



Environment, Housing and Technical Services Medium-Term Financial Plan

WEDNESDAY, 16th SEPTEMBER 2015

Panel:

Connétable A.S. Crowcroft of St. Helier (Chairman)

Deputy D. Johnson of St. Mary (Vice-Chairman)

Deputy J.A. Martin of St. Helier

Deputy M. Tadier of St. Brelade

Witnesses:

The Minister for Transport and Technical Services

Chief Officer

Finance Director

[16:02]

Connétable A.S. Crowcroft of St. Helier (Chairman):

We welcome the Minister for Transport and Technical Services for this quarterly hearing of the Environment, Housing and Technical Services Scrutiny Panel. Thank you for fitting in this meeting. It is necessary for us to make the timetable, particularly in respect of the M.T.F.P. (Medium-Term Financial Plan). Sorry, just for the sake of the tape could we introduce ourselves? I am Constable of St. Helier, the Chairman of the Committee.

The Connétable of St. Helier:

Thank you. We also welcome the public and the media to our hearing. Minister, we have had your department's notes on the M.T.F.P. and I think you have seen these. Could we perhaps start off by asking you what your thoughts are in terms of how the M.T.F.P. is going to impact your department?

The Minister for Transport and Technical Services:

The M.T.F.P. is going to impact all departments, not just T.T.S., hopefully overall in a positive way. The Council of Ministers' investment in Health and Education over the next 4 years is something that I fundamentally support. T.T.S., along with my colleagues on the ministerial bench, has taken an overall view and we believe we can continue to provide the public services that we need to provide to the appropriate levels for the next 4 years.

The Connétable of St. Helier:

Okay. A couple of things concerned the panel when we first saw these comments. We had them when we had our public hearing with the Minister for Planning and Environment a few weeks ago so we have had the advantage of these for some time now. If I could just start with one of them, which is in relation to waste? The non-receipt of Guernsey waste, £1.5 million, would not be achievable. I must say I was surprised that that figure was even included in any forecasts, given that the issue of taking Guernsey's waste has not been approved.

The Minister for Transport and Technical Services:

But that was included in the current M.T.F.P., not the 2016 to 2019 M.T.F.P.

The Connétable of St. Helier:

Right, but why was that included because it was ... is it not very much wishful thinking that that money was going to accrue to the department?

The Minister for Transport and Technical Services:

At the time that the original M.T.F.P. was put together, which was back in 2011, it was viewed to be something that was achievable at that time given the circumstances at that time and that £1.5 million was a net figure. As it transpires neither Island has moved forward on that to a sufficient level in that current period of time. The current position is somewhat different. Guernsey earlier this year did put out a pre-qualifying questionnaire, which we did submit to, and they are carrying out further works on their options currently. That has always been the case. Both Islands will need the permission of both their Parliaments for waste to move between the Islands.

Deputy M. Tadier:

I thought the official government policy and line was that we were not going to take Guernsey's rubbish. I think that is what has always been the answer given when it has arisen either at question times or on hustings.

The Minister for Transport and Technical Services:

No. The answer has been consistent in that it has to work for both Islands.

Deputy M. Tadier:

Yes. Given the fact that neither Island has come up with a way to make it work for both Islands the presumption is it is not going to happen so I think the point we are making is that it has been costed but it was never ... costed prematurely so it is a bit of smoke and mirrors, it seems, to us.

Chief Officer:

Is it worth me updating the panel? The number does look odd going forwards but it was a historical thing and I think the mood back in 2012 was probably more positive than it has been through the M.T.F.P. and probably soon after that then Guernsey's direction of travel changed and their timescale changed in terms of what they were planning to do. Also the market for waste has changed and certainly the opportunity for sending waste to Europe has become far more prevalent as a refuse-derived fuel, but we have been in constant dialogue with Guernsey and we continue to do so. I think the proven reliability of our plan and the environmental performance of our plan and the significant difference in terms of how we deal with the A.P.C. (Air Pollution Control) residue, which is now exported, and hopefully bottom ash will be exported, perhaps changes the appetite for us to do it. We have also got a positive issue in that we perhaps have the spare capacity so we are actively working with Guernsey but the premise is both Guernsey and Jersey, from a States Assembly perspective, have got to agree to that. But it is certainly something we have not discounted. We do not want to make a forecast for income because that was very ambitious back in 2012. We do not want to perpetuate that same problem and that is why it is highlighted as a budget pressure.

Deputy J.A. Martin:

So from memory we have not even had an in-principle decision from the States to decide ...

Chief Officer:

No.

Deputy J.A. Martin:

... that we would take the waste? So there is a lot of work going on behind the scenes with no decision from either Government?

Chief Officer:

The decision from the Government here was we could work with the officers and we could actively pursue it and then the decision would come back if there was a commercial deal on the table.

The Minister for Transport and Technical Services:

This £1.5 million in the growth bid yet to be settled is replacing the income that we did not get.

The Connétable of St. Helier:

Okay.

Deputy M. Tadier:

It is income we never had though. That is the point.

The Minister for Transport and Technical Services:

Exactly. It is money we never had.

The Connétable of St. Helier:

Okay.

Chief Officer:

But our budget was modified.

The Minister for Transport and Technical Services:

Yes. As the chief officer says, our budget was modified assuming that that income was going to come forward so we are correcting that position. Not necessarily an error of the past because decisions were made in the light of the information available at that time, but the circumstances have changed.

The Connétable of St. Helier:

So by your predecessor not ...

The Minister for Transport and Technical Services:

Yes. We are correcting, effectively, the figures to show the current position.

The Deputy of St. Mary:

Yes. It seems to be a long time coming to recognise we are not, in practical terms, going to get it. But are you saying that it will not reappear again until Guernsey States have taken a decision?

The Minister for Transport and Technical Services:

It will not reappear again until both Islands have agreed and therefore it has got to be in the benefit of both Islands for Guernsey's waste to be incinerated in our Energy from Waste plant. It has got to benefit both Islands.

The Deputy of St. Mary:

It is Guernsey's decision really so we are happy, are we not?

The Minister for Transport and Technical Services:

No. It has got to work for us as well. It has got to be a States decision.

The Deputy of St. Mary:

Well, I think that we have more or less decided it will work for us, have we not? We have the capacity?

The Minister for Transport and Technical Services:

Well, only if our gate fee and any other benefits to the Island are there.

The Connétable of St. Helier:

Only if there is a gate fee, in fact?

The Minister for Transport and Technical Services:

It has got to work for both. It has got to work for both Islands.

The Connétable of St. Helier:

Yes.

The Minister for Transport and Technical Services:

Both groups of Islands.

The Connétable of St. Helier:

There is a different but similar effect around the shortfall in income from electricity from the site and that has led to this growth bid of £1.2 million. Do you think that is fair that the figures there for income are affected so drastically by how much is coming in from ...?

The Minister for Transport and Technical Services:

We have a ... I do not know if it has been forwarded to you because this gives the ...

Finance Director:

I have not forwarded it to Scrutiny but I have got a couple of spares which I can ...

The Minister for Transport and Technical Services:

This explains it quite ...

The Connétable of St. Helier:

Quite graphically, even from over here.

The Minister for Transport and Technical Services:

Yes. Quite clearly.

Chief Officer:

It is not good news.

The Minister for Transport and Technical Services:

It is not good news. It is circumstances in terms of the actual cost of buying electricity in the year has changed. It is affected by the exchange rate that moves over time and the contract that we have with the J.E.C. (Jersey Electricity Company) is pegged on the rate that they buy it from Europe.

The Deputy of St. Mary:

All right.

The Minister for Transport and Technical Services:

The rate that they buy it from Europe has dropped substantially and therefore the income that we get has also dropped substantially and that is why, again, it is a shortfall. The monies were taken from our base budgets back in 2011 and 2012 on the basis that we had a certain anticipated level of income from the electricity that we sold to the J.E.C. from the Energy from Waste plant. That now transpires that ... and it does not look like those levels of income are going to be achieved; there is a change of £1.2 million, which is why this is ...

The Deputy of St. Mary:

You have answered the question I was going to raise. It is directly calculated by reference to what J.E.C. pay themselves?

The Minister for Transport and Technical Services:

Yes.

The Deputy of St. Mary:

Yes.

Finance Director:

Well, it is calculated with reference to what it would cost to buy the equivalent electricity from France.

The Deputy of St. Mary:

Okay. Sorry. Yes.

Finance Director:

The expectation at the time we did the first M.T.F.P. and, in fact, in the very start of that graph it is on an upward trend. The first year it went up ...

The Minister for Transport and Technical Services:

Briefly.

Finance Director:

... and then we expected it to carry on going on at that rate and it has actually gone the other way so you have now got a considerable gap between where the price was expected to be and what is actually being received.

Deputy M. Tadier:

Can you tell us what is the right axis, the one on the ... the figures on the ...?

Finance Director:

I think that is the ... yes. That is the exchange rate so it is euro to ...

Deputy M. Tadier:

Okay, that is fine.

Finance Director:

It is how many pounds you got for a euro.

Deputy M. Tadier:

Can I just ask about ...

Finance Director:

Because it is a combination of both; it was priced in euros because it is the European market.

Deputy M. Tadier:

Okay. Can I ask about the electricity that is being generated anyway in terms of ... has that gone down as well or is it steady from when it first opened?

Chief Officer:

No. The reliability and operability is far higher now so the amount of electricity we are generating is far higher than in the initial operating period.

The Deputy of St. Mary:

It is higher, is it? Okay.

Deputy M. Tadier:

So does that correlate with the amount of rubbish going into the incinerator?

Chief Officer:

Yes.

Deputy M. Tadier:

Has that gone up since it ...?

Chief Officer:

No. It is just the operational reliability and availability of the plant has improved significantly since the first 2 years.

Deputy M. Tadier:

Right.

Chief Officer:

So we are pretty much at the same K.P.I. (Key Performance Indicator) level of any normal plant so it is operating very well.

Deputy M. Tadier:

Yes.

The Connétable of St. Helier:

I am not sure that domestic electricity bills have dropped at the same rate as shown in the graph. Be interesting to ...

The Deputy of St. Mary:

That is a point.

Chief Officer:

It would be interesting to put it over the top of that graph, would it not?

The Connétable of St. Helier:

Can we move on to another growth bid which was successful, which was in respect of the bus service, which we are pleased to note has been extremely successful: more ridership, increased levels of service and I think that is seen on the ground as well, but there are these problems of concessionary travel which has led to this increased need for subsidy. Do you have any proposals to try to tackle that?

The Minister for Transport and Technical Services:

Our bus service at the peak hours or the peak hour and a half in the morning is from 7.30 a.m. to 9.00 a.m. is ... we are pretty much at capacity now on bus services. To provide additional capacity one option is to provide more buses. That comes at a cost. Effectively, this is part of that cost to provide that service at that time. An alternative measure is to try to increase the paying capacity during those times so one of the things that we are looking at, and it is a policy in progress so to speak, is the feasibility of perhaps for those with concessionary fares to travel after certain time in the morning, after that initial peak to free up spaces on the buses for people who ...

Deputy M. Tadier:

We have got our headline now, Minister, with the *J.E.P.* (*Jersey Evening Post*) sitting behind you.

The Minister for Transport and Technical Services:

It is not a new story.

Deputy M. Tadier:

No, it is not but ...

The Minister for Transport and Technical Services:

This came up several weeks ago.

Deputy M. Tadier:

So we are talking about pensioners basically being told they are not allowed to travel for free at certain times?

[16:15]

The Minister for Transport and Technical Services:

We are looking at adopting what they do in many, many jurisdictions whereby concessionary fares only operate after a certain time.

Deputy M. Tadier:

How does that compare with your initial commitments when you stood for Minister that you would give disabled people free bus passes? Now you are saying you are going to take away some of the concessions that we give to the elderly.

The Minister for Transport and Technical Services:

The commitment was to look at that and that is something that we are doing across Government. When we first looked at it we were quite shocked at how many people would potentially qualify for that and it was in the excess of 10,000 individuals so obviously we needed more detailed work to come up with a proposal that is affordable and that is where I am going. That is expected ... the work on that is expected to come out in the spring of next year, I believe, but I may be wrong on that.

The Connétable of St. Helier:

So this need for the shortfall money that is because you do not feel proposals for changing the concessionary fares will be ready for implementation in time, is that right? Do you have a timetable for ...?

The Minister for Transport and Technical Services:

No. It is just you asked whether ... are there ways of doing it apart from these growth funds? It is not just ... a similar thing is the school bus fares; getting children onto the school buses has been

extremely successful, to the extent that they have been pretty much at capacity in the mornings now as well.

Deputy M. Tadier:

Has there been any thought to using smaller buses on perhaps some of the country routes? I have just come back from Italy. I am sure we have all had experiences elsewhere where you have got some maybe remoter places. I am not saying St. Lawrence or St. Mary are necessarily backwaters but that they do not necessarily always have the public travelling at certain times of the day, could we see smaller buses being used that are more efficient or is it not that simple?

The Minister for Transport and Technical Services:

It is not about the efficiency of the buses, it is about capacity, smaller buses obviously take less people, carry fewer people but have pretty much the same cost.

Chief Officer:

If you look at the LibertyBus's operation, and I went round recently with the manager, the only buses in the yard were the small buses we purchased. We got specifically 3 sizes of buses and the smallest one we were going to use for Victoria Village on those exact routes you mentioned and the buses are too small. We have had to put the bigger buses on those routes, which is great news but the smaller buses are almost not worth utilising because on the small routes they have had far more capacity increase and far more demand, which has been brilliant. It is a real balance and they are almost a victim of their own success, which we think is great but at these peak times to get more buses on is a big step change in funding.

The Connétable of St. Helier:

Could I ask you any changes to concessionary fares and when you might be able to use them would be announced?

The Minister for Transport and Technical Services:

Just to make it clear, the pressure is the fact that there are a lot more concessionary fares coming through as we have and it is one of the early indicators of an ageing population, so it is not just the existing cohort of concessionary fares. We know that those numbers are increasing and they are increasing over the next 4 years.

The Connétable of St. Helier:

But will you be bringing forward changes to concessionary fares because you ...

The Minister for Transport and Technical Services:

The only change that is currently being looked at and being investigated is to try and create more capacity on the morning ...

The Connétable of St. Helier:

Yes, so you have a peak hour, as you do in the U.K. (United Kingdom) for those train services.

Chief Officer:

That is right, yes, exactly the same.

The Connétable of St. Helier:

Yes, I mean personally I do not think it is unreasonable, I am just curious to know when that may happen because there is clearly going to be increased demand on the school side and you probably would not want to touch that because you want to get more kids on buses, therefore the only hope is to look at some kind of peak-hour restriction on certain concessionary fares.

Chief Officer:

I think the challenge we have had in the past when we discussed this has been about people with a concession pass working in charity shops and also having hospital appointments. Why can't we move the hospital appointments be after the peak hour. So there are other things you can look at. Is there a way you could get a refund if you are on your hospital appointment? There are mechanisms you can look at but, again, it is never as straightforward.

Deputy M. Tadier:

Presumably that it is going to put more people on the roads, so any person who is over 65, still very active I suppose because they are over 65, it does not mean they are not busy ...

Deputy D. Johnson:

Thank you.

Deputy M. Tadier:

... which I am sure is not ...

Chief Officer:

They can still catch the bus.

Deputy M. Tadier:

Yes, but they will pay for it.

Chief Officer:

Yes.

Deputy M. Tadier:

It may well encourage more people on to the roads and into their cars, which seems to be counterintuitive to the overall strategy.

The Connétable of St. Helier:

It might or it might encourage people to take the bus after 10 o'clock, I mean it depends on your approach.

Chief Officer:

That is what we are trying to do, yes.

The Connétable of St. Helier:

Can I move on to one other strand of the buses, which is of obvious concern, the £841,000 for a new town hoppa service, which has certainly had States strategic support for years since it was trialled a decade ago? I think the panel was disappointed that that is not being progressed. It is not being supported by the Council of Ministers but it is not something that the T.T.S. feel we should be really pushing to achieve.

The Minister for Transport and Technical Services:

We did put it in our growth bid, it was unsuccessful.

Deputy J.A. Martin:

Did you think because the original amendment to the transport policy was a free hoppa at this price? Have you costed it out if people under 65 pay?

The Minister for Transport and Technical Services:

To be fair, Deputy, it is probably always going to be free to the majority of users because the majority of users of this will probably need a concessionary fare, cardholders ...

Deputy J.A. Martin:

Sorry, Minister, what study do you think that going around town would only be for over 65?

The Minister for Transport and Technical Services:

It would not just be but currently there are 4 million bus journeys a year in Jersey and our subsidy is around £4 million per year, so it £1 for every journey. It is not equally distributed because the school bus service costs more and obviously the concessionary fares cost more. Those paying the fares obviously do not necessarily receive a subsidy, depending on which route you are on. It is something I have indicated before. We would like to get the service in. I would like to be able to do it cheaper than £840,000 per year and one of the ways of potentially doing that is to look at the village-linked scheme whereby you use volunteer drivers to provide that service and designing with our partner, LibertyBus, an urban scheme. There are some hurdles to that, one is public service vehicle licence holders, so there are a number of issues that we have to look at. If we could bring it ...

Deputy M. Tadier:

Do you mean resistance, sorry ...

The Minister for Transport and Technical Services:

I am sorry, Deputy, but I have not finished. If we could introduce the equivalent of the village-linked scheme as a ...

Chief Officer:

Parish-linked, yes.

The Minister for Transport and Technical Services:

Parish-linked, sorry. Parish-linked scheme as an urban-linked scheme and I say "urban" because it would not just be St. Helier, it would be the fringes of St. Saviour, St. Clement, et cetera, then I think that would be a good way of uniting those communities as well and providing a service at a less of a subsidy than the original proposal because we all ...

The Connétable of St. Helier:

How much less because there is no money in at the moment? Would it not have been sensible to put some money in?

Chief Officer:

Yes. Buses cost a lot of money and drivers cost a lot of money. If you can provide drivers through a volunteer system with adequate training then you take a big chunk of cost out. I have just mentioned some of the buses underutilised are these smaller mini-bus based buses, Bluebird, which I think have a capacity of about 18. It just looks perfect, from my perspective, as something that a competent driver could drive in that urban environment. We would like to work in

partnership with Parishes and with Liberty Bus to try and instigate that and I think the cost will be substantially cheaper.

The Connétable of St. Helier:

Could you give us a ball-park figure? I am only asking because of the deadline for amendments to the M.T.F.P.

Chief Officer:

Yes, I see.

The Connétable of St. Helier:

If this panel were to bring an amendment that would stand any chance of support ...

Chief Officer:

Yes. Can we try and work that out?

The Connétable of St. Helier:

That would be helpful, thank you.

The Minister for Transport and Technical Services:

We can work that out and send it to you because obviously we do that with Liberty ...

Chief Officer:

We will have to do that with Liberty Bus.

The Minister for Transport and Technical Services:

It depends on their financing arrangement for the Bluebird buses.

The Connétable of St. Helier:

Yes, thank you.

Deputy J.A. Martin:

Just on the buses and then I will leave it there, you put this in as a bid for the hoppa bus: can you tell me what monies were given to T.T.S. on transport with the fourth priority in the Strategic Plan? There were monies put against the fourth priority, where did T.T.S. bids come out against that fourth priority, anywhere on the transport issues?

The Minister for Transport and Technical Services:

On the transport for the bus services £270,000 would have been ...

Financial Director:

Was the only growth bid that related to transport ...

Deputy J.A. Martin:

That can ...

The Minister for Transport and Technical Services:

The only growth bids that would have been successful of ours are the ones that you see here ...

Deputy J.A. Martin:

But the bus service, as a whole, does not cover just St. Helier. I am specifically asking about the money put aside to the fourth priority, what did you bid for?

Chief Officer:

Nothing.

The Minister for Transport and Technical Services:

Nothing because we are working with Liberty Bus to expand the service and which they have not been able to do here. I do not know if it is publicised yet. However they have had a consultation period on the winter bus service for 2015/2016. Again, that service has been expanded over the 2014/2015 winter service and that was expanded over the previous winter service. Working with Liberty Bus we have been able to increase the bus service throughout the Island, including St. Helier. We did not need any money to do that, we just need to work it out in a smarter way to get more people to use it and use that revenue to invest back in ...

The Deputy of St. Mary:

Yes, so going back to a more general fundamental point, the M.T.F.P. quotes the strategic priorities the Council of Ministers adopted before and I am sure you do not need reminding, SG10 is to: "Provide attractive well-maintained public spaces" and it goes on: "And develop public transport, et cetera, that meets the needs of the community." It seems to me the non-inclusion of the bus hoppa service is a direct contravention of the priorities approved by the Assembly, including the Ministers. How does the Council explain that away?

The Minister for Transport and Technical Services:

It comes about if you look at the overall priorities and the amount of money that is available to spend and the amount of growth that is required in other areas, such as health and education, you would have to prioritise what is available.

The Deputy of St. Mary:

Yes, except St. Helier itself was a priority and I just query what money has been given to that priority?

Chief Officer:

Just to challenge back a bit, the hoppla bus service is one element, it is not the be all and end all. There are other elements and factors that can improve the connectivity of the town and that is about routing and bringing the buses in in different ways and servicing the community in different ways. It is not all about a hoppla service, you cannot make that direct link as you are suggesting.

The Deputy of St. Mary:

No, but then whatever funding has been provided for transport as per the priorities is what I am asking about.

Chief Officer:

Yes.

The Minister for Transport and Technical Services:

One that is currently in here is the provision from the Car Park Trading Fund to build the shopper parking under Ann Court. There are the provisions there we are looking at working with the private sector about other traffic issues that predominantly have been led by the Planning and Environment Department.

Deputy M. Tadier:

Can I just ask you, you talked about the Parish hubs, which sounds very exciting and I think could be quite innovative? There are cars driving around Jersey all the time with empty capacity, have you given any thought to how those could be used to encourage people to give lifts, either with a carrot or a stick approach?

The Minister for Transport and Technical Services:

There are a number of hurdles with regards to ... and you are talking about things that are in the social media and sort of equivalent of a taxi service; that has problems in terms of insurance and safety for the public.

Deputy M. Tadier:

I am not talking about that, I am just saying ...

Deputy J.A. Martin:

Car sharing he is talking about.

Chief Officer:

Car sharing, we launched a scheme in 2010 which did not catch on unfortunately.

Deputy J.A. Martin:

Working, the same destination, car sharing ...

Chief Officer:

Yes, and we launched a website that people could sort of get themselves on to, which was a car-sharing website, which have been used in other places but, unfortunately, it was not very successful. We could perhaps look at that again.

Deputy M. Tadier:

What about just encouraging people to stop, so if you have got a space in your car you pull up at the bus stop and give someone a lift to town. It would be difficult to compel people to do that but it is a small island, you know pretty much where people are going. They are out in the morning and they are going from west to town or they are going from east to town, et cetera.

The Minister for Transport and Technical Services:

That is something that we could quite easily look at, it is what we ...

Deputy M. Tadier:

It is free.

The Minister for Transport and Technical Services:

We have an officer that ...

Chief Officer:

I am not sure if the bus company would be very chuffed going around picking them up.

The Connétable of St. Helier:

Bring back hitchhiking.

Deputy J.A. Martin:

Sorry, the Minister was interrupted when he said he was taking money out of the Car Park Trading Fund to supply parking spaces under Ann Court. Can you tell me if these parking spaces have been costed yet and how many there will be and what are they for?

The Minister for Transport and Technical Services:

Yes, they are shoppers' spaces and I believe there are 147 or 137 ...

Chief Officer:

137, I think.

The Minister for Transport and Technical Services:

It will be 137.

Deputy J.A. Martin:

Shoppers and what about residents because there is housing going on ...

The Minister for Transport and Technical Services:

That is an Andium scheme. It is going to be an Andium scheme and their numbers for their residents are on top of that.

The Connétable of St. Helier:

On top of the 137.

Deputy J.A. Martin:

On top and the price, has it been costed yet, the price for each parking space?

The Minister for Transport and Technical Services:

Not for each parking space, no. Apparently work is going on on that.

[16:30]

The Connétable of St. Helier:

When we last spoke or certainly at a meeting we have had together we spoke about the desirability of increasing the public parking on the Ann Court site at this stage when it is very much in the planning stages, even if that meant a slightly taller building or allowing white vans, for example, to access the parking. Has any progress been made with that?

Chief Officer:

Yes.

The Minister for Transport and Technical Services:

There has been progress in terms of the design, we should be able to accommodate white vans. The problem is the ground conditions means that we cannot go deeper into the ground.

Chief Officer:

Yes, you have got to go up, not down because down is really expensive but that is what we are looking at as part of the scheme.

Deputy J.A. Martin:

Can you let us know the cost, as the panel, when you know?

Chief Officer:

Yes, we can give you the estimate but until the scheme has been tendered we will not know the actual cost.

Deputy J.A. Martin:

Yes, please, that would be helpful.

The Connétable of St. Helier:

Okay. Perhaps the thing that was the biggest surprise in this paper was the proposed staffing reduction of 21 full-time posts. We have just interviewed the Minister for Planning and Environment about his loss of 3 and we gave him a hard time about those, so you can imagine that 21 posts in a year is a big number. When you take that in connection with the last section of your paper on services where it says that: "It is likely that some departmental services will see a reduction in the level of services, others will be able to increase efficiency and deliver similar or perhaps even better services with fewer resources." Do you really feel that the department can deliver better services with the loss of 21 posts?

The Minister for Transport and Technical Services:

Yes.

The Connétable of St. Helier:

Could you give us more detail and tell us about what these 21 posts are because I think ...

The Minister for Transport and Technical Services:

Firstly, there will be a cross Department, covers a lot of areas and they will be from across all aspects of T.T.S. but the Chief Officer will probably ...

Chief Officer:

Yes, we have undertaken service reviews particularly in some of the areas where we know through benchmarking that we are not competitive, and through that we know we have got to either look at our productivity and the way we do that work and try and streamline or look at the potential outsourcing. Also working closely perhaps with St. Helier and we have had meetings this week with officers to discuss how we arrange our services which overlap and there is an opportunity where we can become more efficient and more streamlined by working closer together. There are lots of options at the moment

Deputy M. Tadier:

What are you basing the 21 on? Is that the figure that you are aspiring to or does it arise from something?

Chief Officer:

Yes, basically what we have been doing is we have been trying to manage vacancies more effectively and when people have left through natural waste is try not to replace them because I do not want to be taking staff on now and then putting their jobs at risk next year because I think that is unfair on everybody. So what we are trying to do is we are trying to re-engineer the services, trying to streamline when we get the opportunity to do so and trying to make it as painless as possible to my staff because the pressure we are under will mean that the staff numbers will have to reduce. We are trying to basically manage our vacancies more at the moment.

Deputy J.A. Martin:

Does that 21 figure include already accepted voluntary redundancies?

Chief Officer:

No, they are in addition to it.

Deputy J.A. Martin:

They are in addition, thank you.

The Connétable of St. Helier:

How is this going to impact on a service like parks and gardens because you can be as efficient as you like in running parks and gardens but there comes a point where you have got to have boots on the ground to do the work.

Chief Officer:

Parks and gardens is a key area we have been looking at. You have expertise in the same area. We have got to look at how we do things. For example, should we be keeping a staff member on until late at night to lock a park or can another service provider do that, lock that park up? So there are things we need to look at, which is about the traditional mechanism of doing it and a more innovative and cost efficient mechanism of doing it.

The Connétable of St. Helier:

Because this person would not just be waiting to lock the park up, presumably they will be doing a bit of raking and tidying and ...

Chief Officer:

Exactly. So what we were insistent on in our reviews, and the Minister is reviewing them on Monday, is we are not dropping our service level. So we are defining our service level to have no degradation. It is just the way we deliver it will be different.

Deputy M. Tadier:

Will there be any paid protection? Are we talking about using outsourcing cleaning staff, for example?

Chief Officer:

Yes.

Deputy M. Tadier:

What is the next saving for the department versus perhaps the wage decrease that the work has also ...?

Chief Officer:

When other areas have been outsourced, particularly cleaning services, we have seen a 40 per cent reduction in cost, because we do cleaning for lots of other departments, Jersey Property Holdings, Housing and the Ports so when our staff have diminished or moved on or retired those buildings have been outsourced and we have generally seen a 40 per cent reduction in cost. I

think it is a more complex answer than just the pure cost because you have to look at sustainable employment in the area.

The Minister for Transport and Technical Services:

You have to look at ethical outsourcing as well in terms of making sure that whoever you outsource to they are a good employer.

Deputy M. Tadier:

So would that include a company that does not use zero hour contracts, that pays something higher than minimum wage, basic living wage? Is that what you mean?

The Minister for Transport and Technical Services:

It is the whole aspect of measures that you would expect people that are contracted to provide the States with services, be it cleaning or any other services, you would expect them to do those services at a certain level with a certain moral and ethical underpinning.

Deputy M. Tadier:

Is that backed up by a particular written policy that the Council of Ministers has or is it just kind of make it up as you go along?

Chief Officer:

Currently there is no policy and, as I have said, there is existing outsourcing. There is a significant amount of outsourcing now within T.T.S. and within the States and I think what we need to do is get the procurement to the next iteration, the next level, which looks at those elements of the company so we know that it is the right solution for Jersey.

Deputy J.A. Martin:

Can I just ask, just to be quite clear, so natural wastage you are hoping ... you are looking to drop 21.

Chief Officer:

Yes.

Deputy J.A. Martin:

Voluntary redundancy is on top of that and then, as you have given us in your submission, you do work such as maintenance, cleaning, gardening service for internal clients including the Ports, Andium homes, et cetera. All these contracts are up for renewal, so is there a figure on that amount of people that you would cease ... if you cease doing all those internal contracts is there a

figure of the amount of people you would lose? Because you could not lose part of the contract, you would have to lose the whole of one part.

Chief Officer:

That is right. There are a lot of options and the options are going to be presented to the Minister on Monday and it can be a very small number and a very large number.

Deputy J.A. Martin:

Are you able to give us the small and the large at the moment?

Chief Officer:

In that area we are looking at there is over 150 F.T.E. (full-time equivalent). That is a lot more staff because a lot of the staff are part-time so you are talking about a lot of part-time employees in some of these areas.

The Minister for Transport and Technical Services:

Some of our States buildings are cleaned by outside contractors already and how that has come about is as our own staff retired and diminished you move them to work on a different building, freeing up the building and one that has happened in the last 12 months is Mourier House. Mourier House is now cleaned by external contractors. The staff that were left thereafter, as I said, retired or whatever, had moved on to other States buildings. That is how it has been managed.

Deputy J.A. Martin:

That is managed sort of slowly slowly but from this, over the life of the M.T.F.P., all the contracts here and those will come up for renewal and you are going to judge whether you keep them on or they are outsourced. It may be ceased. I mean there was always the option.

The Minister for Transport and Technical Services:

In terms of Andium we will be tendering for that work. It will be Andium's decision who they give that one to.

Deputy J.A. Martin:

Okay, thank you.

The Minister for Transport and Technical Services:

Same with the Ports of Jersey.

Deputy J.A. Martin:

Okay.

The Deputy of St. Mary:

Coming to waste charges. The principle of user pays, how far advanced are the proposals in relation to liquid and solid waste?

The Minister for Transport and Technical Services:

Last week or the week before I signed the contract to employ the consultants that are going to guide us through that in the next 6 months or so.

The Deputy of St. Mary:

Sorry, I did not catch that.

The Minister for Transport and Technical Services:

Two weeks ago?

Chief Officer:

Yes, 2 weeks ago.

The Minister for Transport and Technical Services:

Two weeks ago we appointed consultants to advise us through that process to sort of all of the options, and that work, is it 6 months?

Chief Officer:

Yes, initial phase.

The Minister for Transport and Technical Services:

Initial phase.

The Deputy of St. Mary:

Something I want to look at but it may be a bit premature if that is the case.

Deputy M. Tadier:

The working title will be called *Taxing Effluence* rather than *Taxing Affluence*.

The Deputy of St. Mary:

Is it too early for us to detail questions about the basis on which a charge will be made by reference to occupants, households, numbers of bedrooms, et cetera?

Chief Officer:

Yes.

The Deputy of St. Mary:

It is too early?

Chief Officer:

Yes. What we have done is we did a P.Q.Q. (pre-qualification questionnaire). We went out to the market to try and find people with clear expertise in this and a waste charge is very well established in most of the places but we have got a consortium of 2 companies: one where they have had a lot of expertise working on the board of Ofwat and understand the waste mechanisms for liquid waste and a company that has done solid waste charging. So basically a consortium is helping us. We know it is controversial, we know it is going to be difficult, and we know you have got issues including the covenant, which we are actively working on with the Parish of St Helier

The Connétable of St. Helier:

It might be illegal as well.

Chief Officer:

That is right, yes. There are lots of challenges but it is something that the transformation project are tasked to do. In process terms we are mirroring the mechanisms that Housing used for their project so we are doing a strategic outline case and a strategic business case by Christmas hopefully.

The Deputy of St. Mary:

Okay, it might be premature. Two final small points on this: is the general proposal to make the charge a reference to tax or on rates through the Parishes?

Chief Officer:

Which one?

The Deputy of St. Mary:

Liquid waste.

The Minister for Transport and Technical Services:

Liquid waste, that is unlikely. I personally see user pays charges as user pays charges therefore the more you use the more you pay, so for liquid waste the best method is based on the metered water flow into a property or business.

Deputy M. Tadier:

Presumably on water, then, it is...?

Chief Officer:

Yes, liquid waste generally is charged as a percentage of the water used. I think the rollout of metering by Jersey Water is now a significantly high percentage of properties so it is a far more equitable measure than the bedroom tax and all those things.

The Deputy of St. Mary:

So it is on that basis - this is my final question - those who are on their private soakaways would not be charged anything? Will they be charged anything?

The Minister for Transport and Technical Services:

It depends if those on private soakaways came within the remit.

The Deputy of St. Mary:

And their water?

The Minister for Transport and Technical Services:

Therefore, they would not have to necessarily pay the costs they are currently paying to have their tanks emptied. It would potentially provide a sum of money each year to extend the sewage network, so there are lots of other aspects that could be considered.

The Deputy of St. Mary:

Okay.

Deputy M. Tadier:

What about the argument that they are already paying for that via their taxes?

The Minister for Transport and Technical Services:

That is a valid argument for those individuals. There is unfairness in the current system, I agree with that.

Deputy M. Tadier:

Because we could do user pays for anything, though. We can do it for roads, we can do it for all sorts of things which are currently paid out of the general taxation.

The Minister for Transport and Technical Services:

It is just in other jurisdictions user pays for liquid waste in particular is common practice and there is a tried and tested method for doing it.

Chief Officer:

The biggest challenge we face is when we are fighting for capital funding and revenue funding relative to the needs of Education and Health, sewers are not there. They are not that popular. Only when it fails catastrophically. It is boring but it is essential infrastructure. The funding mechanism in the same pot as us, far more political, far more important, far more immediate things means that we are always at the bottom of the food chain and the long-term degradation of the asset I think puts us at great risk. So a separate funding mechanism I believe is the only sustainable way we will keep it going.

Deputy M. Tadier:

It may make people more aware of their usage, I suppose.

Chief Officer:

Yes.

Deputy M. Tadier:

There is some joined-up thinking that could go on, I imagine, with Environment on that.

Chief Officer:

Yes.

Finance Director:

It is certainly the way that water metering has impacted on people as well. They are more aware of their usage than under the rating system.

The Minister for Transport and Technical Services:

It has changed but these types of things have to change behaviour. I know of one property developer in the Island who on every property that he now builds has grey water recycling in it because he anticipates at some point a liquid waste charge coming in based on water usage -

because there is a good, strong correlation between the 2 - and in doing so he is building in added value to the product that he is selling.

The Connétable of St. Helier:

Can I just pick up on ... there is an important reference, I think, under capital projects where it says that, somewhat bleakly, funding for road safety and sustainable transport schemes has been deferred in the main capital programme until 2020 at the earliest, which is clearly massively disappointing for people who want to see their part of where they live improved in terms of its road infrastructure and so on.

[16:45]

But then you go on to say that the department has identified a change in the asset management strategy of Jersey Car Parking's major capital asset, so it should be possible to allocate funding from the trading operation for schemes of this nature. Is there the vires to use money from the Car Park Trading Fund on the kind of schemes seen in, for example, St. Aubin, and, if it is your intention to do that, when do you think that sort of money might be released?

The Minister for Transport and Technical Services:

I would not say that there is for schemes such as St. Aubin but for road safety improvements then there is.

The Connétable of St. Helier:

St. Aubin could be argued as a road safety ... I mean, not all of it, not ...

Chief Officer:

Yes, a proportion of it.

The Connétable of St. Helier:

Bits of it, yes. That is your intention?

The Minister for Transport and Technical Services:

For genuine road safety issues, then yes.

The Connétable of St. Helier:

We have spoken in the past about the inability to progress the Midvale Road scheme, which is clearly a road safety issue. That, it seems to me, might be a good candidate. I am just wondering

when is this work on the Car Park Trading Fund's asset management strategy going to be completed so that ...

The Minister for Transport and Technical Services:

It is ongoing and I had the first briefing of it on Monday, the first iteration of what schemes are possible over the next 4 years.

The Connétable of St. Helier:

Right, so we might be able to have early sight of these, is that your view? Or by the end of the year perhaps?

The Minister for Transport and Technical Services:

It says it is the first cut of that. There is a metric that will always apply to make sure that there is consistency in terms that those with the highest scoring get done first as opposed to those that are maybe more politically nice to do. So it is on road safety issues.

Finance Director:

Within the proposed capital programme for trading operations there is an amount which is identified for both sustainable transport and road safety schemes under car parks starting in 2016, so there is £1 million in 2016 rising to £1.25 million in 2017 and £1.5 million in 2018 and 2019. So there is funding that is described in there. There is certainly precedent in respect of sustainable transport. Obviously ...

The Minister for Transport and Technical Services:

Yes, it is on page 114 of the M.T.F.P.

Finance Director:

The main document.

The Connétable of St. Helier:

Thank you.

The Deputy of St. Mary:

Yes, leaving aside those particular allocations, the infrastructure rolling vote is going to take up or is going to be absorbed mainly by the sewage, is it not? I think you acknowledge in the M.T.F.P. that other projects are going to be put back. Do you see that as presenting any real risks? You then have to prioritise, as you say, how ...? Is that what you are doing is scheduling the priority list?

The Minister for Transport and Technical Services:

The real risk is having a sewage treatment plant that fails and ours is 50-plus years old and needs replacement. So we need to replace that asset.

The Deputy of St. Mary:

Yes, I know, but ...

The Minister for Transport and Technical Services:

That is the bigger risk is that you do not replace it.

The Deputy of St. Mary:

Yes, I am not saying that, I am just saying are there attendant risks because it is being used up?

The Minister for Transport and Technical Services:

There are challenges, yes, there are.

Chief Officer:

What we have done is we have made an allowance for that because we believe through this process something will go wrong because we are always in a position where a failure can occur. As engineers, you know something is bound to go wrong at some point. So we have assessed all the risks. We believe the S.T.W. (Sewage Treatment Works) is the highest risk we face and the one we need to deliver as quickly as possible for various reasons, predominantly environmental. But in the meantime we have to basically keep our awareness of the other assets and the condition of the assets. To manage this risk we have not allocated all of the money in the infrastructure rolling vote. We have left some aside, more than we would normally do, so that if a scheme comes up like the sea defence issue that we had ... was it last year or the year before? I cannot remember, too many stones. If we have those issues again, then we have monies allocated for it or we reprioritise the programme if it is a catastrophic issue.

The Deputy of St. Mary:

Okay, so a bit of loose change, as it were.

Chief Officer:

So we are managing it.

The Minister for Transport and Technical Services:

We are also looking at ways of making existing spend in terms of road resurfacing go further. We have had the trial of the new surface at Mont Mado in St. John over the summer and we will be seeing how that performs. If that performs well and we can use it elsewhere, that gives us two-thirds more for the same amount of money.

Chief Officer:

Three times the coverage for the same money.

The Minister for Transport and Technical Services:

Three times the coverage. So there are other things we can do to make sure that the adequate amount is spent on our infrastructure to keep it in working order.

Deputy M. Tadier:

Can I just ask, I might have missed it, but are the user pays charges planned to be ring fenced? Is that the idea?

The Minister for Transport and Technical Services:

My personal view for certainly the liquid waste user pays charges is that they should be ring fenced and one of the reasons for that is because I would like to be able to provide some additional capital funds in there to extend the sewage ...

Deputy M. Tadier:

Yes, for future proofing among other things.

The Minister for Transport and Technical Services:

Yes, to future proof it, as the Chief Officer said, to take it out of that annual or triannual bidding war where you are bidding against an extension to a hospital or a new school. It is to take it out of that environment in a similar way that housing has been taken out of that bidding war by incorporation of Andium and the funding mechanism that was put in place for that.

The Connétable of St. Helier:

We were just going to ask you about Property Holdings. We have not really had an update yet on the transfer of Property Holdings. Do you see that as an opportunity to get more efficiencies?

The Minister for Transport and Technical Services:

We do. I certainly do. It is something that I have been looking at for some 18 months now. We are due to debate that, I believe, now on 20th October. I look forward to the debate and hopefully the support of the Assembly to put that plan into action.

The Connétable of St. Helier:

A related project that has been gathering dust for years is where the department is currently located. Has your work gone any further on moving out of South Hill?

The Minister for Transport and Technical Services:

It has been progressing. We need to know whether or not Property Holdings joins us and moves with us. So until that decision is finally made we cannot finalise how much space we are going to need for the Infrastructure Department, but hopefully that will be in train certainly within this M.T.F.P., as is the office modernisation programme. It should be at least well on the way within this M.T.F.P.

The Deputy of St. Mary:

So if the transfer of functions is approved you are saying you have a blueprint or a model ready to move fairly quickly?

The Minister for Transport and Technical Services:

Yes. One of the things that we need to do is to vacate the South Hill site so the States can get that capital receipt to invest back in the capital programme.

The Connétable of St. Helier:

And build houses presumably or whatever happens on the site? It is earmarked for housing, is it not, South Hill?

The Minister for Transport and Technical Services:

South Hill is ... a long-term decision on that has been for some type of housing provision and that reminds me that we need to talk to the Parish about their [adjoining](#) on the site.

The Deputy of St. Mary:

One other matter in a way, you refer to T.T.S. changes: "The potential for certain areas to become trading or separate operations." Could you illustrate that? What do you have in mind?

Chief Officer:

Well, currently car parks is a trading operation, as is fleet management, so our accounts are split into 3 different areas. Certainly waste potentially could again be a trading company that is one of the things that we are going to ask the team to look at is what could it look like. Could it join with Jersey Water? Is there an external provider that could come in and run it? There are all those options we need to review, but we just signposted in the M.T.F.P. in that perhaps not in this M.T.F.P. but in the next M.T.F.P. there could be a journey further away from government.

The Deputy of St. Mary:

Would these operations still come within T.T.S. or would they be ...?

Chief Officer:

I do not know.

The Deputy of St. Mary:

Because in many ports and harbours things they are entities which could be sort of ...

The Minister for Transport and Technical Services:

It is something that needs to be looked at because we would be criticised if we did not look at it, for one reason. So it needs to be looked at in the long term and that is one of the criteria that we have asked the consultants to do for us.

The Deputy of St. Mary:

So that is going out for consultancy, too, is it?

The Minister for Transport and Technical Services:

It is in the scope or part of the scope.

Chief Officer:

Yes, it is part of the scope.

Deputy M. Tadier:

So you are saying the whole of the water and the waste management for liquid waste would potentially go to Jersey Water?

Chief Officer:

That is one option that has been discussed in the past, yes. There is a myriad of options. Waste water and solid waste has quite a lot of synergies, but what we do not want to do is start off with a

blank sheet of paper we want to review it properly and look at all the options and look at what is the most efficient and sustainable one for Jersey.

The Minister for Transport and Technical Services:

It is a journey as the journey was for Andium. It is to look at all the options because we would be criticised if we did not look at all of the options at the beginning. Where we end up is anyone's guess, really, in terms of it. It depends on what advice we receive over the next 2 or 3 years.

The Deputy of St. Mary:

So it is feasible that these areas of operation could be in units which would end up eventually in Treasury, giving them yet more control?

The Minister for Transport and Technical Services:

It could be or it could be that they are units within the infrastructure of the department, as the Car Park Trading Fund currently is, as the fleet management currently is. We need to look at everything so the States as a whole can make an informed decision having done the work by looking at all the different options. I would imagine that we will come forward with a preferred option and we will take that to the States and say: "This is our preferred option." But for the States to be able to make an informed decision we would have to have looked at all of the options and we would be wrong if we did not look at all of the options.

The Deputy of St. Mary:

I think Scrutiny would look forward to getting involved in that, yes.

Deputy M. Tadier:

Just one more on user pays, when we are talking about liquid waste, for example, in the U.K., is it normally a waterworks company that charges the user pays or is it government, is it council?

Chief Officer:

There is a variation. It is predominantly water authorities and normally they do liquid and solid waste, but there are a lot of areas where this is separate. I lived in an area where the water was Anglian Water and the sewage was Severn Trent, so it just depends on boundaries.

Finance Director:

I have a property in Scotland. Looking at their system, it is Scottish Water who do both with the potable and the waste water but it is at that point mostly, unless you have a meter, levied through the council taxes as a surcharge on the rate. But that is how their water charges works. We have

a much higher metering percentage in Jersey and we are getting close to maxing out pretty much all the properties that can be metered or already are.

The Connétable of St. Helier:

I am done, I think. Are you?

Deputy J.A. Martin:

Totally, thank you.

The Connétable of St. Helier:

Thank you very much. We have managed to squeeze this into the hour. I am grateful that you could take the time and I look forward to hearing from you about the potential for an urban link subsidy requirement.

The Minister for Transport and Technical Services:

It is something that we will ... if one is introduced, Constable, it is something that we will have to raise with the Parish and St. Saviour and St. Clement.

The Connétable of St. Helier:

Yes, good. Thank you. Thank you to my clerks.

[16:57]