

2026.09.08

5.2 Deputy K.M. Wilson of St. Clement of the Chief Minister regarding assurance and approval processes for major capital projects (OQ.72/2026).

In light of recent concerns raised regarding the assurance and approval processes surrounding major capital projects, will the Chief Minister advise what steps he has taken, or is considering taking, to ensure no major contract is signed by Ministers before all legal, financial, governance and independent assurance processes are completed?

Senator L.J. Farnham (The Chief Minister):

The Government already has robust legal, financial, governance and assurance processes in place for major capital projects, and I am not proposing changes to those arrangements at this time. The recent hospital contract was an exceptional case. The Minister acted transparently through the Ministerial instruction process after becoming aware of an outstanding due diligence requirement immediately before the contract was due to be signed. Following legal advice and discussions with the Council of Ministers, a contractual mechanism was agreed that allowed the contract to be signed while ensuring that the necessary due diligence would still be completed and satisfied under specified conditions. In effect, the Ministerial instruction became unnecessary as that process was conducted successfully. The Council of Ministers supported that approach because it protected the public interest, maintained the required assurance processes, and avoided further delay to a project of critical importance to our island. I am therefore satisfied that the Government's existing governance and assurance framework remains robust and that this exceptional situation was dealt with transparently and appropriately by the Minister and the Council of Ministers. I do not propose to make any changes at this stage.

5.2.1 Deputy K.M. Wilson:

Given the exceptional circumstances of this need to sign the contract 2 days before an election, can the Chief Minister confirm whether or not, or he accepts, that authorising a contract of this size before the prescribed assurance and approval mechanisms have been completed created a situation where the Government's own assurance framework under the Public Finance Law could not operate?

Senator L.J. Farnham:

I think the process did operate in line with how it should. There is a reason why we have a Ministerial authorisation and it was, I think, brought in and applied appropriately, as I said in my original answer, in the public interest.

5.2.2 Connétable A.N. Jehan of St. John:

Would the Chief Minister confirm that there was a senior Treasury member on the hospital project team throughout, and also agree with me that a mechanism was in place to complete any outstanding due diligence to ensure nothing of concern had arisen and the contract could be cancelled as something arisen, as outlined in the Minister's letter received by Members this morning?

Senator L.J. Farnham:

Yes, that is correct. I thank the Connétable for the question. Just to clarify, at the point of signing the contract, including a 2-week break clause to allow the Treasury ongoing review to be completed, those reviews subsequently concluded without identifying any issues.

5.2.3 The Connétable of St. John:

Can the Chief Minister also confirm that both he and the Council of Ministers had access to senior legal advisers both on Island and subject specialists in London throughout the process?

Senator L.J. Farnham:

Yes, that is correct.

5.2.4 Deputy L.V. Feltham of St. Helier Central:

Could the Chief Minister enlighten the Assembly as to how we came to the point where the Minister got into an exceptional circumstance whereby all of the due diligence had not been done prior to the requirement of the signing of the contract?

Senator L.J. Farnham:

I think it was more assurance rather than due diligence. Members will have seen a statement from the Minister this morning, which explains it all in greater detail [Appended to the Official Record at page number 47]. There were important sensitive negotiations that have been going on for some time to ensure we got the absolute best deal for the Island, and they were time sensitive. As I said before, in the public interest it was deemed appropriate and right at the time, albeit being close to an election, but in the interests of the Island and the potential costs of the project the contract was signed.

5.2.5 Deputy L.V. Feltham:

I think I have heard the Minister for Health and Social Services refer to a last-minute request for additional information to be provided. How did it get to the point that this request was seen as a last-minute request despite the fact that this is part of the usual procedures as requested in the Public Finances Manual?

Senator L.J. Farnham:

As we approached the proposed day of the signing of the contract the Minister was made aware by a letter from the Chief Executive that there were further assurances required, and that led to the Minister for Health and Social Services and his team negotiating the 2-week break clause into the contract to allow for that work to be completed.

Deputy L.V. Feltham:

Sir, I do not think the Chief Minister has answered my question. My question is specifically related to the usual processes that are followed. The Chief Minister alluded to additional information. My understanding was that this was not additional information for this specific programme. It is information that is standard and the hospital team should have planned in their timeframe for it to be done ahead of the contract signing.

The Bailiff:

Anything you want to add, Chief Minister?

Senator L.J. Farnham:

That was not the Minister for Health and Social Service's understanding, as I believe, and as in the Connétable of St John's questions, a Treasury official sits on the hospital team that has worked with the project all the way along. But it is clear that if the Treasury do require further information and assurances we must take that seriously. That is exactly what we did. The Minister for Health and Social Services negotiated a 2-week break clause so that information could be provided.

5.2.6 Deputy K.M. Wilson:

Could the Chief Minister confirm who has the specific responsibility for any risks associated with this contract? Can he confirm whether this was a collective decision or whether it was under Ministerial Order?

Senator L.J. Farnham:

I am sorry, I missed ... I did not quite hear the first part of the question. Could the Deputy ...

The Bailiff:

Repeat the first part of your question, Deputy Wilson.

Deputy K.M. Wilson:

I have asked who bears the specific responsibility for the risks in relation to the contract being signed under these circumstances.

Senator L.J. Farnham:

I might need legal advice on that. I presume the Government does, but perhaps you could help?

The Bailiff:

No, I am not here to help you answer questions. **[Laughter]**

Senator L.J. Farnham:

The second part of the question, I think, ultimately, was the Ministerial instruction required?

Deputy K.M. Wilson:

Maybe if I allow the Chief Minister to seek the advice on the first part of the question as to who bears the specific accountability around the risks relating to the signing of this contract.

The Bailiff:

Do you want to give an answer in writing after?

Senator L.J. Farnham:

Thank you, Sir. If the Attorney-General will be present at some stage, perhaps he could help.

The Bailiff:

Well, not in relation to questions, and during question time he will not be able to, but if you want to give a written response to this question, then of course you may.