Transport and Technical Services:

Would you like to answer that?

Chief Officer:

Not really. It is quite a political question. The issue of skip recycling, one of the things we have tried to do is try and prevent that by self-segregation, as we do in your Parish with the kerbside collection. If we instigate that within the industrial sector it would be a huge benefit. You are right, there is a challenge on light industrial facilities somewhere within Jersey. The lack of light industrial development ... I am not sure if there is any light industrial in the Island Plan, but it has always been a big bug-bear of Jersey in that the light industrial sector has lacked provision and continues to lack provision.

The Connétable of St. John:

Somewhere like La Collette cannot be used for a lot of things. Surely that must be the ideal place for recycling?

Chief Officer:

You are very welcome to find us a place at La Collette. But La Collette is a very highly utilised area, particularly with the private sector who are doing lots of work down there with recycling aggregates, as well as the other things that go on down there. La Collette looks like a huge amount of space, but it is not. One of the problems with having multi-agency use of land is the policing of that and the other issues with it. We have tried on the Energy from Waste plant site to have recycling elements for the bulky waste facility, which I think was successful. We have recycling elements for the public at Bellozanne, which we would like to enhance. To provide a facility for skip operators is another step. One which if there was a light industrial zone within Jersey then it would be a very beneficial thing to do.

Deputy J.H. Young:

Do you not manage the site? Is it not within your management? You said about multi-agency. Are you not managing it all?

Chief Officer:

We do manage the site, yes, but there is a difference between managing a site and ... one of the issues that you have with some of the contractors is they are quite challenging to manage.

Deputy J.H. Young:

Right. But it is within your gift to manage it?

[15:30]

Chief Officer:

Yes. But I am not sure if it gives us any benefit though.

The Minister for Transport and Technical Services:

We manage it, but do not police it in that sense.

Deputy J.H. Young:

Okay. I wonder if I could move to some of the bigger picture issues of looking at opportunities. Have you actively looked for any opportunities for outsourcing any of your services, ones that you provide directly?

The Minister for Transport and Technical Services:

We did ... was it tankerage? Anything else we have outsourced?

Chief Officer:

The outsource term is a term that is used a lot and it is one that, I think, has connotations with certainly the staff that worked for me and also the private sector here. A huge amount of work that is accomplished by T.T.S. is done in partnership with the private sector. We would like to enhance that and move that forward. A straightforward outsourcing policy is something that we were not being charged to do, but what we are looking at is how best to provide the services. Whether it is within the public sector or within the private sector or a combination of both is something we are looking at all the time. It is not something we were hell bent on. What we believe is we try and get the right people delivering the right things for our Island.

Deputy J.H. Young:

What about reorganisation opportunities across the States, between States departments and arrangements between other departments, workforces and so on? Is that an area that you have looked at in preparing these plans?

Chief Officer:

It is not really tied into the M.T.F.P. There are always opportunities. What T.T.S. have majored on in this plan is being custodian of infrastructure and managing infrastructure. We have expertise in maintaining it, designing it and delivering the capital elements of that. I see no reason in us growing those elements. If other States departments want us to do that for them, they can.

Deputy J.H. Young:

Is there any process in this budget to facilitate that to happen, to encourage it?

Chief Officer:

Not within the budget, but if other departments want to do that then if the budget is transferred with them then we will do it.

Deputy J.H. Young:

Perhaps, Minister, maybe it is a political question, is it part of the intention of the Council of Ministers that budgets would facilitate changes in cross-departmental working to produce economies and efficiencies? Where, for example, T.T.S. has got skills that it can do things for other departments, rather than them do it themselves.

The Minister for Transport and Technical Services:

Well, obviously we have things like fleet management, we manage the fleets on behalf of other departments. There is quite a lot of co-operation in that respect.

Deputy J.H. Young:

That happens already, does it?

The Minister for Transport and Technical Services:

Yes.

Deputy J.H. Young:

Right across the piece? All departments?

The Minister for Transport and Technical Services:

Not airports, but we do everything else, do we not?

The Connétable of St. John:

What do you not do for the airports? Nothing at all?

Acting Finance Director:

That is outside of our scope, I think. I think there is some minor stuff.

The Connétable of St. John:

We have 2 fire services. You are managing one fire service, but you are not managing the other?

Chief Officer:

We do not manage the fire service.

The Connétable of St. John:

The vehicle replacement.

Chief Officer:

We do not manage the vehicle replacement for the airport. The airport is moving towards an incorporatisation plan.

The Connétable of St. John:

It has been doing that for the last 14 years.

Chief Officer:

Moving with some pace and gusto to a new Jersey Ports incorporatisation, so it was the next phase. If they want us to help them with fleet management we can. We do help with the procurement of the last fire engine, in terms of technical specialists and expertise but it is only over the last 2 or 3 years that fleet management have taken on board all the issues with States departments, which I think is proving to be beneficial to everybody.

The Deputy of St. Martin:

Do you have any idea what the spend was annually on fleet before it was put all together in fleet management? I see there you are budgeted to spend over £27 million in the next 10 years. That is a considerable amount of money.

Chief Officer:

It was always spent. Whether it was shown as clearly as that is an interesting point, because a lot of vehicles were procured with end-of-year spend and end-of-year cash and minor capital allocations.

The Deputy of St. Martin:

How do you scrutinise the management and procurement of States vehicles? Do you have in-house people who look at your procurements on a regular basis? I guess what I am trying to say is how are you sure that you are getting value for money?

Chief Officer:

We have the current direction in terms of procurement. The key thing we do is we go to the client, whoever the client is, whether he is internal within T.T.S. or external within other departments, find out what their needs are and then give them a range of options and a selection of vehicles that we believe will be fit for purpose. We work together with the client to define what they want and what best serves. Some clients need their expectations lowered somewhat. But the reality is you try and get the best balance there, then you go into the market and try and get the best value. We have just bought some ambulances where, as part of the procurement of the ambulance we are buying new heart defib. units as part of that to basically provide it as an enhancement for the ambulance, and also pay for it over the life of the vehicle. So, in terms of the scrutiny on it, it is under the current direction, there is internal audit, the finance team are working with them and we have normal governance procedures in place.

The Deputy of St. Martin:

I take it that a particular department could not have a preference for Nissan and another department have a preference for a Mitsubishi and you go along with that. You would say to them: "No, you are all having a Toyota and that is it."

Chief Officer:

That is an interesting point. We are breaking down those barriers at the moment. One of the things is that with some of the Home Affairs deals there are some very good procurement for Home Affairs, which they have latched on to the back of the U.K. So, there are manufacturers who offer preferential deals, but it is not down to ... unless you give me examples, I ...

The Deputy of St. Martin:

We are not in the situation yet where a department would not be offered a sort of mini or a medium-sized saloon car and there would only be 2 options on the table. You would have the small one or the medium-sized one, but departments are not, surely, choosing which make and manufacturer they go to, are they?

Chief Officer:

That is correct, they are not.

The Deputy of St. Martin:

They are not.

The Connétable of St. John:

On that point, the fuel for these vehicles, are you involved in the procurement for the fuel?

Chief Officer:

Procurement are involved in the procurement of fuel. We administer ...

The Connétable of St. John:

That is within your remit?

Chief Officer:

The fuel deal was dealt with by the procurement team in Cyril Le Marquand House.

The Connétable of St. John:

So, you do not ...

Chief Officer:

We administer it, but we do not set the price.

The Connétable of St. John:

No. That has always concerned me, because I think we do not sharpen our ... make sure the companies sharpen their pencils sharp enough. The whole Island and the procurement of fuel - I am digressing here slightly - what the Island or the States are prepared to pay, that is the guideline. Everyone else pays above. So, the sharper they get the pencils going, the less the Island pay. That is an area that always

worries me. We have had it too easy for too long, where they just signed on the dotted line and we are paying probably 5 pence a litre too much.

The Deputy of St. Martin:

Could I ask, Minister, are you aware of whether States-owned utilities buy their fuel with the States under Procurement? Would J.E.C. (Jersey Electricity Company), for example, be buying their fuel as part of States procurement or would they be buying that as a separate company?

Minister for Transport and Technical Services:

Not to my knowledge, no.

Chief Officer:

I am not aware of that. I know the J.E.C.'s fleet cars are filled up by us, but that is minor fuel compared to their fuel used in their power station.

The Deputy of St. Martin:

I was just thinking whether there would be scope for them to get a reduced price to put fuel in their electricity generator.

Chief Officer:

They might get a better price than us.

Acting Finance Director:

Generally they are negotiating their deals, I believe, for the running of the generator station rather than ... I do not know about their vehicle fleet.

The Connétable of St. John:

No, but the whole thing, if you are looking at buying fuel for the power station and the fleet, you are going to get a much better deal if you can tie that into the Island as well.

Deputy J.H. Young:

Minister, thank you for that very important and useful conversation, but I think we are getting near to the end, so I am looking to wind up. Before I do that, I would just like to revert very much to the big picture. Minister, this is the first time the States are going to be asked to approve effectively the spending for 3 years.

The Minister for Transport and Technical Services:

Yes.

Deputy J.H. Young:

I think we have covered it in some detail, particularly on the revenue side. I would like to be sure of 2 things. Firstly, looking ahead, how confident can you be that you are able to plan for 2014 and 2015 well ahead, given the uncertainty that is there in the economy and the situation of the global uncertainty and the effect locally that has had on our community and our business community, how confident do you feel that you can commit and deliver the services with these sums of money to the standards that we need to be in place?

The Minister for Transport and Technical Services:

I am confident we can do the job with what we have, but we can always go back to the Treasury if there is something unforeseen.

Deputy J.H. Young:

But is that realistic, Minister? We have here a plan where you have explained to us there is a contingency pot, but the contingency pot is being allocated on other things. So, is that realistic? Is that the understanding that the Ministers have got, that they can go back ...

The Minister for Transport and Technical Services:

I am talking if there was something major happened. But, all things going well, this will serve nicely.

Deputy J.H. Young:

Are you satisfied you have a good settlement?

The Minister for Transport and Technical Services:

Yes.

Deputy J.H. Young:

Are there any adverse effects of it?

Chief Officer:

I think we have the best deal we can in the time and with the position we are in financially as an Island. If there is any spare money sloshing about, we would be very, very able to spend it wisely on infrastructure.

Deputy J.H. Young:

Okay. Colleagues?

The Connétable of St. John:

No, I am happy with the Chief Officer's comments.

The Deputy of St. Martin:

No, I am fine, thank you.

Deputy J.H. Young:

Well, with that I would like thank you. As always, you have been so open and helpful, Minister, and your team, having to cope with this really complex document and our questioning. Thank you for that. With that I will close the meeting. Thank you.

The Minister for Transport and Technical Services:

Thank you.

[15:41]