



Environment, Housing and Infrastructure Scrutiny Panel

Government Plan 2021-24

Witness: The Minister for Infrastructure

Tuesday, 27th October 2020

Panel:

Connétable M.K. Jackson of St. Brelade (Chairman)

Connétable J.E. Le Maistre of Grouville (Vice-Chairman)

Deputy K.F. Morel of St. Lawrence

Deputy I. Gardiner of St. Helier

Witnesses:

Deputy K.C. Lewis of St. Saviour, The Minister for Infrastructure

Deputy H.C. Raymond of Trinity, Assistant Minister for Infrastructure

Mr. A. Scate, Acting Director General, Infrastructure, Housing and Environment

Mr. J. Littlewood, Head of Finance Business Partnering, Infrastructure, Housing and Environment

Mr. T. Dodd, Head of Transport, Infrastructure, Housing and Environment

Mr. R. Fauvel, Head of Waste Regulation, Infrastructure, Housing and Environment

Mr. T. Daniels, Director of Property, Jersey Property Holdings, Infrastructure, Housing and Environment

Ms. F. Glover, Principal Policy Officer, Strategy and Foresight, Strategic Policy, Planning and Performance

Ms. A. Holmes, Private Secretary to Minister for Infrastructure

[12:35]

Connétable M.K. Jackson of St. Brelade (Chairman):

We will start this meeting with a round of introductions, Minister. I will start off with the panel and then yourself and your officers. I am Chairman of the panel, Constable Mike Jackson. We have Connétable John Le Maistre of Grouville, Deputy Inna Gardiner and Deputy Kirsten Morel with us today. Minister, if you can announce yourself and your team, please.

The Minister for Infrastructure:

Yes, certainly, Chairman. Myself, Deputy Kevin Lewis, Minister for Infrastructure. We have Andy Scate. I keep forgetting your new title, Andy.

Acting Director General, Infrastructure, Housing and Environment:

It is the Acting Director General for I.H.E. (Infrastructure, Housing and Environment).

The Minister for Infrastructure:

Acting Director General for I.H.E., as we are now. We have got John Littlewood, Finance Director for I.H.E.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

The new title is Head of Finance Business Partnering, Minister.

The Minister for Infrastructure:

I cannot keep up.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

I have got a foldout business card.

The Minister for Infrastructure:

We have Tristen Dodd, Head of Transport. We have Tim Daniels again, who is Head of Property Holdings. Where are we now? We have Richard Fauvel, who is Head of Waste, and Allyson Holmes, who is Private Secretary, and I think that is it from my team.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

We have got Fiona Glover from S.P.3 as well, Minister, on the sustainable transport side.

The Connétable of St. Brelade:

The Assistant Minister I see there as well, of course. Minister, we understand that while you are not the lead Minister for the assessment of public infrastructure and resource projects - that is the Minister for the Environment - we would like to hear your views and comments on the delayed status of this project. The 6-monthly report, R.89, gives a very short overview of the reason for the delay

and how work is progressing on this. Are you able to expand further on what progress has been made and how it is proposed this remit will change under a 3-year bridging Island Plan? What impact does this delay have on the future delivery of infrastructure services, in your view?

The Minister for Infrastructure:

There is obviously some crossover with the environment and - it goes without saying - problems with COVID. Would you like to take this one, Andy?

Acting Director General, Infrastructure, Housing and Environment:

Thank you, Minister. Yes, so the assessment of public infrastructure is something that is being done by the Island Plan team to inform the Island Plan. It is in a variety of stages, but phase 1 and 2 is effectively required to inform the Island Plan when it is published, so the anticipation is that that will be completed in the next month. Then the anticipation from that team is into 2021 there is a more comprehensive infrastructure plan, which will explore how actual required infrastructure can be prioritised and brought forward. I think the first phase is effectively a state of the nation: "This is where we are and this is what the Island Plan needs to take into account" and then the more detailed planning thereafter.

The Connétable of St. Brelade:

In the 2020 business case funding was requested and approved for £150,000 with no further anticipated funding bids for future years. Are you aware as to whether the full allocation has been spent? If not, what proportion has been spent to date?

Acting Director General, Infrastructure, Housing and Environment:

It has not all been spent to date because of the delay due to the events of year, so no, we have not spent ... I would say the S.P.3 team have not spent the £150,000. That is going to be partially spent by the end of this year and then the remainder into 2021. I do not have the percentage in terms of how much at the moment, but we are still anticipating that the full £150,000 will be required.

The Connétable of St. Brelade:

So owing to the fact there is no forecasted amount being requested in this year's 2021 Government Plan or for future years, in fact 2022 to 2024, is it your understanding this means that no further funding is required and that the current £150,000 is sufficient to meet the completion of this project or is this because the project is being repurposed to reflect the short-term aims of the 3-year bridging Island Plan? You mentioned £450,000 just now. Where does that come in?

Acting Director General, Infrastructure, Housing and Environment:

Sorry, no. It is £150,000, the full £150,000. I think I am getting my words mixed up. It is still anticipated that the full amount, the £150,000, will be required and will be spent.

The Connétable of St. Brelade:

Thank you. The Climate Emergency Fund, moving on to that, Minister, while you are not the lead Minister again on this, you will nonetheless have been involved in the areas of carbon neutrality and sustainable transport. Are you aware if the full allocation for 2020 of £500,000 has been fully spent? If not, are you aware of what proportion has been spent on that?

The Minister for Infrastructure:

No, I am not sure of the exact proportions spent at the moment. As I say, I am very keen obviously on the Sustainable Transport Policy and the fast start, which was discussed in the States, but it is something I want to pursue. Do you have the exact detail, Andy?

Acting Director General, Infrastructure, Housing and Environment:

In terms of the spend, there has been progress to look at a citizens' assembly and then to look at some spend around a transport policy officer, but the full £500,000 has not been spent. The main impact on this work this year has been due to COVID, with a lot of the policy personnel that we have effectively being directed on to COVID work. We still need to progress work to finalise the citizens' assembly. Some work has taken place on the rapid analysis of workstreams, which are linked in from the start, which Tristen will be able to detail a bit more. We are moving forward with the recruitment of a transport policy officer post within that amount, but the full amount has not yet fully been spent.

The Connétable of St. Brelade:

Are you able to advise, Andy, on the rationale for the increase in the proposed allocation for 2021 from £300,000 to £500,000? Last year's Government Plan forecast was £300,000. Given your involvement in this area during the process of producing the 2021 Government Plan, have you been ... it is for the Minister, really. Has the Minister been briefed on what this extra amount might cover? Who can answer that best?

Acting Director General, Infrastructure, Housing and Environment:

There is additional funding going into the Natural Environment area from climate emergency, mainly linked to impacts on habitats and biodiversity due to climate, so that may well account for the change in numbers. We also have Fiona online as well, who may be able to give a bit more detail on the phasing now of the spend in association to where we have found ourselves this year.

The Connétable of St. Brelade:

Yes, that would be useful. Fiona, please tell us.

Principal Policy Officer, Strategy and Foresight:

Hello, good morning. Yes, picking up on what Andy was just saying, it is important to remember the way the fund is structured, in that we draw down the funds as the money is spent, so money that - as you say, due to the delays we have experienced this year - has not been able to be spent remains there in the 2021 forecast.

[12:45]

That is why it kind of looks a bit different, if you like. As Andy said, there is additional work to be done on the biosecurity crisis, which has been highlighted as an impact of climate change and of course we are continuing to develop the rapid analysis work, as outlined in the S.T.P. (Sustainable Transport Policy) Strong Start. We have been doing some scoping work with a wide range of stakeholders and will be continuing that through a consultation process towards the end of this year. Those pieces of work which are on the active travel strategy, the Bus Service Development Plan, the parking plan and the mobility service strategy will bring forward the strategies which will outline the detailed future spend over the next 10 years, in line with the vision for the S.T.P.

Deputy K.F. Morel of St. Lawrence:

It was just picking up on something that was said there: a biosecurity crisis was mentioned. I was wondering if you could expand upon what that biosecurity crisis is and what is the work that this money is being used for to address that apparent biosecurity crisis. Thank you.

The Connétable of St. Brelade:

Fiona, do you know the answer to that?

Principal Policy Officer, Strategy and Foresight:

This is the area that the Natural Environment Department are leading on in terms of the detailed plan. There is a range of proposals being put forward in the Government Plan around invasive species, for example, both marine and insect. This is not my specialist area, but a whole range of activities around those initiatives. I think that the Minister for the Environment will be talking about some of those later on.

Acting Director General, Infrastructure, Housing and Environment:

If it helps, Deputy, it will include various bits of work around non-native invasive species such as Asian hornet and Japanese knotweed. There is quite a lot of work needed in the sort of marine environment and further marine research. There is also some work planned around soil health and

things such as that. I guess the other point of research for the Natural Environment team is just to keep our monitoring and security around animal disease clear, both human and animal disease, so whether we are encountering different forms of pest in the Island, whether it be ticks or mosquitoes, midges and so on and so forth. Yes, it is work that sits under the Minister for the Environment. Hopefully, the Environment team this afternoon will be able to give a more fulsome answer than I can now.

Deputy K.F. Morel:

Thank you. I would appreciate, just very quickly, Chair, if we could add a question about that to the questions for the Minister for the Environment this afternoon. Also just to say Japanese knotweed is not invading as a result of anything to do with the climate crisis, so in my view climate emergency funding should not be used to deal with that because that is entirely a Victorian issue. Thank you.

The Connétable of St. Brelade:

Moving back to transport, in 2020, Minister, approved funds of £1,550,000 for sustainable transport initiatives were approved. Are you in a position to advise once again what proportion, if any, has been spent and what specific initiatives has this been on? If none of the 2020 funding allocation has been spent, is it envisaged this will be spent in 2021? If so, on what?

The Minister for Infrastructure:

Yes, I am very keen to progress the S.T.P. fast start. As has been said before, we have been knocked sideways by COVID with budget and staff. Tristen, do you have the detail there?

Head of Transport, Infrastructure, Housing and Environment:

Hello, Minister. Works were significantly hampered by COVID and also by the Government's response to COVID. We had to have staff that were assigned to other duties for a period. Budgets were also frozen for a period and so we are now just really starting to reconsolidate what we will be doing. The schemes are as set out within the Strong Start document, but we are also trying to find or are in the process of identifying and developing schemes that can be brought forward at pace as well to supplement those. The money is rolled over in the fund and it is envisaged that it will be spent in future years. The budget for 2021 is, I think, £3.15 million and we have got a series of schemes that we are in the process of developing. Also, if the Minister is happy for me to mention it, the Minister will also be bringing forward a document in the near future which will detail out some of those schemes for Members.

The Connétable of St. Brelade:

Thank you. We note, Minister, that the proposed revenue measures in 2021 include a proportion of increases in fuel duty to fund the C.E.F. (Climate Emergency Fund). Given the unforeseen impact

of COVID-19 and reduced travel, can you advise what the actual revenue achieved for fuel duty to date in 2020 is against what was forecast to be received at this point?

The Minister for Infrastructure:

John, would you like to take this one?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

I do not have figures to date, unfortunately, Chairman. Within the forecast, I believe we are now forecasting £1.3 million of impôts duty for this year, which is reduced from what was originally in there, which I think was £2 million, from memory. Correct me if I am wrong on that, Tristen, but I think it was £2 million, was it not?

Head of Transport, Infrastructure, Housing and Environment:

I cannot remember the exact figures, but in terms of traffic, which we do actively monitor within the department - but we do not actively monitor the impôts duty as it is not within our immediate remit - traffic is pretty much back up to normal levels with a slightly suppressed morning peak, so while it is right that the morning commute to work has changed, little else seems to have.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

Yes, there was an impact during lockdown, where there was a significant dip in impôts duty, I believe, and I think that is what has influenced that forecast within the revised plan.

The Connétable of St. Brelade:

Thank you. Have you had briefings from the Minister for Treasury as to what is now expected to be raised in revenue from road duty specifically for the C.E.F. by the end of 2020? Has there been any direction or influence from the Treasury as to what needs to be drawn from the public?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

Have not had a specific briefing. What we have seen is updated forecasts from the customs and impôts side of it, so I have not been directly involved in that, but I have seen figures.

The Connétable of St. Brelade:

Do you think there will be an impact by this reduction of funds from fuel duty on the C.E.F.? For example, will we see less sustainable transport initiatives than planned? Really I suppose I am asking how this loss might be mitigated.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

I do not envisage it being a long-term impact, so I think the fact that we have been somewhat hampered this year by coronavirus in delivery as well, I do not think there will be a significant long-term impact on this.

The Connétable of St. Brelade:

So there will be no need to mitigate the S.T.P., which may have an effect on the C.E.F., as you see it.

Acting Director General, Infrastructure, Housing and Environment:

If I may add, Chairman, I think at the moment we have seen some change in transport behaviours. We have also seen a variety of other people utilising their cars more because of COVID, so I think we are probably still in a bit of an unknown phase at the moment in terms of how this will settle down when we go into 2021 and whether we are likely to continue to see home working and more agile working taking place or indeed we will see people returning to their workplaces and then not wanting to use public transport. We have seen a bit of a blend of all those things currently. We certainly have seen certain sectors of the community wanting to use their own personal cars more because they are on their own. We have seen a negative impact on bus ridership, but also we have seen a lot more sustainable behaviours and people working flexibly, so I think it is a bit early to say where we think this will go in the sort of medium term.

The Connétable of St. Brelade:

Minister, in relation to the £2 million requested for funding the bus contract in 2021, is that to cover the loss of profit for 2020 and a forecast loss of profit for the upcoming year or is the £2 million solely what is forecast as required to enable the bus operator to break even for 2021? How has this calculation been made?

The Minister for Infrastructure:

Prior to COVID, obviously LibertyBus were coming up in leaps and bounds. It was one of the best-performing bus companies in the British Isles, but sadly we have been knocked sideways by COVID. John or Tristen, would you like to take this one?

Head of Transport, Infrastructure, Housing and Environment:

Shall I start, if that is okay, John? I think the important thing to remember is we do not subsidise the bus service, we subsidise passengers. The purpose of the subsidy is to keep the fares down so they are competitive against other modes of transport. The bus company has 2 forms of revenue. It has the bus contract, which we pay for, which is that part of it, and then it has the revenue. Of course revenue has been massively impacted, so the money is there in order to be able to continue to provide a core service to Islanders. When we were at the worst of the pandemic, we dropped the

service down to something around about a Saturday service. It has picked up a little bit more and we are probably operating somewhere between 80 per cent to 90 per cent of a normal winter service, but passenger numbers still remain down, although they have grown over the summer. They are likely to be impacted again as the number of COVID cases rise. Do you want to add anything more to that, John?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

I was going to say that the funds are held within the central coronavirus head of expenditure. We will have to draw it down and demonstrate need, so it is not an automatic transfer payment, it is a maximum sum that has been assigned to support, should it be required. It is factored in to provide a minimum level of income to sustain a certain level of service and we will assess that based on requirements as we find out passenger numbers and behaviours through the course of next year.

The Connétable of St. Brelade:

You are having regular appraisal meetings with LibertyBus to ensure their continued viability and the service continues to the Islanders, I take it?

Head of Transport, Infrastructure, Housing and Environment:

Yes, we are, right through the levels of LibertyBus and their parent company.

The Connétable of St. Brelade:

Good, thank you.

The Minister for Infrastructure:

Can I just add, Chairman, that from my point of view LibertyBus is one of the best things we have ever done, as far as I am concerned, within Infrastructure? They were head and shoulders above the opposition when they tendered for the contract and there is no way I will be letting them go, so we will be protecting them as best we can for the time being. When we get to the other side of COVID, I am pretty sure that they will bounce back and be up to their usual figures.

The Connétable of St. Brelade:

We are aware that the bus operator is a social enterprise and returns a proportion of any profit on the contract for reinvestment in sustainable transport. We would like to try to understand what, in the way of profits, have been returned to the Government in comparison to the level of funding that has been sought in this business case. Can you advise what profits the operator has returned to the Government for the last 5 years and what proportion of this is still ring-fenced for sustainable transport initiatives and what might have already been spent?

The Minister for Infrastructure:

Obviously, we pay for things like senior citizens' passes and disabled passes and all the various other things, obviously of course the school bus service. If I hand over to my colleagues to get to the nub of the amount. John or Tristen.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

Tristen, I do not have exact figures for profits returned.

Head of Transport, Infrastructure, Housing and Environment:

I do not have the exact figures available to me here, Constable, but when the bus service was growing, it amounted to several hundred thousand pounds a year and that was reinvested in improving bus stops, bus infrastructure and also the access to them, so things like pedestrian islands so you could cross the road and get to a bus stop. Obviously for this year it is very unlikely there will be any, but it has amounted to several hundred thousand pounds each year throughout the bus contract. That is on top of the money that LibertyBus also spend out, so routes like the one up to - I cannot remember the number - the hospice, that is something that is funded by LibertyBus out of their profits as a social good. There are other ones as well.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

And transport access officers and things like that as well.

[13:00]

Connétable J.E. Le Maistre of Grouville (Vice-Chairman):

Yes, just going on with what happened to the money that they raised, because it is a non-profit making organisation, as I understand it, they gave some money back to the Government here for public good with regard to transport. Does it also send money to the U.K. (United Kingdom) and should that money not be spent locally, as it is generated locally?

Head of Transport, Infrastructure, Housing and Environment:

So within the contract they have a return that they are able to make to the group and that was in the tender. That is like any other commercial enterprise. Although they are a social enterprise, they are also a commercial entity, but within the contract also is any money that they make above that agreed threshold is reinvested back into the community. Where they spend that money is effectively putting on more bus routes, but also they have travel training for people with special educational needs and the like so that they can increase their mobility as well. Really and truly, if it was Connex, we would not be asking this question. This is their proportion of the money to do with as they choose. They can explain it, but under the contract it is their money.

The Connétable of St. Brelade:

Am I correct in saying that that also purchases the buses?

The Minister for Infrastructure:

Yes.

Head of Transport, Infrastructure, Housing and Environment:

They use it for a variety of means. I do not really want to go into the commercial details of the contract, but some of the buses are owned and some of them are leased.

The Connétable of Grouville:

Can I just ask a bit further than that? Effectively the Government here, because the bus service does not pay through ticket fares, is subsidising this company, which then spends some of that money elsewhere on public good?

Head of Transport, Infrastructure, Housing and Environment:

I do not believe so. I mean, their head office has accounts functions, scheduling functions, all the sort of the H.R. (human resources), all the normal things that you would need to run a company, so within the contract there is a mechanism, which was commercially tendered, where they were able to make a return to their group. The return above and beyond that returns to group, they elect to spend in improving the bus service and the transport offering to the public in Jersey. Now, if it had been another company that would have won the contract, all that money would have gone back to group to do with what they chose.

The Connétable of Grouville:

The point I am trying to make is that if it was a normal company, the profit would go back to the group and would be distributed to dividends. In this case, because it is effectively a charity, they obviously need monies to run head office, which I can understand, and we should pay our fair share of that. It is if there is any additional money then one would assume that would come back locally as opposed to the spend in other towns and cities throughout the U.K.

Head of Transport, Infrastructure, Housing and Environment:

It does. I think this is something that this is a commercial contract, this is their part of it. You really need someone who is a representative from HCT Group or LibertyBus to talk to you about it. They have come over twice now and given presentations to politicians within this States Assembly and I am sure they would be willing to do that again to explain how they work.

Deputy K.F. Morel:

Just very quickly, it is not really a question. One was just I do not think it is appropriate to speculate on what other groups will have done, particularly not to name them with regard to profits and where they would have gone et cetera. I think that is not appropriate. The second thing was just I did not hear with regard to the figures that were requested that John and Tristen were not able to provide. Just to ensure please do provide those figures after this meeting in writing to the panel.

Head of Transport, Infrastructure, Housing and Environment:

Yes, certainly. Just to clarify what I was saying about the previous incumbent, it was just a statement of fact, that it was a purely commercial contract and so their return went back to their parent company.

Deputy K.F. Morel:

Yes, but you also, Tristen, made a wider statement beyond the previous incumbent, saying if it was a for-profit operator then it would all go back to the company. We do not know. That is speculation. We do not know.

Head of Transport, Infrastructure, Housing and Environment:

No, you are right. I was making a broad generalisation as to how these commercial companies operate, sorry.

Deputy I. Gardiner of St. Helier:

Also very swiftly, Tristen, can you please advise when the contract is expired or if there is any expiration date for the current contract?

Head of Transport, Infrastructure, Housing and Environment:

There is an expiration date for the current contract and I am desperately trying to recall it. John, do you remember?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

I know it has been extended.

Head of Transport, Infrastructure, Housing and Environment:

It was extended.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

A few years back, was it not?

Head of Transport, Infrastructure, Housing and Environment:

Can we come back to you with that, if that is okay?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

Yes, we will confirm that as well.

Deputy I. Gardiner:

With the numbers, as requested by the Constable and Deputy Morel. Okay, thank you.

The Minister for Infrastructure:

This company does have to meet certain financial and operational key point indicators and they have done, so they have done exceedingly well. As I say, something like COVID was something no one could predict, but they have done very well considering.

The Connétable of St. Brelade:

Minister, have other options been considered as to how the bus service might adapt its operation to break even or at least raise some of the revenue required to break even?

The Minister for Infrastructure:

They have done the best thing they can. Tristen, do you want to take that one?

Head of Transport, Infrastructure, Housing and Environment:

At the moment, the bus contract continues to operate on the same basis as it did when it was tendered, whereby LibertyBus hold the revenue risk and we have the regulatory risk. Early in the New Year we will be doing the bus service review with S.P.3 and at that point I think we have to look at all the different options that are available contractually and hopefully we will have a better forward view as to how the coronavirus pandemic is going to pan out and the likelihood of a vaccine, because that is the bit that they cannot manage at the moment, because Government puts various risks on to them. There was legislation which provided for people to work at home, also we had minimum spacing on the buses. They are all risks that the bus company cannot manage.

The Connétable of St. Brelade:

Do you anticipate the fares remaining at their current levels or are they going to go up?

Head of Transport, Infrastructure, Housing and Environment:

I think that is too early to say at the moment. There is a mechanism within the contract for a cost of living rise each year. There has been various States propositions and so on which affect the economic model for the bus service. I think we cannot say at present.

The Connétable of St. Brelade:

Given that we have a reduced service, has any work been done on the impact on the elderly and vulnerable living within our community who are not getting the services perhaps they had before?

Head of Transport, Infrastructure, Housing and Environment:

I think that the services now are back up to where they need to be. Obviously LibertyBus receives requests for services and where they do, they look to try to incorporate those in their schedules. I am not aware of any at the moment where people have done so. I do not think there are any really gaping holes in the services compared to what is required.

The Connétable of St. Brelade:

Thank you, Tristen. Moving on to property areas once again and particularly The Parade. In total the business case seeks to secure funding of 4 tranches of £1,141,000 from 2021 to 2024. Minister, what involvement do you have with this Parade project and can you confirm whether you are in fact lead Minister on it?

The Minister for Infrastructure:

Sorry, you disappeared a bit there, Chairman. If I hand over to Tim.

The Connétable of St. Brelade:

Are you lead Minister on the Parade project? We have 4 tranches of £1,141,000 for the 4 years involved with the plan.

Director of Property, Jersey Property Holdings:

Yes, Chairman, in common with the majority of the property that is being used by the public or the Government, Property Holdings facilitate and administer the actual ownership of the premises, so directly the Minister is responsible for them and he will have gone through a process, Standing Order 168, to take on premises like these. We are responsible, we hold the liability and we endeavour to accrue income from other departments that use the building. The Parade in particular was procured, I think it was 2018 originally, for the last hospital project and its lease has been evolving. During COVID it has housed track and trace teams and there is a particularly large area that is used for the Council of Ministers' meetings. We try and use it usefully and get an income from those departments that use it. We are or we will look very closely with the Health team at how the building can be used with the requirement to relocate people perhaps from Overdale and other departments around the Health estate. We make sure, as far as possible, that the building is used constructively. That sum of money over the 4 years of the Government Plan covers the rent and also a service charge but, as I say, we do try and recoup that money from other States departments that use the building.

The Connétable of St. Brelade:

So the figures quoted are the gross rental figure, are they, as paid to the landlord?

Director of Property, Jersey Property Holdings:

And service charge.

The Connétable of St. Brelade:

Yes, fair enough. Do you in fact think that the arrangements on The Parade offers best value for money for the taxpayer?

Director of Property, Jersey Property Holdings:

I think it was negotiated at the time of the hospital project and it is one that we are stuck with, so it is one that we are trying to optimise to our best ability.

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

The funding for this was originally contained within the Future Hospital Project budget and of course since the termination of that project that funding is not available to us, hence the reason for the bid.

The Connétable of St. Brelade:

Do you anticipate it perhaps being used for the new hospital project?

Director of Property, Jersey Property Holdings:

Yes, I think so. That was the point that I was trying to make. There are departments that are in operation up at Overdale. There are also other departments in Health around the Island that may require rehousing as a result of the hospital project, so we are working very closely with the Health team and with a number of other departments as well to make sure that the building is used.

Deputy I. Gardiner:

I would like to check something. Are there still free spaces at The Parade building that can be used for different purposes?

Director of Property, Jersey Property Holdings:

Sorry, could you clarify your question?

Deputy I. Gardiner:

We have a building which is 28 to 30 Parade. When I visited last time, there were a couple of floors empty available. What I am asking now is if there are still empty spaces, empty offices, that can be used for various purposes for the Government need or is it fully occupied?

Director of Property, Jersey Property Holdings:

As we speak, it is fully utilised. The top floor is Team Jersey; the third floor is the regulation team; the second floor is currently track and trace - at first it was used by the States for media and other administrative activities - and the ground floor is used by the Council of Ministers, so it is currently all in use.

Deputy I. Gardiner:

All in use. Okay, thanks.

The Connétable of St. Brelade:

So Team Jersey is no longer in Broad Street, is that correct?

Director of Property, Jersey Property Holdings:

Team Jersey, their base is in ...

Acting Director General, Infrastructure, Housing and Environment:

Bermuda House, is it not?

Director of Property, Jersey Property Holdings:

There you go, Bermuda House up by the roundabout. They do have breakout spaces and certainly at the time of COVID on the fourth floor of The Parade there is more space, so they can carry on their activities in sort of less dense occupation.

The Connétable of St. Brelade:

Ongoing capital projects, Minister, and the infrastructure fund, if you like. We noted from the plan that prefeasibility work in relation to an infrastructure fund will be borne out of central planning reserves. The amount of funding specifically for 2021 in the C.S.R. (Comprehensive Spending Review) is noted as £3,700,000. Can you confirm the proportion of this allocated to the prefeasibility work on the infrastructure fund is £300,000, as noted in the plan?

The Minister for Infrastructure:

Do you have that, John?

[13:15]

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

It is a project that the Treasury and Exchequer are undertaking. It is about the alternative ways of funding significant infrastructure projects. Although we have an infrastructure rolling vote, which we refer to within I.H.E., this particular project is about looking at funding for future capital and other projects rather than specifically necessarily tied to our existing infrastructure funding vote, so it might be major developments that may be required for non-infrastructure - in our sense - projects, but significant buildings or other features. It is work that was due to have been undertaken mostly this year. There was £500,000 allocated within prefeasibility in the 2020 Government Plan. A small proportion of that is likely to be used this year and the figure in the Government Plan 2021 is the sort of estimate of what is going to be required in that year of the total funding.

The Connétable of St. Brelade:

It is noted that the decision to establish a new fund will be informed by a business case and can only be taken by the States Assembly. When do you anticipate this will come to the Assembly, quarter 1, 2, 3 or 4? Any idea?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

I am not directly involved in the project.

Acting Director General, Infrastructure, Housing and Environment:

Chairman, I think it would be later in 2021. I think the work has to commence from the Treasury team in early 2021 and thereby allowing the details to be formed. I would imagine it will be later, sort of more quarter 4 of 2021, I would have thought, Chairman.

The Connétable of St. Brelade:

But prefeasibility is an all-encompassing term. What is your interpretation, Andy, of what it involves?

Acting Director General, Infrastructure, Housing and Environment:

It is effectively the work that we need to undertake or the wider team need to undertake to understand what this fund could be, how it would be designed, how it would operate and whether it would in effect work for us here. It is effectively the work that would pay for advisers and a team to work out, in practice, what this fund would be and how it would operate.

Deputy K.F. Morel:

Chair, I have partly asked my question, so I will take it a step further. Would you please provide us with a breakdown of how that £500,000 will be spent? Not now, I mean afterwards, because it seems an enormous amount of money for deciding whether or not to do something, something which

involves nothing structural, nothing like that. It is a paper exercise. I would be very interested to understand how that £500,000 is made up. Thank you.

Acting Director General, Infrastructure, Housing and Environment:

I can confirm that. We can take that back to Treasury and get some details in terms of how the project is going to be structured and the detail of it.

The Connétable of St. Brelade:

We note that the requested funding allocation for the rolling vote is £10,232,000. This is a reduction from the previous indicative funding of £12.37 million, which was rejected for 2021 in last year's plan. Is this the result of funding diversions resulting from the impact of COVID?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

It is not specifically relating to COVID. You will note that there is additional resource allocated to replacement assets and minor capital, for example. We saw that there was a problem with some of our allocations in terms of the overall amounts, that there has been a little bit of a rejig between some of those areas. Replacement assets in particular is one that was giving us cause for concern in terms of overall levels of funding.

The Connétable of St. Brelade:

Do you think this might exacerbate the continued historic underfunding in this area that seems to have prevailed in previous years? Will we continue to have a problem with underinvestment in our infrastructure?

Acting Director General, Infrastructure, Housing and Environment:

No, I do not think so. I think the number for 2021, it comes in at just over £10 million. It does creep back up to the sort of just under £13 million mark, so it is an area that we constantly keep an eye on. It is a big number in the capital programme and it covers quite a variety of spend within that area. I think within I.H.E. we are always balancing between repairs and things that get worn out in our replacement assets lines, as John has said. At the moment we are comfortable with the number that we have got there, but it is something we do need to keep an eye on just to make sure that we are reinvesting back into these assets to keep them running.

The Connétable of St. Brelade:

The sewage treatment works, we notice that the 6-monthly progress report says that it is on track and to be delivered before the end of 2022. We see there is no further funding allocation provided in the 2021 Government Plan. In last year's plan it was indicated £4 million would be allocated to

the project in 2021. This appears to have been deferred until 2022. What is the reason for that? In the case that the works are on track, is it simply a cash flow discrepancy?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

It is, Chairman. As part of all of the work looking at capital, both in-year and future years, partly in relation to coronavirus and partly in relation to the overall sums available, we have looked at the cash flows on all of our major projects. Most of the funding for sewage treatment works has already been allocated and the budgets approved. This is the final sort of very last stages of the project and because of timings it is possible to push that into 2022 without causing any issues on the project, so it was seen sensible to do that as it released funding for other areas within 2021.

The Connétable of St. Brelade:

Minister, moving on to the vehicle testing centre, we have funding approval. It indicates that there is a deference until 2021. Can you give us an update on this? Has any of the funding allocation approved in last year's plan been spent or has the entire project been halted so that the full expenditure is deferred? Where are we with this?

Head of Finance Business Partnering, Infrastructure, Housing and Environment:

There is some work that has been undertaken in the last quarter on the options appraisal. That feeds into this project. Originally it was intended that there would be some design work potentially being undertaken in 2020, partly as a result of - again, like everything else - coronavirus and various projects being temporarily put on hold. Some of that work has fallen a bit later in the year, so it is really the options appraisal that is being undertaken at the moment and that will lead into this being kicked off in the early parts of 2021, once that has been considered and the way forward approved.

The Connétable of St. Brelade:

Thank you. This may be one for Tristen. How does the deferral of this project impact upon our obligations to introduce vehicle testing in compliance with the Vienna Convention?

Acting Director General, Infrastructure, Housing and Environment:

I can certainly answer that, Chairman. We have commenced compliance with the Vienna Convention by virtue of motorcycle testing, so that is taking place. We are starting to test those types of vehicles and we have put it in law, so that is the other part of the main compliance for us as a jurisdiction and we are working towards that delivery. We are compliant and we are working towards, I guess, full compliance or full delivery of that promise. Yes, we are comfortable where we are from a legal perspective.

The Minister for Infrastructure:

Obviously, Vienna is very clear that we have made progress and we are in motion on this, so we are quite content that we are moving in the right direction on that.

The Connétable of St. Brelade:

The Island public realm, including St. Helier, we note from the 6-month reports that this project is partially deferred due to the pandemic. We also note the requested funding is being sought for approval in 2021. The Government Plan has been reduced to £1 million. In last year's plan, indicative funding was given as £2.5 million for 2021. Is this reduction once again just purely down to COVID? If so, what impact will this have on the aims of the project and can it still be achieved or delivered?

Acting Director General, Infrastructure, Housing and Environment:

Certainly, the reduction in numbers is twofold, really. One was primarily around the rebalancing agenda of our Government funds in terms of where we think our priority for capital should lie. A big priority has gone - in our area, certainly - into those areas which need maintaining and repairing of the assets that we currently have. That has been the primary driver between the difference in the numbers. It is about delivering within that cash envelope and prioritising this against other areas in the capital programme.

The Connétable of St. Brelade:

Drainage and foul sewer extensions: once again this has been deferred and the funding allocated to the emergency fund. How do you hope to recover the funds in the course of the 2021 to 2024 Government Plan? I know, Minister, the extension of foul sewers is a keen area of yours. How are we going to get the funding back for it? Is there any indication where that might come in?

Acting Director General, Infrastructure, Housing and Environment:

I can answer for the Minister, if that is okay. Again, the focus for the department is to concentrate on the assets that we currently have and also to complete the projects underway, including the sewage treatment works. I think there is a debate longer term about whether we increase the drainage network and connect more properties. We would advocate at this very point in time that we focus our funds on the assets that we currently have rather than creating new assets in this area, mainly due to the fact that we would like the sewage treatment works also be completed within that window, thereby increasing capacity as well.

The Minister for Infrastructure:

I have mentioned, Chairman, that it is my desire before I leave office to have as many people as possible on mains drains as we can and, wherever possible, working with our colleagues in Jersey Water to lay fresh water to every house as well, as much as possible. I think we are at 94 per cent

of the Island at the moment or thereabouts, but we have still got a way to go to get everyone on mains water and mains drain. But that is my desire before I leave office, to have as many people as possible on them.

The Connétable of St. Brelade:

Car parking, Minister. Once again it is mentioned in the 6-monthly reports that car park enhancement and refurbishment works are deferred. Can you expand further on the necessity to link car parking enhancement and the restarting of the Island public realm work? Could you confirm when this work might be restarted and completed?

The Minister for Infrastructure:

It goes without saying, Chairman, that the Car Park Trading Fund, through COVID, was well and truly trashed for several months. We are just trying to get back to some kind of normality now. Tristen, do you have that?

Head of Transport, Infrastructure, Housing and Environment:

What I can say about the Island public realm and its tie-in to the car park modernisation work is that we are going through a re-scoping exercise at the moment, which we are reporting back to the Regeneration Steering Group to see what we can best achieve within the cash envelope that we have got available to us.

[13:30]

In terms of the car park, a lot of the money that was on modernisation went into concrete degradation to project the car park, but also to brighten and modernise the inside. That programme remains ongoing, so the preservation of the assets themselves.

The Connétable of St. Brelade:

Talking about assets, can we expect certain parts of the property estate to be sold off - this may be one for Tim - on the grounds that their maintenance is untenable?

Director of Property, Jersey Property Holdings:

Chair, yes, I think it is a very good question. Certainly, Property Holdings are charged with trying to deliver the optimum value from the estate to the public. I think that selling off an asset gives you a short-term capital gain and our approach is going to be to try to dispose of properties on a long lease or try to find a way of using the estate to keep generating an income for the Island, so the change of use certainly, but I think that where possible we would look not to sell off the estate, but to use it to the benefit of the public.

The Connétable of St. Brelade:

Thank you very much. Minister, I am conscious that our time is up. I would like to thank you and your team for your presentation today. There may be one or 2 outstanding questions we did not get to, which we will let you have in writing for a response in due course. Once again, thank you for your attendance and we look forward to seeing you soon. Thank you.

The Minister for Infrastructure:

Thank you very much to yourself and your colleagues. Thanks to all.

[13:31]