

# STATES OF JERSEY

## COMMITTEE OF INQUIRY INTO TENDER PROCESS AND AWARD OF BUS SERVICE CONTRACT

BLAMPIED ROOM, STATES BUILDING

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Committee: Mr Huw Shephard (President)  
Mr Christopher Blackstone (Member)  
Mr Trevor Garrett (Member)

In attendance Mr Mac Spence (Committee Clerk)

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**EVIDENCE OF**  
**MR R. HACQUOIL**  
**(Former President, Public Services Committee)**

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on

Tuesday, 1st February 2005

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*Reviewed 15/03/05 Committee Clerk*

MR SHEPHEARD: The next witness to appear before the Committee of Inquiry is former Deputy Robin Hacquoil.

THE MEDIA: Mr President, can I request that we take a photograph at this stage before any evidence is continued with? **(The Committee conferred)**

MR SHEPHEARD: Mr Hacquoil, if you are content for the media to take a photograph at this stage, we won't stand in their way, but I would say that ideally something like this should have been dealt with before the Committee was in session and actually in the process of taking evidence, but certainly I will allow one photograph to be taken now if you are content with that?

MR HACQUOIL: I am happy to accept your decision, Chairman.

MR SHEPHEARD: Very well. **(Pause while photograph taken.)** Thank you. Mr Hacquoil, you have been sitting in at some of the hearings, so you will know that we are receiving evidence on oath and I will, therefore, proceed to put the oath to you.

### **The witness was sworn**

MR SHEPHEARD: Thank you.

MR HACQUOIL: I apologise for my voice. I have a slight sore throat.

MR BLACKSTONE: You are not alone.

MR HACQUOIL: Oh right. I probably caught it here.

MR SPENCE: I think it is in the room, Sir.

MR HACQUOIL: May I take my jacket off?

MR SHEPHEARD: Yes, of course. Mr Hacquoil, the Committee, as you know, is dividing up the questioning amongst the Members in what may at first appear to be a haphazard way, but we have thought it out beforehand. I will, therefore, hand you over to Mr Blackstone.

MR HACQUOIL: Yes, Sir.

MR BLACKSTONE: Mr Hacquoil, you were on the Public Services Committee from September 2000 to December 2002 and, in fact, you were the President from January of 2002 until December 2002.

MR HACQUOIL: Yes, that is correct. I am not sure if it was the end of January 2002 or the beginning of February officially, but I can't remember.

MR BLACKSTONE: 29th January you were made President.

MR HACQUOIL: Yes.

MR BLACKSTONE: Although it occurred shortly before you joined the Committee, I presume you were aware of the Hoppa fiasco of June 2000?

MR HACQUOIL: Well, it occurred during the summer and I think the States had recessed and I had gone to Canada, but I can recall looking it up, looking up the news on my webtop and I was aghast to discover that it looked as if there was going to be a strike and then eventually I think four Members of the Committee withdrew and the whole thing collapsed. So I was concerned, but I wasn't of course ... I hadn't been closely involved with Public Services up to that point.

MR SHEPHEARD: Mr Hacquoil, just to clarify matters a little bit, you entered the States in 1999, is that right?

MR HACQUOIL: In '96.

MR SHEPHEARD: In '96.

MR HACQUOIL: In '96 or '97.

MR SPENCE: 1996, Sir.

MR BLACKSTONE: Again, this is slightly before your time on the Public Services Committee, but it is quite conceivable that you did refresh your memory when you joined about previous happenings. On 4th August 2000, the Committee considered the position of Jersey Bus arising out of the Hoppa situation and I read: "*The Committee decided to agree the proposed package as follows*", and paragraph (b) says: "*A three to five year agreement will be made between the Public Services Committee and Jersey Bus. This would initially be covered by a memorandum of agreement to be made available by the end of September 2000 and will subsequently be covered by a formal service level agreement to be available by about the end of March 2001. It was accepted by all parties involved that there might be competitive tendering for such services after the initial three to five year period.*" Were you aware of that undertaking by the Public Services Committee?

MR HACQUOIL: Well, I became aware, somewhat aware, of what had gone on by the previous Committee and, yes, in the time when I joined the Public Services Committee in

September and was elected Vice President, we, led by the President of the day, Simon Crowcroft, set about ... and the Committee agreed that we would go forward and try to reach an agreement with Jersey Bus for three to five years and that was done. As far as I am concerned, the only thing that stopped it from happening was that, at the eleventh hour, Jersey Bus chose not to accept the conditions which we thought had been agreed to by everyone and so the whole thing fell through.

MR BLACKSTONE: Yes, I will go into that period in rather more detail.

MR HACQUOIL: Okay.

MR BLACKSTONE: But, of course, we do get a situation that an undertaking had been given by Public Services at that time in 2000 and, within 12 months, they had totally reneged on it and had entered into a competitive tendering process. Do you consider that that was honest or honourable?

MR HACQUOIL: Well, of course, we had a completely new Committee and, you know, the whole question of transportation in Jersey had been a mess for years. The States had simply never agreed to put money into the bus service in order to allow it to develop. So, in that respect, I can understand that Jersey Bus, with a falling ridership, didn't feel it could renew the buses, a lot of which -- it is easy to forget about this now -- there were a lot of buses on the road which belched out smoke at a great rate as well as the fact that they were not with easy access and it is understandable that, with the sort of short term approach which the States had adopted the present bus company couldn't have done much more. On the other hand, there were many in the States who felt and believed firmly that we had to do something about improving the bus service, that we simply didn't have a bus service that served the needs of the Island.

MR SPENCE: Excuse me, Sir, we do have a bit of problem with the sensitivity of the mikes. Could you get a little bit closer to your mike? I am afraid it doesn't move. (**Pause while same done**)

MR BLACKSTONE: The problem with the buses, I think was acknowledged (and I seem to remember fairly smoky buses, it is true), but of course since December 1999 Jersey Bus had not had their three year contracts renewed; and as a business man I am sure you will appreciate that

you don't invest heavily if you are sitting on a situation where you may not be running a bus service within the next year.

MR HACQUOIL: No, I guess the problem was that we were ... or I had heard and I think the Chairman even referred to the fact the other day that Jersey Bus wasn't receiving any subsidies. I can't agree with that at all. You know, the definition of a subsidy, as far as I am concerned, is any grant or aid by a government or agency for any reason. I don't know, maybe there is some other definition of "*subsidy*" that you wish to put to me, but that would be my definition of "*subsidy*" and we were putting into Jersey Bus, well, in 2001, I think, the final year it was something like £700,000 as I recall. It was made up of payments for OAPs, for which there was sort of limited accounting; £140,000, I think, for fuel; and then we agreed an order in that final year to sustain the operation to give £12,000 more which Jersey Bus asked for in order to retain certain routes in place, I think. Now, I don't know what that adds up to, but ... well, the OAPs was in the order of £560,000 or something like that.

MR BLACKSTONE: I think this is rather a side issue in the way I want to proceed.

MR HACQUOIL: Okay.

MR BLACKSTONE: The fuel was merely a refund of fuel duty. In other words, they were paying on the buses the same price as the boat owners were paying on their boats. I suppose it could be called a subsidy.

MR HACQUOIL: Definitely not.

MR BLACKSTONE: But the old age pensioners and the HIE people, again, we have heard (and I expect you have heard if you have been attending) that initially there may have been a sort of round sum payment, but certainly as soon as proper ticketing came in force it became that Jersey Bus was paid for carrying these people at the standard rate. There was no subsidy there. They had passengers on the bus and they were paid for the fare.

MR HACQUOIL: But what is that if that isn't a subsidy? That is subsidising the old aged pensioners for the bus service.

MR BLACKSTONE: Ah, but they weren't subsidising Jersey Bus, they were subsidising the pensioners.

MR HACQUOIL: Well, it was sustaining the bus service. I would really take issue with that, Sir.

MR BLACKSTONE: Yes, well, all right. As I said, it was essentially a side line.

MR HACQUOIL: It is a terribly important point and I must say I take issue with it. I don't agree with it. It was a subsidy.

MR BLACKSTONE: To the pensioners or Jersey Bus?

MR HACQUOIL: To Jersey Bus because it increased their ridership and was, therefore, of benefit to Jersey Bus as well as the old age pensioners.

MR BLACKSTONE: I accept that to some degree, yes. Again, going back to this, as I say, firm undertaking, which was given at the time that there was a strike on and the Hoppa business and all the rest of it, that there would be a three to five year agreement, do you consider it honourable that the Committee just totally reneged on it?

MR HACQUOIL: Well, it was a totally new Committee, wasn't it, after that? When was that commitment made?

MR BLACKSTONE: September. Yes, it was made in July/August 2000 and the new Committee came in in September 2000. In fact, you were new to the Committee at that time.

MR HACQUOIL: That is right.

MR BLACKSTONE: Yes.

MR HACQUOIL: But, as far as I was concerned, there was no reneging on that because the new Committee on which I sat went forward and made this final proposal to Jersey Bus.

MR BLACKSTONE: But there already had been a promise to Jersey Bus of a three to five year settlement.

MR HACQUOIL: Well, I can't believe it was without any conditions at all. I can't believe that. **(Pause)**

MR BLACKSTONE: There were conditions, yes. I had better read it all. *"The Hoppa bus service would proceed for the eight week experimental period on the basis that the only subsidy would be for fuel, tax and reimbursement of the fares for HIE and citizens passes."* So the flat subsidy to Hoppa was pulled.

MR HACQUOIL: Well, I don't know what you are quoting from, but I am not familiar with it.

MR BLACKSTONE: These are minutes of the PSC meeting of 4th August.

MR HACQUOIL: Right.

MR BLACKSTONE: Other conditions were that *"The terms of the agreement between the Public Services Committee and Jersey Bus should include an agreed fair rate of return" -- yes -- "an open book policy" -- there are ramifications on that -- "and the payment of a States subsidy if the agreed rate of return is not achieved. The rate of return will be on the routes and scale of business, as agreed at the start of each winter and summer 12 month period" -- no problem there -- "Part of the school bus service provided by Jersey Bus which forms part of the agreement would not be put out to tender. Part of the school bus service not provided by Jersey Bus should be offered to competitive tender. JMT should submit an application for the coming winter and summer timetable. This will include a Hoppa bus element, including routes 19, 20 and 22. It will not require subsidies for this 12 month period."* Yes, there were some conditions, but none, I think, getting away from the basic undertaking.

MR HACQUOIL: Well, I must emphasise that the conditions were and the States had been ... I mean, earlier Committees than the one I had been on and earlier Committees than this had been concerned about a greater openness, a greater transparency. If we were to put more money into a bus service and seek to improve transportation in Jersey. That was a clear condition and, in fact, the final proposal which was put to Jersey Bus would not have foundered if they had accepted the open book principle. That is absolutely clear to me. There is no doubt in my mind about that.

MR BLACKSTONE: Yes, Mr Hacquoil, but open book of JMT 1987 Limited was one matter; open book from every operation in the Diamond Group is quite another matter. We have heard from PricewaterhouseCoopers, we have heard from Mr Griffiths and we have heard from various other people. I am an accountant, you are a businessman. I do not accept from the accounts that I have seen that there was any need for the Diamond Group to disclose all their accounts, including things like the Boardwalk Café, to verify the open book policy on the bus operation.

MR HACQUOIL: But I don't think that was ever in question. No one was suggesting that all

the books of the Diamond Group had to be opened.

MR BLACKSTONE: Yes, they did.

MR HACQUOIL: Well, maybe to John Griffiths, maybe to the consultant, but what was agreed between Jersey Bus and the Public Services Committee, as I recall it, was that we would appoint an independent consultant who would look at the books. I never had any look at the books and it was intended that way, that there would be complete confidentiality so that, in that sense, the books of the Diamond Group or Jersey Bus and certainly Tantivy was considered to be necessary, that that aspect was going to be essential.

MR BLACKSTONE: I reserve judgment on Tantivy for the time being, but Diamond Group, I still do not see the need for that, and we did receive this morning, when I believe you were present, an intimation that confidential accounts, presumably of Jersey Bus, were floating around still in the Public Services where they shouldn't have been. So I can understand that Jersey Bus or Diamond Group were possibly reluctant to disclose all their group operations to the consultant or to anybody else.

MR HACQUOIL: I can't agree with the words "*floating around*". I am quite confident from my knowledge of the senior Officers in the Department that any information of a confidential nature such as that would be treated very carefully.

MR BLACKSTONE: We will be investigating that further.

MR HACQUOIL: Yes, okay.

MR BLACKSTONE: **(Pause)** So you are quite happy that the new Committee, which still included some Members of the former Committee, should not honour the Hoppa bus agreement?

MR HACQUOIL: We did honour it. Oh, the Hoppa bus agreement?

MR BLACKSTONE: No, sorry, loose wording, the agreement reached after the Hoppa bus fiasco.

MR HACQUOIL: I considered that we did. We put a final proposal to Jersey Bus which I was surprised was turned down by them. We all felt, and I don't know if you have spoken to Connétable Crowcroft, but we certainly all felt with that final proposal to Jersey Bus that they would come back and accept it, and it was for three to five years.



MR BLACKSTONE: The minutes that I just read to you said that a memorandum of agreement was going to be prepared by September 2000. Was that memorandum of agreement ever prepared?

MR HACQUOIL: Memorandum of agreement, no, because they turned down ... they turned down the proposal, as I recall. I have a distinct recollection still of we were meeting as a Committee with Deputy Crowcroft in the chair at the time, and I think it was Dr Swinnerton, the former Chief Executive Officer, who went off for a meeting with Jersey Bus and he came back eventually and told us they had turned down the option.

MR BLACKSTONE: But that is going back to July 2001. I am talking about these minutes from August 2000. The undertaking was that "*this would initially be covered by a memorandum of agreement to be made available by the end of September 2000*". What I am asking you is was that ever prepared?

MR HACQUOIL: I presume not, because I came on board in the middle of September and it was a whole new Committee starting out again and I think that is right, that we didn't get round to resolving it. It must have been that, because you asked for all my papers, which I gave to you, so this is essentially flying blind at this point, which I am happy enough to do, but it may mean that I can't always remember the full detail you might be looking for.

MR BLACKSTONE: We have been researching this fairly solidly for four months now.

MR HACQUOIL: Yes, yes.

MR BLACKSTONE: So we do have a slight advantage over you. I am sorry for that.

MR HACQUOIL: No, no.

MR BLACKSTONE: Anyway, the next undertaking was that "*This agreement will subsequently be covered by a formal service level agreement to be available by the end of March 2001*". Was that ever made available?

MR HACQUOIL: No, because ... well, I don't know. I can't recall. I think we went into ... there must be other pieces of paper which indicated how we went forward for the final offer to Jersey Bus in ... that was in 2001.

MR BLACKSTONE: July 2001, yes.

MR HACQUOIL: Yes, that is right

MR BLACKSTONE: But the service level agreement that was promised the previous March never happened. I have seen a number of letters from Jersey Bus to the Public Services Department and to Deputy Crowcroft saying "Come on, you know, what's happening? Why are we not getting on with this agreement that was promised?" It didn't happen.

MR HACQUOIL: Well, you know, I suppose the question is the chicken or the egg, but until we had some fairly understandable agreement with Jersey Bus, there was scarcely much point in trying to move forward with a memorandum of understanding. First and foremost, one had to have that understanding and that agreement in principle, which is what we were looking for is my answer to that.

MR BLACKSTONE: Well, I am not sure which came first, but certainly the memorandum of agreement and the service level agreement were promised before the crunch time of July 2001, and they never happened.

MR HACQUOIL: But, again, it was all conditional on an open book policy. I mean, that we were ----

MR BLACKSTONE: Open book, again, I agree and I think it is absolutely vital in a monopoly public service like this that there is an open book policy, but the question is whether you want to see the accounts of Boardwalk Café to satisfy yourself to see how many hamburgers were sold.

MR HACQUOIL: I never heard that raised, frankly in the Committee.

MR BLACKSTONE: It was raised by Mr Black, the States Treasurer, in reviewing accounts in December 1999 and it was harped on again and again by Mr Griffiths, the consultant, through 2001: "We must see the accounts of all companies in the Diamond Group."

MR HACQUOIL: Well, if that was a condition that Treasury was putting on any further subsidies to Jersey Bus that is another matter. We have to accept that the Public Services Department would have been guided by what Treasury told us, because part of developing a better bus service was putting greater funds, public funds, into it and it couldn't be done any other way. Nowhere in the world, in the western democratic world, as far as I know, are buses being run without subsidies. So, you know, this has been the problem in Jersey for 30 plus

years.

MR BLACKSTONE: I think you were present this morning when I was having interesting discussions with Mr Black, and we agreed that our two disciplines, one as a commercial accountant and the other as a government accountant, are very different.

MR HACQUOIL: Yes, they are somewhat different. That is my experience.

MR BLACKSTONE: Yes. **(Pause)** Now, you are aware of the existence of Halcrow, very much so obviously.

MR HACQUOIL: Yes.

MR BLACKSTONE: Were you aware that they had come on the scene and were quoting for independent tendering as early as June 2000?

MR HACQUOIL: No, I heard that referred to and I can't recall that, but, of course, I wasn't on the Committee at that time.

MR BLACKSTONE: Right. It just seems very strange to me that the Bus Strategy, which was presented to the States in 2001, was the means by which competitive tendering was authorised by the States. It seems rather strange that somebody instructed Halcrow 12 months beforehand.

MR HACQUOIL: Well, have we established, or has your Committee established, how much work was done by Halcrow at that time or during that time?

MR BLACKSTONE: A detailed report was prepared, which I have, dated 2000, and a fee of £5,000 was rendered in January 2001.

MR HACQUOIL: What was the nature of the report, because I can see the sense of a contingency plan if we weren't able to come to final terms with the existing operator. I mean, it had gone through, I guess it is fair to say, terrible times. There had been strikes previously and we never knew whether we would have the agreement of Jersey Bus. So I would suggest that maybe that was a contingency plan and simply a report on how a tendering process would be conducted, but I don't know. I haven't seen it.

MR BLACKSTONE: It was. It said "*Initial expressions of interest July 2000, next stage August 2000*" and so on. It was obviously considered in some detail.

MR HACQUOIL: But I would call that good planning, you see, in my experience.

MR BLACKSTONE: A contingency plan.

MR HACQUOIL: It is good planning, absolutely, yes.

MR BLACKSTONE: The next subject I would like to go into is the question of the fair rate of return, which is one of the contentious subjects that had to be settled. In May 2001, Jersey Bus was seeking a subsidy for its unprofitable routes by way of a mark-up of 15% on costs. PSC apparently countered that with a mark-up offer of 5.3%. This was stated by Deputy Crowcroft in a States question. How was the latter figure obtained?

MR HACQUOIL: That, as I recall, was a recommendation of John Griffiths.

MR BLACKSTONE: He denied that to this Committee last week?

MR HACQUOIL: Did he? I see. Well, look, I certainly think conceivably John Griffiths is being dumped on and being sort of seen as the scapegoat and I certainly wouldn't want to put him in that category. I didn't know that he didn't have a greater accountancy background than apparently you say he had, but he came, as I recall, highly recommended. He had been used by Treasury, I think. He had been used by Public Services and, you know, you need to verify that, but that is my impression at any rate. So he had done a fair amount of work previously for various departments, I think, including health.

MR BLACKSTONE: Yes, in fact, his specialisation is in health and hospital management and that sort of thing.

MR HACQUOIL: Oh right, yes.

MR BLACKSTONE: But he admitted in writing at the time of his provisional appointment that he knew nothing of transportation or law.

MR HACQUOIL: Right.

MR BLACKSTONE: And, in questioning last week, we found that he had no commercial accounting qualifications and remarkably little commercial accounting experience. It is obvious that you were not made aware of this.

MR HACQUOIL: Well, except that the intention was not to use him as a transportation consultant. The intention was that he would look into the books of Jersey Bus, and I think he was put forward to Jersey Bus as a possible candidate. If Jersey Bus had said "We would like

somebody else”, I am sure we would have gone along with that, but he was accepted. He was accepted by both sides, as I recall.

MR BLACKSTONE: I was very surprised to see that Jersey Bus did accept him.

MR HACQUOIL: But they did.

MR BLACKSTONE: Yes.

MR HACQUOIL: And it is only subsequently and sort of long after the situation that John Griffiths of FourSight is being, you know, referred to in this way.

MR BLACKSTONE: I think during the term of these negotiations Jersey Bus became totally disillusioned with his lack of technical knowledge.

MR HACQUOIL: Technical knowledge?

MR BLACKSTONE: Knowledge of transportation and knowledge of accounts.

MR HACQUOIL: Well, um ...

MR BLACKSTONE: And I must say that I think this was borne out in the Committee’s questioning of Mr Griffiths himself last week.

MR HACQUOIL: Yes. I would have to accept that or whatever, I wasn’t here.

MR BLACKSTONE: But anyway you are not aware of where this offer of 5.3% made by Deputy Crowcroft came from?

MR HACQUOIL: Well, I don’t even know if it was made by Deputy Crowcroft frankly.

MR BLACKSTONE: Well, he did say in the States that this offer had been made by the Public Services Committee, so you were on the Committee at that time.

MR HACQUOIL: Yes.

MR BLACKSTONE: Do you recall this 5.3% being considered and resolved as an acceptable figure?

MR HACQUOIL: Yes. I certainly remember that 5.3%. I remember that as a figure and the fact that we must have approved it as a Committee.

MR BLACKSTONE: Because two schedules Mr Griffiths produced for us, and I don’t necessarily even agree with those, show that his research had thrown up figures of 10.1% and 8.1% for UK operators and he said he didn’t know where the 5.3 came from.

MR HACQUOIL: I find that very peculiar, I must say.

MR BLACKSTONE: So do I. Also we are looking at a fair rate of return. Surely you are aware that the tenders in 2002 came up with rates of 8.8, 12, 12, 12, 15 and something over 23, I think it was.

MR HACQUOIL: That is right. **(Pause)** But I think it is fair to say that we were feeling our way at that time and, you know, I would suggest that if Jersey Bus had not turned down our final offer but had come back with a counter offer, sort of suggesting a slightly greater percentage than that, that could well have received consideration.

MR BLACKSTONE: We will come on to that. This is May 2001, long before the final offer, or a couple of months before the final offer business, which I will move on to. But Jersey Bus had also been advised by PricewaterhouseCoopers' transportation experts in Belfast -- a long way away, but that is where the experts are -- that acceptable rates might be as high as 18%, and that is borne out by Southern Vectis' quote of 23%. So I think it is fair to say, Mr Hacquoil, that Jersey Bus were perfectly justified in turning down an offer of 5.3% mark-up on expenses.

MR HACQUOIL: Yes, but I can't agree with your preceding statement about the fact that Pricewaterhouse suggested 18%.

MR BLACKSTONE: I am just trying to give you as broad a brush as possible.

MR HACQUOIL: But I can't agree with that. We all considered Southern Vectis' number as being fantastic. I mean, it was just indicative that they didn't want to in the end come and operate here.

MR BLACKSTONE: Anyway, the average is, say, 12. So 5.3 is a bit mean.

MR HACQUOIL: Yes, yes, yes.

MR BLACKSTONE: Thank you. Did you have any knowledge of Mr Griffiths' appointment, who appointed him?

MR HACQUOIL: No. He'd been ... my recollection when I came on board (and that would have been in the year 2000) was that he was already doing work in the Department and so he came recommended, he was a known quantity and the States of Jersey had sort of used him in a number of departments and Treasury, I thought, recommended him.

MR BLACKSTONE: So the devil you know is better than the devil you didn't even if the first devil didn't know anything about buses?

MR HACQUOIL: Well, he was never intended, as far as I was concerned, to know anything about buses. That wasn't what he was engaged for, but to verify the accounts of Jersey Bus and work with them as the ----

MR BLACKSTONE: Establish a fair rate of return as to the bus industry, shouldn't he know anything about buses?

MR HACQUOIL: Well, I don't know. You know, I think he was ... his job was to examine the books and come up with, having talked to Jersey Bus and worked with them closely, to come up with his suggestions.

MR BLACKSTONE: I'm not sure how closely he worked with Jersey Bus. It seems to have been a rather fraught and contentious period. Anyway, I won't belabour the point of Mr Griffiths. I think we have dealt with that with him directly. Also before this -- I suppose this is another contingency planning exercise -- it seems that Deputy Crowcroft approached Southern Vectis to see if they would operate a service in Jersey as early as possibly June 2001, while you were still having active negotiations with Jersey Bus. I will write that off as contingency planning.

MR HACQUOIL: Well, you know, I only learned about that after the fact and I don't even know for sure what the reason was for that, but I think it was about his view at the time that we would end up without a bus service, as I think was mentioned earlier by Deputy Scott Warren, but I don't know. On the face of it, as far as I was concerned, it was wrong to have dealings with bus companies at that time and, in fact when -- I'm jumping too far ahead -- but I would just mention that, when we went into the tendering exercise, I made it clear that Halcrow, the consultant, would be dealing with the tenderers and no politicians on my Committee were going to be there for the opening of tenders or anything to do with the tenderers.

MR BLACKSTONE: That is fine, hmm hmm. I believe that when the President was away in Quebec, you chaired a meeting of 9th July between Public Services Committee and Jersey Bus.

MR HACQUOIL: Yes, and with the T&G, I think, also.

MR BLACKSTONE: Ah yes, they were, yes.

MR HACQUOIL: They were separate meetings, I believe, probably.

MR BLACKSTONE: And that was a fairly pleasant, happy meeting?

MR HACQUOIL: Yes, they both expressed concerns. I mean, I understood the concerns they had. One on the Jersey Bus side was that we were going into a tendering exercise, which they weren't happy with, but I said to them, as I recall, that, as the existing operator in Jersey, the only one with real knowledge of the situation, they had to be the front runner, and I firmly believed that all the way along and I think most of the Committee Members, if not all of the Committee Members, thought the same. Now, the T&G were concerned, of course, lest Jersey Bus not become the selected operator or the winning tender.

MR BLACKSTONE: I'm not sure the tendering process was a fait accompli by this stage. I have a letter which you drafted to Mr Lewis, but I'm not sure who drafted the attachment "*Proposals for Jersey Bus Agreement, 9th July 2001*". The draft letter says: "*I would like to thank you and your colleagues for attending the Public Services Committee meeting on 9th July. I hope the Committee demonstrated that it sees Jersey Bus as the front runner as the preferred operator in the Bus Strategy to provide a secure based bus service in Jersey. In addition, the Committee expressed its wish that Jersey Bus apply for a winter timetable. The Committee is willing to discuss the base rate subsidy which Jersey Bus sees as necessary to enable the full timetable to be maintained.*"

*"At the meeting you put forward a proposed arrangement as an alternative to the Committee's Bus Strategy. The Committee feels that the essential issue to resolve in the immediate future is the winter timetable. If we can come to an agreement on how any subsidy for this is to be calculated, this could well form the basis for a longer term arrangement. I would suggest that it would be sensible for a meeting to be held as soon as possible to discuss this further and I would be grateful if you would contact me to let me know if you would be agreeable to such a meeting."* So ----

MR HACQUOIL: Is that a letter signed by me?

MR BLACKSTONE: That is a draft letter prepared for your signature. I don't know whether it



was ever signed.

MR HACQUOIL: Oh.

MR BLACKSTONE: There is no signature on this.

MR HACQUOIL: Right, well, I think it is important to determine that. Did you get that from my file or?

MR BLACKSTONE: Um, I can't recall where we got that from. I think probably more likely ...

MR SPENCE: That would have come from the Department files.

MR BLACKSTONE: More likely from the Department files.

MR HACQUOIL: The Department, yes, because I don't know if that was sent. I recall sending a letter, which I signed (and I had a copy of it in the files that you received) which thanked them both, T&G separately and Jersey Bus, for having met us.

MR BLACKSTONE: I don't think that, in the final analysis, it was sent, but certainly this is indicative that that meeting you held went a long way towards calming things down and getting everybody back on track again.

MR HACQUOIL: Yes, yes.

MR BLACKSTONE: I think you ought to be congratulated on that.

MR HACQUOIL: That is right, but, as I say there, I always believed that Jersey Bus was clearly the front runner, and I still to this day don't know how they didn't come up with the tender, but I am sure you have already discussed that.

MR BLACKSTONE: A lot of discussion could go on that. Now, I would like to read an exchange of emails between Clive Swinnerton and Deputy Crowcroft, who was at the time in Quebec. This is 9th July, the same day as the meeting -- he obviously got underway pretty soon after it finished. *"I attach a copy of the following: draft media release for your comments; draft summary of the meetings between TGWU and Jersey Bus"* -- and that indicates that those were prepared by Swinnerton, it appears -- *"Draft letter to TGWU; draft letter to Jersey Bus; draft of proposal from Jersey Bus as we recall it. I understand the letter will be with us tomorrow from Jersey Bus."* I beg your pardon, this is to you an email. *"I have taken the liberty of emailing*

*these to the President so that he is aware of the situation. I will fax the other PSC Members present after I have received your comments.”* So obviously Mr Swinnerton was taking up your ball of a happy meeting and running with it.

MR HACQUOIL: Yes.

MR BLACKSTONE: Great. Then we get an email again, it appears on the same day, or the same piece of paper, the same date. It is to “Clive” from “Simon”, so it is obviously to Dr Swinnerton from Deputy Crowcroft.

MR HACQUOIL: Yes.

MR BLACKSTONE: *“Thanks for copying me into documents and to the meeting notes and thanks to Robin for holding the fort. It sounds an interesting morning you’ve had there. Once again, Jersey Bus is leading us on a merry dance.”* Was that your impression of that meeting?

MR HACQUOIL: It certainly wasn’t, no.

MR BLACKSTONE: *“My own view is that we must press ahead with the Bus Strategy and not cave in to Jersey Bus.”* I don’t think you were “caving in”, Mr Hacquoil, were you?

MR HACQUOIL: No, I didn’t consider I was caving in.

MR BLACKSTONE: *“They have had plenty of chances to show that they mean business, no pun intended, but they have consistently failed to deliver. We must remember that the central purpose of the Strategy was to ensure transparency and the accountability in the use of public funds. This will never happen if we let Jersey Bus call the tune. I would advise that the Committee defer making any decision in response to Jersey Bus until all Members are present. Regards, Simon.”* This seems a total rejection of all your good efforts, Mr Hacquoil.

MR HACQUOIL: Well, you know, we still put forward a final offer to Jersey Bus subsequent to that, I believe.

MR BLACKSTONE: It went on from there, but it had a totally different tone once the President came back. It became confrontational once again.

MR HACQUOIL: Yes. On Committees it is the majority decision that counts in the end and always, so, you know, there can be disagreements within Committees and it doesn’t mean that they are in the majority.

MR BLACKSTONE: At your meeting with Jersey Bus and the TGWU etc the previous day were other Members of the Committee there?

MR HACQUOIL: Yes, as I recall. Well, I can't recall actually who was there. I wouldn't have, as a matter of principle, chosen to meet or denied access to the meeting to other Members of the Committee, but I can't remember. Is it not documented somewhere?

MR BLACKSTONE: I haven't seen anything because Committee minutes, of course, do not list who is present on any particular occasion.

MR HACQUOIL: You see, I suppose it depends. I think it is entirely conceivable that I did meet with them, I don't know about alone but at least with a senior Officer. I would never have a meeting such as that without accompaniment.

MR BLACKSTONE: Obviously Clive Swinnerton was there, yes.

MR HACQUOIL: Yes.

MR BLACKSTONE: And deeply involved and the two of you seem to have, you know, concurred in putting forward a very good package, but immediately the President hears about it, he throws cold water over it at the very least.

MR HACQUOIL: Well, he was 3,000 miles away and I am sure ----

MR BLACKSTONE: And a heavily biased person against Jersey Bus? It has been suggested.

MR HACQUOIL: Well, I don't know if I would call it biased, but I suppose he had experienced a lot of the trials and tribulations that I hadn't experienced with Jersey Bus, shall we say? That could well have been affecting his outlook, but you need to ask him that.

MR BLACKSTONE: It seems that the problems with Jersey Bus, the non-renewal of the three year licence and withholding of fare increases, all started on or about the time that Deputy Crowcroft joined the Public Services Committee.

MR HACQUOIL: I don't know about that. Is there no indication that earlier Committees ... because the trouble with the Public Services Committee is the number of Presidents it went through. I mean, if you go back in history, I am sure in the last 10 to 15 years there have been innumerable Presidents of that Committee and they kept on falling for reasons that I think because there is an intense interest on the part of the public and on the part of States Members in

what goes on in Public Services and everyone thinks they are an expert on the subject, I suppose.

MR BLACKSTONE: To be fair, I must state that there was, in the attached notes to the meeting by Swinnerton, one assumes, there was one note of reservation: *“On the other hand, any change of heart by the Committee not to go ahead with the tendering process would probably be seen by some politicians as the Committee caving in to JB and the Committee would lose its credibility.”* My impression of your work, Mr Hacquoil, is that you were concerned in the interests of the Island and in the interests of reaching agreement rather than worrying too much about the Committee’s credibility.

MR HACQUOIL: Well, I certainly ... a Committee’s credibility has never been a concern of mine at any time. I mean, it is the right thing to do, I suppose.

MR BLACKSTONE: Yes.

MR HACQUOIL: But I might add that, having adopted that line, I sort of got a lot of flak at moments during the year I was President, I don’t mean from Committee Members but from certain States Members and also from the public.

MR BLACKSTONE: Who were perhaps biased against Jersey Bus themselves?

MR HACQUOIL: Er, yes, either that or feeling for that Jersey Bus should have won the tender, that the local operator should have won the tender and been given the operation, continued operation, of buses.

MR BLACKSTONE: Well, I respectfully suggest that this attitude on behalf of Deputy Crowcroft, as is evidenced by this email, together with his approach to Southern Vectis, his total reliance on accounting data from a blatantly unqualified Mr Griffiths and his apparent appointment of Halcrow some 12 months earlier to prepare tendering documents show clearly that he was intent on removing Jersey Bus at any cost.

MR HACQUOIL: Are you quoting from a document or?

MR BLACKSTONE: That is just my opinion. What I have quoted from is that email of Deputy Crowcroft after your good work. It just leads me, along with the other things we have heard, to that conclusion. I don’t think it is an unreasonable conclusion. **(Pause)**

PSC met again on 16th July after the President had returned. The minutes record:

*“Having considered the proposals put forward by Jersey Bus, the Committee was adamant that it was not entering into a long term agreement with the company.”* It is somewhat of a volte-face from the apparently conciliatory tone of the meeting you attended.

MR HACQUOIL: Yes. I would always emphasise that subsequent to all that we presented Jersey Bus with a final offer.

MR BLACKSTONE: I will come on to that, yes.

MR HACQUOIL: And, on that point, it was the President of Public Services, Simon Crowcroft himself, who put it to the Committee that it was desirable to give them one last chance. I can remember that distinctly, so, despite what he might have said before and what his attitude might have been before, I think he saw in the end, through after discussion, the good sense of giving them one last chance. **(Pause)**

MR BLACKSTONE: Well, I had intended to ask further questions about the goings on at that meeting, but I think we have covered those in accounting already. **(Pause)** Now, on 28th July 2001, there was a meeting between various States Members and representatives of Jersey Bus and the TGWU. I think you aware of that because I read it out when you were present in the audience.

MR HACQUOIL: Yes, yes.

MR BLACKSTONE: Yes. And, again, it was put forward as a solution which no reasonable man could throw out out of hand.

MR HACQUOIL: Who put that forward?

MR BLACKSTONE: This was various States Members -- Senator Le Sueur, Senator Dorey. I think I read the list out before.

MR HACQUOIL: Yes, yes okay. Yes, I didn't attend that meeting. I don't even know if I was invited to attend.

MR BLACKSTONE: No, I don't think Committee Members were invited, although the President was invited and refused to attend.

MR HACQUOIL: Yes. Well, I think we discussed that subsequently and we had some concerns. On the other hand, good Lord, I suppose my experience, management experience in

relation to unions, because I think the union was there involved too, was that the employer or the government has to think twice and more times before it goes into open negotiations with States Members who are not involved in the process and the employer (Jersey Bus in this case) and T&G. I mean, we had nothing to do with T&G as employees of Jersey Bus. We had no business in that, frankly. Now, whether that was the reason why Simon Crowcroft decided not to go, I don't know. Again, you would need to ask him. I don't recall.

MR BLACKSTONE: We were pretty much at a crisis situation by then, with final offers floating backwards and forwards and, you know, I have read all the paperwork. It seems that really the differences were pretty minimal.

MR HACQUOIL: Well, there was no acceptance by Jersey Bus of the open book principle.

MR BLACKSTONE: There is a thing known as negotiation, which means you don't necessarily accept first things first.

MR HACQUOIL: But you don't go and negotiate in public, in my experience.

MR BLACKSTONE: I think this meeting was a genuine offer, a genuine attempt, by certain States Members, and I think certainly some of those are held in the highest respect, to broker an agreement to stop a horrible situation escalating even further. It was an honest attempt, and it was just ignored by the Public Services Committee, which I think is unfortunate, but that may be my opinion.

MR HACQUOIL: Well, I must say I seem to recall that we got to know about it after the event.

MR BLACKSTONE: Possibly, yes.

MR HACQUOIL: But that can be verified. If I am wrong on that, I am very happy to admit it.

MR BLACKSTONE: That is correct, yes, that is correct.

MR HACQUOIL: Yes. But there was a ... and I seem to recall that what I haven't given to you is I have some clippings from the *JEP*, which I kept, which I hadn't passed to you, but they include somewhere a four page ad from Public Services.

MR BLACKSTONE: Oh yes. I haven't got those today with me either because we have had mountains of paper.

MR HACQUOIL: That explains. It was 30th July, I think, after all this, and it explains, I think very well, the situation why we were going forward to debate the Bus Strategy on the next day or so.

MR BLACKSTONE: Was that the press release that was released by Deputy Crowcroft without consulting the Committee Members?

MR HACQUOIL: I don't recall that, but it could be.

MR BLACKSTONE: I don't think he ... I think he did ask the Committee to ratify it subsequently. Again, like you, I am speaking from memory.

MR HACQUOIL: I don't know.

MR BLACKSTONE: I know for sure that there was a letter produced by the TGWU and sent round to all members of the Committee, including yourself, saying "Do you approve of the President issuing this press release and do you agree with the contents", or words to that effect.

MR HACQUOIL: I see. I don't recall that, but I do recall ... **(Pause)**

MR BLACKSTONE: Yes, "*The Committee having endorsed the media statement made by the President on 29th July*", so it was made by the President on his own.

MR HACQUOIL: The statement that went into the *JEP*?

MR BLACKSTONE: The media release, yes.

MR SPENCE: That is not the full minute, Sir, it is an extract. **(Same handed to the witness)**  
**(Pause)**

MR HACQUOIL: Yes, well, I see that is a reference to the concern about convincing Finance and Economics Committee about putting more money into buses unless we had competitive tendering.

MR BLACKSTONE: Yes. Anyway, I think we have just about flogged that bit to death. Going on to the tendering process, Halcrow, good reputation as far as we are able to see from transportation experience, good people, came on the scene and negotiated the tendering process. You became President of the Committee on 29th January, just before that process concluded.

MR HACQUOIL: Yes.

MR BLACKSTONE: And we got into the second bulletin, first and second bulletins, from

Halcrow. Were you aware of the content of those at the time? Did they send you the bulletins?

MR HACQUOIL: No. I wasn't on the ... there wasn't any need for me to be on the circulation list. What I was interested in and the Committee Members were interested in was what came back, so Halcrow was managing the whole tendering process.

MR BLACKSTONE: And they were dealing very closely, I believe, with Alan Muir of the Public Services Department.

MR HACQUOIL: Yes, that is right.

MR BLACKSTONE: Yes.

MR HACQUOIL: For whom I have a high regard.

MR BLACKSTONE: Right, and so he would have been or should have been fully informed of everything that went on.

MR HACQUOIL: Er, yes. Er, yes, in broad principle. I don't know about in detail, but Halcrow, I presume, Roger Childs would have checked with Alan Muir on any sort of major items or directions that they might need to take or something like that.

MR BLACKSTONE: Yes. There were subsidiary bulletins sent out to the tenderers and certainly *Bulletin 1* was copied to the Public Services Department. There is a contention as to whether or not they received a copy of *Bulletin 2*, but we will be dealing with that question with other people.

MR HACQUOIL: *Bulletin 2* being?

MR BLACKSTONE: Enclosing the TGWU claim.

MR HACQUOIL: Well, I will just say on that point that the first time that I got to know about that claim for shift allowance was, I think it was, May 24th, but it should be possible to document this. I was sent an email by Alan Muir, saying that this had come to his attention at that time on that day, and he emailed it to me at lunchtime. I must say I picked up the phone and the Telecom's lines jumped. I was just staggered, absolutely staggered by it.

MR BLACKSTONE: Hmm hmm.

MR HACQUOIL: And subsequently, of course, there has been a lot of discussion about that and I suspect there will be more.



MR BLACKSTONE: Well, we do know for sure that at least one of the tenderers included that in their tender. We suspect that they all did.

MR HACQUOIL: Yes. Um, you know, it was a claim until May when it was approved. I thought that earlier, in earlier months, I mean, before your Committee started, Jersey Bus and the T&G had insisted that it had been signed in March or February. But that wasn't the case, I have heard since, and it was in May. So it is entirely reasonable, I guess, that I didn't get to hear about it until then.

MR BLACKSTONE: No, I accept that and we are directing those questions to other parties.

MR HACQUOIL: Yeah, okay.

MR BLACKSTONE: Anyway, we then went on to the assessment of the tenders. They were opened on 18th March by Connex and Alan Muir, I believe ----

MR HACQUOIL: Not by Connex.

MR BLACKSTONE: Not Connex, Halcrow, sorry.

MR HACQUOIL: Yeah.

MR BLACKSTONE: Mr Richardson may have been there, but neither you nor any of your Committee nor the Bus Steering Group saw the actual tenders themselves.

MR HACQUOIL: No, absolutely not. I had given explicit instructions that no one, no politician was to be there.

MR BLACKSTONE: And not even the Members of the Steering Group?

MR HACQUOIL: No, absolutely not.

MR BLACKSTONE: And they didn't see the tenders subsequently?

MR HACQUOIL: Subsequently to the opening?

MR BLACKSTONE: Yes.

MR HACQUOIL: No, we didn't see ... in fact, I think all we saw was the five. I think it was left to Halcrow to sift through them all, examine them all and there were 13. I can't remember now the number that came in.

MR BLACKSTONE: It went down to about five, I think, five compliant and three non-compliant.

MR HACQUOIL: Yes, well, they certainly sifted through them and decided that there were five that should be put to us.

MR BLACKSTONE: So all you received was Halcrow's assessment of the tender bids dated 7th March?

MR HACQUOIL: What I saw, what we saw eventually, was the thick book that I passed to you. I passed a thick binder to you with my name on it.

MR SPENCE: That is correct. Yes, that is correct.

MR BLACKSTONE: And this was the report by Halcrow?

MR HACQUOIL: It contained all the information on each tender, on the five tenders.

MR BLACKSTONE: But it didn't include the tenders themselves?

MR HACQUOIL: Er, yes, it did do. It contained the five.

MR BLACKSTONE: Right.

MR HACQUOIL: And we each had a binder, which you have because I don't have it here, I delivered it with the other stuff, and each Member of the Steering Group and of the Committee actually got that binder, that thick binder.

MR BLACKSTONE: It included all the tenders?

MR HACQUOIL: Not all the tenders, the five.

MR BLACKSTONE: Is that the five compliant and the three non-compliant?

MR HACQUOIL: I believe it only contained the five, the five that Halcrow was suggesting were the ones that came to the top of the list, of which Jersey Bus was one.

MR BLACKSTONE: And presumably you also saw this document I passed over, entitled "*Assessment of tender bids*"?

MR HACQUOIL: I must have, yes. **(Pause)** Yes, yes, I'm sure we got this. I don't know if this was ... yes, it laid it out. But when we got this I'm not sure. It would have been when we got those binders.

MR BLACKSTONE: It may have been included in the binders.

MR HACQUOIL: Yeah, I suspect so. It was the sort of summary which I would consider being good practice.

MR BLACKSTONE: My apologies for not referring to your binder in detail at this stage. We have had so much paper.

MR HACQUOIL: Yes, no, no.

MR BLACKSTONE: It is one of those things that got marginally overlooked, I am afraid. Now, in this assessment of tender bids, referring to Jersey Bus, Halcrow come up with the statement "*We are not however convinced that the spirit of co-operation that is essential to the development of a successful partnership arrangement exists or is possible between the parties.*" That is a pretty damning statement, isn't it?

MR HACQUOIL: I would say it was descriptive of certain happenings at times between Jersey Bus and Public Services over the years, I think.

MR BLACKSTONE: Is it likely that Jersey Bus would have said to Halcrow "You know, we can't stand these guys at Public Services"?

MR HACQUOIL: No, no.

MR BLACKSTONE: It wouldn't help their case, would it?

MR HACQUOIL: No, but I think it is fair to say that Roger Childs knew, presumably from talking to Members of the Committee and Members of the Department, that there had been stormy sessions at various times with Jersey Bus. There is no denying that. I even experienced the occasional one.

MR BLACKSTONE: But in a factual report, do you agree that it is a bit naughty to put in an expression of opinion that they couldn't possibly work together after they had made such a nice presentation saying they could?

MR HACQUOIL: Yes, I suppose though it was the reservation that the Committee had about Jersey Bus, because Jersey Bus had never been keen on a partnership deal at all, in my view, and I think that is where the final offer foundered really, because one of the impressions I had of Jersey Bus was that, as a family company, you know, and not just in Jersey, but they have been very successful in the UK and elsewhere and had a number of companies -- excuse me, my throat is beginning to go -- they weren't terribly comfortable about working in a partnership arrangement with government. The open book principles that we felt, and that Finance and

Economics and all the senior politicians I would say felt, was absolutely necessary if we were going to pour more money in was something ... I suppose they felt the government would be prying into their books, perhaps understandably.

MR BLACKSTONE: I can see open book JMT 1987 Limited absolutely essential. JMT Boardwalk Café, a load of rubbish.

MR HACQUOIL: Well, Boardwalk Café, as I say, I never heard that mentioned at all, but Tantivy? Tantivy we had to have the books on.

MR BLACKSTONE: Possibly, possibly Tantivy, yes.

MR HACQUOIL: Absolutely, and that was resisted, as I recall.

MR BLACKSTONE: Anyway, going on to the “beauty contest” with the last three finalists, this was on 15th March. 15th March? Yes, it was. We have heard from Deputy Scott Warren that Connex put on a wonderful display and promised all sorts of things like buses on demand and buses for hospitals. Can I just ask you, yes or no, have they delivered on any of those promises?

MR HACQUOIL: I wouldn't agree with your description, to begin with. As far as I am concerned, Connex put on a highly professional presentation and they indicated, based on their experience in world-wide bus operations, what they had experience in doing and they never promised to do buses on demand, for example, in year one or in year two. They indicated they had experience with all those things and that we could expect, given time, that they would examine whether they could be introduced.

MR BLACKSTONE: Fair enough. Anyway, that same day, after the beauty contest, the Steering Committee and, I presume, Members of the PSC, sat down together and considered the presentations.

MR HACQUOIL: Yes.

MR BLACKSTONE: And you came to the conclusion that Connex was the best and would be the preferred operator, although, as Deputy Scott Warren said, you could not make that decision public until some time later.

MR HACQUOIL: We made no decision at that stage because, at the eleventh hour or almost the twelfth hour, we had been advised by the Solicitor General's Department that until we had

the law amended, it was all ready to go to the States but it hadn't been allotted slot and then, when it was allotted a slot, it got knocked back for various reasons -- sittings were missed and the Queen Mother died. So her advice was that we couldn't make the final decision until the law had been passed and, again, there were delays in that because, if we met in the States on a Wednesday, if I recall correctly, if you meet in the States on a Wednesday, these regulations don't become law until a week later or something like that. It was a further unexpected delay. So the earliest date was 30th April and we made the decision, the final decision, on that day. Before making it, I seem to recall I got calls from Jersey Bus and the T&G about what was happening, why the delays, and I had had to say, I think, I told them that there had been further delays, but I did indicate that on the 30th we would be making a decision and making a public statement on 1st May to States Members and they were all invited to come along to the Société Jersiaise I think.

MR BLACKSTONE: Where had the BSSG held its meeting at which that decision was taken?

MR HACQUOIL: At South Hill, as I recall.

MR BLACKSTONE: Were you on that Committee?

MR HACQUOIL: The Steering Group?

MR BLACKSTONE: Yes.

MR HACQUOIL: Absolutely, yes, I chaired it, yes. No, the Steering Group was an advisory group to the Committee, an important advisory group because it had senior politicians from other Committees on it.

MR BLACKSTONE: It met at South Hill?

MR HACQUOIL: Er, as I recall, but, you know, I would stand to be corrected on that.

MR BLACKSTONE: Can you remember what time of day?

MR HACQUOIL: I think it may have been something like five o'clock or five-thirty, I think, but I would think it is verifiable.

MR BLACKSTONE: Were minutes taken?

MR HACQUOIL: Yes, there would have been. I mean, that was usual.

MR BLACKSTONE: Are they in your bundle which you gave to the Committee?

MR HACQUOIL: No, no, because I didn't have that in my bundle. That was my home bundle

of duplicates that I somehow or other accumulated, but everything official is in the Department. I think

I mentioned that to your Committee Clerk at the start, that I didn't, as a matter of principle, retain any originals or any official correspondence other than a duplicate that I might have.

MR BLACKSTONE: Who took the minutes of BSSG meetings?

MR HACQUOIL: We had a Committee Clerk of the Greffe, States Greffe, as do all Committee Clerks.

MR BLACKSTONE: So that the minutes of that meeting at South Hill on the afternoon of 30th April would be with the Greffe?

MR HACQUOIL: Yes, would be with the Department too. I am sure the Department can produce it.

MR BLACKSTONE: They haven't. This is a vital meeting. We have had no minutes of that meeting whatsoever.

MR HACQUOIL: I can't believe that. I am sorry, I don't mean that I don't believe you. I can't believe that a minute would not have been made.

MR BLACKSTONE: Well, we have had some delays in receiving documentation in the past.

MR HACQUOIL: But then I would go to the States Greffe because they should have a duplicate of every Committee decision.

MR BLACKSTONE: And I believe the ----

MR SPENCE: If I may explain, Sir, there are minutes of the Public Services Committee meeting of that date, 30th April, but we have been provided with no separate minutes of the Steering Group.

MR HACQUOIL: Oh I see, but do the Public Services Committee minutes indicate what the decision was?

MR SPENCE: Shall I ----

MR BLACKSTONE: I think they say that, on the advice of the BSSG, they decided to go ahead with Connex. **(Pause)** *"The Committee, having reconsidered the tenders and having noted the unanimous recommendation of the Bus Strategy Steering Group which was to select Connex Bus UK Limited ..."*

MR HACQUOIL: Yes, but that is quite adequate, I would say. You see, the Steering Group couldn't make a decision. The Committee, only the Committee could make a decision, so I think what ... I am sure what happened is the Steering Group having met and having made its recommendation, we convened as a Committee and ratified it. It was up to the Committee in fact to say ----

MR BLACKSTONE: On 30th April?

MR HACQUOIL: Yes.

MR BLACKSTONE: At about five o'clock in the afternoon?

MR HACQUOIL: Well, I'm not ----

MR BLACKSTONE: Well, late afternoon?

MR HACQUOIL: That is my impression, but I can't quite remember.

MR BLACKSTONE: So what time that day did the Public Services Committee meeting take place?

MR HACQUOIL: It certainly would have been just after the Steering Group had met.

MR BLACKSTONE: And where did it meet, at South Hill also?

MR HACQUOIL: South Hill, as far as I recall.

MR BLACKSTONE: And there was definitely no meeting between 15th March, the day of the beauty contest, and 30th April here?

MR HACQUOIL: As I recall, absolutely not because, having got this disastrous advice -- disastrous, it was the right advice, but I mean, we hadn't expected anything like that -- from the Solicitor General, we observed that.

MR BLACKSTONE: And you were here early in the afternoon when you heard Deputy Scott Warren give her evidence?

MR HACQUOIL: Yes.

MR BLACKSTONE: And you heard her say that the decision was definitely taken at the beauty contest date, 15th March, when you all sat around after the meeting and decided Connex should be appointed, but you couldn't announce it?

MR HACQUOIL: That certainly isn't my recollection of what we did. I think by that time we

had the advice of the Solicitor General, so we had received all the operators, because they had been scheduled to come on that date. We decided not to cancel their presentations and we held fire with a final decision until the 30th and, furthermore, in the days just prior to the 30th, we wrote or Halcrow canvassed -- not canvassed, either emailed or wrote -- to each one of the three finalists saying, you know "The decision is going to be made on the 30th. Would you confirm that you are still active in the tendering process?" So we got that added backup prior to making the final decision.

MR BLACKSTONE: I have seen that documentation. I may be a bit cynical in considering it window dressing. I am looking at human nature here, Mr Hacquoil.

MR HACQUOIL: Window dressing?

MR BLACKSTONE: I am looking at human nature. You had this presentation and you all stayed afterwards and talked about it, or did you just leave straight after the presentation, "We all mustn't talk about this"?

MR HACQUOIL: No, we certainly did discuss it at the time, no question.

MR BLACKSTONE: And did any of you make any sort of statements as to which you thought was the best?

MR HACQUOIL: We had questions on the day. We had questions of each of the operators and we discussed what we thought of them at the meeting, very definitely. But the main thing was that we didn't make a final decision until 30th April. As I say, we hadn't expected such a delay, but we scrupulously observed all the requirements of the tendering process. I mean, we had three ... we had heard the presentations and we knew what their strengths and weaknesses were from those.

MR BLACKSTONE: Thank you. I don't think I have ----

MR HACQUOIL: It certainly isn't something that I would want to see happen again, but it is part of the problem, I suppose, in Jersey that sometimes one can get one's legal advice rather late.

MR BLACKSTONE: Anyway, thank you very much. I have got no further questions.

MR SHEPHEARD: Mr Garrett.



MR GARRETT: Thank you. Thinking right back to the beginning really, can you just explain a little bit about your background before you became a States Member?

MR HACQUOIL: Well, I grew up in Jersey. I went to Victoria College and then on to university. Subsequently, I went to France and both taught at a French lycée for a year, worked at the British Consulate General and then, after three years, went out to Canada, where I was hired by the National Research Council of Canada and eventually the Treasury Board, at federal government level that is, which is the Cabinet Committee -- the Treasury Board is a Cabinet Committee -- which oversees all the expenditures and the management of the public sector in Canada.

MR GARRETT: In your work in Canada, did you ever have contact with the bus industry out there at all?

MR HACQUOIL: No, other than using the bus and being aware that there was a very successful bus operation which was introduced, but a lot of money had been spent on it to maintain it. It was used because it was fast, including at peak periods, and there were things like separate lanes for buses, and still are. That is the only way to move people fast.

MR GARRETT: When you moved back to Jersey and you became a States Member, you served on various Committees. How would you describe the demands on the Public Services Committee in those days? Was it a big, big demanding rôle?

MR HACQUOIL: Er, yes. I can only speak for the time that I was in the Committee.

MR GARRETT: That's right.

MR HACQUOIL: Yes, it was, but I was only President for a year, but in the two years that I was a Member there was a lot happening. I mean, mains drains, roads, buses, it was always contentious stuff. So there was a heavy workload, but I am accustomed to a heavy workload. It didn't bother me.

MR GARRETT: So, bearing in mind the heavy work load, you would depend on the quality of service provided by the Officers of the Department?

MR HACQUOIL: Always in any Committee. With any Committee, although I am sure that States Members vary enormously, but I have been a public servant myself and I expect the public

servants to do the donkey work, if you like, do the detailed work and provide solid information up to the Committee.

MR GARRETT: Did you ever have any reason to question, doubt or raise any concern about any of the support that you received from any of the Officers at Public Services?

MR HACQUOIL: No. Well, I am sure there must have been the occasion when something had been overlooked. I can think of perhaps the odd time where correspondence hasn't been replied to as quickly as I would have liked, but I did during my time, right at the start, indicate that I expected correspondence to be replied to within a week and that, as long as on major items I got to see the letter, the draft, I would let the Officer or the Chief Officer sign it off under my name, for example.

But, no, I thought that the Officers of the Department were excellent -- extremely hardworking, constantly being targeted by complaints from the public on roads and so on, not particularly on buses, I suppose, because the operator got those more or less directly, but then we had, the Department prior to my time had developed, or maybe at the beginning of my time had created, a position of Transport Co-ordinator and the Transport Co-ordinator, I think, did an excellent job, and still does an excellent job, of keeping track of information on the buses, and we hadn't had that in earlier times, as I understand it. I don't know when he was first appointed to the position, but that could be indicated. Now, he got the brunt, I must say, on the changing over. He was the one on the school buses. He handled everything and he got the brunt of complaints on all types of bus services.

MR GARRETT: Okay, being more specific now, looking at the Bus Strategy, were you involved directly in the production of the Bus Strategy, you know, the formulation of the words and so forth?

MR HACQUOIL: I was certainly involved in terms of going over it thoroughly as a Committee Member and, with anything as important as that going to the States that we were presenting, I wouldn't allow it to go past me without feeling that I could support it, and I did support it.

MR GARRETT: In the event, Jerry Dorey produced an amendment or proposed an amendment

which effectively was intended to allow all sides to retreat with honour from what appears to be entrenched positions, to give the Committee a clear timetable for constructive negotiation and action. What was your reaction to that amendment?

MR HACQUOIL: I spoke against it, and I thought it was just too late in the day. My God, we'd been going on trying to, you know, set up a bus service with States' funding for years unsuccessfully, for God's sake, and I wasn't in my time intending to see it not happen. So Jerry Dorey, who had been a President of Public Services for, I don't know, a few months at one time, I guess was bent on bringing something in at the eleventh hour.

MR GARRETT: What did you think on the terminology that he used, particularly references to "*entrenched positions*"? Do you think that it is satisfactory that people should be seen as being entrenched?

MR HACQUOIL: Well, those are his words. I wouldn't agree with those words at all, but, I mean, again, as States Members, that is in the nature of what we face in Jersey all the time, and the sooner we have ministerial government, I would say, hopefully the better it will be because, with ministerial government, the executive government of the day will be forced to decide whether it is going to support these approaches or not. It will have the power, of course, to say to a Public Services Minister that "We don't think it is appropriate to go that way" in a way that doesn't exist at the present time.

MR GARRETT: With the benefit of hindsight and experience, how do you view the strategy which was approved in 2001? Do you see it as a visionary document, providing a sort of, you know, strong message for the future, or focused more on short term objectives?

MR HACQUOIL: Well, it certainly isn't short term, but it was just, in my view, sufficient to get the job done.

MR GARRETT: The job being?

MR HACQUOIL: The job being having the tendering exercise and getting an improved bus service with States' funding in the Island. For some reason, I do have a copy of that, but, you know, just all the items. One of the features was access, disabled access, on the buses and, as I think I said earlier, having new buses, clean buses and the latest technology.

MR GARRETT: Having been involved in the production of strategies over the years, I actually see it more as a policy statement than as a strategy because it focuses so heavily on the tendering process really as opposed to being a five to seven year sort of view.

MR HACQUOIL: Well, it mentions five to seven years, does it not?

MR GARRETT: Yes, but if you look at the percentage of print that is devoted to the tendering process and so forth and the amount of print that is devoted to the vision, the longer term vision, I think there is more devoted to the short term aims than the long term aims.

MR HACQUOIL: But the Committee, you see, saw it as essential to go to the States to get the States' approval on going forward with the tendering process and getting approval for greater funding of an Island bus service. I wish I could find my copy of it.

MR GARRETT: Don't worry, it is an academic point really as to how you view the subject.

MR HACQUOIL: Well, you have raised it, so it is more than academic, it is crucial. It is competitive bids, working in partnership, transferring the licensing and regulatory functions to the Jersey Competition Authority.

MR GARRETT: Which hasn't happened.

MR HACQUOIL: It hasn't happened because they are unable to take it on.

MR GARRETT: But the point I would make is that the current committee are desirous of producing a new strategy. So clearly that wasn't that visionary and it isn't necessarily valid today.

MR HACQUOIL: Well, I mean, how much vision do you want? You know, this was, in that time frame, what we needed, as I said earlier, to get the job done. We had to have this approved by the States if we were going to go forward with tendering and an improved bus service and we got support from Finance and Economics for increased funding in year one. I mean, this is, again, a hell of a problem in Jersey. You could not get Finance and Economics to commit themselves to funding over a seven year period.

MR GARRETT: And clearly that is a problem today.

MR HACQUOIL: Yes. But, again, could I add that, on the funding, we always saw -- and I think it is mentioned here in the Bus Strategy proposition -- we always saw the school bus, the

integration of a school bus service, into the Island-wide bus service. We saw that as the solution to improved funding and improving the bus service. In my youth, we didn't used to have a school bus service. Now, I'm not suggesting we should go back to exactly what we had in my youth, but, I mean, children went to school on the scheduled bus service and they walked from the Weighbridge to whatever school they went to.

MR GARRETT: I can recall those days too.

MR HACQUOIL: Right. **(Pause)**

MR GARRETT: Were any concerns ever expressed about the timescales that were proposed for the implementation of the strategy, particularly the movement from the approval of the strategy through the competitive tendering to the appointment of a successful tenderer?

MR HACQUOIL: No. I thought that we had ... I mean, we just had to do it from the time that the Bus Strategy was approved. We knew that we had the year to move forward and go through a tendering process and appoint a successful tenderer and we didn't know. While we certainly saw Jersey Bus as being a front runner, we didn't know how it would turn out until the tenders were in, of course.

MR GARRETT: Bearing in mind everything that happened subsequently, including delays on the legislation and the potential for delays arising from the building of new stock, do you think that that year was adventurous or about right?

MR HACQUOIL: Adventurous?

MR GARRETT: Hmm.

MR HACQUOIL: It certainly was adventurous, yeah.

MR GARRETT: And it bought with it enormous risks?

MR HACQUOIL: There were carefully calculated risks and it was never ... I mean, it got tight, but it was certainly never out of control.

MR GARRETT: But are you aware of the sort of problems of building new buses, and would you say ... in fact, you may have been present when I raised this point previously. It is clear that Connex had a permanent build order in with the bus suppliers and clearly the likes of Jersey Bus couldn't have matched that and it may have been several years before Jersey Bus, or at least

greater than a year before Jersey Bus, could have got into the order process.

MR HACQUOIL: As I recall, the tender process wasn't absolutely essential that new buses, all new buses, come in from day one, but I don't think we were told by Jersey Bus at the tendering exercise that they wouldn't be able to produce new buses in the timeframe to meet it. I certainly recall at some stage, and it must have been in the tendering process, their suggesting that they might be hard put to meet the deadline of, what was it, 29th September. But, I mean, if they had been low tender, we would have talked about that and negotiated about that.

MR GARRETT: Moving on to the legislation, did you contribute in any way to the sort of modelling or the determining of what form the legislation should take?

MR HACQUOIL: Well, the Law Draftsman is the expert in that. It was well known before I took over the presidency really that if we had to go the tendering route, that there were a number of deficiencies of the old 1935 Regulations which needed amendment. It was Alan Muir, who was the main contact, but he always kept me and the Committee informed of how it was going. I can recall that one of the problems, another of the problems, in terms of getting the amendments as quickly forward, was that we had to compete with Policy and Resources and other Committees for a slot on the Law Drafting timetable and, as you can imagine, the 1935 amendments to bus regulations didn't rate terribly highly, I don't think, with the States. So we were ... although we had our Law Draftsman who was working with us, who would put in time as he could, it took longer and I kept on at Alan Muir, in terms of what is happening to the draft Regulations. So they were a bit slow in being completed.

MR GARRETT: With the benefit of hindsight and bearing in mind the events with Easylink and so forth, are you satisfied with the quality of the legislation that came forth eventually?

MR HACQUOIL: Yes, I think the only snafu was because Jersey Bus over the Easylink situation chose to interpret that clause as meaning they didn't need to have a licence to run what they called a coach service, but which was clearly a bus service. You know, it was clearly a bus service. Now, my reaction -- I was no longer President, but my reaction -- was that I would have slapped an injunction on them immediately, but I gather that wasn't what the legal advisers thought was the most appropriate way of going. I mean, I believe the legal advisers, the Solicitor

General, felt it was quite clear cut that that was not a coach service, it was a bus service and, therefore, it needed a licence and it needed an application to the Committee. She was so sure that she would win, that I don't think she was bent on bringing in an injunction.

I had, you know, heard it got a little rough after the appointment of Connex because the other situation I was faced with was that Jersey Bus, once the operation of Connex started, was going to tear down the bus shelters on the Weighbridge and, when I was advised of that, I said "Look, who owns them?" and it was clear we had Planning checking into the background and it was clear cut that when they were allowed to put the bus shelters up on the Island, it was made clear that if at any time the buses ceased to operate those would revert to the States. So we did eventually. Again, my first reaction was slap an injunction on them and that wasn't done in the first week, but it was done, I think, in the second week when the legal advisers said we had to do it. But I am just pointing out that, you know, there were sort of rough moments flowing out of our decision.

MR GARRETT: One of the most contentious issues that we have been asked to look at is the preservation of the terms and conditions of employment for Jersey Bus staff. Can you explain why it was necessary for Mr Shenton to intervene in this matter?

MR HACQUOIL: Well, I think that the concern on the T&G's part was that, you know, we didn't have in Jersey employment law which gave protection, as they had in the UK -- TUPE, it was known as TUPE, I think.

MR SHEPHEARD: Transfer of Undertakings (Protection of Employment) Regulations.

MR HACQUOIL: Right, so we didn't have the equivalent of that and I can understand that the T&G were terribly concerned as we went through the tendering exercise of what protection they would be given. Now, we had said to them as a Committee, as I recall, that we would honour the terms and conditions and we would insist in the tendering exercise that the terms and conditions be observed, the terms and conditions applying in August of 2001. But I suppose they possibly felt that that wouldn't be honoured when it came right down to it, but we, as a Committee, discussed that thoroughly, so it was quite acceptable that former Senator Shenton ... and I understand why they would have approached him because he had had a lot of involvement in

previous years in dealing with the T&G ----

MR GARRETT: Can I interrupt you there? Why didn't they approach you? Why did they feel it necessary to go to Mr Shenton?

MR HACQUOIL: I can't recall at the time whether they ... I suppose they wanted to go more public than just coming to us and that they thought that Dick Shenton would champion their cause. What I would say is I recall very well we agreed to meet -- we discussed it beforehand -- we agreed to meet with Dick Shenton on, I think it was, a Sunday morning. We said "It is urgent, we are ready to meet" and I am pretty sure we met on the Sunday morning. We gave Dick Shenton a copy of what the Committee, you know, felt they were prepared to honour. That is what he took. He didn't draft up any statement himself. He took what the Committee put to him and he took it to the T&G and one way or another -- I don't know if he had to persuade them, but he at least was able to convince them, I think, that that was protection.

MR GARRETT: Were you present when Mr Shenton gave his evidence the other day?

MR HACQUOIL: No, I wasn't, because obviously you changed your timetable and didn't advise anybody, otherwise I would have been here.

MR GARRETT: It is a shame. The feedback we got from Mr Shenton suggested that he was of the view that there was an appalling attitude within Public Services. Now, I am not clear in my mind whether that was within the Department or the Committee, but, clearly, there was a lack of understanding at some stage as to the sort of concerns that were being expressed by the Transport and General Workers' Union at that time. He felt basically if he had not intervened, I don't know, there may have been strikes and all kinds of problems.

MR HACQUOIL: Well, there certainly was. The Committee had sort of realised that there could be the danger of a strike. I think it is fair too that his description of the situation, if you go back a week or two, I must say we were looking as a Committee and then with advice on what protection the Island could give and should give and we consulted with Senator Horsfall, for example, and I believe Senator Walker -- Senator Horsfall was Policy and Resources President at the time -- because we had no TUPE law in place, how far we should go. But, as a result of those meetings, we certainly came to the conclusion as a Committee that we had to give those



guarantees and I was certainly totally in favour of them.

MR GARRETT: When you agreed to that, did you stipulate that, during the period between that agreement and the appointment of a new operator, there would be no wage negotiations?

MR HACQUOIL: No, I think we conceivably assumed that there wouldn't be any sort of major changes in terms and conditions, but when it sort of came ... the thing was, we didn't have as a Committee, as I recall, copies of the agreements in force or any terms and conditions handbook. Whether or not it existed, I don't know, and I don't even know if there were contracts of employment with drivers and other workers of Jersey Bus, but we didn't have copies of them. I remember Alan Muir mentioning this and we were trying to get them, but, of course, it was ... I think we had been told by Jersey Bus that these were sort of confidential matters between Jersey Bus and the union, which it normally is.

MR GARRETT: When eventually Connex was appointed, did you, or indeed any other Member of the Committee, take any steps to ensure that your political requirements were carried through into action by Connex?

MR HACQUOIL: How?

MR GARRETT: You had said that the terms and conditions of employment should be carried through from August 2001 through into the new operation. Did anybody actually make sure that happened? Was somebody appointed to actually look at that issue specifically?

MR HACQUOIL: Well, I mean, they all knew and they all accepted that they had to offer jobs to all the staff below managing director and possibly operational manager to the staff of Jersey Bus and if the staff wanted to move over, they would be given jobs. That was clear cut.

MR GARRETT: It was more than just jobs, it was jobs on the same terms and conditions of employment.

MR HACQUOIL: Yes, that is right.

MR GARRETT: So would it surprise you to learn that Connex offered them something less than what they had been employed on?

MR HACQUOIL: Yes, I heard that the other day. I wasn't aware of that. I don't know how much lower it was, but at what point that occurred, I don't know. It certainly never came to my

attention. What came to my attention was that there were some delays in with Connex and Dennis Ord, I guess, at the time getting together with the T&G and possibly Jersey Bus and I think it related to the fact that we hadn't been given all the information on terms and conditions and staff matters that they expected to have.

MR GARRETT: Taking on board the fact that my colleagues asked many questions in relation to the tendering process and it is clear that you were sort of outside of that really, understandably, but, focussing on one specific point, at any stage during the tendering process, right up to the selection of the preferred operator, did you become aware of any concerns being expressed regarding any aspects of the tendering process?

MR HACQUOIL: No, I don't think so.

MR GARRETT: Everybody was happy with it. Particularly the tenderers -- nobody came to you and said "This is an outrageous process" or "We have concerns on this or this"?

MR HACQUOIL: Nobody, absolutely not. In fact, I thought the tendering process, apart from the delay with the regulations, was a fairly good model.

MR GARRETT: Let me move on towards the selection process. At any stage prior to the opening of the tenders, did anybody state, imply or infer or whatever that Jersey Bus would not be selected, or should not be selected, as the preferred operator?

MR HACQUOIL: Absolutely not, absolutely not. You know, in any tendering exercise, and that was our experience within Public Services, where we had tender exercises for construction projects and mains drains and so on, it is clear cut: the Officers are the only ones there to open the tenders and then they list them in order of cost. There has to be darn good reason why the lowest bid doesn't succeed, doesn't win, and it must be shown that there is some deficiency.

MR GARRETT: During the presentations, did any of the tenderers raise any concerns regarding the completeness or quality of the material that had been supplied by Halcrow?

MR HACQUOIL: I don't recall that.

MR GARRETT: Similarly, did they express concerns regarding the timescale that had been allowed for the preparation of the tenders?

MR HACQUOIL: I don't think so. You know, it is possible, I suppose, that Jersey Bus might

have, but I don't recall any major concerns having been expressed.

MR GARRETT: I am particularly interested in whether or not anybody expressed their concern about whether or not their ability to gather information on the relief services that were included within the tendering process?

MR HACQUOIL: Er, no. I don't believe that ... I don't recall that happening by anyone. It was up to each one of them to go out and observe because, of course, one of the difficulties that we had to operate with the tendering process is that we didn't have any solid information because we couldn't get it.

MR GARRETT: I see, but the onus had been placed on the tenderers to get that information.

MR HACQUOIL: To the best of their ability, yes.

MR GARRETT: And nobody expressed any concern over that?

MR HACQUOIL: No.

MR GARRETT: More critically, did anybody express any views -- discontent, question, whatever -- about anything connected with the wage claim that had been submitted by the Transport and General Workers' Union?

MR HACQUOIL: Well, I didn't learn about it until May, after it had been signed.

MR GARRETT: So nobody raised it during the presentations on 15th March?

MR HACQUOIL: Er, no, not as I can recall at any rate, but I am pretty sure they didn't, at least not in so many ways. I think it was viewed as being a claim and, of course, in the big companies and a company like Connex, it would be unheard of. It certainly was unheard of in my experience, and I was very much involved close to collective bargaining in Canada. Any claim from a union of that order that would be agreed to, I mean, that just doesn't happen.

MR GARRETT: But you will have heard me previously make the point that when you are confronted by a claim the outcome of which is uncertain, it is a commercial decision. You have to take some risks. You either include it in your tender -- a quick calculation will give you a probable cost -- include it in your tender, which brings with it the risk that your tender is going to be high, or you omit it, or indeed you find some point in between, where you make some assumptions that it may come in at £30 or whatever. But there are decisions and the person who

makes those decisions has to take with that the risk.

MR HACQUOIL: Yes. However, I think that they all budgeted on the basis of what they thought was fair and reasonable and, you know, given that that wage claim wasn't agreed to until well after the tendering exercise was over, I mean, to me, that is unheard of and, you know, I saw that and my first reaction when Alan Muir informed me of it was that I saw it as commercial sabotage.

MR GARRETT: Can you explain that?

MR HACQUOIL: Yeah. I mean, given that, at that time, Jersey Bus hadn't won the tender, they signed the agreement after that fact and they signed it to begin on 1st September, just one month before Connex was to introduce the buses.

MR GARRETT: But we have received evidence that it was not signed until May, but it was agreed in February.

MR HACQUOIL: Well ...

MR GARRETT: Can I now refer you to an email, dated 19th February 2002? This is an email from Alan Muir, which quoted a *JEP* report, which described criticism you had reportedly expressed in relation to Jersey Bus. Specifically you were quoted as saying "*For 25 years we really have not had a quality bus service in Jersey.*"

MR HACQUOIL: Yes.

MR GARRETT: Right. Now, at that stage, the tendering process or the final decision was still alive. Can you explain your view? You were President of the Committee.

MR HACQUOIL: Yes.

MR GARRETT: And you were expressing quite forthright views basically saying that Jersey Bus had never served the Island.

MR HACQUOIL: No, I am not saying that at all.

MR GARRETT: Well, you are saying that, for 25 years, we really have not had a quality bus service in Jersey.

MR HACQUOIL: That is a statement of fact, as far as I am concerned. For the 25 years up till the tendering exercise, we didn't have the beginnings of a quality bus service. I can remember

the earlier years when we had JMT, the old JMT, running and the difference. It had deteriorated. Now, this was not intended to be criticism of Jersey Bus. I can appreciate how some people viewed it and I got letters from Mike Cotillard, or a letter or phone call, immediately. I answered that, and somewhere there are copies of my letter which you should have -- I don't know if you have seen them -- where I point out that it wasn't intended to take aim at Jersey Bus as the operator, but at the States of Jersey really for not funding a quality bus service, and that is what we were seeking to do by going through the tendering process and putting more money into bus operations.

MR GARRETT: Where did you express those views?

MR HACQUOIL: When?

MR GARRETT: Where and when?

MR HACQUOIL: Immediately after it had occurred.

MR GARRETT: Sorry, I am not saying ... the statement which is quoted in Alan Muir's email, "*For 25 years we really have not had a quality bus service in Jersey*", where did you make that statement?

MR HACQUOIL: It was a statement in the States. I think it was part of the statement and ... well, I don't have, you know ... I don't know where it would be found.

MR GARRETT: Did you ever clarify your position with other Members of the Public Services Committee?

MR HACQUOIL: Yes, yes, at the very next meeting and, on top of that, it was always my practice with any letters that I put my signature to to include them in a file which was available at the Public Services Committee meetings so that it was up to Members to take a look at what was in the file, but I certainly believe I raised it at the next Public Services Committee meeting and I certainly responded to Mike Cotillard virtually immediately.

MR GARRETT: Do you know if that was minuted, your sort of explanation and your sort of efforts to ----

MR HACQUOIL: At the Committee meeting?

MR GARRETT: Yes.

MR HACQUOIL: I don't know that that sort of thing would be, but my letter, you would have

a copy of my letter to Mike Cotillard anyway.

MR GARRETT:           What I am trying to be clear on is whether or not any of your Committee or any Members of the Bus Strategy Steering Group might have gained the same impression as Mike Cotillard and felt that they should follow your lead and Jersey Bus shouldn't get the contract.

MR HACQUOIL:           No. I mean, I can understand your interpretation of the words that I used, but I'm saying that they weren't intended that way. But all the Members of the Steering Group were well aware that we needed to improve the bus service in Jersey. That was ... they were all committed to doing that.

MR GARRETT:           Do you think it could have been put a slightly different way?

MR HACQUOIL:           Certainly, yes, and, you know, if I had to do it again, I would choose my words carefully, but the President of Ireland ... I mean, it is no laughing matter, but, I mean, the President of Ireland chose her words very badly at a much more senior level than this and using different terminology just this past weekend. So it happens, I'm afraid, but I apologised. I believe I apologised to Mike Cotillard for the misunderstanding. **(Pause)**

MR GARRETT:           I am just trying to go through, because many of the questions that I had drafted have been covered in answers that you have already given. One of the concerns that I have really is what evidence exists today to satisfy any observer, any inquisitor, that the selection process was absolutely fair and based upon a totally level playing field. Bearing in mind all of the comments that have been raised and all of the concerns that have been raised subsequently, what evidence is there in terms of quality minutes, file notes and so forth? Can you point us in the direction of something which would reassure us or reassure anybody who looked at this issue now?

MR HACQUOIL:           Well, the documentation is there, the information that a decision was made on and who was low tender is there. The successful tenderer was not only low tender, but ran highly professional operations in various parts of the world. Because of the lack of ridership, although I gather that perhaps it is beginning to increase, we don't have -- and this is what the Sustainable Transport Strategy was all about and didn't ever come to real fruition -- or we won't

get increased ridership on the buses until we have other policies in place which will encourage people to use them. You know, there were earlier Public Services Committees that didn't put up parking charges. We couldn't get F&E to allow us to ring-fence certain monies to support bus operations. So we were always dependent on competing with other requirements -- schools and hospitals -- for money. But if you ... I think you should interview every single Member of the Steering Committee because we were, I think, all men and women of good judgment and with a fair amount of experience and I think we knew what we were doing.

MR GARRETT: But you are not aware of a single consolidated document setting out the views that you have just expressed about all the factors that were taken into account -- effectively the weighting that was given to the key issues, including the fact that Connex is a big operator, with a world-wide reputation and so forth? There isn't a consolidated document that says "This is the process that we went through, these were the issues that we considered and this is why we reached the decision that Connex should be selected."

MR HACQUOIL: I don't know off-hand, but I have been out of it for three years. There must be in Committee decision or there must be ... Alan Muir, I suspect, would be the one to ask about that.

MR GARRETT: Thus far, I have got to say I have not found such a composite document.

MR HACQUOIL: You have not found anything. But, you know, the fact that there isn't such a document doesn't mean, as far as I am concerned, that the process followed wasn't adequate. I mean, we were unanimous. Now, if we hadn't been unanimous in recommendations from the Steering Group and the Committee, then I can see there would have been the need for a lot more substantiation conceivably and discussion minuted.

MR GARRETT: Okay.

MR HACQUOIL: But everybody who was subjected to being involved in the process agreed, given low tender. I must emphasise -- in fact, I can't emphasise that enough -- that the low tender was the biggest single factor in deciding who won.

MR GARRETT: We will move forwards. Can you describe, after the appointment of Connex, there was clear discussion on the contract. What differences existed, or what changes were

made, between the tender document and the contract that Connex eventually signed up to?

MR HACQUOIL: I don't recall any major differences, but I must say I was caught up in the summer in the school bus crisis which took a lot of my time also and, of course, as far as the final contract was concerned, it was the lawyers in Paris, Connex and our lawyers here and the Solicitor General's Department whose job it was to satisfy themselves that the respective parties ... well, that our interests were safeguarded and, of course, the Connex lawyers were doing the same from that side. It took quite a lot of toing and froing, as I recall, by strangers because the Connex lawyers, I seem to recall, had some concerns about what the wording would be, I suppose, because they were not perhaps as familiar with them.

MR GARRETT: Were you here this morning when Mr Black gave his evidence?

MR HACQUOIL: No.

MR GARRETT: The comment has been raised that the eventual contract in fact exposed the States of Jersey to too much risk.

MR HACQUOIL: I'm not aware of that. That is the first time I've heard that. It never was ... um, no such information was ever passed to me before signing. Where does that ... did he indicate what the ... is that ...

MR GARRETT: That is his view based on what has happened subsequently.

MR HACQUOIL: Yeah. Well, I suppose it is always possible that what happens subsequently sort of indicates that something could have been tighter.

MR GARRETT: If you are looking at an ideal tendering process, would you not accept that the conditions of contract that are cited in the tendering process should be sufficiently watertight and complete that they can be carried forwards in total to the actual contract which is signed? As soon as you start varying the contract, what you are actually doing, particularly if the variation is instigated by the successful tenderer, the playing field is starting to tilt a bit, because they are no longer signing up to the original specification set out in the tendering process.

MR HACQUOIL: Yes, if there were any major differences, I might conceivably agree, but I wasn't aware there were any.

MR GARRETT: There was an argument put forwards by Connex that the definition of force



majeure should be changed, very much in their favour, so that if there were strikes they wouldn't be so vulnerable.

MR HACQUOIL: Well, that is a difficult area, as I see it, and I can understand that maybe their experience in France with such matters or elsewhere in the world with such matters caused them to question that. But, again, that to me is something which I would expect the lawyers to resolve and advise us on. I doubt that anybody on the Committee or in the Department would be best advised or best informed on something like that.

MR GARRETT: Do you know whether, subsequent to the appointment of Connex, anybody ever conducted an audit to determine their level of actual performance service delivery against what they were contracted to provide?

MR HACQUOIL: Sorry?

MR GARRETT: Did anybody ever conduct any kind of audit or survey or whatever type of exercise to determine whether or not Connex was actually providing the service that they were contracted to provide?

MR HACQUOIL: Well, not during the time I was President because, of course, the contract, the implementation started at the end of September, so those were early days and there were teething troubles. There is no question about that. There were difficulties on the relief buses, or the lack of relief buses, and so on.

MR GARRETT: I will come to that in a second. Section 11 of the conditions of contract makes it clear that "*The States will from time to time monitor the provisions of the service operated under the contract.*" What provision was put in place to achieve that objective?

MR HACQUOIL: I don't recall anything during my time being put in place, but, as I say, it was early days. What we did know from the start was that the flow of information that we would be getting from the way the contract had been constructed or on how the tendering process was constructed was that the flow of information would be considerable. I mean, we would be getting information on ridership, OAPs, scholars or school children, I think and ----

MR GARRETT: But does this provision not go further than that? It implies to me the requirement for some active monitoring.

MR HACQUOIL: Yes.

MR GARRETT: And I would have thought that day one of the operation, or even on day two of the operation, would have been an interesting time to look at the Connex operation to see how it was going. Then you have a benchmark from which you can assess whether they are improving or not.

MR HACQUOIL: We certainly had ... our Transport Co-ordinator was in close touch with Connex.

MR GARRETT: Yes, but you are relying on information being supplied by Connex. What I am saying is did anybody actually go out on the street to see what they were doing?

MR HACQUOIL: Well, I think we all observed some of what was happening.

MR GARRETT: Sorry, no, that is not what is required under the contract.

MR HACQUOIL: No, but I am saying it was early days and, given the other matters that we had to contend with, I wouldn't ... I wouldn't make any excuses about its not happening in the first few months when I was there. **(Pause)** But I certainly would agree that the intention was that that should be done and I think there might have been delays in doing it.

MR GARRETT: Do you know what arrangements were put in place for Connex to notify you of complaints?

MR HACQUOIL: I seem to recall that the complaints were to go in to them, but it was also ... directly in to them, but then there was also ... it was known that we had a bus co-ordinator and complaints were going in to him thick and fast.

MR GARRETT: And that mechanism was in place on day one of the operation?

MR HACQUOIL: Absolutely. He had been there from the beginning, he being intimately involved in the whole process.

MR GARRETT: Can I show you another letter? **(Same handed to witness)** This is a letter that in fact was signed by Dennis Ord on 29th April 2002, and it was part of the final tender submission, where he gave an absolute assurance that the buses would be compliant with Jersey legislation in relation to width. Do you agree with that?

MR HACQUOIL: Well, I see what is in the letter.

MR GARRETT: Paragraph 3 of page 1. Did they deliver on that assurance?

MR HACQUOIL: Yes, they did.

MR GARRETT: They didn't -- the buses were 2.3 inches wider.

MR HACQUOIL: Mr Garrett, I cannot understand the fascination with 2.3 inches. 2.3 inches is nothing, in my estimation, at all.

MR GARRETT: But they gave an assurance during the tendering process that their buses would be compliant with law.

MR HACQUOIL: And they were.

MR GARRETT: They were not, not until DVS issued an exemption.

MR HACQUOIL: Which was ... DVS had examined the buses in the UK, as I recall, and it had been known from the start, because we had the example of Jersey Bus. Some of their buses were over-width, over the seven foot six width.

MR GARRETT: Can I just draw a line there? This was a new process. This was a tendering process and part of the requirement was that the buses should be compliant with our law. Dennis Ord gave that assurance and they didn't deliver on it.

MR HACQUOIL: Well, I think you ... they did. I'm saying that ----

MR GARRETT: No, they didn't. The Jersey law is quite specific.

MR HACQUOIL: Well, I disagree with you.

MR GARRETT: The maximum width ----

MR HACQUOIL: I disagree with you.

MR GARRETT: ---- is seven foot six.

MR HACQUOIL: I am sorry, I disagree with you. DVS has the authority to decide which vehicles ----

MR GARRETT: I am sorry, going back to the letter, Dennis Ord didn't say "The buses will comply with Jersey Law subject to an exemption being issued."

MR HACQUOIL: I would insist that that is what was the tenderers knew. It had been conveyed to them what the process was, that DVS could make exemptions provided they were, you know, not excessively over width, but 2.3 inches, good God. I mean, these were just the hub

caps. I just can't understand.

MR GARRETT: It wasn't just the hub caps, I can tell you, but the point is that, bearing in mind our narrow roads ----

MR HACQUOIL: It was the hub caps.

MR GARRETT: No, I don't think it was the hub caps. I have read ----

MR HACQUOIL: It was the nuts. The nuts protruded 2.3 inches.

MR GARRETT: I understood it was also hinges and things.

MR HACQUOIL: No, no, sorry you are confusing that with Jersey Bus.

MR GARRETT: The point is, in the narrow Jersey roads 2.3 inches could be fairly critical in whether or not two vehicles are actually able to pass each other.

MR HACQUOIL: Then why do we allow P30s to operate? Why do we allow ----

MR GARRETT: P30s are probably restricted on routes.

MR HACQUOIL: Well, yes, but then most of the buses are operating on main roads too, but at any rate the buses, neither Jersey Bus' buses or Connex's buses, they didn't differ significantly at all. Some of Jersey Bus' buses were much longer.

MR GARRETT: But nobody took it up with Connex to say "Hang on a minute, you gave that assurance". You just simply set about providing an exemption certificate.

MR HACQUOIL: It is a non-issue. It is a non-issue. I am mystified ----

MR GARRETT: It may be an issue if another tenderer had actually gone to the trouble of finding a quote for a totally compliant bus, which would be expensive because it would be custom built. If another tenderer had actually gone to whoever the bus builder is and said "Give me a quote to build seven foot six wide buses" and they got a price for that custom build and they quoted that in their tender?

MR HACQUOIL: Did any tenderer do that?

MR GARRETT: I don't know.

MR HACQUOIL: Well, I am suggesting that no tenderer did that because they had been briefed on the situation in Jersey and the fact that DVS -- and it was suggested in something I heard the other day that we told DVS what to do, and that is absolute nonsense. We don't tell,

Public Services don't tell DVS what to do; DVS checks them out for themselves and decides what is appropriate. If DVS, which has the authority for it, agrees that an exemption makes sense, that is the decision they make. It wasn't, it really wasn't, as if there were loads of narrow buses available, I don't think, on the market, the marketplace. I think most of them were chassis and so on were known.

MR GARRETT: Can we move on. I will show you another letter. (**Same handed to witness**) This is a letter dated 7th May 2002, signed by or from John Richardson to Connex, which sets out a number of sort of conditions which were being imposed on Connex. I draw attention specifically to paragraph 5, or the paragraph marked "5", which is "*confirmation that passenger capacity of the vehicles to be used in the operation of the services, that sufficient numbers of vehicles will be available on the Island ...*" I have lost the top bit.

MR HACQUOIL: I have got it though, yes.

MR GARRETT: Okay. Certainly we have received evidence and from my observations that it is clear at the outset that Connex didn't live up to that and in fact it may have been anything up to 12 months before they had sufficient capacity.

MR HACQUOIL: I don't think it was that long. I thought that when there was a lot of noise about leaving passengers at First Tower and so on and maybe Gorey, that they made efforts to acquire additional buses and, you know, it was solved in a month or two.

MR GARRETT: I think it was a long time before they actually had their own fleet capability. They hired in some vehicles, which were ----

MR HACQUOIL: Yes, but that is okay. I mean, there is nothing wrong with that.

MR GARRETT: But that was an emergency response. The point I am making is that Connex were not in a position at the outset and until controversy arose to actually deliver on the capacity.

MR HACQUOIL: No. Goodness gracious me, you know -- forgive my "*goodness gracious me*" -- we were in a situation in Jersey where we had selected a bus operator which wasn't local and so there were technically some problems involved in starting up from scratch on that and I think that, frankly, Connex and the Public Services Department did a magnificent job in handling the transition, but there were bound to be -- what's the word -- you know problems that would

occur in that. It was bound not to go so smoothly. I mean, I was really in the end very pleased that they got so many new buses here on the road before 1st October or 29th September. I thought it was impressive as hell.

MR GARRETT: Can I just take you back? Did you take part in the risk analysis exercise that was conducted prior to the embarkation on the tendering process?

MR HACQUOIL: I think I must have, but I can't be sure.

MR GARRETT: But did any of these issues actually emerge during that exercise?

MR HACQUOIL: What, the new buses?

MR GARRETT: The possibility that insufficient buses would be available and so forth?

MR HACQUOIL: Er, I can't recall that at all, I must say. I mean, the tenderers all knew what they had to do to achieve successful transition. I mean, it was clear cut what we expected.

MR GARRETT: I think it would be fair to say that, had it not been for the co-operation provided by Public Services and the garage staff and so forth -- and they are to be applauded for their efforts -- the Connex service would not have got going on the appointed date?

MR HACQUOIL: Yes, but, again, this is Jersey. You know, I can't emphasise that enough. Even not being just Jersey but being anywhere, to get planning approval through for the new garage and get it up and built, which is another thing we were grappling with, I had to keep pressing and pressing planning to get it approved and, of course, there were other ... they were as concerned as we were, but then there were delays on that. But, in the end, the approval came through and, thanks to Property Services, it was a building started on almost immediately and that couldn't be completed by 29th September. So there was the problem of how were they going to service the buses. I don't know how it happened, but John Richardson suggested they look ... fortunately Public Services has this excellent heavy duty vehicle garage with excellent mechanics or engineers who do the servicing and we charged it out. So we were absolutely committed. I approved it and we were committed to making sure the buses would run. We had to.

MR GARRETT: I go back to comments I made or concerns that I raised or explored about the timescale for this. It was very tight and it was fairly high risk.

MR HACQUOIL: Yes, I suppose it was reasonably high risk, but we had enough time to see that all these things came into place providing the decisions were made; for example, the regulations were amended and went forward at the time that was necessary and that it went to the States at the right time, and that was a delay of six weeks then and so everything was sort of set back in the circumstances. I am willing to see for the Department applause for having done what they did.

MR GARRETT: A point I would raise out of that is would the same level of support, pressure and so forth been offered if Jersey Bus had got the contract, bearing in mind the relationship that had existed prior to that time?

MR HACQUOIL: As far as I am concerned, absolutely. They would have been the successful operator, so if they had said -- and I think they had indicated that they might have difficulty in meeting the deadline for new buses -- if they had been the low tenderer, they would have got consideration from me and I would have, I am sure, persuaded the Committee of that because that would have been reasonable.

MR GARRETT: Bearing in mind your departure date from the Committee, are you able to comment at all on the claims that were subsequently made by Connex for additional funding from the States?

MR HACQUOIL: I don't think it is appropriate for me to comment, frankly, on it. I wasn't ... I'm not aware of how it came about and the submission that Connex made, what the basis of their claim was, so, I mean, I am going to refrain from commenting on it. It would be strictly hypothetical.

MR GARRETT: Can I leave that open for the time being and say, depending on what evidence we hear subsequently, I can possibly revisit that with you at a later time, just if necessary?

MR HACQUOIL: Yes.

MR GARRETT: Thank you.

MR SHEPHEARD: Mr Hacquoil, during the process of amending the legislation, the preparation of instructions for the Law Draftsman went out to a consultant company called Andium Limited?

MR HACQUOIL: Oh yes, yes, ah hah.

MR SHEPHEARD: Was there any particular reason for that?

MR HACQUOIL: Just, I mean, I would suggest that you need to address that to the Law Drafting Office because ----

MR SHEPHEARD: This was ... Mr Syvret of Andium was acting as a consultant to Public Services. The Law Draftsman hadn't formally received any instructions at that stage.

MR HACQUOIL: Oh I see what you mean, yes, yes. It is coming back. I know that he had been used, or his services had been used, in a number of situations because of his experience in the public service and had acquired quite a reputation in terms of being able to facilitate the drafting of new laws and regulations because, to the extent that you can put it to the Law Draftsman in fairly clear and concise terms, it eases his burden enormously. But I don't remember at what stage he was brought in.

MR SHEPHEARD: If I can jog your memory, he was instructed in the middle of September 2001.

MR HACQUOIL: To?

MR SHEPHEARD: To prepare instructions to the Law Draftsman to amend the legislation.

MR HACQUOIL: Right. Well, I think it is fair to say that we knew at that time some of the changes and the deficiencies in the law that needed correcting.

MR SHEPHEARD: I think we already know that you had had quite comprehensive advice over two years pointing out the problems with the existing law which meant that you couldn't do what you wanted to under the existing law.

MR HACQUOIL: Right, yes.

MR SHEPHEARD: Bur Mr Syvret came up with three options, as I recall, and the Committee discussed the report that he presented and chose one option and, on the basis of that, he then drafted a set of instructions for the Law Draftsman.

MR HACQUOIL: Well, I can't recall at all the three options that he suggested or which was one was suggested, so I would need my memory jogged to be any help in that area. I was not President, of course, at that time.



MR SHEPHEARD: I think just one more question from me. In relation to the law drafting process, the Committee were kept informed as different drafts were produced?

MR HACQUOIL: Yes. The normal process was providing the new draft, you know, having been looked at by Alan Muir and his people and providing they felt that what had come back met the requirements as they understood them, they would then bring it up and put it on the agenda for the Public Services Committee. Certainly nothing final went through to the Law Draftsman. In the cases where something of that type came to the Committee involving legal matters, the Law Draftsman would attend the Committee meeting and speak to it and hear directly from Committee Members.

MR SHEPHEARD: Do you recall any of those meetings?

MR HACQUOIL: Any?

MR SHEPHEARD: Any of those meetings in relation to this?

MR HACQUOIL: Not terribly well. I recall that they existed, that they occurred, but at what meetings we may have decided on or given direction to the Law Draftsman to take a certain line, I don't know. I would have to take a look at what was submitted to us, I guess.

MR SHEPHEARD: Were you at all aware of the potential hiccup that was identified towards the end of March 2002 with the draft that was proposed should go to the States on 17th April? **(Pause)** Let me be honest. I don't think you were because I think the hiccup was dealt with between Officers, but I just wanted to know if you were or not?

MR HACQUOIL: Well, nothing was presented to me as a hiccup, so I don't know. If you tell me what the hiccup was, possibly I can say.

MR SHEPHEARD: It was to do with the interplay between two Articles in the legislation. It was possible to interpret Article 24 of the new legislation as requiring that any proposal to award a bus licence was something that had to go out to public consultation. **(Pause)**

MR HACQUOIL: I thought that any award of a new licence had to go out to consultation.

MR SHEPHEARD: Well, there is a technical/legal reason why it doesn't, and certainly there is a technical/legal reason why it didn't need to go out to public consultation in relation to the tendering process.

MR HACQUOIL: Oh yes, but then ... that's right. You can have ... a tendering exercise is one thing and an award of a licence, maybe an individual route licence, is another. Isn't it that?

MR SHEPHEARD: Yes, but I have looked at the legislation, because I am a lawyer myself, and I can see exactly what the technical problems are, but I know that the technical problem was subsequently cured in November 2002, but it is more a question of interpretation of the express words of what was written than anything else, but I think I will leave that and I will comment on that when the Committee makes its final report.

MR HACQUOIL: But November 2002, that was still during my time. Are you suggesting that a modification to the regs occurred?

MR SHEPHEARD: There was a further amendment to the regulations. The Motor Traffic No. 8 (Jersey) Regulations 2002 are the ones that changed the law from what it had been to allow for competitive tendering and the payment of subsidies.

MR HACQUOIL: Yes, that's right.

MR SHEPHEARD: And then there was a set, a further set, of regulations, No. 9, which made an amendment to Article 24 of the law, as substituted by the No. 8 Regulations, which put the meaning absolutely clear. There was some obscurity in the meaning of the law as drafted and under which you had to eventually reach your decision.

MR HACQUOIL: But were there other changes to Regulation 9, which came from DVS?

MR SHEPHEARD: There were other changes, yes, certainly.

MR HACQUOIL: That came from DVS, as I recall.

MR SHEPHEARD: I think they would have done, yes.

MR HACQUOIL: But, no, I can recall Article 24 coming up and there was some exchange of emails, some of them, I believe, coming from Deputy Dubras, who was President of Industries Committee at the time, and there was some intense and very convoluted discussions that went on and exchanges that went on on that. It was resolved in the end, but I can't remember the details.

MR SHEPHEARD: No, I think, having looked at them all fairly carefully, I can see how it was resolved.

MR HACQUOIL: Okay.

MR SHEPHEARD: I have got nothing further. Mr Hacquoil, I am sorry we have detained you a little bit beyond our normal finishing time, but, as we have been able to complete taking your evidence in that time, subject to anything else cropping up that we might want to ask you about again, we are very grateful to you for bearing with us. Thank you very much.

MR HACQUOIL: Thank you for giving me the time and I hope I have been of help to you.

MR SHEPHEARD: Thank you. That being the conclusion of the Committee's business for today, we will adjourn now until 9.30 tomorrow morning, is it?

MR SPENCE: No, it is a later start tomorrow.

MR SHEPHEARD: A later start tomorrow. We are sitting at eleven tomorrow, I understand. We will adjourn until eleven o'clock tomorrow morning.

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