



Corporate Services Scrutiny Panel

Quarterly Hearing

Witness: The Chief Minister

Wednesday, 10th March 2021

Panel:

Senator K.L. Moore (Chair)

Deputy S.M. Ahier of St. Helier (Vice-Chair)

Senator T.A. Vallois

Connétable R. Vibert of St. Peter

Senator S.W. Pallett

Witnesses:

Senator J.A.N. Le Fondré, The Chief Minister

Connétable R.A. Buchanan of St. Ouen, Assistant Chief Minister (1)

Deputy S.M. Wickenden of St. Helier, Assistant Chief Minister (2)

Mr. C. Parker, Chief Executive

Mr. J. Quinn, Chief Operating Officer

Mr. M. Grimley, Group Director, People and Corporate Services

Mr. T. Walker, Director General, Strategic Policy, Planning and Performance

Mr. P. Armstrong, Medical Director, Health and Community Services

Mr. I. Cope, Interim Director of Statistics and Analytics

[15:01]

Senator K.L. Moore (Chair):

Good afternoon. Welcome to this quarterly hearing of the Corporate Services Scrutiny Panel with the Chief Minister. We are still operating in a virtual world unfortunately. However, normal hearing rules will apply. This hearing will be recorded and transcribed. I just ask everybody to be succinct in their answer. We have a lot of ground to cover in the next hour and a half. If people wish to

contribute, if they could indicate that by either raising their hand or popping a message in the chat, I would be grateful. With that, we will make a start. We start with the introductions as ever. I am the chair of the Corporate Services Scrutiny Panel, Senator Kristina Moore.

Deputy S.M. Ahier of St. Helier (Vice-Chair):

Deputy Steve Ahier, vice-chair.

Senator T.A. Vallois:

Senator Tracey Vallois, member of the panel.

Connétable R. Vibert of St. Peter:

Constable Richard Vibert, member of the panel.

Senator K.L. Moore:

It does not appear that we have Senator Pallett with us at the moment. So, Chief Minister, would you like to go ahead and introduce your team?

The Chief Minister:

Senator John Le Fondré, Chief Minister.

Assistant Chief Minister (1):

Constable Richard Buchanan, Assistant Chief Minister.

Assistant Chief Minister (2):

Deputy Scott Wickenden, Assistant Chief Minister.

Chief Executive:

Charlie Parker, chief executive.

Chief Operating Officer:

John Quinn, chief operating officer.

Group Director, People and Corporate Services:

Mark Grimley, group director, People and Corporate Services.

Director General, Strategic Policy, Planning and Performance:

Tom Walker, director general, Strategic Policy, Planning and Performance.

Senator K.L. Moore:

Could I just remind everybody that when they do contribute, if they could switch their cameras on please? It was very difficult to hear the chief executive when he introduced himself.

The Chief Minister:

That is what we were just trying to resolve. The other 2, because there are quite a lot of areas we are covering, are Mr. Armstrong. Patrick, if you just want to introduce, give your name and title?

Medical Director, Health and Community Services:

Patrick Armstrong, medical director for Health and Community Services.

The Chief Minister:

I am hoping we have Ian Cope somewhere.

Interim Director of Analytics and Statistics:

I am Ian Cope, I am the interim director of statistics and analytics and the chief statistician.

Senator K.L. Moore:

Excellent, thank you all. We are going to start with a section of questions about COVID-19. We are a year on now. Constable Vibert is going to lead that section.

The Connétable of St. Peter:

Good afternoon, Chief Minister. We will start with the COVID-related questions. Can you confirm how decisions were made when preparing and prioritising the updated COVID-19 reconnection strategy? Which decision-making bodies drafted and agreed that strategy?

The Chief Minister:

The process on the reconnection strategy, obviously there were informal discussions that went through, we had some discussions at competent authorities, given that we ...

The Connétable of St. Peter:

We have lost you, sorry.

The Chief Minister:

That is a mouse that is lagging. That is me trying to unmute about 30 seconds ago. We had some informal discussions with officers at varying points in the run-up to the formal process. Then ultimately the reconnection strategy went through a S.T.A.C. (Scientific and Technical Advisory Cell) process and then came up to competent authorities for consideration. Then ultimately it was also,

as we have said all the way through, the authorisation process is done through the relevant Minister. The competent authorities support the decision for that Minister to follow the line they wish to follow. It was also taken through the Council of Ministers for information.

The Connétable of St. Peter:

How was it decided which elements of the COVID response would be agreed upon by the Council of Ministers?

The Chief Minister:

I would need to go back and check my minutes and my recollection. But generally on these it is that the competent authorities or the competent authority Ministers are the ones that decide. But the Council of Ministers are essentially endorsing the decision.

The Connétable of St. Peter:

Will Scrutiny have access to the minutes of those decision-making bodies?

The Chief Minister:

It is interesting you raise that because we covered it in the past. The history on this, Connétable, is that when I was wearing a different hat, on the other side of the screen if you like, myself and the Deputy of St. Mary and the Deputy of St. Ouen, so we had 2 lawyers and an accountant, basically wrote the present Scrutiny protocol. At that point, the then Council of Ministers made representations, so I assume all Ministers supported that, that it was not appropriate to share the minutes, for example, of Council of Ministers and separate bodies to Scrutiny. Because it gave, even on a confidential basis, which we did raise, because they felt it was appropriate that effectively Ministers had the ability to speak absolutely freely, to have that kind of safe space to express views, rather than being constrained by it being in the public domain. I am talking about Council of Ministers at this stage, but that is similarly applied to competent authorities as well. After some consideration, we did accept that position. That is the rule then and obviously that was also the case with the Emergencies Council of the day and competent authority Ministers did not particularly need to at that point because they were not dealing with a crisis like we have been dealing with in the last year. So, anyway, we accepted that position and that is the position, essentially coming over to this side of the table, we have maintained.

The Connétable of St. Peter:

Thank you very much for that excellent clarification. Why does the Reconnection Strategy not provide the roadmap on key areas such as lifting of travel restrictions?

The Chief Minister:

We have kept travel separate. Partially, again as I have said, this goes back to commitments as well that we have given. Also looking at what is happening in other jurisdictions. The reality is, and this is what I have said publicly, there is not going to be any change at all in the travel policy in terms of the travel borders until the end of March. We have given ourselves a degree of time to hopefully get into the right place to understand it calmly, particularly in the circumstances of as matters change around us, but also in the progress of the vaccination programme as well. That is important. Where we are as of today, and again it is a commitment I have made, is that competent authorities have considered it on a couple of occasions, from memory last week. It came up to Council of Ministers yesterday. We had a good discussion on it for about an hour. It will go back down to competent authorities. There is some information we are going to need from S.T.A.C. over the next few days. Hopefully then that will crystallise where we are. Then we can start putting out some public pronouncements and briefing the Council of Ministers again, States Members, et cetera, and get that process right. So essentially at the moment we kept it aside as a separate piece of work so that we could look at the internal reconnection and then external reconnection is a parallel process but it is not yet ready to be put into the public domain. But, equally, we have the time to do it because we have said nothing will change until the end of March. By “nothing changing” that is the status of all countries effectively being treated as red and therefore it is the isolation requirements for everybody coming to the Island other than essential workers and the testing regime that goes around that.

The Connétable of St. Peter:

The lifting of workplace restrictions was not an immediate priority. Was there any reason for this?

The Chief Minister:

By “workplace restrictions” do you mean working at home?

The Connétable of St. Peter:

Yes.

The Chief Minister:

In terms of the order of events, and I absolutely appreciate this does not apply to every workplace, but quite a significant part of the workforce can work from home because they are generally in service industries. Therefore, from the perspective of disruption versus risk versus mental health versus which bits you bring in first, it was within all of those considerations that we felt bringing people back into the office, for want of a better expression, can be slightly further down the line. Because that allows us then to get those people whose workplace is not from home, so for example hospitality. We could bring those in first and also allow then a gap so we can assess the impact of those kind of measures coming in before we then bring in the next measure.

The Connétable of St. Peter:

What consultation took place with business, et cetera, when you made that decision?

The Chief Minister:

Part of that work is done through the interactions officers have with some of the representations. So, for example, at various points there is an involvement with Chamber in the discussion. But part of that is again also looking at the general risk and representations that sometimes come in either to Ministers or to officers, depending on the circumstances that arise.

The Connétable of St. Peter:

Did you consider making any exemptions to certain businesses that might be able to return? I know hospitality is one. Were there any others that were considered?

The Chief Minister:

Sometimes there have been individual circumstances that come through, not necessarily business-related, that, depending on the risk assessed, we can sometimes request officers to go away and look at that specific issue. Subject to that, and that will usually involve either S.T.A.C. or the medical professionals, it depends on the circumstances, we can then see what the risk impact is versus the overall well-being impact. It might be helpful, because I am sure he would not wish to be completely ignored, perhaps Mr. Armstrong could possibly add some of the deliberations that come through. I do not know if that is of assistance to you.

The Connétable of St. Peter:

No, I am happy with that. Finally on that, this question, and I will then go on to the last one on this subject. Is there any evidence that any businesses are flouting the rules and perhaps there are people going in and working in offices?

[15:15]

The Chief Minister:

In broad terms, there is nothing that has been brought to my attention. From an enforcement point of view, but I am also talking about businesses that, if we use hospitality as the example, who are now operational and back reasonably functioning, there are enforcement teams that do go around and offer advice as to how to implement the guidance that we put in place. I have certainly not been made aware of any specific circumstances. But sometimes there will be individual matters that are kept down at an operational and officer level.

The Connétable of St. Peter:

My final question. The Nightingale Ward will remain in place until at least June 2021. On what basis was this decision made and which body agreed the decision?

The Chief Minister:

In terms of body, that will be a decision that would have been made by the Minister for Infrastructure, I believe, because ultimately it is a lease. The decision and the advice at the moment is to stress that we are not out of the woods yet. There is still risk. Risk still remains. As we have said all the way through, the Nightingale is an insurance policy one hopes one never needs to use. But the risk is still there and, until we believe that risk is mitigated down to an appropriate level, we want to keep it in place. That is why it has been extended to June.

The Connétable of St. Peter:

I am assuming the minutes of that body that made the decision probably are not available to Scrutiny, on the basis of your last ...?

The Chief Minister:

Yes. I do apologise on that front, but that was the principle that was agreed and it is one that is ...

The Connétable of St. Peter:

No, I can understand why that is in place because Ministers would want to speak freely and I can understand that. Thank you very much, Chief Minister. A question from Senator Vallois.

Senator T.A. Vallois:

I just want to follow up on the issue of sharing the minutes. Could you just explain, if possible, whether your stance with regard to the code of practice would apply for minutes for Council of Ministers and competent authorities under the Freedom of Information Law? Therefore, would it be absolute exempt or qualified exempt?

The Chief Minister:

My understanding, it is a qualified exemption but my stance generally, the principle I was stating, is that the principle was agreed between the then Chairmen's Committee representations, as you will recall, and the then Council of Ministers. We accepted it at that point and that is how it has been managed. To be honest, it has been the principle for a long time. More simply, by the way, for example, I believe it applies in the same way for the likes of bodies such as C.O.B.R. (Cabinet Office Briefing Room) in the U.K. (United Kingdom).

Senator T.A. Vallois:

That would suggest that, if you are referring to something like C.O.B.R., that is something like national security, which is of course, under F.O.I. (Freedom of Information), absolutely exempt. Could you explain whether it is an issue of sharing those minutes confidentially with the Scrutiny Panel to provide context around the decision-making of some of the bigger decisions that have been made, whether that is in relation to COVID or some of the other areas that of course we are questioning you on today in this quarterly hearing?

The Chief Minister:

Sorry, can you rephrase the question perhaps? I do not think I quite understand it.

Senator T.A. Vallois:

I could to a certain extent understand what you are trying to say with regards to the principles of sharing if it was in the public domain. But in terms of sharing with the Scrutiny Panel the minutes of these bodies to determine how the decision was made, whether it is for major projects or whether it is around the COVID-19, if that information was shared confidentially with the panel to provide the context in terms of their Scrutiny work.

The Chief Minister:

I am trying to think back to 2017 or whenever we had those discussions. You may well have been party to them but I cannot recall. But it was very clear from the Ministers of the day, which we accepted, that the fundamental principle essentially was that the minutes should not be shared, even on a confidential basis. Because we did float that at the time. That was very clearly the view of the Council of Ministers of the day and that was what we as Scrutiny accepted; that it was an appropriate response and that is what we have maintained.

Senator T.A. Vallois:

Thank you very much. I will pass to Senator Pallett for the next area of questioning.

The Chief Minister:

Chair, can I ask one question? If we are going to the next topic area, if it is on the assumption we are not coming back to COVID-19, can I release Mr. Armstrong?

Senator K.L. Moore:

We will continue to ask questions about COVID-19. We are just changing to Senator Pallett. If he could just make sure his microphone is on please? We cannot hear you. Senator Pallett, we might have to ask you to make sure your microphone is working. If it is okay, I will pick up with your question. So, Chief Minister, there are reports of some Islanders flouting the COVID guidelines. What is being done to communicate the necessity to follow the guidelines?

The Chief Minister:

There are a variety of programmes that are in place in terms of communication. There is also enforcement that has been in place. It does depend whether it is guidance that is being flouted or the law. If it is the law, it is enforceable. Where we have evidence, prosecutions have taken place.

Senator K.L. Moore:

Do you have any plans to further enhance the consultation with the public and taking the temperature of public sentiment with regards COVID guidelines in particular?

The Chief Minister:

Can you clarify your comment about consulting the public on the guidelines?

Senator K.L. Moore:

Yes. We are told by the communications directorate that they test public sentiment. But it is not clear to us how that is conducted. So perhaps you could describe how that is conducted and how you consider you feel that you keep up with public feelings on this very important matter.

The Chief Minister:

The one comment I have, oddly enough, because I know we have had the head of communications here in the past and unfortunately we have never made it to him in the question time. So operationally it might be something we need to send you a note on. I know in principle they have various mechanisms where they take an assessment, whether it is through social media, they have various mechanisms of assessing public sentiment in certain areas. It gives a flavour of where things are from that perspective. But, equally, we do take soundings at various points from the more key stakeholders, which will include the industry bodies and other such stakeholders.

Senator K.L. Moore:

While we fully understand it is often uncharted territory that the Council of Ministers and competent authorities have been dealing with, it must bring forward some very difficult times in terms of decision-making. It has come to light recently that there have been a couple of occasions when letters of instruction have been drawn up because there has been a conflict of view between ministerial requests and officials' levels of comfort with those requests. Could you confirm to us that you have been in agreement with your Ministers when they have made that significant step?

The Chief Minister:

The comment is, it is not necessarily a conflict of view. It might be helpful for Tom Walker to elaborate on the circumstances sometimes when letters of instruction are required. Sometimes it

may be that there can be a view that officers support but the financial directions, because we are in quite extraordinary times, do not always fully cover. That does not mean one is going against Financial Directions. But it means, because of the structures around accountable officers, sometimes a letter of instruction is required. In the Jersey context, we have issued 4 in total, one of which was the present Minister for Education to give support to previous commitments made by the previous Minister for Education. But I know in the context of, for example, the U.K., from memory they have either issued something like 19 or around 20 ...

Senator K.L. Moore:

My question to you was: were you in agreement with your Ministers when they took that action?

The Chief Minister:

The short answer is yes.

Senator K.L. Moore:

Thank you. That is very helpful. Can you outline for us the work of the behavioural scientists who are now assisting the Government with their COVID response?

The Chief Minister:

That is one definitely aimed at either Tom Walker or Patrick Armstrong.

Director General, Strategic Policy, Planning and Performance:

Thank you, Chief Minister. The behavioural scientists are working with us in areas where we think that we just need to get a better appreciation of what might help encourage people to follow positive behaviours and make positive choices. One of the most recent pieces of work that they have been doing is looking at vaccine hesitancy. They have done some work, as you may have seen, surveying some public opinion, taking some snapshots, trying to understand why segments of the general population might be vaccine-hesitant. But also helping us with particular high-risk settings where obviously we want to maximise the take-up of the vaccine. So they bring their expertise and help us to develop ways of encouraging people to do things like take up the vaccine that otherwise we might not have been as effective at. The behavioural scientists do dedicated pieces of work with officers, particularly in the Public Health Department, on things like vaccine hesitancy. But they also are an invitee to S.T.A.C. So Steve Martin, the behavioural scientist leading this work for us is a standing invitee to S.T.A.C. and so also contributes to the S.T.A.C. discussions around what sort of measures may be effective and how to make them more effective.

Senator K.L. Moore:

One area where there appears to be some concern among the public and perhaps frustration being expressed is the many contradictions between the law and the guidelines. Then examples such as, at the moment, 10 people can meet from 10 different households around one table in a restaurant. Those people could meet 9 other people, breakfast, lunch and dinner, if they so wished. Yet they cannot sit in a socially-distant way with say one or 2 members of their family, but not their household, in their own homes. Is any work being done to assist members of the public to understand better why those contradictions appear?

The Chief Minister:

Firstly, it is important to note that, bearing in mind the roadmap, the household-mixing matter will start becoming a little bit more relaxed fairly shortly. Hopefully, that will start resolving some of the perceived contradictions. You will recall that one of the issues we have, or one of the challenges perhaps, is that there is a balance between what we can reasonably restrict people to do in their own home. The legislation we brought through, which the States approved, was to do a limit of 10, so that is the legal position. Then there is obviously the position on guidance. The issue overall, which I have referred to on a number of occasions. I believe Dr. Muscat has. Mr. Armstrong can clarify whether he has or not. But there have been various comments. It is the difference between what we can call a controlled environment and an uncontrolled environment. A controlled environment is effectively, if one goes into a restaurant, it is time-limited, so you can only be there for 2½ hours. It is socially-distanced.

[15:30]

So therefore there will be limits essentially by oversight from restaurant staff as to ensuring that people behave appropriately. Also, give all their contact details and things like that. So that is a more-controlled environment. Whereas, unfortunately, in the home it is deemed a more-uncontrolled environment and therefore riskier from the perspective of it is not time-limited. It has potential, and I emphasise “potential”, and this is part of the thought process that goes through, around the ability to consume more alcohol and therefore for one to become basically more relaxed and at ease. Unfortunately, at that point, to then not distance as much. Because it is not overseen by somebody else, for example in the restaurant, a waiter or waitress or the manager, it is deemed a riskier event. You have to make a decision there. So the decision we went for, again really following the advice, is that the more-controlled environment, i.e. within the hospitality side, was one that is better to release earlier. Then to leave the household mixing until later because of the greater risk attached. Patrick, as chair of S.T.A.C., might wish to add to that.

Medical Director, Health and Community Services:

Yes, Chief Minister. This area of household mixing has been the most challenging conversation. I absolutely hear what the chair says about how the public will interpret it. But every measure that we relax introduces a degree of risk of numbers going up. It boils down to the choices of what do you do first, for all the reasons that we have discussed and rehearsed in the past. It has been a very difficult one within S.T.A.C. There has been quite a broad range of views, as I think there is in the public and in any group that you will talk to on this particular point. You will always get people who will agree with it and who will disagree with it, as with many of the other measures. But the pleasing thing, as the Chief Minister has highlighted, is that we are finally in a position where we can remove our guidance and people can meet in their own homes. Because we absolutely recognise the importance that has for people's well-being.

Senator K.L. Moore:

Clearly, when part of the reconnection phase was introduced at the beginning of this week, travel did not feature in that. Could you advise us when S.T.A.C. will be giving advice to Ministers in relation to travel and what will happen next?

Medical Director, Health and Community Services:

There have been discussions already within S.T.A.C. about what we should do with our borders. It is clearly one of the most important areas that we have to discuss. Because, as we open things up internally, with low numbers that presents relatively low risk. It is when we start potentially seeding the Island with people coming from the outside, from areas that may have higher rates of COVID, that will then increase the risk across the Island of seeing rising numbers. In answer to your question, there is further discussion on this coming Monday in S.T.A.C. with a view to provide advice to C.A.M. (Competent Authority Ministers) next week as to how that should progress. A lot of it will depend on what is happening in other jurisdictions around us and the rates of the countries that people are coming from. So it is likely to be something that may move. That is obviously an area that we have to be very responsive to if we see numbers rising in other jurisdictions.

Senator K.L. Moore:

On that note, we can see from the minutes of S.T.A.C. at the beginning of the autumn last year that there was some concern about the reclassification of green countries and the more-relaxed approach that was taken. Do you envisage that S.T.A.C. will suggest that it should go back to the original classification for green countries, which I think was 25 cases per 100,000?

Medical Director, Health and Community Services:

That is a discussion we have to have next week. My job is obviously to take the view of the members of S.T.A.C. and represent it to C.A.M. But it will be part of that discussion.

Senator K.L. Moore:

Thank you very much, Mr. Armstrong. A couple of quick questions now for the Chief Minister. If you could just update us as to when the pandemic strategy will be reviewed and also the Emergency Powers and Planning Law in light of the COVID experience?

The Chief Minister:

The law will be reviewed. But, as I have said previously, bear in mind, although we are doing well and we should be very proud of how everybody has responded, I am particularly making my remarks today at the team who have brought everything together to get us to this stage, is that everybody equally is under a fair degree of pressure still. So it would not be really a good use of time, as of today, to be reviewing and going through changing the emergency powers legislation while we are still in the pandemic. But it is on the job-to-do and officers are aware that a review is required to bring the legislation into a better state.

Senator K.L. Moore:

We are going to move on now to questions about the office strategy and the office accommodation project. Deputy Ahier will begin that section for us.

The Chief Minister:

On that basis, can Mr. Armstrong depart the hearing? That would be very much appreciated. Patrick, thank you very much.

Deputy S.M. Ahier:

Chief Minister, when was the office modernisation strategic outline case agreed and by whom?

The Chief Minister:

I am just going to a timeline, which is in the slide pack that has been shared with States Members and yourselves. 17th October 2019, the Council of Ministers approved the strategic outline case. There was certainly a briefing to both Corporate Services and P.A.C. (Public Accounts Committee) on 14th November and the hard copy was provided to Scrutiny on 17th December 2019. That I believe was the full pack, so it is 150, 200 pages, I believe.

Deputy S.M. Ahier:

Why was agreement within the States Assembly not sought to back the final project?

The Chief Minister:

It is not required under Standing Orders. To my understanding, and this is certainly before my time when I started in 2005, if you go back to the 1980s and 1990s every property project, lease, even

drawings for plans, used to be considered by the Assembly. Essentially, when the whole change was done, I do not know if that was in the run-up to ministerial government or was part of the general changes, I do not know the exact date, it was felt that was not the best use of the Assembly's time. So it was delegated, I do not know if it went down to a committee level, but ultimately with ministerial coming in, which started when I arrived but the laws had been agreed previously, was that it was put into the powers of the Minister. That meant signing up to a lease, buying property and particularly planning drawings and things like that. Then, in essence, the whole principle of Standing Order 168 was to then give notification for Members if they wish to challenge it. In relation to the project in particular, in terms of the office strategy, it was identified in 2 Government Plans. So, from that perspective, it was endorsed by the Assembly or approved by the Assembly.

Deputy S.M. Ahier:

Chief Minister, was the original intention not to bring a separate proposition to the Assembly to enable the office modernisation project to progress?

The Chief Minister:

No. Because, essentially, the whole principle of the Government Plan, the Government Plan gave the heads up and the relevant approvals there. Obviously then it is covered under Standing Order 168. I suppose the analogy in this is that the funding for Les Quennevais School was put through the M.T.F.P. (Medium Term Financial Plan) but it was not a separate debate.

Deputy S.M. Ahier:

The panel received no briefing on the office accommodation project from October 2020 until 3rd February 2021. Why was this the case?

The Chief Minister:

There are 2 points there. One is, yes, there was an issue that there was meant to be a briefing just around the time of the Government Plan. Unfortunately, and this is memory, I have not checked the exact dates, we had a special sitting requisitioned, which was about the closure of schools. I cannot recall if that directly interfered with the dates, i.e. it clashed. From memory, there was something around lunch time and, as the debate got closer and closer, I do not know if it was we that cancelled or you that cancelled. I am very happy to go back and check that. I know we did try to put it in the following week, which was the run-in to Christmas. That did not work for all parties. Then with the run-through in January it was the same principle of trying to get dates in the diary. However, the documentation was shared with Scrutiny and in fact I have the Teams meet, which was 15th December at 14:46, or it might have been 16th December at 9.26. I am not entirely au fait how it demonstrates on Teams. But, it is certainly stating that C.S.S.P. (Corporate Services Scrutiny Panel) have had item B6 papers. That includes the full business case, which I think from memory

is appendix D. That again is 150 to 200 pages from memory, it is a substantive document anyway, and it is identical to the one that was shared in February as well. So, in other words, the business case itself, which was shared with Scrutiny in December 2020, gave all the numbers on both the 2 bidders, what we call Bidder C and Bidder A. Initially we went for Bidder C and then unfortunately, due to the circumstances that Members have all been briefed on, we had to swap over to Bidder A. But the numbers are the ones that were in that business case in December 2020.

Deputy S.M. Ahier:

What decisions were taken during the timeframe between October and 3rd February 2021?

The Chief Minister:

When you say “what decisions”, and again this was in the slides that have been emailed to all States Members, on 9th December was the final tenders evaluation and consideration of the appointment of the preferred partner. That was the relevant communications internally and with the preferred partner. Then initially a decision was signed I believe in late-January. The intention had been to then do the briefing for Scrutiny very shortly thereafter. As we know, for reasons that were not either of our making or under our control, that decision in the end had to be withdrawn. We then had a further position when it went back up through to what we call O.G.P.O.G. (One Government Political Oversight Group). It then went up to Council of Ministers, which was to essentially approve the reserved bidder and the site of Cyril Le Marquand. But, as I said, the numbers were exactly the same as they had been in the full business case that had been shared back in December 2020. That is why we were able to switch it around so swiftly. In that particular circumstance, Scrutiny were briefed on 3rd February. I believe, from memory, there was a States Members briefing on 12th February. Again, from memory, the decision itself, i.e. the start of Standing Order 168, started on 22nd February.

Deputy S.M. Ahier:

The full business case, I understand, came out in November 2020. Why was that decision not communicated to the public at that time, and to Scrutiny as well?

The Chief Minister:

I may have missed out O.G.P.O.G. somewhere in there. But the process is the documentation is brought together. It goes up to O.G.P.O.G. It then goes up to Council of Ministers. The Council of Ministers meeting was 9th December.

[15:45]

Then, as I said, the papers were shared with Scrutiny on or around 15th December. Then, in terms of the communication, the public communication and the site difficulties, bear in mind there are various procedures around procurement processes. We are still in a live procurement process. It meant that the decision first went public on that late-January signing, which then unfortunately we had to withdraw from.

Deputy S.M. Ahier:

As regards that process, what financial commitments has the Government of Jersey currently agreed for the project?

The Chief Minister:

There is the amount of around £1 million in the 2019 Government Plan, which was to appoint the procurement team to bring the process forward. That is what then took place all in 2020. Then there was the approval in the last Government Plan. I will defer to the chief executive on what the commitment is. But will then set out essentially the future financial commitments that come out of the proposal. The issue in terms of delay, which is the corollary to what happens, is obviously in terms of the process and the procurement process, we are ready to sign contracts at the end of the 15-day period, which is basically next week. As you are aware, there is now a proposition that has been lodged and that will cause delay. So the financial consequences of that, as opposed to financial commitments, as a minimum we are probably at about £750,000 as a result. Each month, as is in the financial consequences in the proposition that has been lodged, is around £1 million a month is the cost of delay.

Deputy S.M. Ahier:

Were those financial commitments the same as for the preferred previous bidder that did not go through?

The Chief Minister:

As we get into the detail, I will hand over to the chief executive on that front.

Chief Executive:

The Chief Minister outlined that, in the 2021 Government Plan, there is a figure of £650,000, which was for the project team and the completion of the commercial negotiations and procurement. That took us into the decision-making for 2021 prior to the appointment of the preferred bidder. In the Government Plan also is the indicative lease costs for the period starting in 2024, which is what the Government Plan period covers up until. But, within the Government Plan, as you know, there is the option to allow maximum flexibility to the Government in the light of COVID to balance public expenditure by enabling there to be the option to purchase at 2024 if that was in the interests of the

public finances and the Government of the day. There are no other costs that have been accrued for the project apart from there will be costs that will be accrued as a consequence of any further delay, which the Chief Minister has just identified at circa £1 million a month. In terms of the 2 bids, there are, as you know, having looked at the business case, you will see that the 2 bids are different but the 2 bids are compliant with the procurement rules that we established on behalf of the Government and was agreed and shared with the Council of Ministers, O.G.P.O.G. and obviously has been shared with scrutiny. So, as things stand, this bid represents a good value-for-money proposal from the second reserve bidder. But the first proposal also represented value for money but it was a different proposal, different proposition, and we obviously made a commercial decision based on the procurement rules that we were facing at the time.

Deputy S.M. Ahier:

Thank you. Chief Minister, can you outline how the project was impacted by COVID-19?

The Chief Minister:

When you say “the project”, do you mean the process of procurement or do you mean the assessment of COVID on, for example, office projects?

Deputy S.M. Ahier:

The process of procurement.

The Chief Minister:

Again that is quite an operational one. My perspective is that the process, i.e. during the course of last year, it did not have too great an effect because of the way it was managed. But Charlie can give the details on that.

Chief Executive:

The Chief Minister is correct. We were all affected by the fact that we were working remotely, which obviously dealt with some of the interaction for meetings. But the procurement programme was adhered to with a slight delay, probably about a month, that took place because the office, among other projects such as the hospital, was prioritised by the Government to continue during the pandemic. We maintained the schedule that again we shared with Scrutiny at the beginning of the year, bar about a month where there was some adjustment. What we also did though was to conduct, at the end of the first part of the pandemic, the first phase, a review about the specification and whether the office was still needed in the light of COVID. We went through an exercise. There was a report produced. The report again was shared with colleagues in scrutiny as well as through the O.G.P.O.G. and Council of Ministers decision-making and governance processes. That reported highlighted that offices were not not going to be necessary in the future. We may though change

our working practices and there may be more agile working that would come about as a consequence of COVID. But that afforded the Government the opportunity to increase the potential density of users that would ultimately see the new facility as their base, albeit that staff would not necessarily be working full-time permanently from the office. So, as a consequence of that, we did an assessment against the as-is business case, which still validated the savings and the ability for us to take certain properties out as part of the estate management strategy for disposal.

Deputy S.M. Ahier:

Chief Minister, the current preferred site was made public on 17th February 2021. Six weeks earlier you had reported another preferred site. Why was there a sudden change?

The Chief Minister:

As we have said previously, we are in the middle of a live procurement process so that is why we cannot comment fully publicly. Although you are aware, as Scrutiny have been briefed and States Members have been given the details as well, or as many details as we can say. What we can say is that there was a change in the proposals that had literally just been signed off on in January. Unfortunately, in that procurement process, it did not allow that procurement to then continue. As I have said, it was not of our making and it was not something that was under our control. What that means then is that, in terms of the procurement process, it ultimately meant that the preferred partner status had to be withdrawn. As the full business case, we had all signed off on in December, and which was shared with Scrutiny at that point, that does identify all the costs of both the top bidders, Bidder A and Bidder C. We were able then to go very swiftly to the reserve bidder and set that process going such that we were then able to make and publish the decisions that we did. As we have said, Scrutiny were given a briefing on 3rd February and States Members were given a briefing on 12th February.

Deputy S.M. Ahier:

So you are unable to comment fully now, but would that information be able to be provided prior to the debate on the S.L.C.'s (Scrutiny Liaison Committee) proposition?

The Chief Minister:

I do not know if that can be provided publicly. We have shared some slightly wider views with States Members in the 2 private briefings that we have given. So, within the context of giving a confidential briefing, whether it is to yourselves or to Members, I am sure we can give further information should that be desirable.

Deputy S.M. Ahier:

Thank you. I think that would be advisable. Was the preferred site originally assigned to Housing, which is a vital priority to the Island? If so, how is this priority going to now be completed?

The Chief Minister:

That was covered in the last briefing that we gave to Members. The original proposal was around key worker accommodation as opposed to directly affordable. So that will be something we will have to address. But the other point is that, if we do not do the scheme, so for example we just decide to delay it or cancel it, then there are 2 or 3 consequences that come out of it. (1) We will not start getting on to the pipeline of releasing brownfield sites that the States free up. There are 2 or 3 in there, which are reasonably sizable sites going forward. (2) It is costing £7 million a year or, rephrase that, the benefits of the scheme would save us £7 million a year. (3) Then, as we have said, doing nothing will cost us significantly more. So there are consequences all the way through. It is not driven by producing housing, but the housing is a benefit that comes through. When I say "housing", I am not dealing in one specific site at Cyril Le Marquand, I am dealing in the context of the number of sites that we are intending to vacate, which can then be used for development. It is about getting those into the pipeline. Because, as we know, it takes quite a long time to get these things in place, to get them vacated, and then to get all the various permissions and design it up. To do that, we have to have a plan to vacate. The quicker we can do that the better and that is why Cyril Le Marquand was within the top 2 scoring bids and that is why we have gone for that as the reserve bidder and now the preferred bidder.

Deputy S.M. Ahier:

Thank you, Chief Minister. I will pass on to Senator Pallett now.

Senator S.W. Pallett:

Good afternoon, everyone. I am going to carry on in the same line around the office strategy, if I can. You have already mentioned that we are obviously still in a procurement process. But I just wondered if you could outline the details of how the project itself is going to be financed?

The Chief Minister:

I will hand that straight to Charlie to give the overview, which will be helpful.

Chief Executive:

The position was laid out in the Government Plan. We have 2 options, which can be determined at the point of handover of the building. One is that we have an option to lease, which is structured with 2 parts to it. The first is that it would be a long lease with an option within the first 3 years to acquire the building. However, we could also acquire the building upon practical completion and

handover to us. The reason we have structured it like that, as I said earlier, is because the Government has obviously incurred significant costs during COVID.

[16:00]

There are a number of commitments that it is making or has made in terms of its overall finances. The decision was taken by the Council of Ministers to ensure maximum flexibility to determine the best course of action at a point once the Government was in a position to look at the balances facing the finances. Now, linked to the 2 options are 2 key principles. The first is it is not really appropriate for Government to build offices. There are far better-able and equipped providers/developers of that product. So what we were very clear about was that we wanted to de-risk costs for the Government, which means that by committing to the process that we have done that de-risks and takes out potential cost overruns, which would be facing us. The second option is, on completion, if we wish to purchase, we would decide how to do that nearer the time. The Government would then have the option of whether it wanted to borrow the money, whether it wanted to use its reserves, or whether it would want to find a hybrid between the 2. Again, the Treasurer wanted the flexibility, so did Ministers, to be able to make that decision once they understood the overall borrowing requirements that the Government was facing as part of dealing with COVID and other key projects. The lease structure would be a straightforward responsibility if transferred to us. We would have requirements to deal with the repair and maintenance of the property. Then, once the lease had been completed, then we would either have the option to renegotiate the lease for a further period or to walk away from the building. Then, underpinning all of the scenarios, is the fact that the Government will not lose the freehold. So the freehold structure would remain within the Government and so there would be a long lease, a 99-year lease, to the developer. But on the completion of that period the asset and the site therefore would come back to the Government.

Senator S.W. Pallett:

Thank you, Chief Executive. That is a very comprehensive answer. But in terms of structuring that package, when was that decision made?

Chief Executive:

The decisions around the approach, in the procurement exercise we kept all of our options open. The Government, as part of the deliberations around the Government Plan, took the decision to maximise the flexibility around this project and put both options in for consideration. Once it was determined who the preferred bidder was, agreement was sought with the consortia, which happened with the original preferred bidder and then subsequently with the reserve preferred bidder. Then that was put into the Government Plan and was available for Scrutiny to discuss or scrutinise as part of those decision-making processes that formed part of the Government Plan. So the final

decisions were taken at the back-end of 2020 subsequent to the Government Plan then being endorsed.

The Chief Minister:

If I could add as well that, according to the paperwork I have, that was included in the briefing on 15th October to Scrutiny.

Senator S.W. Pallett:

Following on from that, in terms of the previous preferred option, were there any changes in the financing structure between that bid and the one that you want to accept?

Chief Executive:

The same principle regarding an option to lease or option to purchase with a structure about whether you did that on completion or after 3 years is applicable for both bidders and both bidders agreed that.

Senator S.W. Pallett:

Thank you. In terms of both those bids, were any other choices looked at or were any other available?

Chief Executive:

As part of the procurement process, as has been shared with Scrutiny, there were other bidders who were interested in taking forward the opportunity to build a new government headquarters. We have taken Scrutiny through that and explained in the States Members briefings, at the various stages, when and how the respective bidders' period of bid/when they fell out of the procurement process took place.

Senator S.W. Pallett:

This is a significant commitment to the public purse, or potentially could be. Can you confirm, has the financing been independently assessed in any way?

Chief Executive:

I am not sure that I fully understand that. A full business case looking at all the options around the building, the merits for the building in terms of a value-for-money test, et cetera, were all undertaken. The options around the financing, whether we purchase or whether we lease, was subject to a full appraisal. That appraisal formed part of the final business case, which again has been shared with scrutiny for some considerable time and was then endorsed by the Council of Ministers and formed

part of the Treasurer's review of all the financing options as well. So it has been a pretty comprehensive process and I am not sure why you think that has not been covered, Senator.

Senator S.W. Pallett:

The question is assessed by whom, assessed internally or assessed externally?

Chief Executive:

We have a process that was outlined in the business case where we put the financing options in. We received bids as part of the procurement process. Those bids are then independently, as part of the team, assessed. The team is made up of a combination of in-house and external advisers. Again, we have provided Scrutiny with all of the details about the Government team and also, as I say, included within that was some financial appraisal process that was independent. But also we did our own appraisal process in-house, as you would expect, particularly when we look at our borrowing and future requirements about the use of public money.

Senator S.W. Pallett:

Moving on again, why were costs of £5 million included in the Government Plan 2021/2024?

Chief Executive:

These are the costs I made clear at the beginning that were associated with the potential for lease costs, should we proceed down that option. Clearly, because the Government Plan covered up until 2024, you have to have within that the estimated costs that you will incur year on year within that period. As the plan covered the first year of when the office would go live that figure was included. If, however, we decide to purchase it, then obviously that decision would supersede any requirement for lease costs.

Senator S.W. Pallett:

In terms of the £5 million cost, is that a worst-case scenario?

Chief Executive:

Yes. It is a provision because obviously at the time when we did the Government Plan, and again we did submit all of this detail within the Government Plan, we were working on a whole series of estimates because the procurement process had not been completed at the time.

Senator S.W. Pallett:

It would appear the allocation of funding to the project through the Government Plan 2021/2024 currently only meets need for feasibility work for 2021. What contingency plans are in place for funding outlined for the 2022/2024 period is not approved in subsequent plans?

Chief Executive:

The point I said earlier on, Senator, was that, once we agree the contract, the risk transfers to the developer. The developer then bears all the costs right the way through to construction, at which point the building is then handed over to us. That is why we have gone down this route. Because you de-risk it for the Government, you ensure that the public purse is used in the most appropriate way, and also our costs, which are included within the Government Plan, are predominantly for our advisers. We take an oversight and monitoring role. But the risk transfers to the developer and they will then have to deal with any cost overruns accordingly that will arise, should they arise, out of any construction phases.

Senator S.W. Pallett:

You have probably answered my next question, but I will ask it. Can the overall project cost be confirmed?

Chief Executive:

Once we are in a position to agree the section 168, we will go into a contract. That contract then will, in effect, provide the final confirmation on all the figures, which we have provided to Scrutiny in the detailed business plan. As things stand at the moment, those figures have not changed, but any delay to the project will obviously now have a material effect. They will have a material effect to the assumptions in the business plan. They will have a material effect on the construction and development phase, which will have an impact on the long-stop date. They will have an impact on the risks associated with all of that, which the Chief Minister has said has been roughly calculated at about £1 million a month. If the delay goes beyond a certain amount of time, then there may have to be a further reappraisal. But, until that decision is finalised and the contract is signed, I cannot give you any further details other than that I have just provided to you.

Senator S.W. Pallett:

I was just thinking again of a possible worst-case scenario. We have seen it happen in the U.K. where buildings have not been completed for various cost rises. If, during the period of the build, we had significant rises in material costs, you say it is on fixed cost from the developer. Have they absolutely no comeback in terms of any future cost rises?

Chief Executive:

We have made it clear about the costs arrangements, which have been made available to you at scrutiny. This is the reason we have gone down the route that we have. All of that risk, as I have reiterated, transfers to the developer. This is not a P.F.I. (private finance initiative) deal. This is not something where they come back and review it. So we made that point clear in the Government

Plan and we have made it clear in the documentation that we have given to Scrutiny over many months. So, as far as we are concerned, as things stand at the moment, this is the most-effective way of de-risking the project and any potential cost overruns from the Government and that risk transfers to the developer themselves.

Senator S.W. Pallett:

My last question in this section: what will be the difference in cost between leasing or purchasing the building?

Chief Executive:

You will have received the full business case, Senator. I am sure you have looked at those. I can provide you with the details. I do not have them exactly to hand but they were also provided to scrutiny previously.

Senator S.W. Pallett:

I am sure we will have them. It is just purely for public benefit rather than anything else. But I am sure we will be able to provide that to the public. I am going to hand over to Senator Vallois for the next section.

Senator T.A. Vallois:

Chief Minister, do you consider that the restrictions that are applied to the States of Jersey Development Company in what is over a 10 year-old proposition, which was P.73/2010, could have hindered its ability to compete with other bidders for this particular project?

The Chief Minister:

The short answer is I would have to go back and look. It may well be the case. But, equally, it was a very thorough procurement process and any bidders that went in were all treated equally.

Senator T.A. Vallois:

I appreciate that and understand the answer. But, in terms of the competition, if S.o.J.D.C. (States of Jersey Development Company) were able to compete on a level playing field ... I am just thinking in particular with regard to the risk profile that they are allowed to take, I am sure understandably because they are an arm's-length company of the States. But does that not set them off on an unlevel playing field if they are bidding for these types of projects?

The Chief Minister:

That is almost getting into operational detail. I will hand back to the Chief Executive if that is okay.

[16:15]

Chief Executive:

It will be fair to say that the restrictions around how S.o.J.D.C. operate do impact on their ability in certain situations to be able to compete with other provider/developers for certain types of commission.

Senator T.A. Vallois:

In terms of going forward then, would there be any consideration for changing the role as it was set out by the States Assembly in P.73/2010 to consider going forward on any future projects for the States of Jersey, whether they compete on that level playing field?

The Chief Minister:

It would be fair to say that one of the areas that I am sure we would all have liked to have looked at, if we had not had the pandemic come through, is the overall interaction between all the various property functions that the States as a whole, including arm's-lengths, do operate. Within all that lot, given the timeframe that you have referred to, it would make sense to review that in that kind of sweeping-up role. With where we are, we have not had the ability to do that to date. But it may be something that might be relevant going forward.

Senator T.A. Vallois:

Thank you, Chief Minister. So back on to, in particular, the office accommodation project. Has an independent assessment been undertaken to ensure that the project, along with other construction-based projects, are achievable?

The Chief Minister:

When you say "achievable", how do you mean?

Senator T.A. Vallois:

I am just thinking there are quite a lot of capital projects on the books, whether that is from a States of Jersey perspective or whether that is from our arm's length organisations like Andium or S.o.J.D.C., and I suppose it is the resources on-Island to enable these projects to be achieved.

The Chief Minister:

I will hand over to Charlie, the chief executive, to give the detail. The short answer is we are confident that it can be delivered in that context, primarily around because obviously each contractor and developer, rather, has usually often different teams of sub-contractors, which then impact how they put their programme together. Charlie, do you want to give the detail?

Chief Executive:

Yes. In this particular instance, Senator, the developer has been very clear that they are able to both meet the timelines, the cost envelopes and the supply chains necessary to develop out the office accommodation. There are 2 key reasons why it differs from Andium or S.o.J.D.C. As a private developer, they can and do prioritise where their workloads are. In this case the developer has a commercial development arm and a housing development capability. On the commercial developments they are just finishing a significant refurbishment for a major occupier on the Esplanade and their supply chains are geared up to be able to deliver in the timeframes that we had originally proposed. We were pretty confident that they had provided us with all the right assurance through our procurement oversight work to ensure that this would not be impacted in any shape or form. Again, going back to my previous point in Senator Pallett's question, the risk also then transfers to them, so as a consequence of that then it becomes an incentive for them to also complete within the agreed timeline, just in case they then have to incur any other penalties accordingly.

Senator T.A. Vallois:

Okay, thank you very much for that. Can I just ask on that basis then the consideration that is given to inflation and the potential impact that this might have, along with all other construction projects, may have on the cost of living in Jersey?

Chief Executive:

In this particular project the costs are what the costs are. They bid on the costs, those costs have been agreed and they are fixed as part of the contractual arrangements, unless something untoward, as I touched on earlier, occurs. Inevitably, there are wider issues about inflationary impacts that come about during this next period but they will not be, necessarily, as a consequence of undertaking this particular project.

Senator T.A. Vallois:

Okay, thank you. Just following on from some of the answers that you gave to Senator Pallett, there was a lot of mention about the sharing of documents with Scrutiny, which is understandable and we appreciate having access and the briefings but also the reference to the establishment of Jersey Property Holdings, which I believe was approximately 16 years ago; I think it was 2005. There is a piece missing within the expectations around that, and that is a form of like an estates property plan that would have been agreed by the States Assembly. I suppose my question is: will the Assembly see and be able to approve a property plan at some point soon in the future and, if so, what consideration will be given around what can be said publicly from the information that has been

shared with us around the office accommodation project because I believe a substantial amount of the information shared with us is confidential?

Chief Executive:

You will be aware, Senator, that we are in a procurement process. The P.F.L. (Public Finances Law) makes it very clear and the P.F.M. (Public Finances Manual) that there are certain obligations that we have to go through in respect of that. We have not completed that because we have not finally signed a contract because we could not do that until Standing Order 168 process was cleared. That has now been subject to obviously a proposition and, therefore, it has to run its course. You would not expect us to be putting commercial information into the public domain until that process was complete, otherwise the Government would never be able to complete commercial discussions and negotiations and protect and ensure that public money is used accordingly. In terms of the wider issue that you raised, you will also be aware in your capacity as being on P.A.C. that there is a wider debate and discussion going on about estate management plans and that there is a property framework for asset management plans and that Scrutiny is taking place around it. We have drafted, which has been approved by the Council of Ministers, a new estate management framework. That framework has been shared with P.A.C. and will be the subject of an R report that will then go to the Assembly. On the back of that there are individual asset management plans and work is on with trying to deliver those through the new Corporate Asset Management Board. That board is now meeting regularly to start to have a look at the operational requirements that flows from the corporate estate management plan. Where we have a problem though is that we also need to look at, as the Chief Minister has made clear earlier, how best to utilise all of our property arms. The relationship with S.o.J.D.C. in that context is also important. Government is good at some things but it is not good at others. We have a development arm which we could use. We believe, as we have explained to P.A.C., that there is an opportunity to rationalise the roles and responsibilities between S.o.J.D.C. and J.P.H. (Jersey Property Holdings) and then divide and look at who is best able to deliver on some of the aspects of the overall estate strategy, whether that is land management, whether that is asset management, whether that is the investment estate or whether that is about development and the use of our assets via a disposals programme. Some of those skills are better deployed in one route and some are better in another, whether that is J.P.H. or S.o.J.D.C. We are on with that and that process is, as I say, subject to a lot of interest and a separate piece of work from P.A.C.

Senator T.A. Vallois:

Okay. As a member of P.A.C., I am aware, I am not involved directly in the estate management. Before I move on to specific questions for the Chief Minister, Chief Executive, if I can just follow up. You have referenced a number of times specific details in answering the questions to us today that have referred to what has been agreed in the Government Plan, would it be possible for you to point us in particular the detail that you have provided to us today in that Government Plan? Because I

am not sure whether it is as clear as you are stating with regards to the answers to the questions that we have.

Chief Executive:

In terms of the Government Plan I was referencing the phasing in relation to the questions that were raised about costs and years and, therefore, what that referenced. I think we also made it clear about the options between leasing and purchase, which is laid out in the Government Plan, alongside further work that we submitted as part of the background documents that sit within the Government Plan. Some of the other references that I made was what we have and I think the Chief Minister has laid out in the chronology provided to Scrutiny previously. I know you were not part of the scrutiny process then, albeit that you were obviously part of the Government process that determined and put together the Government Plan.

Senator T.A. Vallois:

Okay, thank you. Just a final question from me to the Chief Minister, considering what was being discussed, can I ask P.93/2005 that established Jersey Property Holdings and considering the answer from the chief executive about a report going to the States on the property framework, do you, Chief Minister, believe it would be an appropriate time to update that establishment of the Jersey Property Holdings and for the States to have a debate about our overall property portfolio for the 21st century that we are living in?

The Chief Minister:

I think your first point is to identify, are there overlaps or are there issues first? If that was identified to be the case, then it would not be unreasonable then to have a look at the overall position. What I will say, and I am afraid my memory of P.93 has diminished but I still recall certain pieces of it. In fact I seem to recall, in fact just thinking about it, was even in the slides we identified and circulated earlier today, that even in those days they had identified the need to reduce, for example, office space. That has been identified a variety of times since then and it then made it up to the Council of Ministers endorsement. There is a split, if you like, between the overall portfolio, which can range from, as we know, what I will call operational assets; that includes the harbours, it includes the heritage assets, it includes the sewerage plant, you name it, to then down to, let us call it, the individual strategies, one of which is the office strategy. It is not unreasonable that that data needs to be pulled together but also, as we know, the amount of data that we carry on a whole range of areas is lacking in certain places and that is why we are having to do the investment that we need to do, to bring that data together, to then have the informed debate that I think we would like.

Senator T.A. Vallois:

Okay, thank you very much for your time and your answers. I will pass on to the Constable of St. Peter with regards to technology.

The Connétable of St. Peter:

Thank you and given the time I will perhaps go to the most topical question at the moment, which is I noticed in the media today that they had caught on to the fact that our M. and D. (Modernisation and Digital) project, which in the Government Plan we had a cost of £22 million, the media have now become aware that we are looking at £63 million. In fact in front of me I have another document that tells me it is going to be £67.79 million. The increase in cost cannot really be regarded as good value for the public and how did we get there? I do not think that it is sufficient to say, as I have seen, that incorrect assumptions were made about who would pay for certain aspects of the project. We were not looking at who was going to pay for the paperclip, we were looking at training and implementation that were going to cost millions of pounds and yet assumptions were made that other departments would pay for that. If we look to the Government Plan, those departments were funded for business as usual, that there was no allocation for an M. and D. project. How did we arrive in this situation?

The Chief Minister:

I think I am going to hand that one directly to John Quinn, as the person in charge of the project, and then I will follow up at the end.

[16:30]

Chief Operating Officer:

Thank you, Chief Minister. Just to get to the numbers first, the total figure between 2021 and 2026, when we did the business case over that 6-year period, is £63.02 million, so £63 million is the correct number for the business case from 2021 to 2026. In terms of comparing that to the outline business case and now you have to bear in mind that we are following best practice introduced in the U.K. by Treasury in terms of a strategic outline case, followed by an outline case, followed by a full business case. The purpose of doing that is so that you can develop the business case iteratively, in the same way as I think we have just been talking about the office programme, an outline business case was done and then a full business case has been done once we have engaged with the market. We took exactly the same approach; the outline business case was done back in 2019 without any market engagement, without fully refining an understanding of how the market would behave because we needed to get permission to engage with the market and that was what the outline business case gave us. A slight difference to the approach on this project to the one on the office was we put in an estimate of what we thought it might be. The office programme literally just put in what they needed to get from outline business case to full business case. We decided that we would

put in an estimate of the total costs, which we would then validate, do the full business case. We have gone through a thorough procurement process, which has taken the best part of a year, engaged at the beginning 30 suppliers and narrowed that down to 2, who we have had a 3-month engagement with. That has allowed us both to refine the costs to those suppliers but also the effort required by the Government of Jersey to meet the needs of those suppliers to deliver this programme. A few things have changed since 2019; one is our understanding of the level of effort and we made an estimate. We have engaged with the market and we now know that it is a greater level of effort. As I said at a press conference yesterday, at its peak there are over 100 Government of Jersey people involved in this. We probably did not appreciate all of the effort that would be required. We did not understand at the O.B.C. (outline business case) stage back in 2019 the amount of data that would need to be sorted out. I think we have just spoken about the fact that our data is not very good and that is probably an underestimate of the situation. We also, I think, did not foresee a pandemic or we did not foresee that people would be working on other things at this time. It is a combination of more effort required than we foresaw and the fact that the amount of resource that we can free up internally without impacting business as usual is less. We have talked to other organisations. I can quote you a London borough who did entirely what was in the outline business case. I spoke to them as part of our due diligence for this process and they have provided no backfill and they simply put on hold all of their other activities until they had completed the programme. We do not believe that is a sensible way for the Government of Jersey, given that we are trying to respond to a pandemic, given that we have a lot of important priorities to deliver, putting everything on hold, while we deliver this, for 3 years we do not believe is the best approach. But it is not an approach that is uncommon in the market.

The Connétable of St. Peter:

Yes, I understand that, John. But, nevertheless, we miss £20 million, how £20 million is going to be funded? That illustrates a weakness in the initial assessment and I think that warrants a review because poor financials to start with are not a good starting point. The other thing that is quite clear, and it is not just in this particular project but in other projects that we are running, is that there is no project methodology applied. A standard in following various project methodology, and I come from that field is that you would sign off assumptions with all those involved. Saying that assumptions were made that other departments would pay for this, that would have come out and it did not. An oversight like that should never have got to this stage. I understand what you are saying from a financial point of view, you say you followed best practice but, nevertheless, that best practice has arrived at a point where there was £20 million of this project that was not funded.

Chief Operating Officer:

I would take dispute with your comment about no methodology being applied. We have exactly applied the Treasury Green Book process ...

The Connétable of St. Peter:

For financials.

Chief Operating Officer:

To your point about the assumptions, the assumptions, in the outline business case, were signed off by all of those who were involved in the project; ultimate sign-off was from the Treasurer, for instance. The outline business case was signed off by the Treasurer, the full business case has been signed off by the Treasurer, myself, as officers, and by the Chief Minister, the Minister for Treasury and Resources and the Assistant Chief Minister.

The Connétable of St. Peter:

But the problem there is that the reason given for this discrepancy is that assumptions were made that other departments were going to pay for this. Why were not the heads of those departments asked to sign off to say what their contribution was going to be?

Chief Operating Officer:

The key departments that are putting a resource into this are Finance Department - the Treasurer signed off the business case, he had the ultimate sign-off of the business case - People Services Department, the Commercial Services Department, Modernisation and Digital, all 3 of those are key functions. I signed off that and reviewed that business case and the only area that did not sign off and review it at the time was the asset management part and that is because they were not in a position to at the time that we did the outline business case back in 2019.

The Connétable of St. Peter:

Right, I still do not think the question has been answered as to how we arrived at a point where we could believe that £20 million of this was going to be covered by other departments and at the end of the day we realised it was not. Even if we had looked at the Government Plan we would have established that those departments did not have the budget to do it. I sort of rest my case there. I know you have given your explanation but I do not think saying that assumptions were made can be regarded as a valid reason for the position we find ourselves in. I would ask, as part of this, is that clearly we will be asked to allocate more funds in the 2022 Government Plan and what will happen? What contingency will you have if at that stage Members decide not to allocate those funds?

Chief Operating Officer:

One of the ways we have structured this programme is into a series of releases. There is an option - I would not recommend it - to stop this programme halfway through. If the funding is not released, then we would have to stop this programme halfway through. We would then have a finance system

and a H.R. (Human Resources) system, which would be good and they would have taken out a lot of the operational risk. But going back to the conversation about the estate, what you will not have done is resolved the asset management problem and you will not have delivered the ability to really take the commercial operation away from just being spot-buying to being an actual proper commercial operation. If the Assembly choose not to do that work, that is clearly a democratic process.

The Connétable of St. Peter:

Before I pass on to the next person, I would say that we find ourselves again in the situation where we are saying we must do this project. Irrespective of the fact that it is going to cost significantly more than we thought it would and we keep on coming back to this where we are told you must vote for this because we absolutely have to do it. But it is good to hear that we have a contingency that we could stop halfway through. Thank you very much. I will pass on to the next person.

The Chief Minister:

Connétable, it might be helpful just to conclude on that because one of the difficulties, as we know, and I think it probably gets summed up as doing nothing is not really an option in this case. Certainly the way I have understood matters is because some of the systems ... and we have already referred back to 2005 on another area but the main finance system, as I understand matters, has not really been maintained since 2005. We are now into the territory where we have, basically, an organisation with turnover of, let us say, £800 million, give or take, i.e. the States of Jersey, operating on a system where one of the main systems is very, very old and not properly supported. Your problem there is, is that within, I suspect, the switch from the initial outline case to the full business case, that part of the discovery that has taken place has continued to identify the issues that are being identified and as we said, equally, the impact of COVID. I understand the points you are making but, equally, we have a point where what is coming home to roost in a variety of areas is the fundamental lack of investment over more than a decade, which we are now picking up. I understand the points you are making because until one has gone through all the detail, the point you are making would be what any layman ... sorry, when I say "layman", somebody looking at the headline figures. But it is understanding the fundamental issues behind it, I think, and the problems that we are facing on this. As we have said, we do not have a system that is fit for an organisation in the 21st century or capable of delivering the services that people would expect and some of which in other organisations they can pick up on their smart phone; we are quite a way away from that. Part of this is getting the foundations in the right place ...

The Connétable of St. Peter:

I do understand that. I think there is something here about our work practices that we can learn. We do not really have a programme office or a project office and it is something we need to look at.

Because I even noticed on the hospital project that we were into the project by the time we advertised for a project manager and, by coincidence, I did have the correct qualification to apply for that. I do know something about big software implementations and I know we followed what we think is the correct process for this but there are fundamental issues here that we need to address and I think you would agree with that.

The Chief Minister:

It is probably one of those where it is probably best to handle it again in a further briefing, essentially to go through all the details because I think going through those details is quite important. My take is that we do have a P.M.O. (project management office) in the right place but, equally, I can certainly point at processes in the past and I do emphasise the past, where the procurement or the way it has been put together has not been as rigorous. I dare say in terms of the present teams, I think the processes that I have seen have certainly come across to me as very rigorous. On the other hand, we may disagree on that, so we will ...

The Connétable of St. Peter:

Yes, we will have to disagree today.

The Chief Minister:

But I think a briefing on that again to go through those kind of iterations might be helpful.

Senator K.L. Moore:

If I could just step in there, Chief Minister, if I may. One of the key questions that this panel has consistently tried to ask of Ministers, and particularly of the Minister for Treasury and Resources, is that big fundamental between projects that must be done versus their affordability and cutting the cloth to suit the current situation, vis-à-vis the Government finances and protecting the future of those finances. I think that is at the heart of what the Constable is trying to ask you and has very clearly asked you and has not received an appropriate answer. This is a matter that really is causing great frustration to the public and it is for that reason that we hold public hearings and we are here to ask those questions in public.

[16:45]

I think, I am afraid, that your suggestion of a further private hearing is thoroughly inappropriate because it is the public who want to understand why it is that your Government is signing the Island up to such significant spending when the public consider on many occasions that these projects are not being well run. As a qualified project manager, the Constable of St. Peter has just outlined to

you that it is his view that this particular project and others have not been well run. Therefore, there is a general lack of confidence in the spending that you are encouraging.

The Chief Minister:

The short answer is if previous Governments, going back at least a decade, if not 20 years, had invested in the infrastructure that we have inherited, we would not be having to do the spend now. Equally, we would have been making the savings that we have identified by now and that applies both to property and I.T. (information technology). As I have said previously, the property strategy was then founded in 2010 and using that as the example, my rule of thumb in those days, we would have saved around £10 million a year; 10 years down the line and that means we have wasted £100 million, if you use that category; that applies across the board. I have to say the amount of rigour I have seen brought into the processes in the last 2½ years, I cannot speak previously, I think has been dealing with a situation that we have inherited. We are doing our very much best for the public. It is not an issue playing to the gallery, thank you. There are very deep concerns but, equally, if we play to the gallery and say: "This is expensive, it should not be done", one then rules the consequences, particularly in an I.T. world, where if the systems are not secure, as we have seen in the U.K., it had got to the point where N.H.S. (National Health Services) operations had to be cancelled. We made that very clear in briefings to Members in 2019 and that is the process we have been following to date, and that is why we are doing it. Let us not get into those issues. We know we have got to deal with a very important investment ...

Senator K.L. Moore:

I am afraid, Chief Minister, this is a very genuine question and we do not wish to receive responses in the manner with which you are speaking to us. We are speaking to you on behalf of the public. It is a perfectly genuine concern that is publicly held and regularly expressed and, therefore, we would like a polite answer, please. The point that the Constable has been trying to make is not that projects should be stopped because they are expensive, it is should these projects not be aligned with affordability? The public can see that there are mounting costs in various quarters and they are concerned about the impact that that will have going forward. There are opportunities to make savings if the projects are readdressed with a different lens and that is simply what we are asking.

The Chief Minister:

I think, firstly, I would suggest my response was polite. Secondly, I would make the point that by following what is referred to as the Treasury Green Book, there is a process there and I would suggest that has brought a degree of rigour into the process. Thirdly, one of the reasons I was suggesting a further briefing, which is because when we get to the technicalities sometimes that is easier to convey across and then obviously very happy to have a private hearing thereafter. It was me trying to be constructive on that matter because sometimes these are very complicated matters.

I have to say my view of the public is that sometimes they would like us to get on and sort out the problems that we are addressing, rather than playing politics but that is my take. Shall I suggest that given it is now 4.50 p.m. where we would like to go in the rest of the hearing?

Senator K.L. Moore:

Which I was about to approach that and we could draw a line now. I have a further section that I do think it would be helpful if we could address, which is the staff survey, which was much anticipated. I could just simply ask one or 2 basic questions in that area and then I propose we draw the hearing to a close, if that is convenient, please.

The Chief Minister:

I am happy to go for another 2 or 3 questions but, as I said, we are obviously overrunning at this stage.

Senator K.L. Moore:

Yes, and I am grateful to you all for giving us a little extra time, thank you. As mentioned, the staff survey was much anticipated, it was completed, I think, in August and in the last couple of weeks an overview of the findings has been publicised. But that overview did not dig down or give the public any sense of the questions that were asked and the specific answers that were given to those questions. There was a very waffly 3-pager, I think, that was sent to the media. Firstly, we would just like to understand why that was because there was a great deal of public interest in this matter.

The Chief Minister:

I think I will hand that straight to Mark Grimley as head of H.R.

Group Director, People and Corporate Services:

Thank you, Chief Minister. The full report, including the questions asked and the responses that are given, will be published as a report to the States Assembly, alongside the H.R. Lounge report, so that visibility will be there. Over the past week and a half we have been cascading through to colleagues. We have had over 50 briefing sessions, which included the corporate sessions and then individual departmental ones, so we have just been working our way through.

Senator K.L. Moore:

May I ask when that report will be published, please?

The Chief Minister:

I believe that is with me to sign off soon hopefully, depending on time, either when we come out of this hearing or tomorrow.

Senator K.L. Moore:

Okay, so that is good, it will be published before the end of the month.

The Chief Minister:

That is the intention.

Senator K.L. Moore:

Excellent. Because it is very important and rather relevant that some of these findings are published before the end of this month, given that there are answers to very important questions, such as whether or not staff support the changes that are aligned to the OneGov vision and whether staff feel that the leader of the organisation runs the organisation based on sound moral principles. I would like to give you the opportunity, Chief Minister, to give your views on the answers that have been expressed to those particular questions.

The Chief Minister:

I think I will make 2 comments in trying to keep this brief. One is it has become clear that staff are very proud of the organisation and working for it. I also make the point that relative to previous similar surveys, what we call the engagement side, has increased and that has obviously been what has been briefed to Members and what has been put out there. As a fundamental, bearing in mind that we have been going through a change process, which is always unsettling, bearing in mind that we were also going through at the point and still are going through a pandemic and that also adds pressure to staff. Those are, I think, incredibly good findings. Equally, as we know, the whole point of doing a staff survey and bear in mind this was the second one, broadly speaking, that I can recall, that the one prior to that was a very long time ago, that you are looking to seek out staff opinions to then identify the areas and things that you need to change. I do not look at it as a negative. We know we have to look at it in the round. I think it is a positive that it has happened. I think, equally, as we have referred to, the H.R. Lounge, which is absolutely a like-to-like comparison, if you like, it the same organisation coming in 2 years' later, clearly demonstrates that progress has been made in the crucial areas around, for example, bullying. I think from that perspective I would hope that the members of the public who are interested in such matters would regard it as a positive progress but also recognising, as I have said previously, that we know we have more to do.

Senator K.L. Moore:

Given that only 20 per cent of those staff who answered felt that the leader of the organisation ran the organisation based on sound moral principles and probably a similar percentage support the changes of the OneGov vision that is 3 years into its process of change, are you of the view that nothing needs to change within the organisation in those respects?

The Chief Minister:

I will, firstly, just hand over to Mark to cover some of the details and then I will come back to you.

Group Director, People and Corporate Services:

Senator, you conflated the number of questions there around the leadership; that is not what staff said around the leader of the organisation or leadership as a whole. In terms of leadership, we look in the context of the past year. Leaders themselves have felt under pressure of COVID. We were coming out the back end of a 2-year programme of change for the majority of staff and I think that reflects where we are. It is not to say that those scores do not need improvement, that is what staff have told us and that is what we will focus on. But when you look at the scores both in the context but also in the round, as the Chief Minister has said, there is a lot to build on there, there are a lot of proud public servants who are working for the Government, proud of what they do. I think there is a lot to draw out there in terms of where we can build. There is not the summary that people are not supporting either the OneGov or the Team Jersey programme or the change but we are part way through it and there is still more to do. But what the survey shows is, is where we need to focus our efforts further to help staff either understand the change or consolidate where we have come from.

Senator K.L. Moore:

Thank you. To the Chief Minister again, obviously the culture of your Ministers and Assistant Ministers has been a topic of public interest this week. Do you condone the tweets of the Assistant Minister for Treasury and Resources and will you be taking action about it?

The Chief Minister:

Action has been taken and I am not making any further public comment on that.

Senator K.L. Moore:

Could you simply explain what that action might be?

The Chief Minister:

Firstly, I am not entirely sure about how that comes through under the remit of the Corporate Services Scrutiny Panel but I am happy to oblige. I have had 2 discussions with the Assistant Minister and the tweet is either being taken down or has been taken down. I will make the point it is the same principle as I have had with other Assistant Ministers and tweets that have been made. As I said, I think the matter has been resolved and on that basis I have no intention of making too much further comment on that.

Senator K.L. Moore:

Okay. This is a matter that this panel does find interesting, particularly if we can refer you back to a report that we published back in November 2019, which looked at the initial work of the Migration Policy Development Board. Our findings in that report identified that the diversity of the policy development board was not satisfactorily considered during the board's establishment and then in finding 6, when the chair of the Migration Policy Development Board was asked about concerns regarding the board's lack of diversity, his answer was unsatisfactory and did not appear to present a sufficient understanding of the problem. The fact that one of your Assistant Ministers has once again shown a lack of understanding of the important issues of diversity in the 21st century, it appears that no progress has been made by your Government in relation to these points that we raised, as I say, back in the end of 2019. What action are you going to take as a whole to help your Ministers in this important issue?

The Chief Minister:

I have to say again I think you are conflating 2 issues between what an individual has done on a personal tweet, which, as I said, has been addressed. The issues identified on the Migration Board, my recollection on the answers that have been given previously, is that there were efforts made to try and balance the board off, the people that were approached ... sorry, start again, there was a call, I believe, for people to come forward and then, subsequently, with people who were then approached and they then declined to take part, which then basically meant we ended up with ... I am very happy with the board that we ended up with. But it was not for want of trying to try and get what you might perceive as a more diverse board on there. In terms of the organisation, which I would suggest is the Government's responsibility from that perspective, is that things like the I Will campaign and a whole variety of other areas, which have been covered in previous hearings, do demonstrate that while we all accept we have further to go, we are offering greater transparency and greater encouragement than has ever been offered previously.

Senator K.L. Moore:

Thank you. I thank you all very much for the additional time that you have afforded us this afternoon. We have covered a reasonable amount of ground and we will send any further questions to you in written form and we look forward to receiving those answers. Once again, thank you and apologies for those who we have not managed to question in the time allocated this afternoon. We had perhaps a rather challenging agenda. With that I close the hearing.

The Chief Minister:

Thank you very much. I agree entirely with your last comments. Thank you very much and we will leave the meeting.

[16:59]