

STATES OF JERSEY

Environment Scrutiny Panel

Medium Term Financial Plan Review

MONDAY, 23rd 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

Witness:

Deputy Robert Duhamel, Minister for Planning and Environment
Chief Executive Officer, Department of the Environment
Director for Environment/Deputy Chief Officer, Department of the Environment
Business Manager, Department of the Environment

Also Present:

Professor M. Oliver
Mr. S Fair
Scrutiny Officer

[14:05]

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

All right, good afternoon, everybody, and welcome to this Scrutiny meeting. We are delighted to have the Minister and Chief Officer and the members of his team with us today. The subject for today is the Medium Term Financial Plan, the contents of the plan as regarding the Environment Department, and then obviously it deals with both matters to do with income, matters to do with revenue expenditure and capital expenditure. I should explain that we do have, in addition to the 3 members of the panel, Professor Michael Oliver and Stuart Fair. I had better explain: they are advisers for the Corporate Services Sub-Panel, who are looking at the whole of the Medium Term Financial Plan. Our job as a panel today is, we have been given a guide of a set of questions in terms of the more detail, and so, Minister, I need to ask you, are you happy for the 2 gentlemen to be present and to ask you questions?

The Minister for Planning and Environment:

I certainly am. I do not guarantee they will get the answers they want mind, but they can ask as many questions as they see fit.

Deputy J.H. Young:

Thank you very much for that, Minister. I should say that they have to leave at 2.45 p.m. and the Connétable has to leave at 3.15 p.m., so I would just ask everybody to introduce themselves for the record of the meeting. So myself, John Young, Chairman of the Environment Scrutiny Panel.

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

Deputy Steve Luce, Vice Chairman.

Connétable P.J. Rondel of St. John:

Connétable Phil Rondel, member of the panel.

Professor M. Oliver:

Michael Oliver; I am adviser to the Corporate Affairs Sub-Panel.

Mr. S. Fair:

Stuart Fair, adviser to the Corporate Affairs Sub-Panel.

The Minister for Planning and Environment:

Rob Duhamel, the Minister for Environment.

Chief Executive Officer:

Chief Officer for the Department of Environment.

Director for Environment/Deputy Chief Executive Officer:

Director for Environment and Deputy Chief Officer.

Business Manager:

Business Manager, Department of Environment.

Deputy J.H. Young:

Thank you. I think for the purposes, if you just make sure the microphone is within distance when you speak please. Welcome to members of the public to this session. We have been asked to examine this new document which was lodged yesterday, the Medium Term Financial Plan. We had had sight of an earlier draft, and of course we have had the benefit of some informal briefing, but frankly this only arrived yesterday. So our first questions, Minister, if you could help us, this document sets the plan for 2013, 2014 and could you in fact basically sum up for us the effect on the department of this budget, this plan, if it is adopted please. If you could set that, and perhaps direct us to the right pages, that would be helpful.

The Minister for Planning and Environment:

Yes, right, so as you say, I have just picked up my copy, so officers will have to guide me in terms of the relevant pages. The overall effect is fairly negative I think, as far as Planning and Environment go. I think a number of the requests that we made for small growth bids have not been really well looked at, and generally, I think, because we are such a small department in financial terms, I think all in all my comment is that we have probably been a victim of that size.

Deputy J.H. Young:

Does that mean you have been given very low priority, Minister, in terms of the allocation of funds?

The Minister for Planning and Environment:

Yes, it certainly does.

Deputy J.H. Young:

Thank you. We will be coming back to that in more detail in a moment, but just to stick to the big picture, could I ask you, you have a business plan for 2012 with a level of funding now; how does the plan compare with that? Is it the same amount of money, or is it less?

Chief Executive Officer:

If I can answer that. Yes, what we see before us, the M.T.F.P. (Medium Term Financial Plan) for the Department of the Environment reflects our corporate savings delivery, so the C.S.R. (Comprehensive Spending Review) delivery is factored into this, so the budget as of this year, obviously, we are going into next year with our C.S.R. target, so we are further reducing the departmental net budget in 2013. That is reflected in here, so the 2 do dovetail together. Also, in terms of summary for the department, there is an additional revenue line added in the M.T.F.P. for the 3-year period, so we have got succession planning, that is on page 68. That is highlighted in terms of future growth for the department. The other elements that specifically hit or impact the department positively, there is some further capital added here, so some of our capital funds are supplemented in relation to the medium term, but also it will also refer to in the longer term capital needs, so that side of the document is very positive in terms of looking at the longer term capital needs of the department, the infrastructure being one of them. The immediate impact on revenue certainly reflects our savings proposals through C.S.R. so we will be delivering our net savings as per the plan, but we are also getting a little bit of extra cash for succession planning.

Deputy J.H. Young:

Are you able, Minister, or one of your officers, to direct us to the page that explains your C.S.R. commitment? That would help as a starting point, if you could find it. If not, I have got some earlier figures here, but I do not know if they are the current ones.

Chief Executive Officer:

Bear with us, because this is also in a new format for us.

Deputy J.H. Young:

I will just say for the record that this is now the third file, and they are all different. For the benefit of members of the public, understand this document that we have now got is now lodged and therefore this means it is proposed by the Council of Ministers, so the document we have in the one that arrived yesterday is the approved one.

Chief Executive Officer:

I am just seeing if the C.S.R. savings are highlighted in here, but I think the starting point is that the C.S.R. savings have been assumed in the figures, so there may not be the breakdown.

Deputy J.H. Young:

Can I refer perhaps to an earlier sheet that I had and talk you through some of the detail and see whether that is still current, because I am sure you will know? Met. (meteorological) review, £100,000 saving; is that still an item within here?

Chief Executive Officer:

Sorry, a Met. review?

Deputy J.H. Young:

Yes, Met. review.

Chief Executive Officer:

Yes, that is still a proposal that we are aiming to deliver in 2013.

Deputy J.H. Young:

Are there any problems with that?

Chief Executive Officer:

No, we do not envisage any problems there.

Deputy J.H. Young:

So can that be absorbed without any damage to the service?

Chief Executive Officer:

It is made up by a number of things. We have just signed a new service level agreement with the airport so some of that is accounted for in some income changes. Some of that is also accounted for in some of the maintenance

changes that we have seen in terms of the pieces of equipment we have, and there is also a staffing change in there, we have reduced a member of staff, so we feel that those elements of the £100,000 can be delivered.

Deputy J.H. Young:

There was an item included in an earlier draft for restructuring your files and removal of staff, relocation, of £40,000. Is that in?

Chief Executive Officer:

That is still a live project yes, and we are hoping to deliver that. We have had some invest to save money from the invest to save fund corporately, so that we will be investing in bringing either files in-house or scanning files. It does dovetail with our new I.T. (information technology) system where a lot more information is now online, so we would hope that we have got a project that is live at the moment, in terms of delivering that, so we can ...

Deputy J.H. Young:

So that is efficiency savings?

Chief Executive Officer:

That is, yes.

Deputy J.H. Young:

And similarly "Juniorisation of posts", whatever that is?

Chief Executive Officer:

Yes, I will explain that verb. We have got an ageing staff base in some areas. Where we have got people retiring, we will replace at a more junior level, a junior-graded level, rather than age. So instead of employing a grade 12, for instance, we may employ a grade 9 or a grade 10.

Deputy J.H. Young:

So according to my list, both of those ones were £15,000 a year savings, is that correct?

Chief Executive Officer:

That is correct, yes.

Deputy J.H. Young:

Thank you. Then obviously, a magical wizard “Merlin online,” that is £30,000.

Chief Executive Officer:

Yes, that is our aptly-named planning and I.T. system. Again, the inference there, or what that will deliver is again more customer self-service, more information being held online, and therefore less human intervention in pushing paper around and ...

Deputy J.H. Young:

Is that service improvement?

Chief Executive Officer:

I think it is efficiency, productivity gain, it is service improvement, customer enhancement, so it relates to the fact that we will need less people to push a piece of paper around.

Deputy J.H. Young:

I will skip over some of the minor ones and stick to some of the larger ones. Environmental management and rural economy, a reduction of £75,000. Is that a real reduction in service?

[14:15]

Chief Executive Officer:

It is a reduction primarily in some of the grant giving that we provide. We have just reviewed the Countryside Renewal Scheme, and that has now evolved into the Countryside Enhancement Scheme, so we feel that one of the big jobs that the Countryside Renewal Scheme did was to fund slurry store replacement, and that programme has now come to an end, so we have

been able to tailor the grant accordingly while still maintaining a lot of the other countryside enhancement biodiversity work that we do.

Deputy J.H. Young:

Minister, are you content that that is a cut that should be made?

The Minister for Planning and Environment:

Well, I am not really content with any of the cuts, but we have to play our part, and I think the department has been exemplary in putting forward the cuts that we have been asked to deliver.

Deputy J.H. Young:

Thank you.

Connétable P.J. Rondel of St. John:

Among all your cuts, is one of them (which I hope it is) a cut on the funding for sludge cakes, or does that not come out of your budget? It probably comes out of the budget for T.T.S. (Transport and Technical Services), does it?

Chief Executive Officer:

That is T.T.S..

The Connétable of St. John:

All right, okay, fine.

Deputy J.H. Young:

Probably the last item I will ask you about, a major reduction of £300,000 for increases in planning application fees towards full recovery; is that the basis of the plan for 2013?

Chief Executive Officer:

It is; that is in addition to our 10 per cent C.S.R. saving, so this is a user-pays addition to our C.S.R. target, so that would mean gaining an extra £300,000-worth of income through planning application fees. The result of that and the

rest of our C.S.R. savings means, in effect, a 19 per cent net reduction to the Planning and Environment budget in the 3-year C.S.R. period.

Deputy J.H. Young:

Is that 19 per cent cumulatively, or is it 19 per cent in year one, which is repeated in years 2 and 3?

Chief Executive Officer:

It is cumulative, so by the end of 2013, if we deliver all of the above plus the additional income, that is a 19 per cent net reduction, based on 2010 budgets.

Deputy J.H. Young:

Are you content that you can run the department, that you can impose those fees, bearing in mind the economy? What happens, for example, if the number of planning applications drops?

Chief Executive Officer:

Very simply, we will not achieve the income targets, so there is an assumption there in terms of consistent levels of business. We have seen income pretty much held up in the planning and building fees to date, although building control this year has started to fall behind the expected profile for income. Planning fees, though, have remained fairly buoyant throughout the last 2 or 3 years, so yes, it is one of our biggest risks as a department. That will increasingly push us up to about 40 per cent depending on income, and that is one of our biggest risks to keep running, because we are income dependent.

The Connétable of St. John:

Can I come in there? Given that planning fees are going up and up and up and you look around in other parts of Europe, can you tell me where else in Europe you have got 100 per cent that you are looking for, planning application fees, whereas any other places, whether it is the U.K. (United Kingdom) or Northern Ireland, wherever else, the fees are 10 per cent, 20 per cent of what they are charging?

Chief Executive Officer:

Yes, planning fees here are higher than in other areas. Look at the U.K., they are looking at setting higher fees and the bait there is really around pushing fee levels up or even local setting of fees in different local areas. Some local authorities in the U.K. generally do cost-recover their planning application service. For instance, I have got some direct experience of the Southampton Development Control Service, and that team there, in effect, was a self-funded team through income, as were Building Control. What we try to focus on here is those government services which act predominantly in the private interests should be paid for by those private interests. There are other elements of planning which are operated in the public interest and therefore we think, rightly, should be paid for by the taxpayer. So there is a balance between the 2. But the quick answer: it does vary between jurisdictions and some other mainland European jurisdictions do not operate a similar system, so ...

The Connétable of St. John:

So in other words, Jersey is probably leading the way and the most expensive place to pass any plans?

Chief Executive Officer:

I think you have got to bear it in mind in terms of the gains from development as well as all the other fees associated with development. So I think the planning fees that you pay are quite a small percentage of the total building cost envelope. I think we have also got to bear in mind the gains from building in the Island are a lot greater than gains in other jurisdictions. So it is a balance.

The Connétable of St. John:

If I can interrupt you there. For a first-time buyer who is not interested in gains in property values because he wants a house to live in, is it really fair to be putting all this extra pressure on those young people and having to pay, shall we say, £450,000, £500,000 for a first time house in Jersey, whereas,

taking the price of the plot out of the equation, a similar build elsewhere would be approximately £150,000 less in other places?

Chief Executive Officer:

The planning fees are not borne by the house purchaser. The planning fees will be borne by the developer at the time of application. The actual cost of the house will be primarily dictated by the availability of borrowing as opposed to cost.

The Connétable of St. John:

You are getting me wrong; I think you have misread my question. My question was, first-time buyer - take the plot out of the equation, so he has got his plot - because the fees that the person has to pay, which are the same whether you are a multi-millionaire or the first-time buyer, they are substantial.

Chief Executive Officer:

In terms of a self-build?

The Connétable of St. John:

Correct.

Chief Executive Officer:

Yes, we will be looking, going into next year, at probably changing our fee levying by square meterage, so the smaller developments will pay less, the bigger development will pay more. So instead of a per house fee, we will be looking at a size graduation. To a sense then, I would say this anyway, but I think the planning fee that is levied is far smaller than a lot of the other professional fees that are levied as part of any development process.

The Connétable of St. John:

Yes, but I am looking for homes for young people from the Island who want to get on the property ladder. By us charging these type of fees, where anywhere else, if they were living shall we say in Guernsey or back in the U.K. or wherever they come from, maybe Ireland or Madeira, wherever these

people come from, we are putting a barrier for our young people getting on to the property ladder because the more we are pushing these figures up, the less likely they are to be able to get a loan.

Chief Executive Officer:

I do not think the fee for a new house would be anywhere a cost disincentive. The planning fee is a relatively minor percentage of the overall build costs of a house.

The Connétable of St. John:

You have just made reference to them in relation to other contracts, whether it is an engineering drawing or whatever else. They have those expenses anyway in putting their building together.

The Minister for Planning and Environment:

I think, only to be fair, in support of the answer, you have to take a realistic point of view. If indeed the alternative is to disband the Planning Department and allow people to build whatever they want without any of the controls or regulations that the department provides, then all well and good. But I do not think anybody wants that, and if that is the case then it must mean that either the service pays for itself through the levying of fees, or indeed that fact is recognised by the States as a whole, and adequate monies are put into the department in order to pay for the staffing. You cannot have it both ways.

The Connétable of St. John:

But, Minister, when we put the fees in place, or just before I came in the House there in the late 1980s, John Le Sueur, the President of the day, put the fees in place, we were told that we would get a turnaround within 6 weeks maximum. I do not know of anybody who is getting their plans turned around within 6 weeks.

The Minister for Planning and Environment:

We have just published some statistics saying 84 per cent ...

Chief Executive Officer:

Yes, 84 per cent of applications go through within 13 weeks.

The Connétable of St. John:

That is not 6 weeks.

Chief Executive Officer:

I think the other thing we would put into perspective is the change in transparency of decision making. In 2005, no planning decisions were made in public. Now every decision we make is publicly scrutinised and over 250 are made in public, and public documentation is available for all of the others. So there are a number of other things we have put in place in the process which has led to, if you like, greater work, greater transparency of decision making, plus a range of a lot of other professional issues that now go into assessment of a planning application.

Deputy J.H. Young:

I wonder if we can just get back to the ...

The Minister for Planning and Environment:

I think you have got to be fair, if you look on page 84, for example, for all the bids that we made, and there were not that many of them, which have received a very low priority. 55: masterplanning, £100,000 by 2015, no funding available. Strengthening the protection of the Island's environment - that is one of the Scrutiny reviews that you did - we were asking for £150,000 by 2015 to carry out further survey work and all the rest of it that we have to do; again, no growth funding available. 57, countryside infrastructure, £100,000 by 2015 to adequately resource the National Park and other areas; again no growth funding available. It is symptomatic of the whole thing. We have not been given the monies that I think we should be given in order to do the work that people are telling us we should be doing.

Deputy J.H. Young:

I am grateful for you raising that, Minister. I think you have taken us on to one of our next subjects, the growth bids. As you say, the papers we have got show that you have been given very low to nil priority in terms of this funding. This issue of masterplanning, you have mentioned that £100,000 you have bid for. Minister, what is the point of the Island Plan setting out policies which require you to do masterplans if you are telling us that you have not got the resources to do those?

The Minister for Planning and Environment:

What is the point? I mean, the point is that the Island Plan is the prime document which governs the sensible building of whatever gets built on the Island. It is the prime document. But I think it is symptomatic of the importance, or the lack of importance, seen by the other members of the Council of Ministers, perhaps, in putting it down as low priority. We have got another growth bid: Island Plan, £100,000, item 63 on page 85. We have put in the report that there is a legal requirement to update the Island Plan every 10 years, but the last time we did it we thought, well, there is probably an equal demand to continuously update the work so that you do not get hit every 10 years for a large bill. But it would appear that the Council of Ministers would prefer to deal with that expenditure as a big hit, as infrequently as possible.

Deputy J.H. Young:

Minister, are these items on those pages you refer to, in your priority order? Is the masterplan the most important bid that you have put forward?

The Minister for Planning and Environment:

I think they are all of equal importance, but the interesting comment perhaps - and it is probably just a spelling mistake, but it is again symptomatic of the lack of support - is that we are being told that the department could be given access to the corporate "panning" vote, right for this purpose as an alternative. Well, there is no corporate panning vote at all available, so there you go.

Deputy J.H. Young:

For the benefit of those who do not have the document, it is clearly meant to say “planning” but it says “panning.” So will you be putting an amendment to the Medium Term Financial Plan, Minister?

The Minister for Planning and Environment:

I am not sure that we can. Well, I could, but I am not sure that I should, because as I said earlier, the department deserves a lot of praise for being I think the only department who has taken the comprehensive spending review and cost-cutting exercise seriously. If you look at the total amount of monies that we have given up by way of departmental budgets, we are at the top of the list. We are at the bottom of the list when it comes to the amount of monies that we call upon the central revenues to provide for running the service.

Deputy J.H. Young:

Would I not be right, Minister, that these bids together total less than the amount of money you are giving up, and is there not a case for the additional income from charges that you are charging to the users of the planning services being put back into the environment in these important matters listed on pages 84 and 85?

The Minister for Planning and Environment:

That is about the only kind of flexibility I have got in order to carry out some of these important works. The other alternative is to just cancel those projects, but in essence, the reason that they are in strategic priority 6, which is sustainable long-term planning, was exactly that. That was one of the initiatives that I brought to the Council of Ministers’ table as part of the overall strategic priorities, and subsequently I think we have not really got a lot out of it.

Deputy J.H. Young:

For the record, we are looking at bids 55 for the masterplanning, £100,000; 56, strengthening the protection of the Island’s environment, £150,000;

countryside infrastructure, that is footpaths and public open spaces in the environment, £100,000.

The Minister for Planning and Environment:

And 63.

Deputy J.H. Young:

£360,000 reducing to £100,000 for Sustainable Transport Policy; would you like to explain that last part, Minister?

The Minister for Planning and Environment:

No, that is T.T.S.'s.

Deputy J.H. Young:

Sorry, I beg your pardon. So it is just the 3?

The Minister for Planning and Environment:

No, and 63, which is "Island Plan" ...

Deputy J.H. Young:

63 "Island Plan, £100,000." Yes, I am sorry; I am still finding my way through this document. Are you saying, Minister, you have not got the flexibility under this plan to use the monies from planning fees to pay for those?

[14:30]

The Minister for Planning and Environment:

What I am saying is, that is the only flexibility I have got, unless I come forward with something radical in order to graft on some commercial revenue-generating opportunity to the Planning Department to allow me to generate monies to cross-subsidise areas that need to be funded.

Deputy J.H. Young:

Just so I make sure I understand, are you permitted by the rules of this process to spend to go ahead with those projects, or not?

The Minister for Planning and Environment:

I think it is a moot point. I think my overall comments, from what I understand of the Medium Term Financial Plan, is that a greater flexibility is going to be given to the individual Ministers, all of whom are independent corporation sole, to deal with their finances as they see fit, within the lump sum that is granted to them at the beginning of each 3-year or 4-year process.

Chief Executive Officer:

We have also got to live within the financial directions in terms of income and, in effect, the assumption of any excess, if you like, windfall income. The department can keep generally up to about 10 per cent of any additional income, but any other income over that 10 per cent level will be taken and held centrally as windfall income. So we have to live with some of the other financial directions. What we do not have the ability to do is use the £300,000. If that does transpire in 2013 that, in effect, results in a reduction in the budget for the department in 2013. In 14 and 15 if we get additional income, we can keep some but we are not going to be able to keep all.

Deputy J.H. Young:

Before I bring in Deputy Luce, you did not make any bids for the environment team and environmental monitoring and so on; why was that?

The Minister for Planning and Environment:

We did.

Deputy J.H. Young:

Did you? I beg your pardon.

Chief Executive Officer:

“Strengthening and protection of the Island’s environment.”

Deputy J.H. Young:

That is in there, that is included?

Chief Executive Officer:

Yes.

The Minister for Planning and Environment:

That is 56.

Deputy J.H. Young:

Okay. Deputy Luce?

The Deputy of St. Martin:

Yes, I just wondered, you obviously came up with a list of subjects, projects, call them what you will, that you put forward. Did you have a longer list that you cut down to the one that eventually went forward to the Council of Ministers? I am just interested to know what things you would have liked to have done, given the opportunity, that did not even get as far as the table.

Chief Executive Officer:

I think the honest answer to that is yes, there are a number of areas of work. We have got basically about 10 business areas across the department; there are a number of other areas where we would like to enhance further work, whether it be policy development work, whether it be some of our work around the animal health legislation in the Island, and we have got a lot of legislative needs. For instance, one of the bids would have been possibly to upgrade our legislative framework and get some of that law updated. We have got a number of strands of work on environment policy, one of them being energy, which we are currently funding, but some other areas such as how we contribute to our multi-lateral Island environmental agreements and so on and so forth. So I do want to look at all areas of our business and we would probably like to do more with more, but I think where we ended up is trying to be realistic in terms of the bid list that we did table.

The Minister for Planning and Environment:

So now we are going to end up doing more with less.

Deputy J.H. Young:

Yes, one of the questions I am asked to ask you, and you may smile at this, what increase in staff numbers do you have?

Chief Executive Officer:

We have no plans.

Deputy J.H. Young:

How many did you lose?

Chief Executive Officer:

We lost 4 posts as a result of voluntary redundancy in 2011. We are maybe seeing an extra one or 2 go as a result of further efficiency and changes; some of that will be natural change. But in terms of the C.S.R. plan, we had 4 posts that went under voluntary redundancy. I think as time goes on, we may see another couple of posts go from the organisation through retirement and those sort of methods.

Deputy J.H. Young:

Somewhere in here I think there is a proposal I saw for succession planning.

Chief Executive Officer:

Yes.

Deputy J.H. Young:

Is that a proposal that is funded?

The Minister for Planning and Environment:

That is, but that is £36,000.

Deputy J.H. Young:

What page is it on? I am happy to carry on talking if ...

Chief Executive Officer:

It is on page 68. It ratchets up through 13, 14 and 15. That, in effect, is looking at funding supernumerary trainees into some of our professional areas. One of them, for instance, is Building Control. We have got a workforce in Building Control which is an ageing workforce, and over the next 3 to 4 years we would expect 2 or 3 of those officers to be retiring. We would like to hire in or have a supernumerary trainee or 2 on the books so that we can train up and get them chartered surveyor status so that they can take over from the qualified surveyors when they retire. So in terms of staffing, it is a temporary addition to staffing, but then hopefully local trainees taking on those professional jobs once the posts had been vacated.

The Deputy of St. Martin:

If I could just move on to carry over monies and one of the ideas of the Medium Term Financial Plan, maybe one of the greatest driving forces, was the ability to try and carry monies over from one year to the next to avoid this spending frenzy in December where Ministers felt obliged to spend their budget. I see that you have 2 figures down, a Met. office secondment and planning and building, but that you only, if I can put it that way, carry over a total of £216,000; could you have gone for more there? I know Health is an enormous budget, but it does seem as if there is ... Education, for example, £3.3 million-worth of carry-over. Could you have done more?

Chief Executive Officer:

Yes, it is always difficult. The rules on carry-over, they have to be firm commitments going into next year, really, for us to be able to carry over any monies. Certainly the Met. secondment, we had a retirement last year from the Met. team, so we did get a secondment from the U.K. Met Office which we had to carry that cost for a while. Where we have firm commitments we can carry over; the planning ones, for instance. We had some planning appeal decisions and therefore we knew that we had some bills coming and other pressures. Where we have some firm it is a lot easier to carry money over,

but generally we have not been able to carry over monies just for the sake of it or because we may wish to spend it in the following year. So it has got to be quite firm for us to be able to get that money.

The Deputy of St. Martin:

So this carry-over is not quite as free and easy as it may be given to sound when they are trying to sell the product. You do have to be in the middle of a quite defined project to be allowed that money to carry over?

Chief Executive Officer:

Yes, I think in general terms, if we get to the end of a financial year and we truly just have not needed the money, from a budgeting perspective I do not think it is a wrong starting point to say: "Well, can this help pressures elsewhere, can this help the greater good?" if we truly did not need the money this year. If we clearly are aware that we have got pressures in the next financial year, that is when we have got a much stronger case to say: "We saved £50,000, £100,000 (whatever the figure is this year), but we know we are going to have pressures in these areas next year", that is when we can get a carry-over agreed more easily.

The Deputy of St. Martin:

Have you got an underspend in 2012, or do you expect to? Will you be returning money back to the Treasury at the end of the year?

Chief Executive Officer:

In our current financial position, we are expecting a break balance, so a zero position at the end of the year. There are a lot of assumptions built into that, clearly income being one of them. We are 36, 37 per cent dependent on income, so we have got to see income holding up. So far it is looking okay, but that is an assumption. We also have some other areas of unknowns, so if we do end up with any costs associated with work, that is also an unknown. At the moment, while we can look ahead, it looks like we will break even at the end of the year.

Deputy J.H. Young:

I am conscious of the time; we have got 7 minutes before our advisers leave us. One of their purposes is that they want to get an impression of the level of engagement, I think, of departments and ministries in these numbers. Can I ask, would either of you like to ask any questions while you have got the Minister here, or would you pass on that at the moment? Do you feel we are asking the right questions?

Mr. S. Fair:

Pass on that one. Yes, absolutely.

Professor M. Oliver:

Yes, fine.

Deputy J.H. Young:

Thank you. Steve, do you want to pick up?

The Deputy of St. Martin:

I was just going to go on to say that with such a large percentage of your total expenditure coming from income, if we did have a continued major downturn in the next 6 months, what happens if you get to the end of the year and your income in the second 6-monthly period is down by half and you have got bills to pay?

Chief Executive Officer:

Yes, we can generally manage for probably a period of 6 to 12 months. The way that the income works, it is held in a deferred income account until the work is done and then once the work is done it hits the account, in effect. So there is an element of deferred income, both on the Building Control side and in the Planning side, which probably gives us a 6 to 12 month buffer in terms of the level of deferred income that we are carrying on our books. If it goes on for longer than that and we are seeing prolonged downturn, then we would have difficulties carrying on the level of business, and we would not need the level of staffing that we would have. We have got some wriggle room in

places in terms of holding some contract staff; in Planning, for instance, we have got 3 members of staff who are on contract, so they are very relatively easy to end and to reduce our costs. It is more difficult in Building Control where we have permanent employees, and that is something we need to look at when we go into this medium-term plan in terms of what level of staffing do we require and do we hold contractors on the books, because it does give us a bit of flexibility. The problem with that though is that we can only get those sort of contract staff from off-Island, so it is not an easy solution.

The Deputy of St. Martin:

Do you feel that, as nice as it will be to have a 3-year plan ahead of you, in some ways when you are looking at a very uncertain economic future, that it might actually work almost the opposite; you are going to tie yourself into something which could result in reduced income, and you have your books, hopefully, well balanced.

Chief Executive Officer:

Yes, to a certain extent we have got to be crystal ball gazers in terms of where the development industry is going. If I look at planning income, it has held up fairly strongly. We have seen different types of application coming in. Certainly going into next year we just want to do some forward looking and we do see some other big schemes coming forward. We expect, certainly, incoming planning to be buoyant next year. The key concern really I have got is Building Control income, which is the real barometer of the health of the industry, because that is stuff on the ground now. Income this year is about 50 per cent down on where it should be, so if that continues into next year we will use up our buffer and then that could get problematic.

Deputy J.H. Young:

Can I come in there? In these figures, if I am right, you are showing planning fee income of £2 million a year, and Building Control income of a further £2 million a year. Are you saying that you are 50 per cent short on building control, £1 million?

Chief Executive Officer:

Let me get my figures right. Generally, we aim at about £1.3 million, £1.4 million in both areas. Building Control income this year has been down substantially, yes. We are holding an open post, though. We have a post that is vacant, so we are holding that open at the moment, we are trying to offset the income difference to reduce our cost. Going into the next 2 or 3 years we may need to make a call in terms of replacing posts that retire. There is a bit of flexibility there, but if ultimately that is a position that maintains for a number of years, our only real option there is either to get further funding from central contingency or to downsize our costs.

The Deputy of St. Martin:

This is a very naïve question and I am aware that I am asking it, but do you have the flexibility within your department, the Planning Department, to move people around to do different jobs? I mean, for example, could you take somebody from Building Control and put them into masterplanning work, in a peculiar, little, initial way?

Chief Executive Officer:

While in theory we could do that, the reality is that once we get down past a fairly thin, if you like, generic management layer, we are into professions and heads of professions, so we have got a lot of specialisms in all of our 10 business areas, so in reality I do not think that would work.

Deputy J.H. Young:

What about outsourcing? Is there a case? You have got 2 services which are 100 per cent funded by charge payers. Is this something that you would be looking at?

Chief Executive Officer:

If I take building control, there are models around the world, the U.K. being the nearest one in terms of, if you like, an outsourced privatised element of Building Control where local authority services are in competition with the private sector. It can work, although the U.K. are now trying to move back

from that position because I think they felt that possibly regulation has not been strong enough and it is more the quality of inspection, or the site is more driven by the price that had been awarded for the contract rather than the quality of work. Personally, if we outsource that service, I would question whether there would be a net gain to the taxpayer in doing that; the service is zero cost to the taxpayer now. If anything, it may increase the need for a contract management resource back in the department, because we would then need to be managing the contract.

Deputy J.H. Young:

You might be able to be more flexible and cope with wild variations in applications, then?

Chief Executive Officer:

Yes, it takes the cost and pressures and risks off our balance sheet, so that cannot be ignored.

The Deputy of St. Martin:

What access to contingency would you have in 18 months' time if you suddenly realised that you could not control things forever?

[14:45]

Chief Executive Officer:

Our first point of contact is our own departmental contingency that we created. Back in 2010 we created a contingency for the department, so that is our first call. It is not very big; it is £200,000 so that does not go very far. Beyond that we would be knocking on the door of the Treasury to see if we could call on corporate contingencies.

Deputy J.H. Young:

I have found the page now, it is on page 216. It credits you with a million on each, so obviously the mathematics of this document are not quite the same.

Gentlemen, thank you very much. I hope that if you have any questions, you would come back to us.

The Connétable of St. John:

You have said a number of things and given that on the radio this morning, I heard the Chief Minister and the Minister for Treasury and Resources boasting how much money they could find to get things moving in the economy. I think the figure I heard, and I do sound a bit dreadful, something like £56 million, which concerns me, but the answers I am getting from ... or the answers you are giving us this afternoon, you mentioned deferred income, et cetera. Tell me, on unspent votes, and there are a number of those, going back many years which have never materialised, do you have any opportunity of getting any money out of these unspent votes, Minister, and if so, in what areas are you looking at this time?

The Minister for Planning and Environment:

I do not think we have.

Chief Executive Officer:

The unspent capital votes that there has been in the States, I think that is where there is some looking now in terms of where we have got money sitting in our capital accounts, so as to whether they can be used for other capital means. The capital side of the department is very small, so we have got the majority of our capital needs are related to the fisheries boat and to the Met. radar.

The Connétable of St. John:

What about a move, because there was talk some years ago about moving your department to another place and obviously there would have been capital votes put aside for that.

The Minister for Planning and Environment:

If a move from South Hill were to be procured, I do not think we would see any of the money. The monies would go back to the Treasurer.

Chief Executive Officer:

Yes, and any move that we would be anticipating would have to be paid through Property Holdings through any capital returns.

Deputy J.H. Young:

Where are you proposed to go? I see, according to this document, that you are going to be vacating South Hill.

Chief Executive Officer:

We do not know is the quick answer to that one. There is no firm solution for the department's accommodation.

The Connétable of St. John:

So the planners do not know where the planners are going?

Chief Executive Officer:

No.

Deputy J.H. Young:

Will you be going in town or out of town or Howard Davis Farm?

Chief Executive Officer:

We honestly do not know. As Constable Rondel has alluded to, there has been a number of solutions over the years as to what could be or could not be, whether that be St. Saviour, whether that be Trinity, whether that be in town. All I can say at the moment, there is no plan.

Deputy J.H. Young:

Is there a dialogue with Property Holdings?

Chief Executive Officer:

There is dialogue. There are some ideas still in the mix, but most of the focus at the moment is going into, if you like, the first phase which is the police

relocation and then the development of Summerland and the former police buildings down there. We have got some other departmental moves that are taking place, but we are probably tranche 3, if you like.

Deputy J.H. Young:

What about Howard Davis Farm? Do you use those buildings efficiently? Would they be a source of potential freeing up of resources?

Chief Executive Officer:

We use some of the buildings. A lot of the buildings at Howard Davis Farm are used for other purposes, so there are a lot of other users up there. Yes, in theory we could consolidate into buildings up there. I think the key question we would then need to argue is what is the customer experience and whether that is the best place for our customers. We would need to make sure our I.T. system is very well bedded in to make sure that people are self-service rather than ...

Deputy J.H. Young:

So that would not be your preference. Sorry I interrupted, Phil, do you want to ...

The Connétable of St. John:

While you are on that, Property Holdings - something came out of what you just said - all the transfers from within environment/planning over the last couple of years, they're all completed now? All these people have moved across to Property Holdings?

Chief Executive Officer:

In terms of monies ...

The Connétable of St. John:

But I am talking staff as well.

Chief Executive Officer:

Okay, we have not moved any people to Property Holdings, we have moved money to Property Holdings for the monies that the department has held for maintenance and those sorts of things and property costs.

The Connétable of St. John:

The former director of Property Holdings, was he not one of your staff?

Chief Executive Officer:

I do not believe ... although we may be going back some time. We have not transferred ...

The Connétable of St. John:

Yes, I have been around a long time so ...

Chief Executive Officer:

Yes, we have not transferred any members of staff ...

Deputy J.H. Young:

Goes back a few years.

Chief Executive Officer:

... recently, although I think the debate we are now entering, in terms of government reorganisation could be an attraction of staff to the department in terms of other functions and where the policy sits and those sort of things. So that ...

Deputy J.H. Young:

You mean, Environment may grow?

Chief Executive Officer:

There is a possibility, depending on which model is looked at through government reorganisation.

Deputy J.H. Young:

Tell us more, Minister?

The Minister for Planning and Environment:

My lips are sealed.

The Deputy of St. Martin:

On a similar but different subject, we know that you have staff in the Environment Department who are funded by E.D. (Economic Development). Have we made any progress on getting that sorted out so you get the funds to pay your own staff and do not rely on other people? I mean, is that included in this?

The Minister for Planning and Environment:

We are looking for a transfer of Agriculture and Fisheries to Environment, so that is part of the growth, if you want to look at it in that direction. We are just about at the stage where we are going to get an exchange of resolutions by the individual Ministers concerned, but one of the Ministers, as you know, is experiencing problems with his family's health and that may put the whole project on hold for a little bit of time.

Chief Executive Officer:

Yes, it is a complicated picture so all of the Fisheries staff are paid for by us but legislatively they report to the Minister for Economic Development. We have 4 members of staff in the rural economy team who are paid for by E.D.D. but sit within us, so it is very complicated in terms of ministerial and legislative responsibilities, rather than where the budget sits. The main budgets that sit within Economic Development are generally the grant funds for Quality Milk Payment, Rural Initiative Scheme, Single Area Payment - they sit with Economic Development.

The Minister for Planning and Environment:

Yes, I mean, it is no secret that it is an aim of mine, as Minister, to try and ensure that over the period of office I initiate moves to try and put all of the environmental eggs into the Department of Environment's basket.

Deputy J.H. Young:

That is a strategic aim?

The Minister for Planning and Environment:

Yes, particularly in relation to policy and strategy setting.

Deputy J.H. Young:

Would that fit within the existing aims, or has this kind of come under reform of government?

The Minister for Planning and Environment:

It is tied in with government reform as well.

Deputy J.H. Young:

So that is something you are working to with the Council of Ministers? Can I go back to a detail on my list here. I think in response to your questions to Deputy Luce about carry forwards, also on the list as well as the item that was discussed is planning appeals, £180,000. If I interpret your answer correctly, that is the costs that were carried forward for one year to another to meet claims. Is it possible to save money by adopting a different type of appeal system? Are you having to pay very high costs in order to stay in the current appeal system?

Chief Executive Officer:

I agree with you, I think there is the ability to save money in moving to a different appeal system. I think the issue we have at the moment in challenging an appeal, a planning decision, we do not have a planning merits based appeal system, so you cannot argue about the planning case but you can argue legal reasonableness. To do that, you need to go to the Royal Court and it costs money to go to the Royal Court and hire advocates and legal teams. So that is where we see quite a high level of costs being incurred, because in effect, it is a judicial review of a planning decision. If we went through a different model of planning appeals, which may be an informal

hearing or a written rep type appeal, then we would not need too much legal involvement in court time. Hence there should be ...

Deputy J.H. Young:

So that would save money?

Chief Executive Officer:

It should do. I mean, would you agree, if that is a document, which I received as a copy of a legal submission for a planning appeal, that costs money and that has got to be defended?

Deputy J.H. Young:

It does, I think we have all experienced obviously the costs associated with putting legal documents together and the bigger they are the costlier they are. So the appellant has got costs, you have costs and the court have got costs.

Chief Executive Officer:

Yes. All round, cost is being incurred. While we manage our costs, we have 2 appeal officers who are paid for and they do their job. Where we do get exposure to cost is if we lose a case, and it is not a bad thing sometimes to lose cases, because I think it is quite instructive, it creates case precedent and those sorts of things. But where we do lose cases, they can come with very big cost implications.

Deputy J.H. Young:

Is that one of the objectives in your 2013-2015 plan? To look at achieving a saving in that area?

Chief Executive Officer:

It is, yes. We have got a proposal for this year to publish a Green Paper on a new appeal system for planning with the aim of putting that into place in 2013. That will need some legislative change as well. But yes, it is more accessible to members of the public, it is more accessible to smaller developers, and if

you have got a residential extension, for instance, taking that to court can be the same cost as the extension, potentially.

The Minister for Planning and Environment:

I just noticed your case file would have been substantially thinner had you printed on both sides of the paper.

Deputy J.H. Young:

Yes, I have to confess that I did not print this off. I was provided it by a third party appellant ...

The Minister for Planning and Environment:

But the point is well taken.

Deputy J.H. Young:

... and I was shocked with the volume of it. But it is right; it runs to 178 pages and that is the final submission, not the whole submission. So I make a point about savings, that is why I added that, Minister. I have seen a list of your aims and objectives and along the same point, the number of key objectives and success criteria. Has that survived into the final printed document, the objectives of the department in the medium-term plan? Or was it something that was included in the draft that is now ...

The Minister for Planning and Environment:

I think it was supposed to be printed as an appendix. I think there was one for ...

Deputy J.H. Young:

I think really I am going to ask general questions about it, Minister, rather than detail.

Chief Executive Officer:

Yes, what the Medium Term Financial Plan does not do is break down in detail what each of the departments will be doing in terms of the work. That is

our business plan and we have now published a 3-year work plan, if you like, a 3-year plan to tie in as to what we are going to be doing. This document really focuses on how much money we are going to have to do it. We do have quite a long list of things that we want to achieve.

Deputy J.H. Young:

Would you be able to provide us, obviously not now, because there is too much detail, there are 2 pages of points and some of the things we discussed are on there as to which of those things you will not be able to do as a result of the medium-term plan?

Chief Executive Officer:

My first answer to that, I do not think there is anything there that we will not do. But I think the issue we will have is the level of detail each of these areas will get and, if you like, the timing of them, so in relation to the masterplan, if we had a lot of resources for masterplanning, we would just prepare more masterplans a lot quicker. With the current resource we have, they will just have to be done when they are done. In total, we will still get around to doing them, but we can sort of go through the key success criteria, see which ones we are still intending to do.

Deputy J.H. Young:

I think, if my colleagues agree, it might be useful to have that note as a follow up because financial plans are one thing but obviously how that translates to what you can do is another. So I think we would want to look further at that.

The Deputy of St. Martin:

Could I just move that slightly to the subject of cross-departmental working and how decisions that affect other departments within this plan, they come back and affect your department. I have just written down 4 subjects here: police station, the College for Girls site, there is some major work planned at the prison, £7.5 million and demolition of Fort Regent pool and I just named 4 off the top of my head. Now, do those decisions to do those works affect your income?

Chief Executive Officer:

They do. The positive side of those pieces of work is that that generates an income through the planning and building fees that we then levy and associated ...

The Deputy of St. Martin:

Do you get fees for every application regardless of who brings it forward?

Chief Executive Officer:

We do, yes.

The Deputy of St. Martin:

Even Property Holdings pay a fee.

Chief Executive Officer:

Yes, so they would pay the same fee as another developer.

The Deputy of St. Martin:

Right, are there any other major things that you are aware of coming out in this 3-year plan which would affect your department courtesy of ways other departments are going to work?

Chief Executive Officer:

Yes, certainly development of States owned land would ... so we have mentioned the College for Girls, we have mentioned Summerland and Rouge Bouillon sites. We have got potential applications coming forward on Esplanade Square, Esplanade Quarter - that would be an income for the department - plus the building fees that are associated with that as well. So there are building control fees and levies when the developments are on site, so they are some of the schemes that give us a bit of confidence on fee comfort for 2013, because we know these things are in the pipeline.

The Deputy of St. Martin:

I see further into the plan here there is a section on housing and on H1, H2 and H3 sites, I guess in a way you are in control of your own fate and destiny there inasmuch as you have policies that you have yet to fine tune, which will then allow the private sector to go out and develop sites, and which hopefully will return your income for ...

[15:00]

Chief Executive Officer:

Unfortunately, what we cannot do though is force people to make planning applications. So, yes, while we possibly have a positive planning framework put in place, what we cannot guarantee is people putting those applications in. The one exception today is probably Policy H1, which is focused on States-owned sites, which are being progressed. The H2 sites that we have got listed are predominantly private sector sites and that is frankly within their gift, whether they put applications in or not and H3 is a mechanism to get affordable housing, so again that is dependent on market coming forward, which is pretty much driven by consumer and borrowing demand and ability to borrow, ability to buy are the 2 key drivers.

Deputy J.H. Young:

On the H3 policy, if we were to get commuted planning payments on that policy when it is introduced, if it is introduced, where will those appear in the accounts? Are they in this plan? What happens to them if, within the period of the plan, that policy is drafted as adopted.

Chief Executive Officer:

Shall I explain that one?

The Minister for Planning and Environment:

I think I will jump in because there is a serious omission, certainly from what I was promised that was going to be going into the Medium Term Financial Plan in relation to the hidden long-term strategies with some departments and the way that we show these. I was hoping that there was going to be an

appendix, again, where we refer to outlining the longer term aims of each department and the States major policies or strategies that would have to be discussed in the full Assembly before we could move in that direction. But those 2 appendices do not appear to be within the new document, which I find surprising.

Deputy J.H. Young:

Just hold that, Minister. I apologise if I have not gone through this but this is important to you that this statement of objectives is there, is part of the final ...

The Minister for Planning and Environment:

I have not been able to see it.

Deputy J.H. Young:

No, nor have I.

The Minister for Planning and Environment:

So I think it has been taken out and, additional to that, the discussions with the Council of Ministers, I was quite keen to ensure that there was a further appendix outlining the major strategies that are half referred to within some of the departmental kind of aims and expectations, which would require a full debate before we could move in that direction. I do not think that is being produced.

Deputy J.H. Young:

So you would like to see something in the plan that gives greater integration with the business objectives of the States?

The Minister for Planning and Environment:

Yes, for example, I mean, in a document that was printed for the Environment Department, we said that we would be bringing forward our energy policy, air quality action plan and low carbon economy strategy with E.D.D., planning appeals policy, Island Plan policy for H3 informal housing, as well as consolidated environmentally based policies across the States as a whole.

Likewise with Transport and Technical Services, we had a number of issues there, not least of which is imports and processing of waste from Guernsey or further afield, liquid waste strategy, street works law and a proper ash management plan.

Deputy J.H. Young:

Would you be able to release that document to us, Minister?

The Minister for Planning and Environment:

Probably, yes.

Deputy J.H. Young:

Is this a matter you will be taking up with the Council at any stage?

The Minister for Planning and Environment:

Well, certainly because as I say, my chief concern in all of this has been the extent to which the Assembly as a whole was excluded from long-term strategy setting, out of which comes the financial requirements for spending taxpayers' money. It is a major concern of mine that if we are to have hidden decision making within the departments or by the Ministers that most States Members understand this.

The Connétable of St. John:

Can I come in on there, please? Minister, you mentioned the word "hidden decision making", I presume you are talking about what goes on at the Council of Ministers where things are put in place ...

The Minister for Planning and Environment:

I am not even sure it goes on in the Council of Ministers.

The Connétable of St. John:

That goes on within a small body of Ministers, shall I say then? That being the case, will this start affecting your regulatory role if decisions are made and you are not totally in the frame yourself?

The Minister for Planning and Environment:

I think there are, in some instances, yes, knock-on effects. You are right.

The Connétable of St. John:

Because that worries me no end, because when you mentioned the bringing of waste possibly from Guernsey and if funding is being cut in certain areas and it is not going to allow you and your officers to do the regulatory side of the job, have you got concerns in any of those areas at this time?

The Minister for Planning and Environment:

I do have general concerns, yes. It is my overall view that the States Assembly should be in pole position for deciding on the long-term strategic direction, and only after those decisions have been taken should financial plans be drawn up in order to assist in the policy setting and the procuring of those projects.

The Deputy of St. Martin:

In their defence, Minister, I would just point out, and I know it does not answer your queries about it, but there is an indication here of the capital spend much further out into 2032 and there is a number of issues highlighted here, ones that you have just previously mentioned. There is £20 million for ash, there is £15 million for the E.f.W. (Energy from Waste plant), there is some money here for glass recycling and various other things. I mean, they are indicated but only as subjects and numbers and not policy.

The Minister for Planning and Environment:

Well, this is the difficulty with this particular document because, as I understand it, items had to be put in to give an overall kind of direction as to the size of the spend before those capital projects have been agreed upon and it is a bit chicken and egg, in my view.

Deputy J.H. Young:

I think we're talking the longer term here.

The Minister for Planning and Environment:

Yes.

Deputy J.H. Young:

So I wonder if I could perhaps ... I do want to move on to capital because time is moving on but can I just close the revenue part of the discussion by asking you, energy grants: I see you have to make a saving there in your C.S.R. as well. How is that funded, the money for energy grants?

Chief Executive Officer:

That is a revenue fund within the complete budget for the department at the moment, so that is seeing a 10 per cent reduction in that budget area. That is just in the general revenue.

Deputy J.H. Young:

So that is in your budget?

Chief Executive Officer:

It is, yes.

Deputy J.H. Young:

So that is part of your C.S.R. savings?

Chief Executive Officer:

Yes, 10 per cent reduction in ...

Deputy J.H. Young:

Did that money not come from the J.E.C. (Jersey Electricity Company) or somewhere?

Chief Executive Officer:

No, the J.E.C. money is held outside of that. We get annual revenue funding for energy, so that is States funding. The J.E.C. money is held separately in a separate account, some of which has been spent on some of the projects.

The Connétable of St. John:

While you are talking about the J.E.C. money, that is the only outside funding you get, is it? Or do you get it from any other source?

Chief Executive Officer:

We get, obviously, outside funding for our fees that we levy, so planning and building fees being the 2 major contributors we get. The other big area of income is the Met. Office and we charge out to Guernsey and Guernsey airport and also to Jersey Airport, although Jersey Airport is on Island, but they are the bigger contributors to the ...

The Connétable of St. John:

So the J.E.C. is like a grant, an annual thing?

Chief Executive Officer:

Yes, it was seed money to set the separate project up.

The Connétable of St. John:

In the way of grants, have we got nobody else ...?

Chief Executive Officer:

No.

The Connétable of St. John:

But that is more or less a wholly-owned Jersey company anyway, so ...

Deputy J.H. Young:

Can we move to capital now? The capital you have been allocated for 2013, can you just take us to the right pages on that and tell us what you have come out with and what you have applied for? I think page 130, I can see.

The Minister for Planning and Environment:

Yes, 133.

Chief Executive Officer:

The Minister is ahead of me. Okay, yes. We have got 2 major pieces of kit, if you like, that being the Fisheries boat and the weather radar down at La Moye. The other piece of infrastructure that we run and we control ... obviously the countryside infrastructure of the Island has a lot of paths that we are responsible for. So item 13 now, under paragraph 189 is the Fisheries vessel. That is a mid-life refit of the boat to keep the boat running. It has had a full refit a couple of years ago now, so that would be the next stage and that would be just to keep it shipshape.

The Deputy of St. Martin:

Do you think that money is justified? As a boat owner of a not dissimilar size, that seems like a huge amount of money to me to just maintain something for another 4 or 5 years.

Chief Executive Officer:

Yes, it is an indicative figure, so it will be whatever the boat needs to keep it running, frankly. So if it is less than that, we will be happy to have it less.

The Connétable of St. John:

How many hours a year does it run?

Director for Environment/Deputy Chief Officer:

At the moment, days at sea, we are looking at about 92. Perhaps a slight reduction on 92 days at sea.

The Connétable of St. John:

How many engine hours? That makes a big difference.

Director for Environment/Deputy Chief Officer:

That is about 385 per annum.

The Connétable of St. John:

385 per annum, is that all?

Deputy J.H. Young:

That is about 4 hours a day.

Chief Executive Officer:

Quite possibly, yes.

Director for Environment/Deputy Chief Officer:

That is about right.

The Connétable of St. John:

What is the speed of the vessel?

Director for Environment/Deputy Chief Officer:

25 knots, as I recall.

The Connétable of St. John:

What, cruising?

Director for Environment/Deputy Chief Officer:

Top. Yes, cruising speed.

Deputy J.H. Young:

Is there enough days at sea so you perform your regulatory requirement?

Director for Environment/Deputy Chief Officer:

There has been a steady decline in terms of days at sea over the last 10 years certainly, if you look at what we were doing in 2000. We would have 122 days at sea, we are now operating, 2010, about 92 days at sea. But that

is not necessarily a good indicator of what we consider to be good practice insofar as we have got intelligence-led regulation. We have the use of V.M.S. (Vessel Monitoring System). In fact, another successful prosecution last week, which is coming online a lot more. So we suffer from lightness of budget and time out at sea, but not as much as that would indicate.

The Connétable of St. John:

So what do the staff do for the other 20 hours a day? You know, we are putting in 4 hours a day at sea, what do they do for the other 20 hours?

Chief Executive Officer:

We only have 5 members of staff in the Fisheries and Marine Resources team, so there is the policy side of our work, the conservation side of our work, as well as the regulatory side of our work. So there is permitting, licensing, so on and so forth. So it is a mixture of all those roles, plus the increasing international element of our work in terms of liaison with the other islands plus France and the U.K.

Deputy J.H. Young:

If we turn to the other capital items. Met. Office, is there anything you can tell us about that? Is that £350,000 for the radar equipment, I think.

Chief Executive Officer:

It is, just to keep ... it is ongoing, these things wear out, so it is an ongoing replacement of the components of the radar and, again, it is an indicative figure but it will be to keep the weather radar running and up-to-date, and that is the key issue that the technology is for ever, obviously, improving and there are costs associated with keeping it up-to-date, so that is again a refurb upgrade. The longer-term capital plan refers to its full replacement at some stage in the future. But that is just the interim spend.

The Deputy of St. Martin:

A lot of this kit was put together by the airport electronics team, was it not?

Chief Executive Officer:

Yes, we have a contract with the engineering, electronics team. They do a lot of the maintenance on the radar for us.

The Deputy of St. Martin:

Is there likely to be any adverse impact during the plan of the proposed airport incorporation on the Met. Service?

Director for Environment/Deputy Chief Officer:

To try and answer that very question, we have instigated a once per quarter meeting with the dignitaries at the airport and an operational discussion once a month to try and make sure that we know exactly what is going on and they know exactly what is going on from our perspective as well. I think from the electronics point of view, from the engineering point of view, we are on pretty good terms at the moment. I would not envisage a significant problem arising.

Chief Executive Officer:

Certainly the incorporation work the airport are running with assumes all current service level agreements and contracts with States departments continuing to that new body, so we would expect a level of service, and obviously physically it is not on the airport estate, but we would be looking at whatever is the most cost effective way of keeping it maintained.

Deputy J.H. Young:

Thank you. So are you taking steps to guard against any unforeseen cost increases in your discussions with the potential incorporators of Jersey Airport?

Chief Executive Officer:

As I say, yes, the working assumption is that all current service level agreements will go into the new incorporated body.

[15:15]

Clearly we will need to ... we charge them as much as they charge us, so it is a bit of a quid pro quo relationship that we offer a lot of aviation services back to the airport as well so there is a bit of flexibility on both sides of the equation.

Deputy J.H. Young:

The last item you put at capital was for countryside infrastructure. Is this for footpaths?

Chief Executive Officer:

It is. I think that is one positive element of the medium term plan is this does recognise the very large pieces of physical infrastructure that we maintain in our countryside. It is an assumption that we will have funding to help us maintain footpaths and access to predominantly our north coast, but also other areas. So that is a new addition, which is most welcome.

Deputy J.H. Young:

Is there enough money?

Chief Executive Officer:

I think it is as long as a piece of string frankly. We spend very little at the moment; we do very well, if I can put it that way, with our budgets at the moment. So we could probably swallow up double that, treble that, if we needed to.

Deputy J.H. Young:

If you had access to, say, volunteer labour could you do more work for that money? Could you get better value for money? Could you get much more areas managed?

Chief Executive Officer:

I think the quick answer would be yes. This money would be to spend against the physical works themselves, but if we had more people working in the environment then, yes, we could buy more capital, put more concrete and

steps and strengthen bits that need strengthening and cutback paths that need cutting back.

Director for Environment/Deputy Chief Executive Officer:

Just looking at the list, it is quite simplistic perhaps to say that there is only one area in the north coast that we do. What we cover, 12 car parks, 70km of footpaths, 10km of bridle paths, 1,000 items of infrastructure including bridges, fences, flights of steps, signs, et cetera. We have to deal with the vandalism perspective, replacement values, so there is an awful lot to do for the money that we have.

Deputy J.H. Young:

Are you in discussions with other ministries about the possibilities of getting volunteer labour to help?

Director for Environment/Deputy Chief Executive Officer:

We are indeed.

Chief Executive Officer:

Yes, we have had some discussions with Social Security around the, if you like, back to work sort of banner, so that is still ongoing, we have not got a solution there yet.

Deputy J.H. Young:

Now, those I think are the only 3 that I can find, do you want to pick up on the ...

The Deputy of St. Martin:

Well, no, it was just something that I am sure will not need any encouragement for you to agree with me, Minister, but your anticipated capital projects at 2032 only amount to £12 million. I am sure you would like to have a bit more than that to spend. I see there is only £3 million, for example, on countryside infrastructure. Most of the other bits and pieces refer to Met. and Fisheries.

Deputy J.H. Young:

Sorry, what page are you on?

The Deputy of St. Martin:

This is page 275.

The Minister for Planning and Environment:

Yes, it is not a lot.

Deputy J.H. Young:

Is this part of the plan you were saying, Minister, that this is the part that is in there really - excuse the phrase - for window dressing because there is no money? Is that too blunt a way of putting it?

The Minister for Planning and Environment:

Well, I think that is one of the arguments but the other argument I was referring to were the hidden strategies that do have the potential to clock up very large kind of potential for States expenditure, which are not really upfront as debates before we go ahead and start allocating monies.

Deputy J.H. Young:

So why is this section of the plan in there, what is your understanding of it? I am a bit puzzled. It says long-term capital plan. Do they include monies that you got for 2013 to 2015?

The Deputy of St. Martin:

I think it is what you are expected to spend in the next 20 years but I do not think it includes the monies you are expected to spend in the next 3 years.

The Minister for Planning and Environment:

Well, not only that too, the biggest items of expenditure are particularly excluded.

The Deputy of St. Martin:

Yes, no hospital and no liquid waste are here either.

Deputy J.H. Young:

Can you give us a clue of what the Council of Ministers' thoughts are about the funding of these in the future?

The Minister for Planning and Environment:

I could not possibly say; well, I probably could but I should not.

The Deputy of St. Martin:

Okay, can I change tack slightly, as a ...

The Minister for Planning and Environment:

I will give you one thing, I mean, there are whispers to the effect that if indeed, for the case of speculation, our taxes are not going to rise then there have to be other ways of raising the monies and by privatisation or semi-privatisation and asking those privatised companies to raise their charges in order to pay for those services, that might be a way that these expensive items could be procured. So in the case of liquid waste, for example, if indeed there was speculation as to how those services could be undertaken by the Waterworks company and perhaps the Waterworks company would be in a position to raise its charges to pay for those services without the States having to ...

Deputy J.H. Young:

Well, we will be talking to the Minister for Transport and Technical Services about the liquid waste infrastructure, both the maintenance ...

The Minister for Planning and Environment:

But for me, if you are looking at long-term financial planning, and that was one of the strategic aims of the Council of Ministers, then these large ticket items really need to come to the States in order to flesh out the competing directions, some of which may be substantially cheaper than the ways that are being mooted at the moment.

The Deputy of St. Martin:

Do you think, Minister, that it was wrong of T.T.S. not to have something in the plan for liquid waste? As Minister for Environment they would put forward the case that drains are very much a hidden thing, you expect toilets to work and you just do not take much consequence of what happens at the other end and obviously if the sewage system decided to fail seriously all of a sudden people would not be very happy. Do you think that we should be looking to replace all our liquid waste assets sooner rather than later?

The Minister for Planning and Environment:

It is down there as a stated aim of the T.T.S. Department but all I am complaining about at the moment is that if you look on page 135, item 31, there are some elements of monies that are going to be required to be spent on to treatment works or regeneration projects for liquid waste systems. The only point I am making is that perhaps the monies that are being expended are or should be seen as interim monies in order to keep the existing system ticking over, and I think the question has to be asked as to whether or not that is the nature of those monies or indeed they are part payments towards a liquid strategy that has already been decided by the department in shape and form and we are getting the long-term project by instalment. If it is the latter then it raises serious doubts in my mind as to whether or not the States Assembly has any control over the long-term expenditures on these big items.

The Deputy of St. Martin:

Is not the difficulty though, Minister, that we have a liquid waste plant - for want of a better word - which consists of maybe 4 or 5 different stages and, as we have at the moment, where the one stage needs to be replaced it has to be replaced to just keep the other 4 bits going. Consequently you then have one of your bits is now new, and you move to the next bit. You would like to develop it differently or a completely separate policy or asset?

The Minister for Planning and Environment:

I think the strategy has to be developed as to whether or not it is a continuation of the existing technologies that comprise our liquid waste treatment works, and I think those questions have to be asked in terms of the expenditure, the £540,000, which is referred to in another part of this document, which has been asked for by T.T.S. to be spent on a liquid waste strategy. If indeed we are just going for a continuation of the existing equipment you do not really need to be making a claim for £540,000 of taxpayers' money to be coming forward with a new strategy.

Deputy J.H. Young:

Could you point us to that one, Minister. I did not notice that, it sounds very important, because page 135 provides £3.1 million to T.T.S. for sewage treatment which is, I think, funded. So that is in, and I think the view you have expressed is that there should be a strategy prior to ...

The Minister for Planning and Environment:

I have called for a strategy and indeed it is referenced in the document saying that a strategy will be forthcoming and £500,000 plus has been earmarked for T.T.S. to pay for a strategy. But the point I am making is that if the strategy is to continue with the existing plant then you do not probably need to spend £500,000 to tell you that is the thing to be doing.

Deputy J.H. Young:

This sounds like an area, Minister, where Deputy Luce's point about joined up government is important. This is a case of ...

Chief Executive Officer:

Longer term capital needs in T.T.S. are highlighted at page 265, which highlights additional funding for liquid waste strategy in that longer period of time.

The Minister for Planning and Environment:

We have similar issues with the ash treatment and management. We have similar issues with the asbestos handling.

The Deputy of St. Martin:

Your feeling is, Minister, that rather than spend money on coming up with strategies we really need to decide what the strategy is before we do that between ourselves?

The Minister for Planning and Environment:

Absolutely.

Deputy J.H. Young:

This Scrutiny Panel has commenced an ash strategy review and we are due to see you and the Minister for Transport and Technical Services separately once the consultants have done a fair amount of work, so I am intending that we will come back to that matter. But in the meantime, of course, this plan has its own momentum. Can I ask you, Minister, do you feel so strongly on this that you would say these monies should not be included within the plan while those strategies or processes need approval...

The Minister for Planning and Environment:

Well, I have been told that some of the figures might well be notional figures and indeed in cases where there is not an agreed long-term strategy they have to be taken as that.

Deputy J.H. Young:

Or are you saying that before the monies are spent there should be these strategies in place?

The Minister for Planning and Environment:

Yes, absolutely, before the monies are spent, yes. I think the Island through its governing body, the States Assembly, should have a debate as to whether or not what is being proposed long term to require these monies to be spent is indeed the best thing to be spending money on.

Deputy J.H. Young:

So you are recommending to the panel that happens and you will be discussing that with the Council of Ministers?

The Minister for Planning and Environment:

I have discussed it as far as I have been able to with the Council of Ministers but this is the final document, how it pans out during the debate I do not know.

Deputy J.H. Young:

But, Minister, there is an opportunity I think to amend this until into October and then the debate is November and the Corporate Panel is due to report in October, so I think the points that are all coming out we will certainly take note of, but I think from what you have said, that it is something I think I have heard you say you have intended to discuss that further.

Chief Executive Officer:

I think on the long-term capital plan it makes it clear in the appendix it is an indicative plan and it is going to be a living document so it is there for completeness in the sense that we now have in one place a document which tries to capture all those long-term capital needs and that is the first time we have ever had a document that tries to do that. So it is intended to be a living document and then as each successive M.T.F.P. gets approved in due course, that is when the States will need to agree the principle of that funding envelope of the time.

The Deputy of St. Martin:

Just on a slightly light-hearted note, I cannot remember the page now, the page I was at before I came to this one, I see there was £750,000 for the demolition of Fort Regent pool and I just wondered if the Minister had a view on knocking it down or otherwise?

The Minister for Planning and Environment:

I think you would certainly have a better view if you knocked it down. With that particular project, I do not know, I am not sure whether I should comment because I may be called upon to decide it.

Chief Executive Officer:

It would need planning permission to knock it down but, yes, certainly that would indicate we are likely to see a planning application at some point.

The Deputy of St. Martin:

Do they have to pay for a demolition permit, out of interest?

Chief Executive Officer:

Indeed, yes.

The Deputy of St. Martin:

They do.

Deputy J.H. Young:

Minister, I think you have covered the ground that we wanted to review. Are there other issues from your point of view about this medium-term plan you would like to put on the agenda for us, things that we have not touched upon that you would like to tell us and get us to think about?

[15:30]

The Minister for Planning and Environment:

Yes, one thing that worries me slightly is that I am not sure whether it is a good idea in terms of overall financial control, albeit it under the ministerial government, that we seem to have moved in this direction to allow stated financial headings for projects, once the monies have been decided upon to allow those monies to be spent somewhere else or on totally different projects.

Deputy J.H. Young:

It is the principle of virement I think they call it, do they not?

The Minister for Planning and Environment:

Yes.

Deputy J.H. Young:

Is this capital or revenue or generally?

The Minister for Planning and Environment:

I think it is able to be done in both revenue and capital budgets.

Deputy J.H. Young:

It is not something I am aware of, is this something that happens under ministerial agreement, or is there discretion for chief officers to move money around?

The Minister for Planning and Environment:

The old system in the States was that once the States Assembly had decided to expend monies on a particular project, as promoted by the department, then those monies were fixed, and should plans be curtailed or not brought to fruition on those particular projects then those monies would be returned back to the Treasury at the same time. I think the Medium Term Financial Plan moves away from that principle in a number of respects. One is that I think there is less ability on behalf of ordinary Members as part of the General Assembly to give comment on the monies being spent on those particular items, and indeed the more important point is that having set them, if we do arrive at such a process then it is at the whim of the individual ministers to move them as they think fit within the 3-year plan period.

The Deputy of St. Martin:

Thank you for highlighting that, Minister, because that surely must be fundamental with this otherwise you could get departments being extremely creative with subjects, which they know will get huge sympathy from the Assembly, purely to get monies to then use that money to do something else which the Assembly has no knowledge of.

The Minister for Planning and Environment:

I think there are already examples within what is being suggested.

Deputy J.H. Young:

Could you give us a couple of examples, Minister, because it sounds like something that we should ...

The Minister for Planning and Environment:

I will give you one example, apologies to T.T.S. but I am probably closer to them than other departments, but the monies for in-vessel composting, that the States decided in the past that they wished to move in the direction of in-vessel composting units, which are proper plants into which the compost is made, not the outdoor windrow process which the department have continued with. Under T.T.S. 20 on page 263 is in-vessel composting replacements of £2 million, and the report says under 545 the in-vessel composting project is due to be completed this year. Well, it is not an in-vessel composting plant, it never has been, it is an open windrowing process, and the improvements that these monies are being asked to be spent on are for raising the heights of the windrows and for some type of perfume sprayers to try and alleviate the smells and the biological components that do kind of drift off from that site when the wind is blowing in the wrong direction.

The Deputy of St. Martin:

Did you not highlight that around the table at the Council of Ministers?

The Minister for Planning and Environment:

Yes, I did, several times.

The Deputy of St. Martin:

And nobody ...

The Minister for Planning and Environment:

No. It is a very good example, maybe a trivial one, of the openness of the system to potential moving of funds, albeit after the States have arrived at a general strategic direction for expenditure in a particular direction.

Deputy J.H. Young:

What restriction would you like to see, Minister, on that?

The Minister for Planning and Environment:

I think the old system had a lot going for it where we discussed in greater detail the overall direction of what we wanted the monies to be spent on, with those recommendations being put forward by the individual departments.

Deputy J.H. Young:

The States itself?

The Minister for Planning and Environment:

Yes, and then the States had the powers to ensure that the monies were spent on those particular projects and indeed to carry out the priority setting in terms of balancing demands from one department against another.

Deputy J.H. Young:

Thank you, Minister, for drawing that to our attention. We will take note of that and ensure that matter is included in the information we communicate to the Corporate Services Sub-Panel that is looking at the overall ...

The Minister for Planning and Environment:

I could give you a second one if you wanted?

Deputy J.H. Young:

Yes, please.

The Minister for Planning and Environment:

T.T.S. 21, scrapyard basic infrastructure. I was not reading the ...

Deputy J.H. Young:

What do you think it means?

The Minister for Planning and Environment:

Well at the end of the day I suppose it is an issue about kind of the cross-cutting issues across various departments. Environment do have a role in environmental regulation for a scrapyards to ensure that it is up and running but we have an even wider remit, in my view, as to whether or not best available technology is sought when individual departments are coming forward with their shopping list. So at the moment what appears to be developing is that although we have a scrapyards process and it is absolutely right that elements from that scrap, which is coming from recycled cars, as far as possible, or deconstructed cars, a number of those metal components are still being burnt in the incinerator and causing problems with the ash, which is subject to another vote. So it is only right probably, in my mind, that the Environment Department seek as far as possible a proper discussion and debate as to the best technologies available to deal with scrap. One of the best ways would be to do probably nothing more than putting the vehicles on a ship and having a contract to ship them out of the Island untouched, in a state that does not see them as being a waste ...

Deputy J.H. Young:

Could we do that under our transboundary agreement?

The Minister for Planning and Environment:

We can do that but the key thing is that if it is a vehicle that is still moving it is a vehicle, so you are shipping vehicles. If it is a vehicle that has come to the end of its life and you have started to take it apart then it becomes scrap material or hazardous materials and that requires a different way of looking at things, and in a lot of cases it is a lot more expensive.

Deputy J.H. Young:

I must have misunderstood. When you have, I understand, these transboundary shipments is there some sort of obligation on Jersey in the first instance to treat its own waste?

The Minister for Planning and Environment:

There is within reason, but many cars get recycled in other places and it is fundamentally viable and acceptable in this day and age to ship your cars to car recycling plants either in Europe or the U.K.

Deputy J.H. Young:

Thank you for that information, Minister, we will have to take that up with the Minister for Transport and Technical Services and the Corporate group...

The Minister for Planning and Environment:

The difficulty with this is that monies have been inscribed into the budget to deal with scrap in a particular way without the States having decided that is the best way to deal with it. I think in the past the States Members would have had a chance to make those observations and certainly to be privy or party to those debates and discussions. But under the new system, the Medium Term Financial Plan, the authority to make those decisions is going to rest more and more with the Minister.

The Deputy of St. Martin:

I have to say that scrapyards basic infrastructure, the way it reads, it is not at all clear as to whether that £1 million is to go to the scrapyard itself to try and improve it, or to go to finding a new alternative to the scrapyard. It does not tell you where ...

The Minister for Planning and Environment:

When I raised these issues with the Minister for Treasury I was told in no uncertain terms that a number of these sums were just notional sums and they had to be put in on that basis.

Deputy J.H. Young:

Minister, we were told in our briefing, obviously given our instructions from the Corporate group, is that the capital - and the Treasurer told us this - would have to come back for separate approval. That is what she told us. But obviously this is an area that clearly needs clarification so we will certainly take note of this and see if we can get some clarity. But what you are saying

is that you do not think these monies should be enshrined in fixed votes or spent until these issues are cleared up regarding them?

The Minister for Planning and Environment:

Until the strategies in which they should be embedded have been properly agreed by those who should be party to making those decisions. I think the key thing for me is that it is by no means certain at this stage, with the ministerial government that we have at the moment, that there is the same opportunity for ordinary States Members to be party to making those decisions as they did in the past.

Deputy J.H. Young:

Thank you, Minister, for those comments. Thank you very much for, as you always are, being so open, and your team, thank you very much for a really helpful session and with that I will close the meeting.

[15:41]