## **STATES OF JERSEY**

## **OFFICIAL REPORT**

# FRIDAY, 17th SEPTEMBER 2010

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## The Roll was called and the Dean led the Assembly in Prayer.

[09:30]

## **PUBLIC BUSINESS – resumption**

## Deputy C.H. Egré of St. Peter:

May I thank the Greffier's office for preparing our new running order for today. As Members will **[Approbation]** ... I think that is a reflection on the size as well as the amount of work that is put in to produce it. It would appear from what we have here that the work is very do-able today, but on that basis I would put Members on notice that I would want it to finish today no matter what.

#### The Bailiff:

Well, that no doubt depends upon on how long Members speak for.

#### **Senator B.E. Shenton:**

Can I just notify Members that I will be withdrawing the Jersey Harbours amendment after discussions with Senator Routier?

# 1. Draft Annual Business Plan 2011 (P.99/2010): sixth amendment (P.99/2010 Amd.(6)) (paragraph 1)

#### The Bailiff:

The Jersey Harbours one, that is number 63, is that right, Senator? Very well. So number 63 is withdrawn. Members now have, as the Deputy of St. Peter has said, an amended running order so we move to the next amendment which is number 57, an amendment lodged by Senator Le Gresley and I will ask the Greffier to read the amendment.

#### The Greffier of the States:

After the words "withdrawn from the Consolidated Fund in 2011" insert the words "except that the net revenue expenditure of the Social Security Department shall be reduced by £6,632 following the restructuring of the Christmas bonus (SS-S8) in the way recommended in the report of Senator F. du H. Le Gresley dated 16th August 2010 to provide the Christmas bonus is removed only for residents not in receipt of the Jersey Old Age Pension and all non-residents and that the Christmas bonus is fixed at £78 for 2011."

## **Deputy A.T. Dupré of St. Clement:**

Excuse me, Sir, could I be excused from this debate? I receive the Christmas bonus since I receive my widow's pension.

#### The Bailiff:

I dare say one or 2 others may but ... [Laughter]

## **Deputy A.E. Pryke of Trinity:**

Despite being well under 60, I do receive the Christmas bonus.

#### **Senator S.C. Ferguson:**

Yes, I also have to declare an interest.

## Deputy P.J. Rondel of St. John:

I will have to declare an interest as well.

## The Bailiff:

Senator, is this going to affect them? I do not think it is, is it? If you are a resident, you are still going to get it, are you not?

#### Senator F. du H. Le Gresley:

No, Sir. If my amendment was approved then those Members who have just stood up would lose £20 at Christmas.

#### The Bailiff:

They would lose £20, would they?

## **Deputy F.J. Hill of St. Martin:**

Could we have a ruling? I would not have thought it was necessary for those who are in receipt of a bonus to leave the Chamber, but if it is your direction I should, then I will do so.

#### The Bailiff:

Well, it is clearly direct financial interest but it is very ...

## **Deputy I.J. Gorst of St. Clement:**

Yes, indeed. Sorry, I presumed you were going to go on to say it is shared with a large category of people and, therefore, is outside of the ruling of Standing Order; something like 18,000 Islanders do receive the Christmas bonus.

#### The Bailiff:

It is like the rate of income tax and so forth ...

## Deputy J.A. Martin of St. Helier:

Sorry, but I have taken advice on this and I am one of 5,000. I do not get a rebate. I never have but if rents are discussed, the ruling from the Bailiff was it is best you are not in a debate and even when the houses were being ... the last big housing debate I was ... It is a pecuniary interest. I am not saying anyone would vote like that but outside there it is up to the people, but I think the people who have retired from the Chamber are absolutely right.

#### The Bailiff:

Let me just remind myself of the exact provisions of the Standing Order.

## **Senator B.E. Shenton:**

We could be in trouble when we debate States Members salaries. [Laughter]

#### The Bailiff:

One moment. The position is different there. We will need to lift Standing Orders.

## The Bailiff:

I am just trying to remind myself, Greffier, what is the Standing Order? I think on reflection it is a direct financial interest and, therefore, I think those who would be directly financially affected by this ought to withdraw ... Very well; I hope that is not too many. The alternative is for any Member to move ... One moment. The alternative, if any Member wishes to do so, is to move a suspension of Standing Orders. One moment, please do not all speak at once. It is open to a single Member if he or she wishes to move a suspension of Standing Orders, and it would be for the Members as a whole to decide whether to do so or not.

## Deputy P.V.F. Le Claire of St. Helier:

May I propose that we raise Standing Orders so that this can be debated but at the same time I think the ruling - your ruling, Sir... could I ask if consideration be given to the fact that people should declare an interest whether they leave or not and it be recorded, because I think that is the proper thing, is it not, Sir, in the Standing Orders?

#### The Bailiff:

Let us take it one stage at the moment. Of course Members must always declare an interest, but I have ruled at the moment that it is a direct financial interest and, therefore, under Standing Orders at present it requires a Member to leave ...

## **Deputy P.V.F. Le Claire:**

I propose that we raise Standing Orders so this can be debated with those Members who are involved.

#### The Bailiff:

Is that seconded? **[Seconded]** Very well. It is a simple matter it seems to me. I mean we can have a debate on it if you wish but it is a simple issue and Members should, I think, move straight to a vote on whether to lift the Standing Orders so that those who are in receipt of this Christmas bonus can stay or whether they should go.

#### **Senator B.E. Shenton:**

I wonder whether those that are in receipt should just abstain from this vote so that they do not contaminate the vote.

#### The Bailiff:

No, they do not have a direct financial interest in this. This is just whether they should stay, so they may vote or they may, of course, choose to abstain if they wish.

## **Deputy J.A. Martin:**

From the Chair, can I just ask if there is any danger if everyone had to leave we would be going inquorate? I do not think we would and I do not see any reason why we should lift the Standing Order. **[Approbation]** We are setting a very dangerous precedent whether it be £1,000, be it ... you might as well do away with the Standing Order. We can all vote for our money. We are going to be doing it later anyway.

#### The Bailiff:

Very well, that is a matter for Members, as I say.

## **Deputy J.A. Martin:**

I need to know if we are going to be inquorate. Can we have the debate without the people receiving the money directly?

#### The Bailiff:

I see. I apologise, yes. Well, could all those who would be affected by this put up their hands?

## Deputy A.K.F. Green of St. Helier:

I do not think I would have to leave but my son receives the bonus and while I am his main carer I think I would be legitimate to stay but declare the interest.

#### The Bailiff:

It looks as if we would lose 9 Members. How many did we have, Greffier, today? Most of the Assembly were here, were they not? So I think we would be quorate.

## **Deputy I.J. Gorst:**

Sorry, there are 2 more that have left who are in receipt. I think they have already left.

#### The Bailiff:

There would be 11 then. Does anyone else wish to say anything on ...

#### Connétable K.P. Vibert of St. Ouen:

I wish to query something. The Member who has as not yet received, in other words who has attained retirement age in the last few months, is in my opinion in the same position as someone who is going to attain it in the next year.

#### The Bailiff:

No, at the moment, unless you are receiving it you do not have a direct financial interest.

#### Connétable L. Norman of St. Clement:

I am sorry to push it, but I need some clarity on that because I decided to take my Social Security pension early; it started in July of this year. Therefore, I will be entitled to the Christmas bonus in December. I have not yet received it. Therefore, I must have a pecuniary interest.

#### The Bailiff:

Yes, you do.

## The Connétable of St. Clement:

So has everybody else who pays Social Security contributions.

#### The Bailiff:

No, only those who are going to receive it this year. All of us may receive it or may not receive it when we retire but ... Those who either have already received it or are definitely going to receive it this year, they have a direct financial interest. Anyone else does not.

[09:45]

## **Deputy I.J. Gorst:**

Just to put a further fly in the ointment, of course this proposition is not about this year's Christmas bonus it is about the Christmas bonus in 2011. [Laughter]

#### Deputy P.J. Rondel of St. John:

Deputy, none of us are getting any younger.

## Deputy G.P. Southern of St. Helier:

I still believe that is not direct. We might not survive until next Christmas.

#### The Bailiff:

Does anyone else wish to say anything about this? No. Then the proposition before the Assembly now is to lift Standing Orders so that those who are affected may remain. If you wish them to remain, you vote pour. If you wish them to leave, you vote contre. The Greffier will now open the voting. Have all Members had an opportunity of voting? The Greffier will close the voting.

POUR: 15	CONTRE: 16	ABSTAIN: 5
Senator P.F.C. Ozouf	Senator B.E. Shenton	Senator T.A. Le Sueur
Senator F.E. Cohen	Senator A. Breckon	Connétable of St. Ouen
Senator S.C. Ferguson	Connétable of Grouville	Connétable of St. Martin
Senator A.J.H. Maclean	Connétable of St. Peter	Connétable of St. Saviour
Senator B.I. Le Marquand	Connétable of St. Lawrence	Connétable of St. Clement
Senator F. du H. Le Gresley	Deputy J.B. Fox (H)	
Connétable of St. Brelade	Deputy J.A. Martin (H)	
Deputy R.C. Duhamel (S)	Deputy G.P. Southern (H)	
Deputy of St. Martin	Deputy of Grouville	
Deputy J.A. Hilton (H)	Deputy of St. John	
Deputy P.V.F. Le Claire (H)	Deputy T.M. Pitman (H)	

Deputy J.A.N. Le Fondré (L)	Deputy T.A. Vallois (S)	
Deputy S.S.P.A. Power (B)	Deputy M.R. Higgins (H)	
Deputy I.J. Gorst (C)	Deputy A.K.F. Green (H)	
Deputy E.J. Noel (L)	Deputy D.J. De Sousa (H)	
	Deputy J.M. Maçon (S)	

Very, well, so on that basis I am afraid those who are affected must leave. Are we 27, Greffier? No, we are 26. We are not quorate at the moment because [Laughter] a number of other Members who are eligible to be here have absented themselves. Very well, so we return now to the amendment, which has been read, so Senator Le Gresley.

## 1.1 Senator F. du H. Le Gresley:

I seem to have achieved what the States Members have been trying to do for years, which is reduce the number of States Members. [Laughter] Bearing in mind we are not going to have discrimination legislation, I also fear that the law might not support me on that one. Now, to the matter in hand. Can I state at the outset to Members that I am very disappointed that the Council of Ministers are even considering cuts to benefits at this early stage of finding 2 per cent savings under the C.S.R. (Comprehensive Spending Review). However, I fully understand that the Minister for Social Security has been put in a difficult position and I think it is to his credit that he has come forward with savings totalling just under £2 million for 2011. The proposed saving of £439,000 on the Christmas bonus expenditure for 2011 is to come from a reduction in the qualifying conditions which are set out in Article 2 of the Christmas Bonus (Jersey) Law 1991, as amended. I would point out to Members that the law makes it quite clear that there is an entitlement to this benefit, which can only be removed by this Assembly agreeing to a future proposition from the Minister to amend the law. According to the recent Social Security Report and Accounts for 2009, 18,839 individuals received a Christmas bonus. The estimated budget for 2010, that is this year, is £1,848,300 and all people currently entitled can expect to receive a bonus of about £98 this The budget for 2011, which we are debating today for the Christmas bonus, is estimated to be £1,490,000 after the savings proposal. I would like us to look at the detail of who will lose their entitlement under the Minister's savings proposal, and here I have used the 2009 data which has kindly been provided to me by the Social Security Department officers. So people losing their entitlement are: 113 people on survivor's allowance, 480 on survivor's pension, 53 people on 100 per cent long-term incapacity benefit, 7 people on incapacity pension, 1,018 people on invalidity benefit, and I would just point out that some of this group will start to see a reduction in their income as protected payments under income support, such as the old Disability Transport Allowance start to be reduced from 30th September this year. Continuing with the numbers: 170 people who receive invalid care allowance, and for the benefit of Members I would remind them that these people are carers who look after people who are probably in receipt of some of the benefits I have just listed; 1,627 people, mostly women, in receipt of an old age pension but under the age of 65 years, 511 people who are over the age of 65 but are not currently in receipt of a Jersey old age pension and, finally, 402 people who live outside Jersey. This totals 4,381 people. I would stress that these are based on figures for 2009 and, of course, they do change. I have purposely excluded from these figures 180 people who will continue to receive the bonus because they are currently in receipt of level 2 or 3 personal care components under the income support scheme. My amendment, if approved, would remove from entitlement only 2 groups: the people over 65 who have never contributed to the Jersey Social Security scheme and the people who now This is a total of 913 individuals. no longer live in our Island. My amendment leaves approximately 17,900 people still entitled to the Christmas bonus compared to the Minister reducing this figure by a further 3,400. Now in preparing this amendment I would like to acknowledge the help that I have received from the Treasury and Social Security staff and also the Greffier in calculating the figures in my report. To remove the Christmas bonus from the 2 groups that I have just mentioned would produce a saving of £86,069 in 2011. This has been calculated

after splitting the recipients into those who would receive the full Christmas bonus and those who receive a reduced amount as they also receive the U.K. (United Kingdom) Christmas bonus of £10. So to remain within the proposed budget cuts of £439,000 for 2011, we need to find further savings of £353,000. In order to share this pot, as I am calling it, after excluding administration costs the Social Security Department has confirmed that the Christmas bonus for 2011 would need to be reduced to £78. This would be a reduction of £20 on the likely figure to be paid in 2010. Members need to decide whether my amendment is a fairer way of dealing with the Christmas bonus for 2011 and also in 2012 and 2013. I would argue that people with long term illnesses and disabilities are just as entitled to retain their Christmas bonus as pensioners over the age of 65 years. Similarly, I can see no justification for removing entitlement from pensioners aged between 60 and 64, from widows and widowers, and from carers. Once entitlement to a statutory benefit is removed, it is unlikely ever to be reinstated. I expect some Members will suggest that the Christmas bonus could be means tested in future, but I believe the administration cost of doing this would be prohibitive. I also ask Members to refer to the appendix to my amendment where they will see that Guernsey stopped paying a Christmas bonus back in 1990, that the U.K. has capped the bonus at £10 since 1972 and that the Isle of Man has been paying a bonus of £82.50 since 2006. I have checked with the Social Security Department in the Isle of Man and they intend to pay a bonus of £82.50 in 2010. I am pleased that the Council of Ministers is neutral to my amendment and acknowledge that I am giving Members the opportunity to discuss an alternative to removing entitlement to the Christmas bonus from 3,468 people and also reducing expenditure of the States by £6,632. The Minister maintains that he is trying to protect the most vulnerable groups who currently are entitled to the Christmas bonus but provides no evidence why all pensioners over the age of 65 are to be considered vulnerable and yet non-pensioners with long term illnesses and disabilities are not considered to be vulnerable, unless the household is in receipt of the personal care component level 2 and 3 and income support. In the Corporate Services Scrutiny Panel report on the C.S.R. on page 106, their expert, Dr. Harkness says: "While withdrawal of the G.S.T. (Goods and Services Tax) bonus is not envisaged as having an impact, withdrawal of the Christmas bonus from 4,500 individuals may have some adverse consequence for some of the relatively poor. However, the disabled, those in receipt of income support and resident pensioners receiving old age pension will continue to receive the bonus, so it appears the poorest are protected." Now I would challenge that because I have already explained to you that of the disabled, as they are called here - not a word I would choose - only 180 people are currently on income support with impairment components levels 2 and 3. Also on her conclusions on page 109 of the same report, she also comments: "Among the poorest people in Jersey are single non-pensioners. I stress non-pensioners." Some of this group ... These are my words, some of this group are currently entitled to the Christmas bonus but would lose it for ever if the Minister's saving proposal is accepted. I hope that senior citizens listening to this debate will appreciate that it is with great reluctance that I propose that the Christmas bonus for 2011 is reduced to £78, but I hope the majority will agree that this is a fairer option than removing entitlement from so many other equally deserving people. In summary, I do not see any justification for taking away entitlements to the Christmas bonus from people who currently qualify except those who now live out of the Island, and those people over the age of 65 who have never paid into the Jersey Social Security scheme. Approximately 3,500 will continue to receive the bonus if my amendment is approved. I hope the majority of Members will support this and I make the proposition.

#### The Bailiff:

Is the amendment seconded? **[Seconded]** Deputy Green? [10:00]

## 1.1.1 Deputy A.K.F. Green:

I am very grateful to Senator Le Gresley for bringing this because it is not an increase in expenditure but a redistribution. I have to say it is a shame that we have to discuss it at all. Bar

humbug came to mind when I read about this because Christmas for many of our older pensioners and our disabled and our widows and our carers is a very difficult time, and a time when the have nots realise even more that they have not when other people are spending more on a night out on parties than we are giving in bonus to some of our more worthy people. I will support this. I have to say I am sorry that as a result of it we have reduced it slightly for some of the pensioners, but I know the difficulty that some of the disabled people have in everyday life and to take away that little bonus that allows them not necessarily to have luxuries of life but to have a slightly warmer house over Christmas, or to buy a small present for their grandchild, I know how much it means to them and I am very grateful to the Senator for bringing this, and I will certainly support it.

## 1.1.2 Deputy I.J. Gorst:

Yes, I hope this will be a relatively short discussion because what Senator Le Gresley's amendment has done is allow the States to simply decide how we are going to cut up the cake, as it were, of the Christmas bonus benefit but retain roughly the same level of saving albeit, that the amendment is a slightly increased saving. As I tried to indicate yesterday, looking for savings in my department, as is common with other departments, is not an easy process and I took the view that the proposal that I put forward was the best way to deal with the Christmas bonus. Senator Le Gresley was absolutely right: this is just a Business Plan proposal. Any change will need to have regulation changed and I will have to come forward be it whether the States accept my proposal or Senator Le Gresley's proposal. That will come forward and they will have the opportunity to agree that in due course along with some other items of the Business Plan, which will require law changes. I think that the majority of people who think when they are asked to consider the Christmas bonus would expect that it was paid to those who are in receipt of pensions and probably that is all. The law obviously allows for these other categories of benefit recipient to receive a Christmas bonus but I do not believe that is probably what the majority of the members of the public think of when they think of Christmas bonus. They think of someone who has contributed to the pension scheme, albeit this is a tax funded benefit; it is not related directly to contributions. They think of someone who has contributed to the pension scheme, who is retired and are, therefore, eligible for this Christmas bonus. That is the view that I have taken in bringing forward this particular cut. I have had quite a lot of correspondence on the merits of my proposal as opposed to Senator Le Gresley's proposal, and Members will have seen the heated correspondence across the pages of the J.E.P. (Jersey Evening Post) and I believe that, on balance, the members of the senior citizens community would support my proposal as opposed to the amendment, which would be reducing the Christmas bonus. Senator Le Gresley made quite a few comments about those more vulnerable members of our community and he did, quite rightly, say that under my proposal those ineligible for income support personal component, personal care level 2 and 3, will continue to receive the Christmas bonus, and that does show us that the most vulnerable, those who are most in need of support because of their abilities, will continue to receive it, so that element has been protected, so I do not really have too much more to say. It is a straightforward choice: Members either decide to maintain the benefit at its current level but, in effect, say those over 65 who are in receipt of the Jersey pension receive it or they decide that, no, they are making the same level of saving, they reduce the benefit level by £20 and continue to give it to all the other recipients. I believe that my proposal is the way forward. I believe it has the most ... It is an unusual thing for me to stand up and say. I believe it has the most public support and, therefore, I ask that Members do reject this amendment. However, as Senator Le Gresley has also said, the Council of Ministers do not have a corporate view on this and it is simply for Members of this Assembly to decide.

#### 1.1.3 Senator A. Breckon:

Just a couple of comments. I will support the amendment because what the Minister for Social Security appears to have done is he has gone into an emotive area for a cut at an early stage, and I say that because I remember not that many years ago when the Council of Ministers were talking about fiddling about with Christmas bonus and means testing and that, it was at the very time when

there was a very kind gentleman in the Parish of Grouville who decided to give all Island residents over the age of 70 £100 and we, as Government, are taking or proposing to take money away from elderly people. The reason I say that is because for us as a government, of course, this is a P.R. (Public Relations) disaster, when we are in this sort of area in the particular climate where the pensions have not increased much this year, people are finding it fairly expensive, and then one of the target areas is old and vulnerable people at a very early opportunity. I would have supported not necessarily paying it to people outside the Island because it is supposed to recognise people living here on their costs and what they can do with it, so I am not in favour of paying it to somebody in Australia who will not need to heat their house probably in December, so that could have gone, but I would have supported increasing the budget to maintain that not just for pensioners but for those who have some particular illness or something that prevents them from enjoying, you know, the quality of life that some of the rest of us do. But again, just from this House's point of view, I am sure Members will be aware, this is a public relations disaster to be even debating this stuff. I would ask the Minister for Social Security, when he has got other things on the agenda, to be mindful of that when there is still some definite waste in the system that we could look at before we do this, and who is feeling this stuff. I think he needs to get his jacket off and have a look, as some other Ministers will do, rather than just do these emotive things at the earliest opportunity and pick on those people sometimes who are not best able to defend themselves. I think it is despicable.

#### 1.1.4 Connétable D.W. Mezbourian of St. Lawrence:

I would just like it placed on record that I am married to a pensioner [Laughter] and he does receive a Christmas bonus and although it is not a direct pecuniary interest for me I would not be comfortable on voting either way for this so I will be abstaining.

#### The Bailiff:

I think, Connétable, in accordance with the ruling you should have gone because it refers to an interest of a spouse.

#### The Connétable of St. Lawrence:

I beg your pardon, Sir, I was not aware of that because very often we are told unless it is ...

#### The Bailiff:

A Member who has or whose spouse has an interest.

## The Connétable of St. Lawrence:

I did not read the Standing Order. Did you read that out?

#### The Bailiff:

No. I did not.

#### The Connétable of St. Lawrence:

No, so in that case it is my error, and I apologise, so I am glad I stood up to declare it now and I will leave.

#### Connétable J.M. Refault of St. Peter:

I will need to do likewise

#### The Bailiff:

Are we now quorate? We are just all right. Does any other Member wish to speak?

#### 1.1.5 Connétable A.S. Crowcroft of St. Helier:

I really wanted to congratulate the Senator on what I think is his first substantive proposition to the States since his election, and I respect his experience in this field enormously. However, I would like him to clarify in his summing up whether his proposition uniquely removes the right to non-residents to receive the Christmas bonus. This is something which I think bothers Jersey people a great deal, the money that goes off-Island, and could he clarify whether that is also the case for the Minister's proposals.

## 1.1.6 Deputy G.P. Southern:

Before we get carried away on devising how we remove money from elderly and vulnerable people and whether we should do it one way or another way, can I draw Member's attention back to the central premise: we are talking about taking money off the elderly and vulnerable, the sick, the disabled. That is what we are doing and we have heard from Ministers time and time again that, of course, we will protect the poorest and we will protect the vulnerable and we will protect the sick in everything we do and frontline services will not be affected, et cetera, et cetera, et cetera. Senator Breckon has already drawn attention to the deep, deep irony that this is represented by the fact that what we are talking about here is a Christmas bonus ...

#### The Bailiff:

Deputy, I am sorry, this is an amendment ...

## **Deputy G.P. Southern:**

Sir, I am talking to the amendment because I wish Members to reject the amendment and then vote out the main proposition. I am sorry I did not make that clear from the very, very beginning because that is what I intend to do. Oh, that is the short hand version. At Christmas when we are talking about ...

#### The Bailiff:

If I may, Deputy, you should simply, say, speak to the amendment and then speak again on the proposition thereafter.

## **Deputy G.P. Southern:**

I think I am doing so. Stop me if I stray again, please. The irony is that private members out there, a wealthy person, can offer a Christmas bonus to substantial numbers of people while at the same time we cannot apparently. I am also drawn to the deep irony of, and again it is almost worth a fresh front page of the *J.E.P.*, is it not? Yes. What was it: "Classrooms take cuts but finance does not" and look at the figures.

#### The Bailiff:

That has nothing to do with the amendment. This has got to do with whether there should be any cuts at all ...

#### **Deputy G.P. Southern:**

It does, indeed, Sir, have to do with the amendment because the amendment indeed cuts a sum of money approximately equivalent to the money we just landed on Jersey Finance, as does the main proposition. Therefore, I believe it is highly relevant to point out that the nature of the equivalent sums of money which we are taking from the old and the vulnerable and apparently giving to the finance sector so they can have a new office wherever, wherever, that is the reality. That is the P.R. disaster that this House may well be taking if, as maybe the case, it supports the amendment because it appears to be a less harsh way of getting into old people's handbags and wallets and taking money from them, a less harsh way than has been proposed by the Minister for Social Security. To hear the Minister for Social Security glibly say he is fairly convinced that most people would support his proposition rather than this proposition, and that he has the impression that senior citizens would support his proposition rather than this proposition, I believe is totally

specious. So what I am suggesting to Members is that they consider what is happening with both of these propositions, reject the amendment even though it seems like a kind way to take money off people, a kinder way of taking money off people, and then go on to reject the main proposition and finally, finally, vote that this is the cut to far.

## Deputy J.G. Reed of St. Ouen:

I have realised that I also need to retire.

#### The Bailiff:

All right, I think we are still just quorate. Does any other Member wish to speak? Deputy Martin. [10:15]

## 1.1.7 Deputy J.A. Martin:

Just briefly, I was confused which way to go before I listened to Deputy Southern and I am probably even more now confused. It was the speech of Senator Le Gresley, and it really is a shame that the Minister for Social Security has spoken early and his Assistant is not here. It was the removal of the Christmas bonus to certain people in the community on top of, in his words: "... taking away the protective payments on 1st October." That concerns me and it is in the vein of which way do I go on this amendment; the same as Deputy Southern. I am damned if I do and I am damned if I do not because it did seem whinging when we were going to means test people for the Christmas bonus, but now I am taking £20 away from some very, very needy people but I am also not taking it away from some people who probably do not need it. I really wonder, when I hear the Minister for Social Security come in to say we have some very, very tough decisions to make and this is the way I felt we had to go. I find this a big, big shroud and I think Senator Le Gresley has probably fallen into the trap of he thinks he is helping. I totally agree he is helping the people. It is still reducing the people who needed it by £20. In fact, I think they could have been increased, the budget could have been cut and the people who need it be getting a lot more, so I think I am in the same position as Deputy Southern. I do not think I can support the amendment and I think I am going to vote against the main ... well, I will vote against the main proposition. My problem being if I do not support the amendment ...

#### The Bailiff:

I think there is no main proposition at the moment other than the Business Plan itself.

## **Deputy J.A. Martin:**

Well, yes, I would vote against the Social Security as part of the Business Plan, I am sorry. [Aside] Oh, well see, this is where we are and it is not a very good position to be in. I will probably now have to support this but I really want the Minister for Social Security to go away with his homework. We are talking about 17,800 people in receipt. They have all been paying tax, they have Social Security. He tells us the administration to means test a Christmas bonus is beyond his remit or would be more administrative cost than the bonus itself. I do not believe that and if he thinks we are going to come up with tight cuts next year, I still believe he is illegally, against the States direction, taking away protective payments. I will be looking at the law when we introduce income support. It is doing it by stealth. He cannot do it. Under the law, I am sure he cannot do it and he is doing it very slowly outside, so you do not get thousands of people writing to you at once. He is doing it, I think, by alphabet. I do not know how else he is doing it, so I will support this amendment now begrudgingly because I cannot vote against the cut, but I am very disappointed the way the Minister for Social Security has presented this.

## **Deputy G.P. Southern:**

Can I ask for a point of clarification from the Chair? Can you put in simple terms what we can and cannot vote against in this particular budget debate? So I was suggesting that we vote against the

amendment and against the main proposition. I think I have just been told you cannot vote against the main proposition.

#### The Bailiff:

The main proposition, of course, we are debating at the moment paragraph (a) of the Council of Ministers' proposition which is to approve summary table (a) with the aggregate expenditure made up of all the individual ones. We have been discussing various amendments with people trying to alter the individual ones but there is, in fact, no proposition to amend the Social Security one, other than the amendment put forward by Senator Le Gresley. So if you wish to amend the Social Security one, you will have to vote for Senator Le Gresley but if you do not, then you will either have to vote against paragraph (a) as a whole, against the Business Plan as a whole, or you will vote for it.

## **Deputy G.P. Southern:**

There is no opportunity to vote against the Social Security components of that?

#### The Bailiff:

No.

## **Deputy G.P. Southern:**

Okay, I just want it clear. Okay.

#### The Bailiff:

Very well, does any other Member wish to speak? Deputy Pitman.

## 1.1.8 Deputy T.M. Pitman of St. Helier:

For once I can take credit. I told Deputy Southern what would happen and he did not listen. **[Laughter]** I would just like to express a lot of sympathy for Senator Le Gresley because I think he has done this with the absolute best intentions and I applaud him for that. I do not think it is his fault we are in this quite farcical situation. I will be voting against this now for those reasons and I will be voting against the Business Plan. I would also point out there is a rather strange sinister character up in the public gallery.

## 1.1.9 Senator P.F.C. Ozouf:

Social Security has a budget on part (a) of in the region of £170 million out of the total of £650 million that this Assembly will hopefully vote for departments; £99 million is in income support. That is a figure that is far greater than the sum total of the previous benefits that were approved in previous years by this Assembly. Income support has made a real difference to low income families and is directed in a way that was never done in the previous benefit systems. So we have an excellent Social Security scheme. We raise Social Security benefits, pensions, by earnings. While this year is lower, it is better than most other places. There are going to be some difficult decisions to be made to ensure that taxes are not having to be raised and to affect low income families, and there are going to have to be and has had to be some analysis on Social Security's budget. Christmas bonus is a non-contributory benefit; that means it has not been contributed by the Social Security system but people's contributions have not put money aside for the Christmas bonus. It is paid for by central taxation. It is not means tested and it is one of those benefits, and the Minister spoke passionately yesterday about the challenges that he faces in directing his budget to those people that are absolutely in need and where we should be directing public money. So the Minister I believe ... and I congratulate Senator Le Gresley on his analysis on looking at the options, and there are clearly views that can be constructed on both sides of this argument. I attended, as Members will know, a senior citizens' meeting at the Town Hall where the Christmas bonus was discussed. My own view is that the Minister's proposal is more appropriate than that of Senator Le Gresley, but there is not a massive difference between us on this. So there are going to be difficult decisions to avoid increases in tax. Social security cannot be exempted but we simply cannot exempt Social Security entirely from the comprehensive spending review. There are going to be some difficult decisions made. It is a matter for the Assembly on Christmas bonus for all of the reasons that I have said in terms of its priority with other benefits. It is not a large benefit compared to others but it is a matter for Members. I will certainly, having been the peer reviewing Minister on Social Security, each Minister reviewing each others proposals in detail, I believe the Minister has made the right appropriate balance in relation to this one.

## 1.1.10 Connétable M.K. Jackson of St. Brelade:

I an inclined to sympathise with the comments of Deputy Martin when she mentioned that we ought to focus more on means testing, and I quite candidly think in this day and age it need not be as expensive as was suggested. This is funded from taxation. There should be some liaison with the Income Tax Department to do this properly. No one condones the removal of benefits from the needy, if I can term it like that, but likewise it is difficult to condone giving a bonus such as this to those, shall we say, on States pensions or those who have no need whatsoever. So while I will support the Minister for Social Security, I would urge him to focus on more accurate means testing so those who really need it are not deprived.

## 1.1.11 Deputy P.V.F. Le Claire:

Very briefly, I am going to be abstaining on this vote because I think we are caught between the devil and the deep blue sea on this one. I think Senator Le Gresley is to be congratulated on the work that he has done. We obviously have not been as sharp with our work as we might have been or we might have seen the paragraph (a) bundles are swarming with a conglomerate of things that belongs to the Council of Ministers and we are going to have vote against it or for it. We probably should have brought amendments not only to Senator Le Gresley's amendment if we wanted to see these things changed, which we did not. We probably should have brought amendments to the main proposition. None of us have. Just to finish, I would also say that I would like to see, I do not know if Senator Shenton is continuing with it, a debate on whether or not area payments for minimal activity in the countryside are means tested or done away with because thousands of pounds of taxpayers' money which could be going to the needy are going to people that have land that have millions of pounds and companies, and I think it is absolutely terrible.

## The Bailiff:

Very well, does any other Member wish to speak? Then I call upon Senator Le Gresley to reply.

## 1.1.12 Senator F. du H. Le Gresley:

I do not propose to go through what each Member who has spoken has said but just to gauge the general feeling is how I really want to sum up. Yes, I would have brought the amendment that we do not remove the Christmas bonus from anybody and that the full amount is paid and continued and that the saving of £439,000 should come from restructuring costs out of the wherever, but the reality is, and we know that from the way this week has gone, that that would have been lost and the fact is that people on disability benefits would lose their Christmas bonus because that is what the Minister is proposing. I realise that you are all in a dilemma; those that feel that the mood is I cannot vote for this because we are taking money away from senior citizens, and those who want to abstain I can understand their view as well, but for those who are in any doubt about supporting me, I would just say to you if you do not support my amendments from 2011 onwards indefinitely the people on disability benefits, people who are aged between 60 and 64, survivors, people on survivor's allowance will no longer receive the Christmas bonus. The law says they are entitled. Now if you want that to happen, fine, and I would say to the Minister, and he says he has gauged the view of the senior citizens, as did Senator Ozouf, well, I am sorry but a lot of these senior citizens today came through the Occupation and I would say to you Members, what would have happened during the Occupation if we had had a pie and there were people around the table and we

said: "Right, folks. We have only got this pie to eat. Now those of you who are disabled, will you leave the room, those of you who just lost their husband or wife, leave the room, and those of you who have not reached the age of 64 but look in need leave the room and then the rest of us can have the biggest piece." Now that is what the Minister is proposing and I cannot support that, and I hope that more people will support my amendments, and I forget the terminology, but I make the amendment and call for the appel.

## **Deputy G.P. Southern:**

Can I ask for a point of clarification from the Chair for the point before we go to a vote because I think it is important? As the proposer has said, it is a statutory right, this is in law, and we need to bring a change to that law to this House in order to enact whether we have this version or any version to enact what we do, and there is an opportunity then to not proceed with this whole process because we could turn down that amendment to the law. Is that correct?

#### The Bailiff:

In law it must be correct. Quite where that leads, I would not know because there would not be any money to do it.

## **Deputy G.P. Southern:**

The second point of clarification would be when those regulations come to the House, will there still be a declaration of interest, direct pecuniary interest, as we have it on this debate? Would that apply then?

## The Bailiff:

We will cross that bridge when we get to it. I am not going to give an advance ruling now; a hypothetical ruling.

## **Deputy I.J. Gorst:**

Could I say that obviously, as I said in my speech, I will be bringing forward that very law. I will take the decision of the States today to influence the type of change I bring forward, be it either mine or Senator Le Gresley's amendment. However, if Members want to change that there will be no money for the change.

#### The Bailiff:

Very well, so the appel is called for then.

## Senator F. du H. Le Gresley:

Sorry, Sir, could I just clarify because I have read the law and while the removal of entitlements is a requirement of regulations, the amount of the Christmas bonus if I could just quote: "... subject to the power of the States to alter the amount of the Christmas bonus under Article 8" so Members do have the power to decide the amount of the Christmas bonus, although it has been historically increased by the difference between the wages and the cost of living so there is a right within the law for the States Members to decide the amount but it would have to come back to us in the form of regulations as I understand it.

[10:30]

## **Deputy I.J. Gorst:**

The Senator is absolutely right, however what we are doing today is setting the envelope of the overall spend, so we would be saying that I am only given so much money but now I have got to spend more than I am given by amending that particular regulation so it will, of course, be a decision then for the States.

#### The Bailiff:

Very well. The appel is called for then in relation to the amendment of Senator Le Gresley. I invite Members to return to their seats and the Greffier will open the voting. Have all Members had an opportunity of voting? The Greffier will close the voting.

POUR: 18	CONTRE: 9	ABSTAIN: 1
Senator P.F. Routier	Senator P.F.C. Ozouf	Deputy J.A.N. Le Fondré (L)
Senator B.E. Shenton	Senator F.E. Cohen	
Senator A. Breckon	Senator A.J.H. Maclean	
Senator B.I. Le Marquand	Connétable of St. Brelade	
Senator F. du H. Le Gresley	Deputy R.C. Duhamel (S)	
Connétable of St. Helier	Deputy G.P. Southern (H)	
Deputy J.B. Fox (H)	Deputy S.S.P.A. Power (B)	
Deputy J.A. Martin (H)	Deputy I.J. Gorst (C)	
Deputy of Grouville	Deputy T.M. Pitman (H)	
Deputy J.A. Hilton (H)		
Deputy P.V.F. Le Claire (H)		
Deputy of St. Mary		
Deputy E.J. Noel (L)		
Deputy T.A. Vallois (S)		
Deputy M.R. Higgins (H)		
Deputy A.K.F. Green (H)		
Deputy D.J. De Sousa (H)		
Deputy J.M. Maçon (S)		

# 1.2 Draft Annual Business Plan 2011 (P.99/2010): seventh amendment (P.99/2010 Amd.(7)) (paragraph 23)

#### The Bailiff:

Could you ask Members to return to the Chamber then? We will give a moment for Members to return to the Chamber I think. Very well. So, we move next to number 61. Could I have order please? Amendment number 61 lodged by Senator Shenton, paragraph 23 of the seventh amendment. I will ask the Greffier to read the amendment.

## The Greffier of the States:

Page 2, paragraph (a) after the words "withdrawn from the Consolidated Fund in 2011" insert the words "except that the net revenue expenditure of the States Assembly and its services shall be decreased by £44,400 by freezing the remuneration of elected members for 2011 at its 2010 level."

#### The Bailiff:

Senator, this is clearly a matter where every single Member has a direct financial interest. Therefore, it would be necessary for someone to move that Standing Order 106 be suspended.

#### **Senator B.E. Shenton:**

Can I move that Standing Order be suspended, please?

#### The Bailiff:

Is that seconded? [Seconded] Very well.

## Deputy D.J.A. Wimberley of St. Mary:

Is there any discussion on such a motion because clearly, as has been pointed out by the P.P.C. (Privileges and Procedures Committee) Chairman, we should not be discussing this at all anyway?

#### The Bailiff:

Very well. The matter before the Assembly therefore is whether to suspend the Standing Orders so that Senator Shenton's amendment can be debated. All those in favour of suspending Standing Orders, kindly show. Sorry, Deputy De Sousa, did you say you wanted to speak?

## **Deputy D.J. De Sousa:**

Sorry, I was just going to ask that people really think about this, because again it is setting a precedent.

## **Deputy A.T. Dupré:**

Can I ask for the appel, please, Sir?

#### The Bailiff:

Yes, the appel is asked for then. Can I just say, when setting a precedent whenever this matter has been discussed in the past ...

#### Senator B.E. Shenton:

Can I just point out that freezing pay is a political decision and it is only this Chamber that can make this political decision.

## **Deputy I.J. Gorst:**

Could I say that I ... sorry, we are not supposed to be speaking on the proposition, are we?

#### The Bailiff:

No. Very well. So, the matter before the Assembly where the appel has been called for is for or against the proposition of Senator Shenton that Standing Order 106 be suspended. The Greffier will open the voting. Have all Members had an opportunity of voting? The Greffier will close the voting.

POUR: 17	CONTRE: 20	ABSTAIN: 0
Senator T.A. Le Sueur	Senator P.F. Routier	
Senator P.F.C. Ozouf	Senator A. Breckon	
Senator B.E. Shenton	Connétable of Grouville	
Senator S.C. Ferguson	Connétable of St. Martin	
Senator A.J.H. Maclean	Connétable of St. Peter	
Senator B.I. Le Marquand	Connétable of St. Lawrence	
Senator F. du H. Le Gresley	Deputy R.C. Duhamel (S)	
Connétable of St. Ouen	Deputy of St. Martin	
Connétable of St. Brelade	Deputy J.A. Martin (H)	
Connétable of St. Saviour	Deputy G.P. Southern (H)	
Deputy J.A. Hilton (H)	Deputy of St. Ouen	
Deputy P.V.F. Le Claire (H)	Deputy of Grouville	
Deputy J.A.N. Le Fondré (L)	Deputy of Trinity	
Deputy S.S.P.A. Power (B)	Deputy of St. Mary	
Deputy I.J. Gorst (C)	Deputy T.M. Pitman (H)	
Deputy of St. John	Deputy A.T. Dupré (C)	
Deputy E.J. Noel (L)	Deputy M.R. Higgins (H)	
	Deputy A.K.F. Green (H)	
	Deputy D.J. De Sousa (H)	
	Deputy J.M. Maçon (S)	

So, that means in effect I am sorry, Senator, your matter cannot be debated.

## **Senator B.E. Shenton:**

I think it sends a clear message to the public of how this House feels.

#### The Bailiff:

Can we not share observations across the Chamber, please?

## Deputy P.J. Rondel of St. John:

As the seconder of the proposition, Sir, some of the comments that are being passed are not acceptable in the Chamber.

#### The Bailiff:

No, I quite agree.

## 1.3 Annual Business Plan (P.99/2010) - paragraph (a) as amended

#### The Bailiff:

That completes all the amendments to paragraph (a). So, therefore we return to paragraph (a) subject to those amendments which have been passed. Does any Member now wish to speak on paragraph (a)?

#### 1.3.1 Senator A. Breckon:

If I just may make some observations for a few minutes about perhaps the debate we have not had. What has happened is we had the Chief Minister make a short presentation and then we went into a series of amendments in different departments. Bearing in mind the attachment of this, if I was an officer or somebody who has presented this, I would be delighted and I say that because I do not think we have really had the debate and I do not think, unless they do it in the next few minutes, any Minister has been accountable for their portfolio apart from an area that has been picked upon by another Member to amend. What I would like to do is just give a number of examples of that. If we look at say ... if we take Economic Development and we have tourism, we have agriculture, we have a harbour and airport and we have a number of other things under the Minister's brief, gambling and whatever else. We have not heard anything at all about any of that from anybody, either the Minister or an Assistant Minister, and what I do not want to do necessarily is go to a presentation at St. Paul's where they have slides on the thing, it is rushed over a lunch period, and say: "Well, this is what we are doing" and I am not just saying about E.D. (Economic Development). With Education the Minister has said he is doing a number of reviews. Perhaps this would have been an opportunity for him to get up here and say: "I am doing reviews, it affects the budget, it affects the bottom line, this is what they are" and be open and honest, and the Minister and even the Assistant Ministers, dare I say, could have been questioned on the policies that fit into this Business Plan and where the money goes, and we have not had that debate either. Again, that extends to Health and Social Services, there is around about £170 million and what we have heard is where some of the Members tried to amend it. We spent half a day or whatever it is talking about £30,000 here and there. The reason I am outlining this is if it is a Business Plan then perhaps. and the Chief Minister is inherent of this situation, and has said: "Well, we will try and improve it next year" but maybe we should have a day's debate about Social Security and say: "Well, okay, people want their pensions protected." We need to look at income support. We need to look at how much the contributions are. We have not had that debate either with Housing. What is happening about selling properties, about maintaining, what is the 15-year plan? We have heard nothing at all in a Business Plan debate about Housing and it is a very emotive issue. It affects people's day-to-day lives. We are talking about things for 2011, 2012, 2013. For me, with other issues as well, Home Affairs, how will we deal with the prison? I mean there were 12 officers sworn in last Friday. What could the Minister tell us about ... 12 police officers, yes, sworn in last week; what could he tell us about things with that, with the prison, whatever else? There is money allocated but we have heard absolutely nothing about the functions, if they are better, if they are worse, if there are problems or not, and I think this is a failure of where we are today. This whole

thing is focused on some minute details and the Ministers, in my opinion, have got off the hoof about telling us what this is all about. Nobody, and I hope that they will take the bait ... Planning, where are we with the waterfront? Where is the Island Plan, North of Town Masterplan? This is something where the Minister could have taken the opportunity to say: "I have got money in the budget, I am doing this, I am not doing that." We have not had, in my opinion, a sensible debate about the real issues that concern us. We have gone on about things that are emotive. Now, from the other point of view, if I was somebody who wanted to say: "I want to do something", I would send you all over there while I did it over there and I feel, I really do, that we have done that. We have taken our eye well and truly off the ball. It has been kicked in the air and what has happened is the other team have gone off the pitch while we are looking to see where the ball lands, and I think really that is what has happened. I do not think the way this is presented, the way it is discussed, and the way it is debated does any of us any credit. We think say about Transport and Technical Services. Where are we with the incinerator? What is the ... I know there are issues that the Minister is working on but should we not share that and have some discussion so we can get it in a public domain. With respect, we do not want to go to the museum in 3 weeks' time on a Tuesday dinner time. We would rather have it in here where Ministers could be guestioned. Now, how that fits in with this process which in my mind they say: "It is so important, it is £700 million or thereabouts then we should be doing that." Well, we should but I do not think we have. Then we have got the budget which flows from that. We are talking about: "Well, we have agreed that." So, the dilemma is, what do you do when it comes to voting on this? What have we done and what have we examined and we have only done that in my opinion of the amendments that have come forward which are a very, very minute part of how this goes forward next year and there are indications for the following 2 years. The reason I have done this now is what we normally used to have, and this debate does not allow it, and this is no criticism of the Chair whatsoever, but there is no preamble to the debate. We have gone from the Chief Minister said this and then we have gone to an amendment, and I know in the past that there have been tendencies for people literally to wander all over the place with a preamble. They have really rambled and perhaps we have done that in other areas. The reason I say that is I think it is something that for next year and future years we really need to focus on. Now, if that was a matter of changing procedures and we set aside a debate and discuss Social Security because the other thing, as well from the Minister for Treasury and Resources' point of view, he has to make sense out of this and come forward with proposals at the end of the year and with that I think if he had been given the opportunity in this debate to share some things with us, and I know Deputy Vallois said that the Corporate Affairs Scrutiny Panel had more background papers to this than we have had. Perhaps if that was shared with Members we could have had a more sensible debate than we have had. Now, some of the problems we have got are not the Minister for Treasury and Resources alone. We are going to have to take some difficult decisions but I would say if we share the information, share the knowledge, I think all of us will be more sympathetic because there are things that are nice to do but there are things that we will not be able to do, and I think we could go forward together from this, but I really am uncomfortable, not just sitting here for 4 days or 5 days with this process, but I think it has not served us well and we need to look at it again and see how we do that. From the Planning point of view there are all sorts of issues, transport, we have not discussed any of that. All we have done is we have danced around handbags, as it were here, and we have touched on a number of issues and we have only done that because an amendment has flushed the Minister out to say: "Well, I do not really want this money, I am doing something else" and for me for the amount of money and the importance it is I do not think we have addressed this properly at all, and it is not the Chief Minister's fault, it is not the Minister for Treasury and Resources' fault, it is not necessarily the Ministers' fault, it is the system we have got that has addressed this and not everybody was in on all of the information. We know what has been proposed to take out but we did not know what all the alternatives are and Members have suggested that by amendment, but I would say that we sit down some time, maybe go back to an in-committee discussion in this House where Members can say: "Well, let us look at that." Where is the connection with the Parishes here? We have never discussed any of that at all. I think

for good government, for us to go forward we need to do that because if there are problems in Health and Social Services, let us share them and let us do something about it. It is not just the Minister's remit alone, and I do not think we have done the inclusive bit and done that. I will just close by saying that I am not sure what the exact answer is but the usual cliché is: "Something must be done" because I do not think this process serves us well and I hope some Ministers will take the opportunity to say: "Well, now I am proposing the money but this is what I am going to do and this is what I am not going to do" because I think that is perhaps where we should be. Now, if that takes a little bit longer then perhaps we should do that and maybe we should have done it another way.

## 1.3.2 Deputy D.J. De Sousa:

I will be extremely brief as always. I just feel this whole process is completely wrong and even the way the C.S.R. was carried out was totally wrong.

[10:45]

We have had amendments brought to things that have been put forward in this Business Plan because a lot of Members feel that some of these things that are brought forward are a step too far. If we are doing that on the 2 per cent what is going to be happening with the 3 and the 5? The whole C.S.R. should have been started at the top and worked down at the 10 per cent. If we had have started in the right areas with the wastage that we make as a States we really could have made the big savings. More people would have been happy with the decisions that are being made in here and the Island as a whole would have benefited. I will be voting against this part.

## 1.3.3 Deputy A.K.F. Green:

I did not expect to be called quite so quick, but here we go. I think the way we have gone about this year probably given the timescales we had, to introduce pro rata cuts, so-called salami cuts, was probably the only way that we could do it in the time that we had and, to be honest, there are not many organisations, painful though it may be, that cannot find 2 per cent efficiencies. I have been reasonably quiet over most of the things about reducing expenditure but what we need to do next year is fundamentally - get down to that fundamental word - fundamentally review the services that we are providing. What we have done this time is just 2 per cent across the board. We have not looked at: "Do we need that service, could we do it differently, do we need to grow some of our services?" We know that we need to grow services in Health, particularly around primary care. All we have done is slice 2 per cent and frankly some of the things I have found very hard have been the cuts that affect the benefits directly to people and that is why I spoke on those. It is time as the Chief Minister says: "To get real." However, part of getting real is, as I said, to fundamentally review the services we provide. We have been working in silos. So, we have seen cuts in areas where we might not want to have seen cuts. While nobody has challenged, for example, and I am sorry, it will not be popular I know, but I am going to say it. Nobody has challenged: "Do we need a T.A. (Territorial Army) unit?" £1 million going out on the T.A. Do we need the regulation of undertakings to be the way it is? Do we need the Competition Regulatory Authority? I know the Minister is working with Guernsey now. We have got delusions of grandeur in this Island sometimes and I wonder, more worrying, whether we have got delusions of normality because we think this is the way to do it. Time and time again we appoint people from the U.K., and I am not anti bringing in expertise but U.K. people, they are used to working in huge departments that are not multi-skilled, that require time and time again directors reporting to them with all the different skills to run. This is Jersey. This is not much bigger than a council and yet we are not reviewing that and it reminded me of a story, I read it this morning, reminded me of a story about 2 teams rowing, the Jersey team and the Japanese team if you like, and there was this rowing race and the Jersey team lost. Why did the Jersey team lose? Because we had 9 people steering and one person rowing, whereas the Japanese team had 9 people rowing and one person steering and that is the route we are choosing to go down. So, what did they do? The Jersey team had a review. They got a Consultant in and they ended up the next year with a senior steerer, 4 district steerers, 5 assistant district steerers and one rower. They lost the race again the next year so they sacked the rower and gave good pay-offs to the people that were steering. That is where we are. We can all laugh about it, but that is where we are. We have got to fundamentally get in there, look at the administration, sort out where we are going. We are paying embarrassingly obscene salaries to some people and they are laughing all the way to the bank. The public are not laughing. We have got to stop it. It has got to stop now. We have got to get back to the Jersey way. I will support this plan this year because we had no choice but unless I see fundamental change on the way we go about services I will not support next year.

## 1.3.4 Senator P.F.C. Ozouf:

We have had a long debate on various different amendments and the debate has been, at times, contradictory. It has been at times tough. It has certainly been, in some cases, I think the Assembly at its debating best. I am not sure about the 5 fairy stories. I have been called many things but casting me as a Grandma was a first and some people have said they are never going to look at me in quite the same light again. The Council of Ministers has taken on board, and as Minister for Treasury and Resources, I have taken on board a number of very important messages from Members during the course of this debate. There is, I think, a clear majority of Members that want to see the Council of Ministers go further in terms of efficiencies and look to that next year. We have said on numerous occasions during the course of this debate that the second stage of the comprehensive spending review is absolutely critical and I will respond to some of the points that Deputy Green made in a second. We do need, I think, and there is a broad majority of support to require the Council of Ministers to look at sensible efficiency savings, reductions in cost. I was reminded of the powers that the Minister for Treasury and Resources has in relation to re-allocating money from the Chairman of Corporate Services. We will, I think we must, after the second stage of the comprehensive spending review look to see if there are appropriate efficiencies that can be brought forward that we should try and attempt to meet some of that £5 billion target, if we can, by under-spending budgets next year. There was a difficult debate in relation to the Jersey Finance grant. Members, I think, supported the drive to do everything that we can to boost revenue. Any organisation needs to look at its sales line. The Treasury needs to look at the tax collection system and we are doing that. We are going to maximise our tax collection in every way possible by ensuring and I have recently completed a review of the Tax Department to ensure that we are collecting everything that we possibly can. Jersey has enormous challenges to secure economic growth and I believe that we can secure new institutions into the Island but we need to work at it. At the same time we also need to be very clear that Jersey Finance's resources are absolutely directed in the area to maximise growth in terms of being an efficiently run organisation and there is a clear message I think in relation to some of the uncomfortableness of the spending on economic growth. It is necessary but it has to be done properly. As Senator Breckon has said, the business planning process is not perfect. The Public Finances Law, now having been introduced since 2005, does need to be reviewed and needs to be strengthened in a number of different ways to improve the process. Certainly moving towards 3-year cash limits, giving departments certainty about how to manage their expenditure over the political cycle that we have. Senator Breckon spoke perhaps quite understandably about his frustration about the process; that we have just simply had a debate on the amendments, and I can understand that. Of course, there is an enormous amount of work including the involvement of many Members in the process that leads to the part (a) proposition that we are now debating. The Council itself starts the work on the Business Plan in January. It has, as many Members will know, a very difficult debate and has had an extraordinarily difficult debate but a good debate in relation to allocation of spending, and I am grateful for Deputy Green's comments that there was really only one way in this year, but only this year, in terms of dealing with the pro rata cut approach in terms of decision-making. I would just say that all Scrutiny Panels received under confidential cover, I think, all of the proposals of the Council of Ministers, so that they could comment. The Corporate Services Panel did a very detailed job in relation to the

whole of the Business Plan and all of the detail underneath that, and I think they are to be congratulated on the work that they have done. So, this is not just simply the only decision about spending. Ministers have been challenged internally. There is an enormous amount of work that goes on that leads up to this, but this is a debate about changing ultimately what the proposals of Ministers are. Of course, the Chairman of P.A.C. (Public Accounts Committee) has also brought amendments and shot a warning cross across Ministers bows and the P.A.C. does valuable work. So, going forward, the C.S.R. is going to need to deliver savings. The Council of Ministers has a really important job next week in tackling the first part of that C.S.R. process. That fundamental review which Senator Breckon and Deputy Green and other Members want is going on, I am pleased to say, asking all of those hard questions about whether the States should be providing such services, whether or not the States should be simply funding them and getting somebody else to provide them and how those services are being run. A dedicated C.S.R. team for the first time has been put in place. The Treasury has been strengthened and the C.S.R. team is now significantly fortified in terms of its information in order to allow good decisions to be made by Ministers and ultimately this Assembly. There will be workshops ahead of the budget debate on the second stage of the C.S.R. We do need to include as many Members as possible in the decisions about where we make allocations of money in the longer term. There is a determination on the Council of Ministers that the process is fair, that it is thorough, and that it is transparent. A significant transformation is required in terms of delivering change in the States. I have got 2 final things to say. The difficult message on part (a) is that now work must commence on the completion of the budget proposals ahead of lodging those at the end of October and there is in the whole Business Plan papers a clear position of the Treasury in limiting next year's budget deficit to £50 million on the basis of the previous forecasts of income tax, and that is going to require a difficult set of decisions for this Assembly in relation to the budget. That is the difficult message. The positive message, and we have not heard much positive things in this Business Plan debate, but the positive message is that there is new money going into valued services in terms of Health and other areas, and I would just draw Members' attention to page 65 of the Business Plan, which sets out the growth that this Business Plan is allocating to departments. A significant investment for Health, £1.2 million for additional beds, improved endoscopy of £900,000, £1.2 million for the I.C.R. (Integrated Care Record) programme, £1 million for improving the terms and conditions for securing middle grade doctors, and a whole list of investments that are being made. There has been a re-allocation of resources which has been discussed by this Assembly, and I would have said that this is an appropriate re-allocation, particularly in the area of Health, but of course there is £1 million for increased social inclusion and reduction for social depravation for Social Security. There is also the dealing with some of the structural problems of maintenance, which is something that the Deputy of St. John and others believe very strongly. So, this is a positive Business Plan despite some very difficult decisions to be made.

## 1.3.5 Senator S.C. Ferguson:

We have heard an impassioned plea from Senator Breckon about we should be looking at policy matters and so on, but you know Scrutiny looks at the policy being brought forward and should be bringing this to the public attention. Senator Breckon was concerned that the information held by Corporate Services Panel was not being disseminated. It is in our reports. It is in our proposition. There is extra information, which I have referred to in the debate, and I would be delighted to give Senator Breckon a copy of the particular paper. There is a lot more information out there, but you cannot just sit and wait for it to arrive like manna from heaven. You do have to get out there, talk to people, talk to Ministers, talk to officers, and go and get it. You cannot sit and wait for it to come.

[11:00]

I note Deputy Green's comments on lateral thinking and the Comptroller and Auditor General would agree. We are always demanding bespoke solutions in Jersey. Well, we should be looking

for off-the-shelf solutions and interestingly on salaries the Office of National Statistics in the U.K. has just issued its comparisons of the average salaries in the public and private sector. The Jersey public sector average salary is 40 per cent higher than its equivalent in the U.K. and it will be interesting to hear the Statistics Unit's comments on this. To return to the Business Plan, Scrutiny should have reviewed policies and identified significant matters. This debate is about the allocation of resources. The basic policy debate is the Strategic Plan, and following that the Scrutiny Plan should be following this up: "How are we doing vis-à-vis the Strategic Plan?" In our recent report on the C.S.R. we comment that the Strategic Plan is a wish list and that is where there should be changes. That should be a clear policy document for the Council of Ministers, not everybody's wish list. The C.S.R. has required changes in policy, and in our report we have highlighted the choices and have made our recommendations. We will be doing a report on the second stage of the C.S.R. because frankly we still think that we need to have a better balance between spending cuts and tax. We should have at least 70 per cent spending cuts to 30 per cent tax, although I would prefer 80/20. In fact, I am surprised nobody over here has started a T.E.A. party, Tax Enough Already. We are not totally happy with the Business Plan as it stands but it is a start, and now we need to get on with the real job, the second and third stages of the C.S.R. to really re-think how we deliver services, what size of government we should have, and how we take the Island forward.

#### 1.3.6 Senator A.J.H. Maclean:

Senator Breckon's remarks a few moments ago struck a chord. I thought he was right in many of the things that he said in terms of the process for the Business Plan. It has clearly been difficult this year with challenges that we have had to deal with, with regard to aligning our income and expenditure, but nevertheless the process itself I think does need to be looked at, and the way in which we deal with it in order to give Members more interaction with departments and more involvement in what departments' plans are. It is after all a business plan for the following year, and I think in that respect he is right. Nevertheless I do feel, certainly from my own perspective, that Economic Development did have a fair challenge in a number of areas but he is right, we have a very wide and diverse portfolio and there are many areas that did not get challenged in the way that perhaps I would have liked the opportunity to explain in more detail about what our plans are for 2011 in this challenging climate. This particular Business Plan and this particular process, I have noted the media's reaction to the way the week has unfolded. In many respects the media has seen it as a victory for the Council of Ministers and a victory for the Ministers. It is not a view that I share. I do not think there are any victors in this week's process. I do not think there could be any winners. It is not feasible. It has been a passionate debate on a number of subjects but how can people possibly win when what we are seeking to do is to cut services, cut many things that the Island and Islanders have benefited from over many years, but we are in a very different and very difficult economic climate. I think Members have in many respects united in their view despite the fact that not all share in some of the decisions on where some of the cuts have had to be made, difficult decisions. Nevertheless it is clear that the House has united in the realisation that we need to cut spending and we need to minimise the impact of tax rises in the future. I think that is, if anything, it can be said to be encouraging about the process as it has unfolded in a very difficult week that I think we have probably all had. I would like to just pick up on a couple of minor points, which struck another chord with me. We had a very long and very heated debate about Jersey Finance and I noted again, some media comment about that, I think it was the headline in the Jersey Evening Post: "Classrooms take cuts, finance gets funding" highly emotive stuff. At face value that is exactly how it appears but I would just comment, and I think this is something that clearly I failed in trying to explain when we had this debate, as to how this money was allocated. From the Economic Development budget we, like all departments, had to deliver 2 per cent of efficiency savings and cuts in 2011 and we did, we delivered that. We also had a number of unfunded pressures to take forward like anti-money laundering, which we had to provide. We had a total of £1.2 million, which included £400,000 request from Jersey Finance to go out and develop marketing opportunities in Asia, Asia Pacific region. We had to find a total of £1.6 million from within our budget, our reduced budget, and that is what we did. It was allocation of funds. This was not new money, it was money that we had and had to make a decision on as far as the department was concerned. We are, after all, the Department of Economic Development; we are there to develop the economy, to help to secure jobs, to main jobs and to increase tax revenues. We believe that the re-prioritisation of some of our budgets, some to Jersey Finance, some to Jersey Enterprise, and some to other areas of our department, was the best use of that particular fund. Let me be absolutely clear, this is not new money, and it is not money that has increased in any shape or form, the spending of the States. I think it was Constable Crowcroft, the Constable of St. Helier, who said that if this is so important why does not Economic Development or the Chief Minister's Department find the money within their own budgets? Well, as I have explained, that is exactly what we did do. I would just like to finish by summarising, clearly we have had challenges, all Ministers and all departments and the Members of this Assembly have had difficulties in dealing with the 2 per cent cuts. Moving forward into the years, in 2012 and 2013, it is going to be even more difficult. We are looking for 3 per cent and then 5 per cent, and we are not going to deliver that unless we come to the realisation, and Deputy Green touched on it a moment ago, to look at the fundamental way in which government operates, in the way in which we deliver our services. What services we need to deliver, what services can be delivered by government, what services perhaps should be delivered externally by the private sector. Size, shape of government and delivery mechanisms, we need to look at the fundamentals if we are going to have any hope of delivering the 3 and 5 per cent. I would say that we need to go further than that, I think we need to look for even more savings because, at the end of the day, it is a choice between spending cuts, being more efficient in the way we operate, or tax increases, and it is not a very good choice that we have to make. Deputy Green asked questions about the J.C.R.A. (Jersey Competition Regulatory Authority) and he said: "Do we need to do it, we were already sharing it with Guernsey?" Well, we are sharing the Chair with Guernsey and I think that is a step in the right direction. We need to look at more things that we can share with Guernsey and other places to minimise costs and to benefit from the economies of scale. Moving forward, I think what has been demonstrated, what I get out of the last week, what has been demonstrated is the way in which this House has united in the understanding of the difficult challenges and decisions that lie ahead, and I hope that can continue. As I say, there have been no winners this week but we have at least shown that we can begin the process of being more efficient in cutting our costs. This is the beginning, not the end. We have got a long way to go.

## 1.3.7 Deputy P.V.F. Le Claire:

We are coming to the end of what has been a long haul. I do not think it has been 5 days; it has been really 2 years in the making, this process. We have shifted in the 10 years that I have been here to this new system whereby we have a Business Plan and a budget and it is all debated. When I was on Scrutiny I left because I felt that there were too many private meetings where things were given to us in confidence, and as we have seen this week already, we cannot use them. The information was shared but all too often in confidence, and I became unhappy at that. I also became unhappy about the fact that while I was on Scrutiny the information we were waiting for to scrutinise the Business Plan was delayed time and time again. In this new world of Scrutiny we hived ourselves off into, or interestingly the proponents of ministry or government have hived ourselves off into silos, and they have divided and conquered us because none of us know what we are doing. Well, we know what we are doing but none of us know what the others seem to be doing. We all think that that area is being covered by that Scrutiny Panel, when in reality the Scrutiny Panels work very hard and are over stretched working on many, many issues. There needs to be a thorough re-think. There needs to be a change in the Assembly, and I certainly believe that that needs to be done in tandem with Senator Breckon's proposals. We need to think differently about what we are doing. Senator Ozouf's speech spoke about an overwhelming message that he got and the Council of Ministers have got, that they have had a clear signal from us for them to go away and do more in terms of what they have to do. Many Ministers stood up and echoed this sort of sentiment but I am not saying that at all. I am going to send the Council of Ministers a clear signal by voting against proposition (a). I am sending them a clear signal that I am not happy with the way they have gone about doing this. I am not happy about the fact that this was lodged just before the summer recess, and even while in recess when I tried to look at doing some amendments. I was informed that the time was up and I just thought: "Well, that is ridiculous." Why are these things being delayed so that they enter into a summer recess, and then while even still on holiday you try to do some work and you are told: "No, it is too late already"? That is just not acceptable. I know a lot of Members did not take any holidays this summer. I took a 2-week vacation after my son had recovered from chicken pox for 2 weeks, and I thought that we needed that as a family. Now, on reflection I am wondering whether or not I should not have cut that holiday down to 10 days, and probably, looking at some of the things that have gone on today, I probably should have done that. I cannot understand for example, why on page 24 we are seeing rural support, £2.5 million and £2.2 million, single area payments of £1 million and £967,000 for this year and next year. Hundreds of thousands of pounds to people with millions of pounds in the bank, to maintain a minimal presence in agriculture on the grounds that they are going to plant some trees, they are going to mow the lawn, they are going to stick a cow in a field. We wrongly argued, in my belief, about the economic support and the subsidy for school milk. I made the point, school milk was not about the dairy industry in my view, it was about schoolchildren having nutrition. It was not about milking the cows and giving it to the bulls or selling it to the dairy industry. Interestingly, Radio Jersey had 2 experts on, on the day after the school milk was slashed, a nutritionist from Great Britain, talking about the fact that they would like to see school milk being given to children because it provides them with a great deal of nutrition. The survey the experts said, contrary to the advice we were given from the Medical Officer of Health, that has been widely acknowledged in Europe and the United Kingdom, was that the calcium that is found in other foods are in fact in other foods that are less attractive to youngsters, such as nuts and lettuces and some white bread, et cetera. So, I am hoping the Constable of St. Helier, and supporting the Constable of St. Helier, will look at this issue because I do believe the nutritional value that that milk was providing our school children was certainly deserved. If we are going to talk about subsidies, why is there still a subsidy to the dairy industry of £2.5 million, when not one ounce of milk will pass the lips of a child from that industry in the next year? The second radio expert that was brought on was one this morning about an emerging market, who spoke about the quick win that you could get from an emerging market if you funded a tourism attracted investment, but we did not do that and this is what I said about Jersey Finance, you know: "We are off on a jolly here we go." They should have put the money into tourism because the tourists will tell their friends and family and the tourism ...

## [11:15]

I know the Ministers do not like it, well I do not like the whole debate, the tourism spend would have been far better, in this expert's opinion, in investing and attracting more for Jersey. So yes, there is a body of work that needs to be done but if the Council of Ministers believes, and I do agree that it needs to be done, if they need to support the finance industry then they need to think outside of the box, and not just another series of Jersey Finance jaunts off into the distance. I was going to mention some articles on page 118 of the Annex to the Draft Annual Business Plan, but I have been counselled by my colleagues that I would probably be best off doing that behind the scenes because it is just going to upset too many people, and for once I am going to listen to them rather than bash my head against a wall and get it in the ear. So I thank my colleagues for cautioning me not to do that. I think there is only really one thing to do with this, apart from finishing on, if we want the Council of Ministers to do something really, really strong for the community then have a look at the final salary pension scheme, £36.4 million paid by the employer in 2008 and £37.4 million paid in 2009. It is wholly unsustainable and it is the taxpayers, the little old ladies and the little old men going down to the market to buy their food or going into the shops to pay their G.S.T. that is subsidising that. If the Council of Ministers wants to lead from the front in the future then let them put their necks on the chopping block where they belong at election time,

and do something that is right for the community. Get some investment in health, get a health protection plan in place, put the seed funding into that. All these years that we have been talking about getting proper investment into health so we have got money to protect people. Last night I thanked the Minister for Social Security, who I am going to see at lunchtime about a job scheme for unemployed people that I have been discussing with him for months. I told him how after the end of yesterday's debate we possibly had a solution for a lady who has been suffering from wheelchair access issues for over 18 months. I have been going with the Deputies of St. Helier, Senator Ozouf and the Constable of St. Helier, time and time again to sort these issues out. We cannot be experts in all of the fields. The Ministers need to take on board our concerns when we raise them in the first place, which is, make the information more available. While we have cut school milk and we have cut support to change their house, or we have not supported these things, and while we have not supported tourism and while we have not supported the frail and the elderly, I am sorry the Council of Ministers are just not going to get my vote on part (a) I am going to vote against this Business Plan and I am going to ask all other Members to vote against it as well. All other Members who think that: "Oh, it is a good start" then abstain. Abstain but if you vote for this Business Plan, you are voting for the politics of this Business Plan and those are the politics, in my view, that are more to do with the right and the elite than the social and the responsible.

## 1.3.8 Deputy T.M. Pitman:

I am pleased to follow Deputy Le Claire because I have got some of the same sentiments. I have also got huge sympathy with what Deputy De Sousa said about the way this process has again unfolded. To enlarge on that, I found it interesting to hear Deputy Green talking about Ministers and departments working in silos, because how right he is. Linked to Deputy Green's point I think is one of my biggest problems, i.e. that because we just will not listen to frontline staff on cost cutting, and instead listen to the very people who develop and protect little managerial empires to justify their inflated salaries and employment instead, we make huge mistakes. We have done that. The result of this, across the board, blunt knife approach, has also meant that we have asked to cut fat in areas, which really have no fat on them. Just look what we have done to children, we have effectively said we are willing to take a chance with their well being, and that just cannot be right in a government. We have done this rather than be brave enough to reduce cuts in those areas with no fat on them and increase them elsewhere, and I think a lot more time should have been given to that process. If I was talking to the public, or I suppose I am if anyone is listening on Radio Jersey, ultimately the week has brought 3 key things home to me. Firstly, the need to adopt Senator Breckon's proposition to reshape government, in order that we can finally have an inclusive approach with the views of politicians who know that the social must be considered equally with the economic when we are putting policy together. That has just got to have adequate commitment. It is also clear to me that we must bring in, and ignore all the self-interested squealing that I am sure we will get, a proper system of progressive taxation. Middle Jersey and those below should not be a cash cow for either to protect business or the wealthy elite. Finally, I would say that it is demonstrated that we have to save some money by reducing the numbers of States Members. I tried to do that a year ago, by 6, but what we must do in that is ensure that representing the people of Jersey is a full-time only career for politicians rather than the hobby horse for some wealthy populace part-timers like certain Senators. I will definitely be voting against this.

#### The Bailiff:

I hope you were not imputing improper motives to any other Member of the Assembly there, Deputy?

## **Deputy T.M. Pitman:**

The thought never entered my mind, Sir. I do withdraw that, I think some people should be rather careful about what they say about other States Members, who work very hard and maybe have not

had the fortunate background that they have, and then storm off in a strop out of the States Chamber.

#### The Bailiff:

All Members, Deputy, are entitled to bring such propositions as they think fit. Very well. Now the Deputy of St. Mary.

## 1.3.9 The Deputy of St. Mary:

Baffling is it not? Four days, is it, of amendments? Three days of amendments, to be honest, so it went better than we thought. One has to ask, why was the process like that? Why was there the need for all those amendments? I suppose my starting point is something that the Constable of St. Saviour said a couple of days ago, and it really stuck with me: "We are all having to make cuts that are close to our hearts." What an admission and we have even had that topped today by the Minister for Economic Development who has just said: "There were no winners this week." So we have sat here for 3 days and we have delivered no winners and cuts that are close to our hearts. The prayer that we say at the beginning of every session is that we act: "au bien et soulagement du peuple." We have witnessed over the last few days, the triumph of ideology over the best interests of the Island. We have failed tourism. Every single amendment to assist that industry, which is suffering, has been rejected. We have failed our children, protection against drugs on the negative side, and on the positive side, Durrell, cannot afford to send them up to Durrell. Youth worker, and we have failed our community. We have cut grants to community led events like Battle of Flowers and we have told the health partner organisations that they have got to be squeezed, even though they do such precious work. That is how we appreciate you. The question is, is it not, how can this be? I think it is important for the Assembly to understand that the Minister for Treasury and Resources is not a cuddly middle-of-the-roader standing firmly in the middle, as he said, I think, in It is important that Members and the public understand that what we have witnessed this week is extreme, and I will show Members why this is and why we should vote against this Business Plan. I think the Constable of St. Saviour is not the only one to have been uncomfortable - we have heard the word "uncomfortable" several times - with what we have had to do in the last week or what people have sensed that they have had to do. I have heard that quite often: "I feel I have to do this even though I do not want to." The first part of the answer is that we, and the public largely, or in part I should say, have been bamboozled or there has been a big effort to bamboozle the public by the mighty spin machine, and here I will use the accolade of the big bad wolf. The mighty spin machine of the big bad wolf. We are told that we have a massive deficit of £100 million but £50 million of that is the structural deficit approximately. £50 million however is backlog, things we should have done long ago, and they have just been piled up long ago, and oh God we have to find the money now, unfortunate in the middle of a recession to have to find the money now. It was not myself, or people of my sort of political persuasion who brought us into this situation. The under funding is also structural and it comes from the same mindset that we have been debating this week. So, we have a £50 million backlog together with contingency, and so on, which is pretty well the same thing. We have been told that cuts are inevitable and the 'big bad wolf' and his allies have the front page of the J.E.P. They can in fact buy whole pages of the J.E.P. as the Small Society did last week. The Chamber of Commerce is well reported in the J.E.P. crying for more cuts. The Minister can say that in the last 5 years expenditure has risen by 30 per cent, which is not strictly true, and the J.E.P. will report it gleefully. The Corporate Scrutiny Panel will play the same game and produce a bogus report from the C.A.G. (Comptroller and Auditor General) and on the front page it goes: "12 per cent G.S.T. in the offing if we do not do the cuts. We must have £50 million." I have seen that headline as well; I have got it at home. £50 million cuts, so where is the public discussion? No discussion in public. No assessment ...

#### **Deputy S. Power of St. Brelade:**

Is it correct for the Deputy of St. Mary to say that the Corporate Services Scrutiny Panel produced a bogus report?

#### The Bailiff:

Clarify what you mean by a bogus report, Deputy.

## The Deputy of St. Mary:

I gladly clarify. The C.A.G. was invited to project what the G.S.T. rate would be, if, on the hypothesis that public expenditure rose at the same rate as it had risen in the last 5 years, but of course it has not risen at 6 per cent in the last 5 years. So the assumption was bogus. The C.A.G. accepted that, he even wrote a rider in his report saying: "This is actually ... I have only been asked to do this but the hypothesis is just what I have been given" and then he produced this fantastical figure of 12 per cent. So, the motivation was political and manipulative. Is that okay?

#### The Bailiff:

You did very well up until then, Deputy. [Laughter]

#### The Deputy of St. Mary:

The C.A.G.'s report was used for political purposes.

#### The Bailiff:

Very well, now why do you not move on?

## The Deputy of St. Mary:

Let us move on. It is probably more important that the public have not been brought into any realistic discussion of what services they need, what services they would like and what services they think: "Okay, we can do that ourselves." There is ... no, sorry there is some, in some departments, feedback into government about the quality of the services but that has not been integrated into the process. So, the Minister for Education, Sport and Culture told me that in the Youth Service they do do surveys of the people using the service. That is not what I said; I said what happens 5 years down the line, 10 years down the line? Can you assess the value of those services in the light of the experience of your life? The same for all the other things we provide. Why do we not ask people whether what we do is useful or not? It might be a good idea. No real questions about the tax. Now, when I say that I do not mean to say we have not consulted about tax because we have given options about tax and people have indeed responded but the basic question about tax is, is it about right, could it go up a little bit or could it go a bit less? Interestingly, I was listening to Radio 4 the other night to the series, Evan on Tax, fascinating, really interesting about the U.K.'s budget process.

## [11:30]

Buried in that was a nugget, the BBC commissioned a poll of taxpayers and asked them whether they thought they were taxed, and there were riders, the thing was done properly, but in brief they were asked whether they thought they were taxed about right, too much or not enough. I think if I remember rightly, over half said they were taxed about right. Now remember, 40 per cent is the U.K. figure for public expenditure as a percentage of G.D.P. (Gross Domestic Product), we are less than half at 17 per cent. So, that is not what we get. That is not the message we get from the proponents of cuts and cuts and cuts again. Another little mistruth or misleading statement is: "The expenditure has risen massively and it is out of control." We get that all the time from the allies of the Ministry for Treasury and Resources out there. It is completely untrue that the expenditure of the States has doubled in the last 10 years because they just forgot to mention inflation, and they forgot to mention the one-offs like the Haut de la Garenne Inquiry, and they forgot to mention capital to revenue transfers, and they forgot to mention the incinerator, which was paid for in a lump, £100 million. It also did not state, did not touch on the fact that some growth is inevitable.

That if oncology cases are going up, cancer cases are going up 8 per cent a year, someone has got to deal with them unless we want simply to turn them away. Some growth is inevitable. The context: so we do have to answer the question, why, why are we in this pass? assumption, there are several bits of context and the first most important one is, we cannot afford it. We cannot afford it, we are in a hard place; we must make the cuts. Page 2 of Jersey in Figures 2009, there is a chart showing that Jersey's national income per head is the highest in the world, £66,000 per head, that includes the babies, per head. Above Luxemburg, Singapore, U.S.A. (United States of America) and 6 times more than the world average. So there we are, the highest in the world. G.V.A. (Gross Value Added) over the last 10 years, our national wealth has increased by £1.7 billion. Do we hear that from the Small Society? That our wealth just went up by £1.7 billion? And we could not afford remember, yesterday, £50,000 for drugs protection for this Island. We could not afford a man in customs or woman in customs to analyse the intelligence. Sorry, £1.7 billion was the Small Society technique, I left out inflation, but even if you count inflation in, £560 million richer in the last 10 years. £560 million, even accounting for inflation, and we could not afford £50,000. We could not afford £50,000 for a youth worker either. Our percentage of G.D.P., as Deputy Southern has often said, is far lower given to public services than anywhere else in the O.E.C.D. (Organisation for Economic Co-Operation and Development). The Strategic Plan goals are to have services as good as our neighbours. I am sure I have read that somewhere. It would be strange if we did not, would it not? Yet we are playing catch-up all the time with Williamson, the hospital. In the U.K. to which we are compared, I think this is partly a coat-tailing exercise on the U.K., it is really bad, the situation, look they are doing huge cuts over there. One in £4 that their government spends is borrowed, that is how bad they are off. They have a massive debt, massive economic damage. We have £600 million in the bank, I think, roughly. So, we are not poor and this is the myth number one. We are not poor and we are dealing with cut after cut after cut. No wonder that our hospital is chronically under funded and we have just voted or are about to vote, if we put this through, growth for the hospital. As Verita said: "We needed more staff in there." No wonder our children's services were chronically under funded and failed and now we are putting the money in. No wonder our sewerage needs replacing entirely. No wonder we have floods in town. The second sort of part of this ideology, that we have to combat when we come to the Annual Business Plan, is the attitude to the public sector, and it is again an extremist ideology, which is behind this mantra that we have of no money and we must cut public services. It is extremist. Many votes have shown that in the last 3 days. We have been uncomfortable as we vote these cuts through. Apparently some Members here do not accept the mixed economy, but some goods are better provided by society. The government has the job of correcting the market when the market makes a mess or creates problems as with, for instance, the growth of the private car. Who picks up the obesity that results of children no longer walking or cycling to school? The government does, and to project, it costs £87 million and we can see the obesity already in town. 4 legs good, 2 legs bad; that is the attitude. Anything in the public sector, move everything to the private sector because they create wealth. Really? What about social wealth? What about Fort Regent? What a wonderful facility. Could it be better? Yes, it could. Is that not real wealth? Senator Shenton mentioned in his report, he had a remark about the Tourism Office, how it was fat and was not lean, and how come they had so many ... you just got the impression of a fat department. I think he was confusing the figures because they budget £1 million for planning and strategy, which in fact is spent on all kinds of things that are not overheads at all, but there you go. The third myth is trust. "Sensible efficiency savings" we heard from the Minister and he is rebranding this cuts process as sensible efficiency savings, but what we have just been debating in amendment after amendment was service cuts. The problem is ... I mean I respect Deputy Green and he gave the example of excessive management. We had Deputy Noel talking about the pharmacy and it sounded sensible. The rearrangements, the restructuring sounded sensible, but the problem is that the whole process is driven by ideology. Somebody mentioned, I think it was Senator Maclean said: "We should be more inclusive finally, we should get all Members on board." No, I do not think it was him but somebody said we should bring Members on board. If we do that genuinely, have people ... It was Deputy Pitman. If we have Members inside the tent who believe in social justice and who believe in the environmental protection, then we would have better answers, but we do not have that. We have a process driven entirely by a right wing ideology. If you want trust, and I reckon trust is a pretty valuable commodity because it costs you if you do not have it, it seriously costs you, then you involve the public genuinely. You look carefully at that strap line of the Strategic Plan working together to meet the needs of the community. Amen, but that is what we should do, work together to meet the needs of the community. We may not even need to be provided by the States at all if you get people down round the table and talk openly. Instead we get this barrage of propaganda and it is not worthy of this Assembly. It makes me very, very angry and very sad. The other thing of course is to involve States Members, which I have already touched on. So to recap, we have got the money. The money, it is a fiction. The public sector is not bad in principle and we need trust. So what does the Chief Minister say when he is defending the indefensible? He says: "We must use our heads and not our hearts" implying that it is sentimental guff to vote for a youth worker or children to go out to Durrell. Well in fact we did not use either. There are false economies. We voted for plenty of false economies. We voted not to have the drugs analyst, we voted not to support tourism. I thought we were in favour of economic growth. I thought we were in favour of supporting the economy. We failed to vote for A.D.S. (Alcohol and Drugs Service), we failed to vote for the sports injury clinic. All these things had implications for other areas. Pick up the pieces later, and on that we are about to vote, buried in this Business Plan, is a contingency of £9 million. That is only the first slice. It is going to go up to £17 million by 2013. Why does the Minister for Treasury and Resources want a contingency, a little slush fund in his back pocket, of £9 million? That is to pick up the pieces. That is to pick up the un-fundeds. That is to pick up the disasters. We will no longer have a say. It will not come to us as a 118 request, it will be out of the gift of the Minister for Treasury and Resources, and I am not sure that is something we should be voting for without any kind of debate. So I am putting it on the table and let us hope we get a response but of course the Minister for Treasury and Resources spoke early. Unfortunate but I hope maybe one of his Assistants will explain why he needs £9 million this year, rising to £17 million in 2013, in his back pocket, so as to avoid those mistakes being opened up to the public. When we had that debate on the most recent 118 requests the book was open. We could see that the court and case costs were a shambles. We could see that he was asking for money for procurement outside the normal process. I forget what the other one was but the fact is it was here, we could see it. It will not be here now; it will be buried in a ministerial decision. The other factor that really gets to me, and is part of this whole problem of why it is that we are having to do these things, is facing 2 ways. Facing 2 ways. I support Education; I support Health. I support this; I support that. We can all say that at the hustings, we can say it at the States and when it comes to it we get the word "but", "I support but". Deputy Green said earlier in the debate, maybe 2 days ago: "The public want better services and lower taxes." He said he was getting letters or phone calls. I forget which, saving the public want the impossible, better services and lower taxes, but it is people like that who say: "I support this and that and I will not vote any money for it", who give the public the idea that they can have it all ways, that they can have their cake and eat it. Of course it costs to provide public services. The question is which ones, how should we do it and so on? I know that the Ministers are uncomfortable with this way of proceeding, and they too play the 2 ways game. The Minister for Economic Development talked about the role of strategy to Scrutiny in wonderful terms, balancing the economic and the environmental, saying that our precious countryside needs support, and so on and so on, but then there is always the word "but". But we may not be able to afford, but the envelope is tight, but I do not have any money. Why do we not just throw away the Strategic Plan with all its fine words because whenever it suits the Council of Ministers they ignore the fine words passed by this House? So, we are still waiting for the Air Quality Strategy. We vote for a society that cares about its cultural heritage and then we have to battle for enough money for the Jersey Heritage Trust. We have to battle for the Millennium Town Park, and so it goes on. We should add words to the top of the Strategic Plan: "We, the States of Jersey, one of the wealthiest jurisdictions on the planet,

declare that the need to make cuts will always take precedence over the fine goals in the rest of this document." We put the cuts first. The whole debate has been on a false prospectus. We could have had a process involving genuinely the public. Alas. We could have had a process involving all sides of the House. Alas. It is a mean mindset. In a way I am ashamed to be part of this House, although I suppose you could argue that as the progressives have been totally excluded, and we have a one dimensional government, then maybe I should not be so ashamed.

[11:45]

## Senator S.C. Ferguson:

Point of order, Sir. I am sure the Deputy of St. Mary did not mean to do it but he did misquote a report that was given to the Corporate Services Scrutiny Panel, in which we asked the Auditor General what would happen if government continued spending at its current rate of increasing 6 per cent a year. We said: "What would we need to put G.S.T. up to cover this increase in spending?" This was the basis of the report and I am sorry the Deputy did not quite understand what the basis of the report was and what we were asking for, and I hope that next time he will not misquote it.

## The Deputy of St. Mary:

Can I respond to that, Sir? I am quite happy not to but I am just aware that that is a misstatement of the position.

#### The Bailiff:

Well, we could go on for ever at this pace. I think we will move on to the Constable of St. Brelade.

#### 1.3.10 The Connétable of St. Brelade:

I do not think for a moment that any of us enjoy having to make cuts in public services and, if anything, the present projected financial strictures are forcing us to think how services can be delivered in a different way. It may not be a question of cuts, it may be a question of different, and I think it is important to emphasise that point. The Council of Ministers is focusing its mind extremely seriously on how this can be done. I empathise with Senator Breckon, who commented earlier that the various departments have little input in the Business Plan presentation but quite candidly we would be here for weeks if that were to be the case. I think the presentations that have taken place prior to this debate are the opportunity for States Members to make contributions and ask questions, and I invite Members to have input into the ways of my department, because without their input I think the machinations of the department would be a poorer place. We are in a transitionary period and we have great changes to contend with and this transition is something. I think, we are having difficulty in getting to grips with that we have to focus our minds upon. We have a change in government and its services and we have to focus upon that projection ahead, and I think there was comment made earlier on about what was our end goal, if you like, and I think we do need to look, certainly from my department in engineering terms, as to what that end goal is going to be and work our transition towards that, so that there is a satisfactory light at the end of the tunnel for us to aim for. Thank you, Sir.

## 1.3.11 Deputy R.C. Duhamel of St. Saviour:

I think generally I am in accord with those Members who have expressed the dissatisfaction with the process but I would just like to say that it is a Business Planning process and is essentially tied up with the apportionment of monies to run the individual services.

#### The Bailiff:

Sorry, Deputy, I am advised that we are not quorate, so therefore we need to summons the Members. Very well, now we are quorate again.

## **Deputy R.C. Duhamel:**

Generally the process of the business planning is essentially tied up with finding the monies and agreeing the monies to run the services for the following year. That said, I think there is a case, a very strong case to be made, and indeed I have been one to make it, along with others, but maybe next year, or in years to come, the penny will drop that we really do need to get to grips with determining the policies which drive the Government. This Government, is not, as has been expressed to me, 10 Ministers acting collectively or individually, it is this House and in the absence of parties I think we do have a difficulty in expressing the differences under which certain departments might wish to operate. Certainly we have been told, when I was on Scrutiny, that the right place to have these discussions, to set the direction, was within the strategic debate but in having delivered a huge body of work to undertake it in that position, we were then told that the better place or the place to have those discussions was within the Business Plan. I think there is a case for having it somewhere in between. There must be a call for, I think, general debates to be held in every different departmental area on a rota basis perhaps; one massive debate to determine the wherewithal of the type of health service we want or educational service and the extent to which the Island is prepared to pay for those services, and we should do it at least on one occasion every year. But as other, wiser, Members perhaps have virtually stated, we are where we are. On that basis I would like to ask a procedural question to understand whether or not ... well, what happens procedurally should this House decide not to endorse by majority the Business Plan that is set before us? I do not think it has ever happened before but indeed if it were to be the case I would like to know, and perhaps you are in best position to advise the House - rather than leaving it as something that the Chief Minister might wish to comment upon - what would happen should the House take a decision that they do not support the Business Plan?

#### The Bailiff:

Does that complete your speech? Very well. I think it is not really a matter for the Chair; it is a matter for the Members as a whole and the Chief Minister to deal with that in due course. Does any other Member wish to speak?

## **Deputy R.C. Duhamel:**

Sir, can I ask for reply on this please, Sir, because it is a procedural ...

#### The Bailiff:

Not at this stage. The Chief Minister, no doubt, will deal with it when he replies.

## **Deputy R.C. Duhamel:**

It is a procedural nasty, Sir, and you are in charge of the Assembly and how we discharge our functions under Standing Orders. The Finance Law is silent as to the question as to what might happen should we not decide to support any part or indeed the whole of the Business Plan and in that respect, Sir, it is a query that I think should be answered.

#### The Bailiff:

I suggest that we will ask the Chief Minister to deal with it and if, at the end of that, Members still want any ruling from Chair, we will see if there is a ruling that I can properly give. Does any other Member wish to speak?

## 1.3.12 Deputy J.B. Fox of St. Helier:

I do not wish to go over all what has been said and it has been very broadly covered but I would like to just say that as a non-Executive Member, and on P.P.C., among obviously representing your district, I find it very disturbing really that we seem to be doing, yet again, this process in piecemeal. We know what is happening in the phase that we are doing at the moment in the Business Plan, but we do not have the opportunity of details of what is coming, which we are told could be horrendous, and this is nothing compared to what is coming. I think we should have had more pre-meetings covering these aspects. We cannot turn back the clock. We hope, and I will

support part (a) this year, but what I would be asking for is next year if a significant review can be given to giving further information before we get to this stage and it might cut down the amount of amendments from the time that we are doing here, and I think that would be useful.

## 1.3.13 The Deputy of St. Ouen:

To listen to some of the States Members speeches this morning we would think that we have got nothing to be proud about but I think we have, and I think a lot of the public have the same view. Yes, we do face some serious problems. Perhaps this Assembly has faced nothing like this for many, many years. Are there solutions? Yes. Will it take time? Yes. Does it mean we rubbish everything that we have got or diminish the benefits that we all enjoy? No. I want to speak about education, primarily. We have a fantastic education being provided on this Island for our young people. Absolutely fantastic. [Approbation] Our young people excel in exams. Can we do better? Yes. Should the shape of the education that we provide change? Probably. Are we doing something about it? Yes. Yes, we are. We are going to be consulting with people. We are going to be engaging with our staff, who, by the way, are delivering the services and at the quality that we have come to rely upon. But no, we forget about all of that and all we do is try and pretend that it is not my problem it is theirs. Well, the truth of the matter is, it is ours. Not only in this Assembly but the community. They recognise the basics, that there is a need to manage our finances. They know that there is going to be an impact. They also know that there are some services, and the essential services that are required to be provided, will require additional funds. There is also an expectation that we deliver services that are efficient and provide value for money. That is a challenge for all of us. It is not a challenge that has just arrived, by the way, because certainly since I have been in the States and since I have been responsible for the Department of Education, I can assure you that prior to any C.S.R. process, my department were already wanting to look and review how we are delivering some of the services we provide. That is what we are supposed to do. Equally, I can assure you, that many individuals I have met, from teachers to union officials to officers within the department, they all are committed to delivering the services that a public wants as efficiently as possible. They recognise that there are also funding pressures, and perhaps that is a failure at the moment of ourselves as Council of Ministers, that we are choosing, and we have chosen in the past, to ignore some of the funding pressures that we know this Island faces. Again we have got to find solutions but it is not just: "Oh, well, I am not interested. Where is the piece of paper? No one tells me." It takes 2 to converse. I have offered and still offer individual States Members to contact me regularly if they have got any concerns, if they have got any questions. I will say this; I am sure that there are people out there perhaps I have, for whatever reason, missed responding to or not responded to in a timely fashion. To those I say I am sorry. But if you want to learn something you have got to go and ask the questions; not stand in this Assembly and say: "No one has told me." That is not good enough. As for failing our children, I think it is absolutely sad because we have a wide range of services on this Island and people, many of whom are volunteers, dedicated, dedicated to supporting the children on our Island, in many different areas, and we hear we have failed them. Yes, there are going to be the times where we will have the issues that we are well aware of, that have happened in the last couple of years. I would love to say, with my hand on my heart, that that will not happen again. The tragedy is that it is likely to, no matter what we do. Can we learn from it? Yes. What are we doing about it? We have got a Children's Policy Group. Are we sitting on our backsides doing nothing? No, we are developing a Children and Young Person's Plan. We are recognising all the services involved. We are recognising the resources that are put to it. We are committed to making sure that we link those services more closely. We are filling up the gaps that exist within the system. This does not necessarily mean throwing just money at it. It needs to be smarter. It needs to engage with the people. We have already had conferences with all the parties involved, and they are fully committed and signed up and desperate to see the improvements. But equally we have got the Bridge. We have got Pathways. We have got ... I lose track, and I would spend too much time if I named them all. All of these organisations again being supported not only by this Government but by private sector, helping our community. That is the thing when we say: "Well, let us work together to support our community."

[12:00]

It is not about just money. It is about rolling our sleeves up, standing up for what we believe and helping and working together to see the Island through, not only this particular situation but to secure a future for our children and their children's children. Please, let us focus on that. Thank you.

## 1.3.14 Deputy S. Power:

I did take exception to what the Deputy of St. Mary said and the use of his word in relation to the Corporate Services Panel. I also take exception to 2 other things he said. I make one point first. He talked a lot about all the cuts, that they were unfair, that they were dismissive, that they were inappropriate for an Island that has such wealth. We have tried ... as a Member of the Council of Ministers we have tried to explain why these cuts are necessary, but I would say to the Deputy of St. Mary in order to distribute this great wealth that he refers to, you have to create it first and in order to create it you have to sustain it. We have to hold on to what we have got and carry the industry we have got forward, because otherwise this Island will be in deep, deep financial trouble. In June, after my election, I invited all States Members to come to the Housing Department, and 7 did. We went through the process of the status of the department, where it is, the process it has to go through, which is a painful one and a difficult one and a complex one, because it involves legislation, but I do believe that is correct. This whole Business Plan is a painful process. I have sat in on the comprehensive spending review since early this year, as an Assistant Minister and then as a Minister, and it is extremely difficult and extremely painful, and it is more difficult for some departments than it is for other departments, and an element of that pain was reflected vesterday in the voice and the views of Deputy Hilton, to my left, because she is passionate about her department and a Minister and yet she felt completely tugged one way and the other with these cuts that we discussed yesterday, and that is a measure of the pain. It is not an easy process to go through. I did attend the Corporate Services Panel in the summer and I gave them a full and frank submission as to where our cuts were coming from, where our cuts will come from, and how we hope to achieve those cuts. Again, the Housing Department has got to change, it has got to become more efficient and it has got to change the way it does business. A great deal of the information in our plans is in the annex; you have had it since 10th July, I think it is. I was open for business all summer and I am very pleased that apart from one small amendment from the Deputy of St. Mary, which he later withdrew, I have not had any amendments. So, I do not know whether that is a measure of my success or my failure or my ability to communicate or lack of it, but I do not feel cheated. I also issued a policy statement in July, which gave a fairly full and clear indication as to where I wanted to take the department, and I was here for all of the summer and I did not really have any questions on that. Senator Maclean referred to the bigger picture, which is what we have to do, both the Assembly and the Council of Ministers; that is the whole future of how States departments do business and how we change structures. That is something that has got to happen. In order for this Council of Ministers to operate more efficiently, it is going to have to bring forward changes in department structures, which will be for the better of the Jersey Public Service. What we are looking at now are cuts. We are going to look at more cuts and then we are going to look at more cuts again. I refer to what Deputy Gorst said yesterday in one of his speeches, when he alluded to the fact that we may have to look at pay cuts. These are not simple decisions. These are painful decisions. These are complex decisions. These are balancing decisions. But the future good of this Island is what comes first and all of us, all elected Members in this States, have got to realise that we have to make difficult decisions. That is what we are elected to do. We are elected to make decisions and we have to make those; we can make good ones, we can make bad ones; we can make popular ones, but we make difficult ones as well. I can tell this Assembly now and put you on a warning, put the Assembly on a warning, that there are difficult decisions to be made in the next 12 months. With or without an election in the pipeline, there are difficult decisions to be made and we cannot get away from them. Insofar as I am concerned, we have to change the way we do business and the result of that, I hope, will be a changed public service, a reduced public service, and a more efficient public service, because we cannot afford to carry on doing business the way we have. I want to go back to a speech, again, of Senator Maclean and in my view the poor coverage in the local media on the whole debate on Jersey Finance and the £400,000 increase. Many countries have development agencies and those closest to us that I could refer to would be the Welsh Development Agency, the Industrial Development Agency in Ireland, the Northern Ireland Development, the Scottish, and then right across Europe governments maintain development agencies. I have friends from my time in the U.S.A. ...

#### The Bailiff:

Deputy, I remind Members that one is not allowed to revisit an amendment which has already been considered. I do not think we want another debate about whether it is right or wrong to reject that particular amendment.

#### **Deputy S. Power:**

Okay, Sir. What I wanted to say was that in order for Jersey to maintain its business base it is absolutely vital that it goes out and seeks new business from new quarters, such as the Far East, to sustain and development the business ...

#### The Bailiff:

Those were the very points made during the course of the debate on the amendment.

## **Deputy S. Power:**

All right, Sir. We do not have space on this Island to build factories, we do not have space to build shipyards, because our cost base is too high and we do not have the space. We cannot compete on a tourist basis with Majorca, the Canaries or Turkey, and we do have a scarce land resource. However, we do have an industry that can grow and can be made to grow, and that is the industry that pays almost all of our tax revenues here in Jersey, and that is the finance industry. So, I say to Members, our choices are limited. We do need new business to sustain the Island and to pay for the services we have got, and I will say that that is why it is so important to generate new business. So, on those words, I say to Members just realise that we are here to make decisions and make difficult decisions, and they will be difficult, and the next 12 months will be extremely difficult. It is not easy being a Minister or an Assistant Minister. It is not easy being on the Council of Ministers. There is a lot of anguish to what we have got to do in the future, but it has to be done and all of us who have any realistic view for the future of this Island will have to shape up and have broad shoulders for what we are about to do. Thank you, Sir.

## 1.3.15 The Deputy of Trinity:

I will try and be brief. Over the last 18 months, I suppose, since I have been Minister for Health and Social Services, which I think is a great honour, I have built up a great respect for one gentleman who has done a lot of work in Jersey, and that is Andrew Williamson. Time and time again he says this to me: "Do you realise what a good health and social services you have, especially in part of the children's services and some investment?" I always step back and think: "Well, yes, we are always good at doing ourselves down," but sometimes we do not give credit where credit is due, but that does not meant to say that everything is right. I also meant to mention too that we have had significant investments; Greenfields is a place which I am extremely proud of. It is one of the top centres in the U.K., but we need to move on. Services never stop still within Health and Social Services and I think that is one thing that we need to stop. There has been some little investment in the past in some of its buildings, especially in the General Hospital and, as I said, there are areas that need to be looked at and especially under this financial climate. But the most important thing is that we are recognising it. We want to do something about it and that is my

aim within Health and Social Services. In the amendments, the first amendment, amendment 9, Senator Breckon, I did put a couple of points forward on the pressures within Health and Social Services. But most importantly - I will not recap - but the one; I only wish to do on one and the most important thing I see in going ahead is that a strategic roadmap, which will plan the way ahead for Health and Social Services and it will include full public consultation, which includes States Members and, as my fellow colleague here said, from Education, with the Children's Policy Group and the Children's Plan, that is out to consultation and I urge States Members, please, please to get engaged. It is 2-way traffic and States Members have to be more proactive in engaging in this issue and I put on record, too, with the strategic roadmap coming out next year, we all need to be engaged in it. It is an Island issue, it is just not a Health and Social Services, we all need to be engaged. I would just like to place on records my thanks to all my staff; every single one is committed to providing good health and social care across the board to Islanders, well above ... sometimes they go the extra mile and the new Director of Community and Social Services said to me last night: "Are you not lucky that you have got so much goodwill in Jersey?" And I thought: "Yes, we do" but we do not acknowledge it, and I would like to say thank you to all the staff as well as the staff and all the voluntary organisations that support Health and Social Services. We are lucky, but as I said, I am not sitting back on my laurels; there is a lot of work to do, and especially under the financial pressures that we are now. I am not burying my head in the sand. I need to make efficiency cuts but we need to put some growth into Health and Social Services too. But my staff are engaged in this comprehensive spending review. Right from the ... 2 or 3 months ago, well, if not longer - time goes by so quickly - it was there facing them every single day: "Please engage with us on computers." So easy that they did. And they did do, I am very pleased to say. But the pressures that we are facing in Health and Social Services are not unique to Jersey; it is a worldwide problem, with a nursing shortage, because nursing people are not going into that profession so much now, but also with consultants; they are ... some specialising more, so that is going to be a problem for the future, as well as our ageing demographics. There are a lot of issues but we need to face them and we need to face them together. Thank you, Sir.

## 1.3.16 Senator F.E. Cohen:

I am optimistic. This debate has shown considerable commonality of purpose. Members want savings, very clearly. The Council of Ministers want savings; Scrutiny wants savings. All Ministers, without exception, are committed to savings. There has been heated debate because Ministers naturally wish to ensure that services are provided appropriately, but every Minister is committed to savings. All Members are clearly aware that we face a very critical problem and that is that we need to find £100 million a year and I believe we need to find more than £100 million per year and if it does not come from savings, it has to come from one other place, and that is increases in taxation, and clearly all Members will wish to minimise any increases in taxation. There has been considerable focus upon the balance between supporting financial services and the financial services industry, some have said, at the expense, for example, of stopping school milk. But that is unfair. The financial services industry needs all our support. It is what employs most of our children, or many of our children, and will in the future employ many more. It is the backbone of our economy and we have a single strand economy in many respects. Out of this process of C.S.R. over the coming years, we will see significant changes.

#### [12:15]

I will be ensuring, for my part, that I start the process of delivering a slimmer Planning and Environment Department, delivering, inevitably, less services but still delivering essential services; essential services however in a slimmer and slicker manner, more accessible to the public and more easy to understand, and I am sure that will be the case with all other departments. But I am optimistic and I believe this is an opportunity for all. Islanders want slimmer government and this is our chance to deliver it. Thank you.

## 1.3.17 Deputy G.P. Southern:

It is appropriate that I speak after the Minister for Environment because he referred particularly to the commonality shared by this House today, echoing the words of Deputy Duhamel when he talked about us being united and that this Business Plan was in fact this House's Business Plan rather than the Council of Ministers' Business Plan. Ouite frankly, I do not believe that is true at all. What the last 4 days of debate has clearly demonstrated is a clear and very strong split in the House between those who are gung-ho for cuts and spending cuts and those who would oppose them and perhaps recognise the damage that that is going to do, not only to our economy overall, because we are certainly ... there is no evidence yet that we are out of the recession, but also to individual people. Before I start, I too must pay tribute to our public sector workers and the levels of service that they are maintaining steadfastly despite the travails of their work and the way in which we make their work difficult. What we have done this week, make no mistake about it, we have made their task a lot harder. Whether it is the Physiotherapy Department, which was achieving magnificent standards on getting people back to work, we have made that harder. That 2-week back pain appointment ... timetable, that will go; it will be gone. The midwives, who we heard, already stretched to the limit; we have added another task for them to do. Customs officials, already 3 understaffed, now 5 understaffed and we have made it harder for them to intercept drugs coming into the Island in doing what we have done this week. Language assistants, again, heads of department in language departments in schools; we have made their task harder. Let us be in no doubt about that; we have made life difficult for all of our public sector today and in turn all of the Island residents; no doubt about it. Because, and the word is correctly used, I think, because this Business Plan has been completely ideologically driven. It is driven by the single idea that public sector is bad, private sector is good and we must cut, cut, cut. We spent 4 days talking about nothing at all but cuts. That is the mindset and I congratulate the Minister for Treasury and Resources and his allies in the Small Society, et cetera, and the Chamber of Commerce and the I.O.D. (Institute of Directors) for successfully promoting this idea that we are in deep, deep financial and economic trouble ... and the word "F" was going to come out then, but no, financial and economic trouble, when the reality is that our deficit is 1.6 per cent of our G.D.P. versus, let us take the U.K. for one example, 12 per cent of their G.D.P. So we can always make that comparison between us and the U.K.; they are cutting, we must cut. What nonsense. Oh dear. Best make no mistake, the pain has just started. The pain starts here and, I believe, the strife starts here because when the population of Jersey recognises and feels the impact of the cuts we are making now, I think we will see, finally, people recognising that that is a very hard way to go. We have already received some of the starting warnings from the Minister for Housing, Minister for Social Security that there is far, far worse to come. But we have made the decision to go this far - £12.6 million worth of cuts, approximately - completely blind. We have started out on the path and we are blindfolded, because we have not got the faintest idea of what is coming with the £50 million worth of cuts. Now, the Minister for Society Security yesterday said that that might be benefit cuts, it might be staffing cuts, it might be pay cuts. I am sure his staff, dedicated staff, who are working at the extremes of their capacity - there is no doubt about that and the Minister would accept that will be glad to hear yesterday that there may be staffing cuts coming. So, it will make their job even worse or even that there may be pay cuts coming along into the Society Security Department. Well, wonderful that is. Now the Minister for Education says: "We have consulted with our staff fully." That is completely misleading. Did the Minister consult with his teachers early in the year, when in the middle of the year we imposed a pay cut on them? No. Clearly. Did he consult with the heads of modern languages, did he consult with the full-time language assistants over his proposal to cut modern language assistants ... cut them out, modern language assistants, in schools? He did not. It was announced. It was announced. I will not give way. [Laughter] It was announced but it was not open to negotiation. It was not open to negotiation. It was not open to "This is what we are going to do; find a way to manage." That is the sort of consultation that took place. So, the consultation has not taken place. The consultation has not taken place with the wider public; it certainly has not taken place with representatives of workers, our own employees in the public sector. It is remarkably absent, and yet we have gone ahead,

ploughed ahead, without getting that consensus, building that consensus. In fact, we have split our society, not just this House. Really, the shock, yesterday, and I did not quite express it yesterday fully, to have the Chief Minister say of a reduction, an important reduction in the Customs service, that this was a "nice to have". Members, just let that sink in for a minute. Safe borders, controlling illegal drugs coming into to the Island ...

#### The Bailiff:

Deputy, you are revisiting now.

## **Deputy G.P. Southern:**

And I will pass on very quickly, Sir. But just sit and think about that as a "nice to have". That is the attitude we have got. So, have we consulted? Have we brought the people with us? No, we have not. Do we know what £50 million cuts look like? No, we do not. We may find out in the next fortnight, month, sometime. It may be presented alongside the other thing we do not know about, which is any proposals to change taxation and whether that is personal taxation and how much and in what form. We do not know. Or whether it is business taxation, in what form and how much; we do not know. We are not even given an indication and yet we have made these serious and far reaching cuts to our public services, as the first step along the way. I echo Senator Breckon's sentiments, when he opened this part of the debate, by saying how unsatisfactory this process is. Why? And I echo the words of the Minister for Economic Development, when he says that what we need to look at is the wider issues, the wider aspects, yes, like, oh, we have between £500-600 million in the strategic reserve. Is it time to consider using some of that to support our way through the recession? Is it, possibly, time to consider borrowing in order to see our way through this recession? Is that an option; is that an option that was debated today? No. Or during this week? Not at all. This House decided it did not want to talk about those wider issues, alternative approaches. It did not want to talk about delay, anything like that, or how we might get through this. All it wanted to talk about was cut, cut, cut. What are those cuts going to look like? I do not know, but I know what the sentiment is out there in the business community, because I have read the Small Society's leaflet quite in-depth. It is effectively, cut down the size of the public sector enormously, privatise whatever you like, outsource whatever you like, give it to us to run, because that is a small society, give it to us to run and (but not stated) extract our profit from it; that is the way forward. Public bad, private good; it is the same old mantra. But there is hope, there is hope. As I refer to the split in this House, and it does not matter, as the BBC said this morning, whether it was 12 votes or 14 votes or 20 votes, or in one case was it 23 votes, the split is there. There is a group, a loose group admittedly, of Members in this House who are fighting this approach, who oppose this approach, and will continue to oppose this approach because simply it is the wrong approach. I am finding support for my thoughts from very, very surprising quarters. I just want to finish with one of those new found sources of support. The business editor of the Business Brief magazine who writes this enlightening weekly article in the Post, and last night he absolutely outdid himself in the sense that had I been tasked to do the 1,500 words, or whatever it is, summing up where we are, I might have used identical words. So he says: "There are not many things I hate about Jersey, but arrogance is high on the list." He says: "Close to my top 10 hates are arrogant businessmen who think that just because they can find their way around a balance sheet they know how best the States and Public Services should be run." Well, that is a good start. They are out there; it is the Small Society, it is the I.O.D., the Chamber of Commerce. "My second hate is related to the first. It is people who believe that public service is in some way a necessary evil that has to be cut back as far as possible to allow all those good people in the private sector to get on so that some of them can make excessive profits." Phew, how appropriate; Senator Ferguson just entered the room. I think the cap fits. The truth of the matter is, he says, that you cannot have one without the other. You need both a thriving and efficient public and private sector unless, of course, you want to go back to the dark ages, which I suspect some Islanders would dearly love to. "Then, I hate the way we manage to make mountains of molehills and dramas out of crises."

Perhaps that is just the Island mentality." His words, not mine, but what are we doing? 1.6 per cent of our G.D.P., deficit - not 12 per cent, not 20 per cent, 1.6 per cent - amount of our G.D.P. spent on public services, 17 per cent.

[12:30]

Not Luxemburg's 40 per cent, our nearest rivals. Not the U.K.'s 48 per cent; 17 per cent. Making mountains out of molehills; yet slash, slash, burn. We have been told that the current fundamental spending review is just part of a co-ordinated and holistic approach to States finances and there will be no sacred cows. Has anyone in this room, apart from Ministers who might know better but they have not told us yet, seen any iota of co-ordinated and systematic approach to what we are doing? So far no. We have seen, more or less, salami slicing in convenient places, convenient to cut with very little rationale given as to why there and why not there. Just because we can. It has been salami slicing. He than goes on to say: "But we have concentrated almost exclusively on cuts." Or, as the Council of Ministers prefer to call it, restructuring. It is a joyful word, that is. "But when you are focused entirely on cuts" he says: "it is easy to lose sight of the fact that it is more than just about money." Indeed it is; and indeed it is; and the pain is just starting, not only in this House but out there. The strife is just starting, not only in this House but out there. He then goes on, and a joyful read it was last night when I got home tired, with only one win under my belt: "Inevitably the current Business Plan ignores almost entirely the role that economic growth or borrowing could play in helping us get out of our medium term predicament. They are mentioned in passing, but that is all. It has been cut." As far as borrowing is concerned, all the Minister for Treasury and Resources tells us is that it is a slippery slope. We must not borrow anything. "Well, doing anything" he says: "raises the possibility that you could do it to excess. Perhaps we are on a slippery slope when we propose spending cuts." Have we just made a first step on to the slippery slope? Is that what we will see in the £50 million, yet more cuts, some of which may go under the label of restructuring, but effectively it will be shrinking public sector because that is the ideology? That is the political philosophy which we are fighting today. Finally, he finishes - and I will leave it with this - although it is not directly relevant to this particular debate, it is particularly relevant to the context of this debate, and why I believe this process - business planning process - works so very, very badly, as Senator Breckon was pointing out. Also pretty high on my list of pet hates are those who insist that party politics is not for Jersey. The Jersey way is supposed to be better. I think we have just seen 4 days of the Jersey way and I ask Members if we cannot come up with something better than that, I think we should not be here. The Jersey way. If anything proves that we need something like a party system, then the Business Plan debate is it, he concludes; and I could not agree more with him.

## 1.3.18 The Connétable of St. Helier:

We have had speeches on both sides of the ideological divide this morning. I must say I was very struck by the Deputy of St. Mary's speech. I thought parts of his analysis of what has been going on were really very acute. I think it is wrong for other Members to characterise him as being not aware of how marvellous a job is already being done. The Minister for Education spoke up for his staff and all the volunteers who work in Jersey and how good our public services are, as did Deputy Southern. But it is true to say, I think, that the dominant flavour of this debate has been around cuts, and not nearly enough has been made of other aspects of what the Business Plan is effectively doing. It certainly gives us a problem when it comes to the vote, because like some Members I am tempted to vote against the Business Plan because I do not agree with some of the cuts. But having said that, those were debated fairly. We lost the debate on many significant cuts, but does that mean we should not have a Business Plan, we should not be funding Education, Health, Social Services for the coming year? Of course, no. We have to continue to fund them even if we do not agree with the way the cake has been sliced up. I think the Council of Ministers must be in some ways licking their wounds, wondering if they have not got a hollow victory. Perhaps it would have been more sensible for the Council to have discussed before this started which of these amendments

they are prepared to accept, because there has been a lot of penny-pinching, and inevitably the public are going to go away from this debate with the impression that the States have cut school milk, have cut school trips to Durrell, have cut staff in physiotherapy and Customs in the Alcohol and Drug Service. That, I think, is very sad. If that is what people remember from this debate, then surely the Council of Ministers should have looked at some of those frontline services which is what they are, or key services for the community and thought: "Why do we not just accept those amendments? Why do we not give those to the Back-Benchers, to the Scrutiny Panel or whatever? Because there is certainly plenty of money to make up those particular costs." I do not think that was well handled, and I know I mention it sometimes - I wonder at the quality of public relations advice that the Council of Ministers gets. We have not had a debate this Business Plan on the size of the Comms Unit, but I think they need to look at that. We have a plethora of firms in Jersey that offer public relations' advice. I think it is time the Council of Ministers outsourced that particular function and saved a bit of money in the process which would have paid for quite a few of the bits of penny-pinching I have referred to. Members will think I am becoming a bit obsessed about Property Holdings, and I am going to talk a bit more. I am glad the Assistant Minister is back because I want to talk a little bit more about that. But one of the things that frustrates me about this whole process is that I am not one of those Members who believes that there is no waste, that there are no cuts to be made, and that is why I supported the Corporate Services attempt to ratchet up the savings in the cuts, because I get very frustrated, as I know the public does, when I see so much money being wasted. I do wish that the Council of Ministers would have made more of the need (a) to avoid the kind of high profile mistakes that we have made, particularly in the area of H.R. (Human Resources) in the last year. They really need to give us more assurance that we are not going to continue to be going up towards the million pound mark in clearing up human relations mistakes that have been made in the past. These are the things the public remember, whether it is over £1 million for the way the previous Chief of Police was dealt with, or simple things like putting executives in 5-star hotels when they could be put in much less expensive accommodation. Waste is something which frustrates me; it is something that I continue to try and deal with where it occurs in the area that I run, and I wish that the Council of Ministers would take waste more seriously because I think set against that kind of waste some of these cuts seem extremely unnecessary. Last night, and I am just taking one example of where I feel we have gone wrong, we are centralising the property function. Last evening after the day in the States I attended a meeting chaired by Deputy De Sousa for Springfield residents. We have been looking at a number of problems that residents have been putting up with, and interestingly, I just recently received a letter from the Minister for Education, because I had written to him, about the condition of the railings around Springfield, created, we must remember, at great expense for the last Island games and which had been rusting steadily for the last 5 years. The Minister in, I thought, a very frank and honest letter, said to me: "Well, we used to do these things ourselves. Education used to maintain the fabric of the schools and places like Springfield. Then we put the property function, the maintenance function, centrally and since then nothing has happened." I am aware of examples where school heads are tearing out their hair because a job they used to get done with a local supplier, cheaply, like a painting, carpeting, some maintenance, they now have go through Property Holdings; it takes twice as long and it costs twice as much. I am beginning to think there is almost a club out there of mainly local, but some not, contractors who are doing very well out of this business and we have put this huge amount of money in the property function. I have said to the Minister for Treasury and Resources informally, and I now say it to him publicly, he must look at Property Holdings because I believe that millions of pounds of public money are being wasted in that area. If he will not look at it then I certainly will be pushing Scrutiny to look at it, the relevant panel, or indeed calling for a committee of inquiry, because I think it is quite shocking that we are cutting the services to the public while we have created this Frankenstein - sorry, Frankenstein created the monster - we have created this monster which is gobbling up money which is wasting money. I would urge the Treasury Minister to take this matter seriously. One of the areas which has not been mentioned really in the debate is, of course, the way that steadily - one might say

insidiously - the parishes are moving into the position of taking on some of the services that the States are cutting. It probably will not be a secret that my first thought when school milk was cut was whether the ratepayers of St. Helier would accept a proposition to fund that themselves. We may not get there, because the Minister for Economic Development has already told me that he is not happy about it either, and I believe that we may find a way together to save school milk. But it is a fact that the Parishes are steadily doing more and more; and of course if this applies nowhere more than in St. Helier, the Minister for Treasury and Resources may not remember but the last question that he was asked when he stood for the position of Minister for Treasury and Resources, we just got in before the bell, was did he support the argument that the States should pay rates on their properties, and he said: "Yes, but ..." and then the bell went. I have been disappointed that the Minister for Treasury and Resources has not really brought this one back because clearly it is something he believes in. As a former Deputy of St. Helier, he believes the States should be paying rates. I must say I have been looking for a chance to bring the proposition back and it certainly does not seem to get any easier. I did not feel that the Business Plan this week was the right time to do it, because I thought against school milk, against other things, it would not stand much chance. But we do have to be very careful that ratepayers across the Parishes do not end up picking up the bills that the States are trying to avoid. I just remind Members that across the Parishes the ratepayers are providing residential care, they are providing nursery education, municipal services, sheltered housing, policing of course through the Honorary Police, youth work through the many agreements that now operate. Of course, the welfare burden has been moved to the centre where it belongs and the ratepayers have been spared that. That kind of taxation is not progressive. We have to be careful that there is not this attempt to transfer work on to the Parishes and away for the States. I return finally to the decision that we have to make about this Business Plan. I do not believe that the Council of Ministers are guilty of any kind of malfeasance, of a lack of commitment, or that they take any pleasure at all in the cuts that have been put through. I do not believe winning the debate may appear important in some occasions, and I am sure there have been occasions when the Council of Ministers have been calling their troops into this Chamber to vote. So winning has been important at certain times. It may well be a hollow victory to some extent, and I think they will be looking at ways that they can try to repair some of the damage that may have been done to public confidence and public trust by some of these cuts which, as I say, I believe have been unnecessary because I think they could have been avoided by really starting to tackle some of the waste that is in the public sector. Having mentioned the public sector, of course, I do not share Deputy Southern's view that this is very much a debate about public sector bad, private sector good. There is a place for private sector working. I think the States, and indeed the Parishes, can usefully outsource certain functions which can be done better and more efficiently by the private sector. But there are others, and certainly I would include the vast range of municipal services that many of the Parishes undertake which can be done much better by direct labour by people who work for Jersey, who work for the Parishes, who are not driven by any profit motive, but they are utterly committed to their work.

[12:45]

It is not true to say public sector bad, private sector good. That is not what the Council of Ministers are saying. I think that they, as I do, recognise that there is a balance to be struck and we certainly have not got there yet. I am not yet quite sure how to vote for this not very amended Business Plan, but I would urge Members not to swing too far on either side of this ideological divide. I think there is still a middle way to be found.

#### **LUNCHEON ADJOURNMENT PROPOSED**

#### The Bailiff:

The adjournment is proposed. We will continue with this at 2.15 p.m.

[12:46]

#### **LUNCHEON ADJOURNMENT**

[14:15]

#### The Bailiff:

Right. We are now quorate. There we are.

# 1.3.19 Deputy A.T. Dupré:

It was only I really wanted to correct something that was earlier on today, that our department is engaged with all our stakeholders allowing proposals to be brought forward as part of the savings identified in our Business Plan. Just like to get that straight.

#### 1.3.20 Senator P.F. Routier:

We all know that we have experienced quite a traumatic few days of trying to find a way forward for our Business Plan for this coming year. I think the experience we have had with, in particular, things to do with some of the Social Services and Social Security for instance, we have recognised that some of these things are very, very valued by the community. Having been previously involved with Social Security for many years, I do recognise that the Minister for Social Security does have an extremely difficult job to find some savings. I would ... it may not be a popular thing to say, but certainly I think that when it comes to the next round of cuts, he is going to find that next round of cuts very, very difficult, and I hope that as an Assembly as a whole we will be able to be able to support in the future keeping Social Security at one of the top of the list of things that we are able to protect for our future. One of the things that I picked up on what Senator Cohen said was that we were all behind making savings; we need to be making savings, and that has got to be one of the prime things. I think it is a process we are going through in this economic climate which is making him say that, and other people getting on that bandwagon. But I would like to think our emphasis really should be on the need to provide appropriate services for our community. We need to ensure that the services we are providing are appropriate and that they are needed, but we also need to recognise that we can afford to do these things. We are going through tough times financially and we do ... we are having this first round of readjustments of our budgets: and I do say readjustments. As we have experienced, there are some real improvements to some of the services which are happening, especially in Health. There is a lot of new money gone into Health and there are some new services being provided. In particular I would like to just pick out on one, which is the services to children. We have talked about ... we are not going to go over old debates, but certainly we need to recognise that the support for children who need social care support and psychological support is there and is going to be improved next year, which is I think a real bonus that we should be celebrating, rather than looking at the negativity of some of the points which we made over the recent days. This morning I had the pleasure to meet with the Manual Workers' Joint Council. They asked to have a meeting, and I chaired that meeting, and one of the points which they were wanting to get over to the Manual Workers' Joint Council was the need for consultation. We had a very good meeting, I felt, and we recognise that there is a need for some formal structure for consultation. It happens perhaps on both sides, on the employers' side and the employees' side. There needs to be some better way of communicating through the ranks of the employees and the employers' side as well. I hope that we are able moving forward to consult well with the workforce. I was very impressed with the representatives of the Manual Workers' Joint Council when they said they were prepared to do things differently. They were quite prepared to look at doing things differently in the future. They were obviously putting down some markers about not preparing to deal with pensions and some other things like that, but in general the door was open for good consultation and for doing things differently. I was quite encouraged by the meeting, although it started off as a good exchange of views about the way the media had picked up on future cuts and all the rest of it, and they were rather disappointed about that. But certainly I

think there is an opportunity to move forward with the manual workers, as long as we consult with them properly. One of the points which they wanted me to express to the Chief Minister was the point of them being valued. They do carry out really a lot of good work for us across the whole of the Island, and we should value them. We do value them and I hope that we all recognise that the work they do is what we want them to do.

## **Deputy G.P. Southern:**

Could I clarify with the Member if I may, Sir? While you are on the subject of the Manual Workers' Joint Council, could the Assistant Minister inform the House what previous meetings have been held with the Joint Council this year? When was the last one?

#### The Bailiff:

That is not a point of clarification; that is a speech. That is just asking for some further information. Carry on.

## **Senator P.F. Routier:**

The meeting that was due to happen on Battle of Britain day was cancelled by the Manual Workers' Joint Council. Really that is as much as I need to say. I think the Business Plan we do have before us, although it does realign a lot of the budgets within various departments, I think we can be proud that we are still going to be able to provide a lot of very, very good services across the Island, and I hope everybody gets behind it and supports it.

## 1.3.21 Deputy J.A.N. Le Fondré of St. Lawrence:

I do think I need to take the opportunity to rise and respond - if I can just find my notes that I have just lost - to the issues raised by the Connétable of St. Helier where he referred to, I think: "There are millions of pounds of waste at Jersey Property Holdings", which I think referred to our maintenance budget. He calls us a Frankenstein's monster and then goes on about complaints about railings not being painted and not being able to carpet certain areas; that it takes twice as long and twice as much. To say I was not very happy with the comments is putting it mildly, and I have finally calmed down, so this is the cool version of the speech. We have recently completed phase one of the review of all of our maintenance contracts. We are in the process of implementing it. We are looking to reduce between 3,000 and 4,000 transactions a year by about 70 per cent; that is in terms of administration costs. We are looking to save several hundred thousand pounds of that. That is happening right now. I would have thought the Connétable would have approved of that sort of efficiency, but we do not tend to blow our own trumpet; I will say that. Indeed, the Connétable in the previous question has raised points about concerns and why did we not come to him, et cetera, et cetera. Well, the traffic goes in both ways. If his concerns were so critical, why has he not come to us in the last few weeks when these issues were raised? Other Members have done so, and we do sit down and explain our position on the various issues that they are raising with us. We do use local contractors as much as possible. However, we have also had some legacy experiences where one or 2 contractors have not kept up with the times, particularly in the areas of risk management and advice. I am obviously not going to go into the details there, but I can give an oblique example. I had a comment made to me some time ago about people not knowing what good looks like, and that is a phrase that has stuck with me for quite some time, and in certain areas I absolutely agree with that. When our discussion continued, and I am obviously not going into the area there, there were various concerns that were raised; and the one area that person raised that he felt had been addressed correctly was the one that came directly under J.P.H. (Jersey Property Holdings) control, and which we had identified previously and we had dealt with. One of the reasons that we were created was to address the inefficiency in the procurement process. As I said, that is happening, but we are mindful about what happens on local businesses as well. Connétable has raised concerns there might be cartels and cosy relationships in there, I think. That is the very reason that we have been reviewing the procurement process and thus updating it: to

make sure it is absolutely transparent on this. Some people do not like change, which is why sometimes we get these sorts of fluctuation rumours and mutterings going on beneath the surface. The Connétable has raised concerns of certain aspects of maintenance in the Education portfolio and he brings us back to millions of pounds of waste. When the various departments transferred their maintenance budgets to Jersey Property Holdings, the total at that time roughly was around £6 million. We got around £4 million, in fact. Then, and this is the time in which J.P.H. was in the process of being created, and it was the last round of spending reviews; we took a cut of 35 per cent on that. You work out the numbers. That is not millions upon millions of pounds. The total pot is I am unclear how departments have previously managed their not big enough to waste. maintenance budgets, but I have been informed on a number of occasions that one department in particular took £0.5 million out of their maintenance budget to pay for staff overtime courses. Think about that in terms of the problems that we are facing at the moment. To go back to Education, it is very fair to say that a significant part of the money that did come to us came from the Education budget. But that is now, along with other budgets, being applied across the entire portfolio. So a smaller pot in total is being applied over a bigger area. It has been noted in this Business Plan - we do not have enough money to spend on the estate in its present form, and that is why we have to prioritise. Just to give an example there, this afternoon I am about to sign a contract to implement works to improve fire protection at Rosewood House. That sort of work is far higher in priority than just painting some rusty railings. That, as far as I am concerned, is the type of priorities that we have had the discussions in this Assembly previously that we are having to make. The only way to resolve this is to start to reduce and change the portfolio and I hope to have some far better news for Members on that side of things in the near future. We have to look at a number of cost cutting areas to save money. Property is one of them. If we are to get to our full potential then we have to be able to grasp those opportunities. But I am going to reiterate the point there has been woeful under-investment in States properties for decades. A vast proportion of buildings in the portfolio are extremely aged and not fit for purpose. One of the key roles that we have that we are looking to achieve is to essentially ensure that the old buildings are replaced by modern, fit for purpose and more efficient, and that means cheaper to run and that means savings. More efficient to operate. Effectively, that means recycling the family silver: new for old. As Members will know and as I said before, proper decisions are long lasting and take a long time.

#### The Bailiff:

Deputy, I appreciate you ...

## Deputy J.A.N. Le Fondré:

I am just wrapping up, Sir.

#### The Bailiff:

... are subject to attack, but if we could try and get back.

## Deputy J.A.N. Le Fondré:

The final sentence, Sir. We have to address the legacy of under-investment. We are doing it. If the Connétable has a problem I hope he will come and meet with us in the next couple of weeks and we can explain it to him

#### The Bailiff:

Does any other Member wish to speak? Then I call upon the Chief Minister to reply.

#### 1.3.22 Senator T.A. Le Sueur:

We began with hearing from Senator Breckon about some of the perceived drawbacks with the current way of debating the Annual Business Plan. I understand his concerns, but I also cast my own mind back 12 months to the previous Annual Business Plan when we went into the second week debating that Business Plan because we spent a considerable amount of time before talking

about money talking about objectives of different departments. I got 2 messages out of the outcomes of that Business Plan, messages which I shared with the Corporate Services Scrutiny Panel and which were reflected in the views of its Chairman. First is that this Business Plan should focus on what is required by the law, the financial objectives, and that we should be talking about that rather than objectives.

# [14:30]

The time for talking objectives is in the States Strategic Plan. The difficulty that we face at the moment is that that States Strategic Plan is not constructed in the best way in order to debate departmental objectives. I think the remedy for people like Senator Breckon is not to try and further tinker with the Business Plan but to look at the States Strategic Plan process and, indeed, the process as a whole, which we agreed last year should move more to that of 3-year planning. If we had that 3-year planning with clear discussion on objectives at the start of the process, then I think a lot of the concerns that Senator Breckon and other Members have - I recognise those concerns would be minimised. But as I think it was Deputy Duhamel said, we are where we are. But in place of a debate on objectives which went on inconclusively last year, I think that this year we have had a far better introduction to the Business Plan debate because we had an introduction which basically boiled down to, is the level of savings being proposed over the next 3 years enough or could we do more? Should we raise less from taxation? Should we raise more from savings? Should we go more for economic growth? I think that debate should really set the tone, and did set the tone, for the whole of the subsequent amendments. So I am grateful to the Corporate Services Scrutiny Panel for bringing that ninth amendment which enabled that debate on policy objectives to take place. Some people believe that this Business Plan process is wrong because we do not have complete information. Deputy De Sousa talked about what about the 3 and 5 per cent; could we not do it as one go at a 10 per cent rate? Deputy Southern made the same point at rather greater length. I think the answer is that we have to recognise the nature of the spending review process. But if we are going to make the sort of savings which we need to make, a lot of those savings are going to be quite involved and tricky to make and cannot be done over night. The 2011 process is indeed a different animal from that of 2012 and 2013. As Deputy Green said, we need to have a fundamental change in the way we approach things, and that is what part 2 of the comprehensive spending review process aims to deliver. I think then I would like to commend the words of the Chairman of the Corporate Affairs Scrutiny Panel in that I think they have tried seriously to take an objective review of the Business Plan process and, as the Chairman says, this should be a debate about resources, and I share the Chairman's view that we need to set our sights higher. Ministers are setting their sights higher and we will be seeking to achieve reductions in spending in excess of £50 million by 2013, but that is going to be an ongoing time-consuming process, which will require upfront investments. I will come back and talk about the part 2 process of the spending review in more detail later on in my comments, because some people suggested that this is really a debate which has polarised into either a victory for Council of Ministers or a defeat for one faction or another. The objective of the Business Plan debate should be for the States in the end to set a Business Plan which we can all agree. The Deputy of St. Mary claims he is driven by ideology, that there be no public consultation. I believe interesting, different people have different points of view. One of the comments I got back last month is that the public feel consulted out - they have had too much consultation. Be that as it may, I know one thing in this debate: you cannot please all the people all the time. But certainly as far as consultation is concerned, I think the clear message which I got and I think the clear message which Ministers have got and which I think many States Members have got, is that the public acknowledge that there will inevitably be tax increases, but they wanted to see those tax increases kept to a minimum. If there is one message that seems to come consistently across all areas, it is that. The how is more difficult, but the message about keeping tax increases to a minimum is one which I certainly have picked up and I think was reflected in the vote on the first debate we had, the first amendment, amendment 9. So, we then come back to the question raised by Deputy Duhamel: where do we go from here? Certain Members have suggested that they are unhappy with this Business Plan process or, in fact, more likely that they are unhappy that some of the amendments they would like to have seen adopted have been rejected, or some of the amendments they might like to have seen rejected have been adopted, and the Business Plan has not ended up in the position they would like. I am afraid that is democracy and we take a vote and we decide at the end what the majority of people think is the right way forward. I acknowledge that some people will feel dissatisfied with that outcome that has not suited them, and they may feel inclined to vote against this Business Plan, or part (a) of this Business Plan. Deputy Duhamel asked the question, what would then happen? I have got in front of me a copy of the Public Finances Law and the law is stark in its conclusions, because the law fixes our spending for one year forward and only that one year forward. We have the spending currently fixed for 2010, which is the spending we agreed in last year's Business Plan. We do not yet have any money to spend in 2011. I will repeat that: we do not have any money yet to spend in 2011, and if part (a) of this proposition were to be rejected, there would be no money to spend in 2011, be it on teachers, on nurses, on policemen, on anything, on civil servants, even on debaters' salary. There would be no money available for 2011. It is irrational, I say, at best to suggest that voting against part (a) is a sensible way forward. What that may raise in some Members' minds is the question of whether the Public Finances Law is correctly worded at present, and that is another issue for another day. It is an issue which I know the Minister for Treasury and Resources is working on, and I know he is being helped in that respect by the Corporate Services Scrutiny Panel. We do need to make amendments to the Public Finances Law for a whole variety of reasons, but at the current time we have to abide by the law, and that is certainly my interpretation of the law. I am not a lawyer, but the law is sufficiently clear, I think, and concise that that is the position which all Members need to understand before they decide to make, or consider even making that protest vote. I would then like to thank a number of other Members who have pointed to many of the good things we are doing in the optimistic way that we need to be going forward. The Minister for Health spoke about the valuable and dedicated staff that there are within the Health and Social Services Department, but I think the same could be said and, in fact, should be said, must be said about all our staff in all departments. I appreciate the comments of Senator Routier, the Chairman of the Manual Workers' Joint Council, and I take on board his suggestion about the need for a more formal consultation structure. But I also take heart from his comment which is, and had been my understanding, that we have a workforce who is already alert to the need for change and is welcoming the need for change if they can plan it with us. It is the need to plan it with us that is perhaps the point the Senator was making. I am anxious to ensure that happens because I wanted to maintain and harness the enthusiasm of our workforce in order to deliver the sort of changes that we needed to make. There are some, I think it was Deputy Southern, who seemed to think that restructuring was synonymous with cuts. That is a dangerous philosophy. We cannot deny, and I have said on numerous occasions, we cannot achieve the objectives of £50 million and more in savings by salami slicing. We will achieve that level of savings, and we will only achieve that sort of level of savings, with some fundamental changes in the approaches we take in the way we do things. I am not simply saying that in terms of public or private operations; you will need there to take appropriate choices in each case - but changes, new ways of approaching every service we deliver. That is why part 2 of the comprehensive spending review process is a very different process from part 1. Part 1, to put it crudely, could be called quick and dirty; part 2 is something which will take longer to deliver. It would have been nice to say: "Well, could we not just wait until then and do it once we had the whole picture?" The answer is no, and the Minister for Treasury and Resources will make it quite clear when we come to the Budget debate just why we cannot afford the luxury of waiting and hoping. It is a problem which, as I said when I made my introductory speech, had to be addressed and had to be addressed now. So, the Council of Ministers addressed the first 2 per cent, the first very modest 2 per cent of its target, recognising that had to be delivered immediately and that it was going to create problems for some people in certain areas, but they were of a relatively minor nature. I say relatively, because I do appreciate that each of those reductions is, and it has an impact somewhere. But the changes we are going to

see, which I wanted to see for 2012 and 2013, are of a very different and more fundamental farreaching nature, and my Ministers and I will be spending virtually all of next week going into just how those fundamental changes could be and must be delivered. We will be looking across the whole organisation, across the whole structure, and those changes will take time and will take investment in order to achieve. In fact, that investment will not need to be one of time, as I said earlier; it is one of time, of manpower, of money and of goodwill. I believe that what we need to do now is to unite in that message of goodwill that if we are going to make these changes, let us not do it by minor cuts here, there and everywhere; let us do it by getting together behind that fundamental change in approach. Let us work together in part to offer confidence in the process so that we can all achieve that, and that the new States structure, which I look forward to seeing in the years to come, will be a structure which we can say we all contributed to and we were all involved in putting Jersey in the right direction for the years to come. This Business Plan is only the first step in that process. It is almost a preliminary step, but it is a very necessary step. Some people have said that this is a Council of Ministers' Business Plan or even the Chief Minister's Business Plan, and at this stage it is. It is being proposed by me, on behalf of the Council of Ministers. But once we adopt it, and I hope we do today, it will become our Business Plan, the States Business Plan, the plan which we all abide by and live with.

#### [14:45]

Just as it may be the Minister for Planning who brings forward the Island Plan policies, when they are adopted by the States, they become the States planning policies, and just as this Business Plan starts life as the Chief Minister or the Council of Ministers' Business Plan, once the States adopt it, it becomes the States Business Plan and we need thereafter to work to deliver the States Business Plan and, more importantly, to deliver the ongoing phases of that plan. I place great store by what will be done next week and next month and in the years to come by the Council of Ministers. It will not be done just by the Council of Ministers, it must not be done just by the Council of Ministers, and those Members who are interested in the end result of that C.S.R. process should also be interested in how we get to that end position and I do urge Members in the weeks and months ahead to become actively involved in that process, and there will be opportunity for Members to do just that. I made a note at the end of my comments here that we need to achieve and adopt what are commonly known now as the "can do" culture. I think there is a danger here that all we do is see problems facing us in the years ahead. I believe we need to have this "can do" approach. We can and we should be trying to make Jersey and the States organisation a better vehicle in the future and this Business Plan is one important step along that way. So for those reasons, I know I am only talking at the moment about part (a) and we still have parts (b), (c) and the rest of the Business Plan to debate but as this, I think, is really the meat of the Business Plan, I do urge Members to take very careful note of what I have just said and I maintain part (a).

#### The Bailiff:

Deputy Duhamel, you raised a point. Has the Chief Minister dealt with this satisfactorily?

#### **Deputy R.C. Duhamel:**

I think he has and I just warn the House that there are additional legal questions that I will be raising in part (e).

#### The Bailiff:

So the matter before the Assembly is paragraph (a) of the proposition of the Chief Minister in relation to the Business Plan. I invite Members to return to their seat and the Greffier will open the voting. Have all Members had an opportunity of voting? The Greffier will close the voting.

POUR: 35	CONTRE: 8	ABSTAIN: 0
Senator T.A. Le Sueur	Senator A. Breckon	
Senator P.F. Routier	Deputy G.P. Southern (H)	

Senator P.F.C. Ozouf	Deputy P.V.F. Le Claire (H)	
Senator F.E. Cohen	Deputy of St. Mary	
Senator S.C. Ferguson	Deputy T.M. Pitman (H)	
Senator A.J.H. Maclean	Deputy T.A. Vallois (S)	
Senator B.I. Le Marquand	Deputy M.R. Higgins (H)	
Senator F. du H. Le Gresley	Deputy D.J. De Sousa (H)	
Connétable of St. Ouen	1 2	
Connétable of St. Helier		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Saviour		
Connétable of St. Clement		
Connétable of St. Peter		
Connétable of St. Lawrence		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy J.B. Fox (H)		
Deputy J.A. Martin (H)		
Deputy of St. Ouen		
Deputy of St. Peter		
Deputy J.A. Hilton (H)		
Deputy J.A.N. Le Fondré (L)		
Deputy of Trinity		
Deputy S.S.P.A. Power (B)		
Deputy I.J. Gorst (C)		
Deputy of St. John		
Deputy A.T. Dupré (C)		
Deputy E.J. Noel (L)		
Deputy A.K.F. Green (H)		
Deputy J.M. Maçon (S)		

## 1.4 Draft Annual Business Plan 2011 (P.99/2010) - paragraph (b)

### The Bailiff:

Then we move on to paragraph (b) of the proposition and I will ask the Greffier to read paragraph (b).

#### The Greffier of the States:

Paragraph (b), to approve the summary set out in Summary Table B, page 54, being the estimated income and expenditure and estimated minimum contribution, if any, that each States trading operation is to make to the States Consolidated Fund in 2011.

## 1.4.1 Senator T.A. Le Sueur (The Chief Minister):

I have already referred to the Public Finances (Jersey) Law and that law makes provision for the States to run trading operations. At the moment we have 4 activities which fall within those definitions and there are 2 under the Economic Development Department, that is the operation of Jersey Airport and Jersey Harbours; while under the Transport and Technical Services Department there are the activities of Jersey car parking and Jersey street management. A financial review of the expenditure and income of those operations including any contributions to the Consolidated Fund is shown on Table B of page 54 and for those Members who want more detail there are

submissions by each of those operations in the annex to the plan which starts on page 133. Figures for the airport are on page 134 to 141; the harbours on 143 to 149; the car parks trading accounts on 151 to 155; and street management at 157 to 161. So I hope that provides all the information which Members require and I propose the summary of expenditure set out in Table B.

## The Bailiff:

Is that seconded? [Seconded] Does any Member wish to speak on paragraph (b)? All those in favour of adopting paragraph (b) kindly show. The appel is called for in relation to paragraph (b). I invite Members to return to their seats and the Greffier will open the voting. If everyone has had the opportunity of voting the Greffier will close the voting.

POUR: 37	CONTRE: 2	ABSTAIN: 0
Senator T.A. Le Sueur	Deputy G.P. Southern (H)	
Senator P.F. Routier	Deputy P.V.F. Le Claire (H)	
Senator P.F.C. Ozouf		
Senator F.E. Cohen		
Senator A. Breckon		
Senator S.C. Ferguson		
Senator A.J.H. Maclean		
Senator B.I. Le Marquand		
Senator F. du H. Le Gresley		
Connétable of St. Ouen		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Clement		
Connétable of St. Peter		
Connétable of St. Lawrence		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy J.A. Martin (H)		
Deputy of St. Ouen		
Deputy of St. Peter		
Deputy J.A. Hilton (H)		
Deputy J.A.N. Le Fondré (L)		
Deputy of Trinity		
Deputy S.S.P.A. Power (B)		
Deputy I.J. Gorst (C)		
Deputy of St. John		
Deputy of St. Mary		
Deputy A.T. Dupré (C)		
Deputy E.J. Noel (L)		
Deputy T.A. Vallois (S)		
Deputy M.R. Higgins (H)		
Deputy A.K.F. Green (H)		
Deputy D.J. De Sousa (H)		
Deputy J.M. Maçon (S)		

## 1.5 Draft Annual Business Plan 2011 (P.99/2010) - paragraph (c)

#### The Bailiff:

We come to paragraph (c), and I will ask the Greffier to read paragraph (c).

#### The Greffier of the States:

Paragraph (c), to approve each of the capital projects in the recommended programme of capital projects for each States funded body for 2011 as set out in Summary Table C, page 55, that require £38,149,000 to be withdrawn from the Consolidated Fund.

# 1.5.1 Senator T.A. Le Sueur (The Chief Minister):

Again, referring to the Public Finance (Jersey) Law, that law requires us to approve the programme for one year ahead, that is the 2011 programme, as set out in Table (c). There are further details of that programme on pages 164 to 167 of the annex to the Business Plan. In particular, in respect of the capital expenditure of the Housing Department, Members can see that the actual spend will be offset by the income from the sale of certain assets no longer required within the Housing portfolio. I would also add that during 2010, this capital programme has also been enhanced by funding from within the fiscal stimulus allocation and some of the work on that may, indeed, extend into 2011. The reason for that is as is normal for any capital expenditure, the full allocation of funding is voted in the first year of the project irrespective of when the delivery takes place and for how long. A more detailed report on the capital programme and beyond can be found on pages 38 to 43 of the thinner document, Annual Business Plan, but as can be seen from the proposition, it is only the 2011 programme that is being voted on in this section. I propose Paragraph (c).

# 1.5.2 Deputy M.R. Higgins of St. Helier:

I just seek clarification. I was under the impression the Minister for Housing was planning on stopping all house sales. Can he just please explain what the situation is on that regard?

## 1.5.3 Deputy G.P. Southern:

I seem to recall when the Minister for Treasury and Resources was talking about the unfortunate incident of the ring-binder that he said quite straightforwardly: "Well, we have £10 million now going to the Millennium Town Park. I shall simply take it away from capital expenditure elsewhere." Is that in 2011? Is that figure anywhere to be seen?

#### 1.5.4 Deputy S. Power:

If I may briefly clarify the situation with regards to the £14 million referred to, that is at the moment, up until now, the Housing Department has sold residential property units to the tune of about £129 million. This is being phased out and this is part of the phasing out process. We cannot stop it overnight. It takes time to stop it because there are tenants who are committed. To share equity, there are conveyances that we anticipate that are in progress and that will be phased out. This is the phasing out of P.6/2007.

#### 1.5.5 Deputy J.A.N. Le Fondré:

Just to assist Deputy Southern in his question, if he looks on page 46 of the Business Plan, he will note that there are some projected property withholding receipts and that for 2011, the target for that one year goes up from £4 million a year to £9 million a year. So that is where part of the funding for the extra £10 million that went to the town park is coming from.

## 1.5.6 The Deputy of St. Mary:

There are 2 things. Firstly, what Deputy Le Fondré, the Deputy for St. Lawrence, just said about the sales. The disposals are, I think, £4 million a year except for the one year when they suddenly jump to £9 million, and I think that does worry me a little bit that we are about to set a target for Property Holdings to dispose of a lot more assets suddenly in the middle of a recession, and I am not sure that is that best time to go selling things and I might welcome a comment on that. I know we have to get the money in somehow, but maybe if you would like to comment on the timing there? The other question I would like someone to address is this asset replacement funding. Exactly what that is. Is it related to depreciation or is it some other animal?

## 1.5.7 The Deputy of St. John:

I need to fire a torpedo across the bows of Housing. Heating installations and the like. Many of the housing projects, yes, they may need replacement boilers and whatever else for more updated carbon footprint friendly, but to move a course as I see here to modern, electrical heating is not necessarily the right way forward. I think everything needs to be dealt with on its own merits and given that, in a former life, as a colleague of mine would say if he was in the Chamber, I have a background in a number of these areas and I do raise concerns that are we going to be getting the best value for money, not only for the States of Jersey but also for our tenants who will be running these particular units and knowing that my colleague alongside me has had difficulties in one of the estates in his district about the way forward, I ask the Minister to take particular care when spending any money on works in that area. Secondly, I must raise the sea defence strategy. Given that 2 winters ago now the problems we had on Victoria Avenue; the problems we have at the moment with the jetties and the like at St. Aubin and at Gorey; problems we had recently at Bonne Nuit a couple of years ago when we had to put quite a few hundred tonnes of concrete into the jetty because a large hole appeared. It is all around the Island and I do not think we are giving sufficient weight to our sea defences because we will be picking up much bigger bills, whether it is the jetty at Gorey collapses, whether the jetty at Bonne Nuit or other north coast jetties, we will have huge bills to pay and I do not think we are giving enough weights to some of these areas. Likewise, to our highways infrastructure. I do not think there is anybody in this Chamber that would not agree that our highways are in a very poor state of repair, and I know it is probably a bad time to be mentioning this given that we have seen the problems we have also had with the north of town drainage system. I have been going on about this for 15 years in the time I have been in the Chamber and yet it falls on deaf ears. Unless we look after our infrastructure, fellow Members, we are not going to leave our children and our grandchildren with a great future because they will be picking up the bills for what we have omitted to do. It is all well and good to have new control towers at the airport. Yes, we needed it. But we have to look after what we already have and what we have is falling about around our ears. Chief Minister, I look to you and your Council of Ministers ...

## The Bailiff:

You look to the Chief Minister.

## The Deputy of St. John:

Yes, I look to the Chief Minister. Being a country boy, my terminology is somewhat different to a lawyer. But that said, on behalf of the people of Jersey, I have to raise these issues because they are real concerns, whether it is drainage, whether it is our infrastructure in general. We drive along a road, whether it is on a pushbike, a scooter or motor cycle ... in fact, some of the works that we have done in recent times, I believe, has been a Rolls Royce job when we could have brought it forward instead and done twice as much work or twice as much mileage.

[15:00]

Really, we have to start cutting our cloth accordingly. I have been to different parts of the world and I can think of one in particular who have great expense, Israel. In Israel, they use a lot of utilitarian pieces of equipment. It does the job and gets from A to B and it does the job, and that is fine. We might have to start thinking along those lines. We should be thinking we can do twice as much work for the same amount of money without driving a Rolls Royce and, really, I can think back 2 or 3 years or 4 or 5 years, now, when we put a car park in at the airport, which is no longer used, and we put a footpath around a car park at an additional cost of £60,000. This is how stupid things become. We have to make sure that if we get a car park, yes, if it has to be surfaced we surface it but we do not need to put footpaths around it. These are the types of things that need to be looked at much closer because if we do not, we see the problems we are having now. We cannot do any more than X number of miles per annum of resurfacing because the funding is not coming

forward and it will not. It is only going to get worse over the next 2 or 3 years. In our good days, we did put money aside but that money is not really growing because I think the way it has been invested it is not really growing. If we had done the work when we had the money, we would be in a far better shape as far as our roads are concerned. So there are a number of other areas, but I think the Members would have what I wish to say and I do not want to take any more of their time.

#### 1.5.8 Connétable G.F. Butcher of St. John:

I would just like to offer a little bit of comfort to the Deputy of St. John. A lot of the systems that are being changed in housing property is to achieve some sort of stability in costs. We have a lot of system where oil is there and that pricing is very volatile, as the Deputy well knows from properties that we have in St. John, that he is a member of an association. So rather than install complete new wet systems, we have gone for electricity to try and get a steadier price.

#### 1.5.9 Senator P.F.C. Ozouf:

If I could draw Members, and particularly the Deputy of St. John's attention, to page 52 of the Business Plan, there is the summary of funds, which have been committed as part of the Fiscal Stimulus Plan. That should give the Deputy of St. John a warm glow of positive feeling towards maintenance and infrastructure because the Fiscal Stimulus Plan has boosted very significantly the maintenance and infrastructure investment in the States. We have kept people in work but we have also boosted our infrastructure and we have caught up on many of the things that the Deputy has argued for a long time. That should be regarded almost alongside this capital allocation. The Minister for Housing is right to point out, and the Assistant Minister for Housing is right to point out, the big changes that are on the way in terms of housing. The Minister's objective which was something, I think, that Senator Breckon put forward a number of years ago, of independence for the Housing Department will create a whole new opportunity for utilising housing assets in a much more adequate way. In relation to the issue of the town park, this has been recouped in 2 tranches, as Deputy Le Fondré has said, in 2011 and 2012, £5 million each. What I also will say is that we are doing 2 things in the Treasury as far as capital is concerned. First of all, we are significantly strengthening the capital accounting team who are doing a review of all of existing capital projects; those that have been approved in previous years by this Assembly, testing whether or not when they are going to complete and at what price and at what budget, and also trying to accelerate things like the police station, which there is going to be news on that within the next few months. Also, we are looking at adequacy of a capital programme going forward in subsequent years. One of the easiest ways, as the Deputy of St. John I am sure will agree, that you can cut costs unwisely is to cut back on capital and one of the challenges that we are facing in the whole overall comprehensive spending review is adequately funding capital. I believe that should be sustainable only at a level of between £40 million and £50 million. Of course, you can remove some and you can sell some assets in order to replenish that capital programme but it is absolutely vital and it is an important part of the comprehensive spending review.

#### The Bailiff:

Does any other Member wish to speak? I call upon the Chief Minister to reply.

#### 1.5.10 Senator T.A. Le Sueur:

I thank those who have spoken. I think most of the comments have already been responded to by Deputy Power, Deputy Le Fondré or the Minister for Treasury and Resources. A couple of comments from Deputy Southern about the town park. Yes, the 2012 balance, the other £5 million, is shown on page 168 of the annex and that comes out of the 2012 programme. The Deputy of St. Mary, the details of asset replacement funding, again there is a comment on page 167 of the annex. This is really relating to replacement of equipment mainly and predominantly in the Health Department where they have considerable minor expenditure year-by-year which has to be replaced. So I think that deals with all the issues that were raised by Members. I appreciate the

comment of the Deputy of St. John who is as faithful as ever to the infrastructure and point out that we have an infrastructure rolling vote in the programme for 2011. I appreciate his concern. It is probably not as much as some people would like. Of course, we can always spend more on capital expenditure. We could always spend more on revenue expenditure. The difficulty we face is that, I think it was Deputy Green talked about the size of a pie that we may have ... sorry, Senator Le Gresley talking about the pie we might or might not have. We can spend our money on revenue expenditure, we can spend it on capital expenditure but we cannot spend the same pound note twice, and this is part of the conundrum that we face. We believe this is a balance between capital and revenue which is appropriate, and for that reason the Minister has put forward Table C which I think we have now debated enough and I maintain.

## The Bailiff:

All those in favour of adopting paragraph (c) kindly show. The appel is called for in relation to paragraph (c). I invite Members to return to their seats and the Greffier will open the voting. Have Members had the opportunity of voting? The Greffier will close the voting.

POUR: 38	CONTRE: 3	ABSTAIN: 0
Senator T.A. Le Sueur	Deputy G.P. Southern (H)	
Senator P.F. Routier	Deputy of St. Mary	
Senator P.F.C. Ozouf	Deputy T.M. Pitman (H)	
Senator F.E. Cohen		
Senator A. Breckon		
Senator S.C. Ferguson		
Senator A.J.H. Maclean		
Senator B.I. Le Marquand		
Senator F. du H. Le Gresley		
Connétable of St. Ouen		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Saviour		
Connétable of St. Clement		
Connétable of St. Peter		
Connétable of St. Lawrence		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy J.A. Martin (H)		
Deputy of St. Ouen		
Deputy of St. Peter		
Deputy J.A. Hilton (H)		
Deputy P.V.F. Le Claire (H)		
Deputy J.A.N. Le Fondré (L)		
Deputy of Trinity		
Deputy S.S.P.A. Power (B)		
Deputy I.J. Gorst (C)		
Deputy of St. John		
Deputy A.T. Dupré (C)		
Deputy E.J. Noel (L)		
Deputy T.A. Vallois (S)		
Deputy M.R. Higgins (H)		
Deputy A.K.F. Green (H)		
Deputy D.J. De Sousa (H)		

Deputy J.M. Macon (S)		
Deputy J.M. Maçon (8)		

## 1.6 Draft Annual Business Plan 2011 (P.99/2010) - paragraph (d)

#### The Bailiff:

We move to paragraph (d) and I will ask the Greffier to read paragraph (d).

#### The Greffier of the States:

Paragraph (d), to approve each of the capital projects in the recommended programme of capital for each States trading operation as set out in Summary Table D at page 56 that require funds to be drawn from the trading funds in 2011.

# 1.6.1 Senator T.A. Le Sueur (The Chief Minister):

Just as we treated the revenue expenditure for the trading funds differently from that of other departments, so we consider the capital expenditure for the trading operations as a separate issue in the Business Plan. So those plans for 2011 are as set out on page 56, Table D. I think that table goes into rather more detail than the previous one and should be self-explanatory so I propose part (d) and let Members ask any questions on that table.

#### The Bailiff:

Seconded? [Seconded] Does any Member wish to speak on paragraph (d)?

# 1.6.2 Deputy M.R. Higgins:

Can I just seek some clarification from the Chief Minister? In terms of Jersey Airport, we are spending over £1 million on regulation and compliance and safeguarding. Again, I have not found it in the document. Perhaps he can tell me where it is? Also, the departures hall access lobby. Can he just give a bit more information on those, please? Also what is meant by touchdown wind, a term I have never heard?

## 1.6.3 Senator P.F. Routier:

I can perhaps help the Chief Minister in responding to those. Certainly, the regulation, compliance and safeguarding is a fund which we have. For instance, we had Sous l'Eglise which needed to be removed in recent years. The D.C.A. (Department of Constitutional Affairs) sort of does an audit every year and identifies any obstructions or anything like that or makes recommendations that require to be put right so he will license the airport. So we need to have a provision within our budget in case he comes along with something which requires to be moved or adjustments to various things. With regard to the departures hall access lobby, that is a recommendation from the health and safety people who have come along because the ... I do not know but when people go out to the airport, the circular access doors, when it is on a very, very windy day, the wind does blow in quite considerably into the departures hall and so the people who are working in the departures hall have made representations, and the Health and Safety Department have looked at it and suggested some alterations to those doors. So there will be some remedial alterations carried out to those doors to ensure that the wind does not blow in through the doors. The touchdown wind item is a technical phrase for an airfield navigation aid. What it does is measure the wind and it feeds the information back to the controllers and the pilots so they know what the wind speed is on the touchdown. I hope that response is sufficient.

## **Deputy M.R. Higgins:**

If I can just seek clarification on 2 of those? Are you talking about wind shear, essentially, on landing? The touchdown wind? So you can measure the sudden fall-off in the wind which is obviously very dangerous? The other one is in terms of the regulation compliance, are you removing the hangar?

#### The Bailiff:

Is the Minister?

## **Deputy M.R. Higgins:**

Sorry, is the Minister proposing to move the hangar which is the biggest obstruction within the one-in-7 rule?

## Senator P.F. Routier:

Certainly that is something which is on the radar to look at but the D.C.A. has not sort of said to us directly that needs to happen in the current year, but we know that at some stage there may be a requirement to move it but for this current year it has not been asked for.

# 1.6.4 The Deputy of St. John:

A couple of minor ones. I am looking at the X-ray handling baggage body scanner. Is there any payback on this given that this is done, the security of the airlines, themselves? Historically, when I was in harbour and airports, these items would have been in part, I believe, paid for by the airlines concerned but for some reason we seem to be picking up more and more of those bills. Also, on the Jersey Harbours I see there is a substation at £850,000. Would that not be supplied by the J.E.C. (Jersey Electric Company) because we are obviously paying for our electricity? I presume that is a substation for that? Further down, the St. Helier marina pontoons. Was this work not supposed to have been undertaken over the winter of 2000/10, therefore, is already pre-budgeted? I note further down £1.5 million for vehicle and plant replacement. Given the times we are in, can we not make our vehicles last somewhat longer? I am sure, because we have a very good maintenance department down at Bellozanne where our vehicles are serviced, et cetera, surely we can extend the life of our vehicles by another year or 2 given, I can recall some years ago, when we had to have a brand new fire engine only for it to be written off within 18 months to 2 years and we bought a second-hand one because it was embarrassing to have to come back. Therefore, I have to ask, surely we can make our vehicles which, when you see our vehicles on the road, our States of Jersey vehicles, they are in good fettle and, therefore, I have to ask, can we not get them to last that much longer given that we have our backs to the wall at the moment and everybody has to tighten their belts and although there has been some cost cutting, I am sure we can do better than that.

## 1.6.5 Deputy G.P. Southern:

Notwithstanding the answer given by Senator Routier, can the Chief Minister confirm that the D.C.A. are content with the positioning of the hangar and do not consider that to be a quite serious danger which, in principle, ought to be removed as soon as possible?

[15:15]

#### 1.6.6 The Connétable of St. Brelade:

Briefly, if I may contribute in response to the Deputy of St. John, who is questioning the vehicle and plant replacement, as it falls within my department. Effectively, there is a continuing need to provide new plant and vehicles. It is not necessarily a question of replacing existing. Clearly, the life of existing vehicles is being stretched out to further than that, which it has been in the past, and this is very often new plant.

## 1.6.7 The Deputy of St. Mary:

Following on from Deputy Higgins' question and the reply of Senator Routier, departures hall access lobby, £300,000. In the annex, under capital programme for the airport, I read the number of capital projects is constantly under review because of the airport's challenging financial position which, of course, we ultimately are the backstop for. As the vast majority of capital projects are replacement of operationally essential infrastructure, there is limited scope to remove items from the programme. I just wonder whether the Chief Minister wants to comment on removing the odd

... it sounded as if it was shielding passengers from gusts of wind coming through the doors and if you can explain how that is not "a nice to have" then I would be grateful. But maybe I just have the wrong end of a particular stick.

#### The Bailiff:

Does any other Member wish to speak? I call upon the Chief Minister to reply.

#### 1.6.8 Senator T.A. Le Sueur:

Deputy Routier answered as far as he could the comments from Deputy Higgins. The Deputy of St. Mary was not quite satisfied as far as the doors were concerned. If it were just that someone in the hall might feel a draught, I accept that would be "a nice to have". What we have and what we, as States try to do, is to be a good employer and to look after the welfare of our staff. So it is not the customers we are talking about. It is the staff working in the airport who are, as Senator Routier quite rightly said, in times of very high wind activity where those doors can stay open for some time, it does make a health and safety hazard for those employees. Some people would consider it "a nice to have". I believe that we should be looking at our staff and treating them properly, and that is the reason for this investment. As far as the scanners are concerned at the airport, yes, there is an expenditure and that will be recovered in terms of charges back to the airline users but, of course, we have to pay for the cost upfront and, no doubt, the revenue will be shown somewhere in the airport's revenue accounts. The substation upgrade at the harbours. There the electricity company does indeed have a responsibility to put forward the substations as far as the boundary of the customer's premises. If you require further measures within the customer premises, for example, serving various marina berths, that is a matter for the customer and, in this case, the Harbour Department who, in turn, will no doubt re-charge that back to port users in terms of berthing fees and marina fees. It may account if the Deputy has a boat in the marina for any higher fee we charge in the future. As far as the pontoons are concerned, I think that is an ongoing training operation and there will be pontoon replacement on an ongoing basis, and I would have thought that £175,000 represented a sort of annual rolling expenditure in that particular area. The vehicle replacement has already been replied to by the Minister for Transport. That leaves Deputy Southern asking about the D.C.A.'s view on the hangar. That, I thought, had been answered by Senator Routier who said that although it had been identified as a potential issue it was not, at the current moment, a "must do" as far as the D.C.A. was concerned and, therefore, not a "must do" as far as Jersey Airport is concerned. I am sure that the Airport Director and Senator Routier will keep that under review and if the situation changes, they will no doubt take appropriate action. I think that deals with all the questions I have been asked and I maintain the proposition.

#### **Deputy M.R. Higgins:**

Can I just bring up a point of clarification on this thing about the D.C.A.? If I am not mistaken, the Civil Aviation Authority, which have made recommendations on the safety of the airport, said the hangar should be removed because of the one-in-7 rule and, in fact, one of the reasons why we are taking away the top 2 levels of the arrivals terminal was to comply with that one-in-7 rule, and the hangar is closer to the runway than that structure is. Why is it not being removed, then?

#### Senator A.J.H. Maclean:

Can I perhaps help the Chief Minister with that? The D.C.A. assesses all the obstacles around the airport and there are a number of them, not just a hangar and the control tower, and you are right about the one-in-7 rule and as far as the airport is concerned, the D.C.A. is satisfied, providing a schedule is produced with timings, as to when particular obstacles that are of concern are going to be dealt with and as far as he is concerned, he is satisfied to less of the airport based on the schedule that has been provided and agreed with the airport.

#### The Bailiff:

No, I am sorry. I think we have taken that as far as we can.

## The Deputy of St. John:

As a point of clarification, the Minister, I asked him on the items to do with St. Helier marina pontoons, was this funding not put aside in 2009 and 2010, given that work was due to be undertaken last winter and it has not been. So are we getting 2 lots of funding for this?

#### Senator T.A. Le Sueur:

I do not believe that was the case and it may well be that not all the work was completed last winter but further work no doubt needs to be done and will continue to need to be done and on an ongoing basis. I think if the Deputy has serious concerns about that, it is perhaps a shame he did not raise them with the Minister responsible earlier in the proceedings.

## The Deputy of St. John:

On clarification, if I may, I must push the Minister and he may have to ask his Minister with responsibility to E.D.D. (Economic Development Department) to answer the question. Is the money still in the kitty from last winter or is it not?

## Senator P.F. Routier:

If I could just help with clarification? There was a very large project of £1.8 million for reconfiguring the harbour pontoons. That has been put to one side, now. This figure here we are looking for is just the ordinary, run of the mill changes and updating of pontoons during the year. The larger project is on hold at the present time.

#### The Bailiff:

So do you ask for the appel, Minister? The appel is asked for, then, in relation to paragraph (d). So it is for or against that paragraph and I invite Members to return to their seats. The Greffier will open the voting. Have all Members had a chance to vote? The Greffier will close the voting.

POUR: 36	CONTRE: 3	ABSTAIN: 1
Senator T.A. Le Sueur	Senator A. Breckon	Deputy of St. Peter
Senator P.F. Routier	Deputy G.P. Southern (H)	
Senator P.F.C. Ozouf	Deputy M.R. Higgins (H)	
Senator F.E. Cohen		
Senator S.C. Ferguson		
Senator A.J.H. Maclean		
Senator F. du H. Le Gresley		
Connétable of St. Ouen		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Saviour		
Connétable of St. Peter		
Connétable of St. Lawrence		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy J.B. Fox (H)		
Deputy J.A. Martin (H)		
Deputy of St. Ouen		
Deputy J.A. Hilton (H)		
Deputy P.V.F. Le Claire (H)		
Deputy J.A.N. Le Fondré (L)		
Deputy of Trinity		
Deputy S.S.P.A. Power (B)		

Deputy I.J. Gorst (C)		
Deputy of St. John		
Deputy of St. Mary		
Deputy T.M. Pitman (H)		
Deputy A.T. Dupré (C)		
Deputy E.J. Noel (L)		
Deputy T.A. Vallois (S)		
Deputy A.K.F. Green (H)		
Deputy D.J. De Sousa (H)		
Deputy J.M. Maçon (S)		

## 1.7 Draft Annual Business Plan 2011 (P.99/2010) - paragraph (e)

#### The Bailiff:

Do you propose Paragraph (e)?

## 1.7.1 Senator T.A. Le Sueur (The Chief Minister):

Before I talk about paragraph (e), maybe you will permit me to say a couple of words because as far as paragraph (e) is concerned, that was part of the proposition setting the indicative envelope for total spending for 2012 and 2013. It was subject to an amendment from the Corporate Services Scrutiny Panel which is, in effect, the corollary of the major debate on the amendment we debated at the start of these proceedings. We had a good debate on those principles on Tuesday and I have discussed with the Chairman of the Corporate Services Scrutiny Panel and also with the rapporteur for that amendment the next stage in the process. The outcome of that debate gave Ministers and, indeed, Members a clear steer about the need to seek even higher levels of savings than the figures envisaged. Members will be aware that the Council of Ministers will be discussing next week the way in which the significant savings which will be required over the next few years can be delivered, and I have already given a commitment on behalf of my Ministers that we shall be aiming to do better than the £50 million saving for 2013 envisaged in part (e) of this proposition. Indeed, the proposition itself merely sets a minimum target, and this reflects the determination of the Council of Ministers to go beyond that target subject to the outcome of that spending review. Once Ministers have agreed their proposals for the way forward to 2012 and 2013, I intend to invite all Members to a meeting to discuss these proposals. That meeting is intended to take place before the budget is lodged by the Minister for Treasury at the end of October. In view of the fact that this will give Members the opportunity to see a clearer picture of the way in which the proposed savings will be made and with the agreement of the Chairman of Corporate Services Scrutiny Panel the Council of Ministers now wishes to withdraw part (e) of the proposition.

## The Bailiff:

Paragraph (e) is withdrawn.

## The Deputy of St. John:

Can we have a debate on the withdrawal?

## 1.8 Draft Annual Business Plan 2011 (P.99/2010) - paragraph (f)

## The Bailiff:

No, the Chief Minister has an absolute right to do it before the debate opens. So that concludes the debate on the Business Plan. Oh, there is (f). I do beg your pardon. It does not conclude today's part of the Business Plan. As the Deputy says, there must be an element of wishful thinking there. So I invite the Greffier to read paragraph (f).

#### The Greffier of the States:

Paragraph (f). To approve the legislation programme for 2011 as set out in Summary F, page 58.

# 1.8.1 Senator T.A. Le Sueur (The Chief Minister):

You could be excused and Members could be excused by thinking that was the end of the Business Plan debate, but it is certainly the end of the direct financial matters arising in the Business Plan debate. The legislation programme is more about the nature of activities to be undertaken in the coming year to reflect the main strategic objectives of the States. Although it has no direct financial implications. Members should be under no illusions that adding to the level of legislation does also add to the level of cost and manpower and we need to be particularly aware of that in these times. The legislation programme proposed by the Council of Ministers for 2011 is rather less prescriptive than it has been in earlier years. We have seen one of the drawbacks we have in this system is that there are sometimes needs for additional urgent matters to be slotted into the time previously set aside by legislation programme. An example of that last year was the Depositor Compensation Scheme and the time that might have taken. What this legislation programme does is identify the main items for discussion, identify also some indicative matters which may well come to the fore during the course of the year and also allows a contingency of law drafting days to pick up unforeseen items. The Council of Ministers reviews the legislation programme on an ongoing basis with the law draftsman and, as those new items might come to the fore, they will need to be prioritised within that programme. That is the basis of the legislation programme for 2011 and I propose part (f).

#### The Bailiff:

Paragraph (f) is seconded? [Seconded] Does any Member wish to speak on paragraph (f)?

## 1.8.2 Deputy J.B. Fox:

Can I refer to page 59, 1.5 over the page: "Work will start on the second phase of the legislation to enable civil asset recovery (deferred from 2010)." I brought this up last year. I think I brought it up the year before. I still cannot understand why it has been delayed because I am reliably informed that potentially, or realistically, it is worth £1 million to £1.5 million per asset to our Exchequer. When we are turning down monies because of cuts for customs officers, and other things that are so desperately needed in these States, I keep wondering why this one keeps getting deferred when it is a financial gain for the States as opposed to any expense for the States.

#### 1.8.3 The Deputy of St. Martin:

I will pick up a little piece on what Deputy Fox had to say but, first of all, I would like to echo my disapproval, and I know the Chief Minister mentioned how there was a restricted process this year but can I, from my own point of view, I like the old system where you knew what had been drafted, what was in hand and what was for the future. I know we are all trying to save money, but I think for an extra 3 or 4 pages one would be much more informed as to what was going on in the Law Drafting Department, and I would hope that maybe we could have a return to the good old days of temps passé and likewise would, Deputy Fox, I endorse what he is saying.

[15:30]

We ought to be looking at ways of raising revenue, and here we have legislation lying around which could raise revenue, as indeed we know with the share transfer where that was on the books 5 years, I think, before we started recovering any money. I endorse what Deputy Fox is saying but would echo my concerns to the Minister for Economic Development because, again, I do not know where the licensing law is. That could be raising money and we are not doing about it. Again, I will just make my point and I will sit down.

#### 1.8.4 Deputy R.C. Duhamel:

Having sought on other occasions through the Council of Ministers' meetings, and outside of that body, assurances from various Ministers to provide charters for amendments to be brought forward

to the legislation programme, I do have to raise a particular point in relation to the programme of work for Transport and Technical Services. As mentioned earlier, I have had on previous occasion requested that a small amount be set aside to allow for changes in the law to encourage the take up of alternative forms of transport. I have been told that requests have been made in order to make these changes for the last 5 or 6 years but we are still in a position, it would appear, from the work programme that is indicated on page 60 that this important body of work to allow more progressive uptake of the aims of the transport policy to be undertaken, and I would appreciate a comment from the Minister for Transport and Technical Services on that.

# 1.8.5 Deputy M.R. Higgins:

Two points. One I have directed at the Minister for Economic Development, and that is I am surprised to see there is not any legislation here proposed for an aircraft registration scheme, which would bring in money to the Island at a time when we are supposed to be looking for alternative sources of money. I am most surprised it is not there. The second one, to the Chief Minister, and I am just wondering if this is an indication that we are not going to get a Freedom of Information Law because there is no provision for a Freedom of Information Law in this document.

#### The Bailiff:

I think my understanding is, Deputy, that has already been drafted and, indeed, lodged.

## **Deputy M.R. Higgins:**

But there are still people who are trying to get in changes, including the Financial Services Commission, so there will be further law drafting.

## 1.8.6 Senator F. du H. Le Gresley:

I picked up at the bottom of page 59 that the insolvency fund has been deferred from 2010, and I am concerned that this may further delay the introduction of the Redundancy Law, which I think was approved by the States last year, and given the current climate of people still losing employment, perhaps the Minister for Social Security could tell me whether the Redundancy Law will still not come into force until the insolvency fund is in place.

## 1.8.7 Deputy A.K.F. Green:

It is just a question, and it may not be that it should appear here, but I thought in March we had a debate on cycle helmets and agreed to pass a law on the compulsory wearing of cycle helmets, and yet I see no mention of it in the programme at all and I just wonder if the Chief Minister could tell me why.

## 1.8.8 The Connétable of St. Brelade:

If I may just make comment on the words of Deputy Duhamel regarding assistance towards alternative transport schemes. The department are considering this and I would welcome the opportunity to discuss the matter in detail with the Deputy and, in response to Deputy Green, if I may assist, the work on the modification of the laws to accommodate his requests has been dealt with but does not form part of this but it is a minor alteration to the law.

## 1.8.9 Deputy G.P. Southern:

Just 2 points of clarification I would appreciate from the Chief Minister when he comes to it. One, what is exactly the state of play of T.U.P.E. (Transfer of Undertakings (Protection of Employment)) law or regulations? Are we likely to see those appearing in the next year? I assume something has been drafted but what extent is it, by which I mean transfer of undertakings protection of employment terms? If we are going to be outsourcing in the coming year or years we need that in place as a matter of urgency. Secondly, the extent to which I note at 1.8 amendments to the Social Security Law, supplementation and contributions. Now, obviously, supplementation may well be focused on as a result of the fiscal review but contributions also, I understand, if we are going to

look at supplementation at the moment we have a mere 2 classes of contributions. We have class 1 and class 2, and class 2 simply covers anybody who is not class 1 and, in fact, what we should be looking at, I think, is some changes to accommodate better particular individuals and groups of people so that their contributions, and I am thinking particularly of the self-employed, if we are going to start raising ceilings, then we have to adjust them to be able to cater for different circumstances, and I wonder what is the state of play on that and how extensive those supplementation amendments might be.

## 1.8.10 The Deputy of St. Mary:

It is purely a presentational point following on from what the Deputy of St. Martin said. It would, indeed, be useful to know what was in progress, and then there would not be any confusion as with Deputy Higgins and the Freedom of Information. What was in progress and also what is being planned fresh because then you can see the loading on the department, and you can see the context, in the same way I have just checked to find out if there is any mention of the existing capital programme. Now, I know from looking at past financial reports and statements that huge amounts sit in that pot, committed already by the States, voted for by the States and not spent. So each year there is this pot of money that is still sitting there and capital projects is awaiting ...

## The Bailiff:

I am sorry, Deputy, I do not think you can return to capital projects when we are discussing the legislation.

## The Deputy of St. Mary:

I am just asking that the same way in which law legislation should be put in as to what is happening already, so should capital.

# 1.8.11 Deputy I.J. Gorst:

Hopefully I can just help with one or 2 of the issues raised. The Redundancy Law is now returned from Privy Council and I will be in a position to lodge the Appointed Day Act very shortly. It is not connected with the insolvency fund. That is being drafted but obviously it potentially will fall through into next year, which is why there is provision to make sure it is there, because it is a priority for me. I need to make sure it is happening. But, as the Senator will know, the White Paper has been at consultation and that is now in a position for drafting. The temporary insolvency fund obviously remains in place until that legislation itself is in place so, hopefully, that will give the Senator some comfort. With regard to T.U.P.E., as the Deputy should know, that has been drafted. Advice is in the process of being given but we have had some movement on that as well and, hopefully, I will be in a position to bring that to conclusion very shortly. We have then questions about supplementation. It was, as the Deputy will know, agreed that a report will be brought forward with regard to supplementation by the end of this month now. Time seems to be getting on. It is likely that will be somewhat delayed now. However, I have to consider what the new time scale of that will be in there for. I cannot say exactly what that will be today but as Members will know it was tied up with the F.S.R. (Financial Services Review) review and there will be a slight delay on that. Hopefully, I will be in a position to give a revised time scale at the next States sitting in regard to that. Obviously, any change to the law with regard to supplementation, we need to be changing the law so that we can create the maximum possible flexibility without deciding what we are going to be able to do, so that we could have, rather than just the one ceiling that we have currently, the flexibility to have different ceilings for different types of contributions or different types of employer or different types of earnings category. So we are trying to look at a way of amending that law to create some flexibility albeit that the States would have to decide on any amendments to that legislation. Obviously, contribution levels going forward will need to be determined by the actuarial review and that government actuaries will be providing an actuary review up to the end of 2009 and that will inform that debate on any changes which are required to contribution levels. I hope that answers the questions that Members had.

# 1.8.12 Deputy P.V.F. Le Claire:

Could I ask the Minister for Housing and the Chief Minister a question please? To the Minister for Housing, can I ask him where on page 59 the provision for moving to an association is stated as there is nothing in there? Does he intend to do this? Also in relation to the question for the Chief Minister, on page 58, it says under 1.1 (second line): "It is expected that some closing work will be required to complete delivery of the migration policy." Then the following 3 words are: "business as usual." Do those 3 words belong to the next sentence or do they belong to the last sentence? When is it going to be after years of having approved this migration policy that we are going to have a chance to debate something other than the proposition of mine, which is going to get kicked into oblivion, no doubt. Finally, could I ask the Council of Ministers, through the Chief Minister, where is the provision for all of the changes that are required for the United Nations Convention on the Rights of the Child? That was agreed in the strategic policy. We have just been through a woeful period of our history and there does not seem to be anything in there at all. While it has recognised, in questions I have asked recently, that work needs to be done across the board, who is responsible for moving that forward because it does not seem to me that it is anywhere near the future and looks like it is riding on the same train as the migration policy at the moment?

# **1.8.13 Deputy J.A. Martin:**

Yes, briefly, and I think it may be that the Minister for Treasury and Resources could have answered it but it is under Economic Development. 1.2 talks about the intellectual property and the work will continue so that Jersey can sign up to international conventions and goes on to list the trademarks and patents and registered designs. Can the Minister tell us how long this legislation is going to take and will it enable Jersey to have its own Patent Office and, if so, will they be working with Guernsey?

## **1.8.14 Deputy S. Power:**

I am happy to reply to Deputy Le Claire's question on 1.6 on page 59, and that is it does say there is no legislation drafting expected in 2011. In lieu of, I suppose, the evolution of the discussions on moving the Housing Department to an association status subject to States approval, a project management team is in the process of being set up at the moment and that project management team will be set up in conjunction with the Minister for Treasury and Resources and the Minister for Housing. Legal advice is being sought from the Attorney General. A budget has been prepared for the movement of the department to association status and out of this budget it is proposed, with the approval of the A.G. (Attorney General), to outsource the legal advice but to also outsource financial advice and to move ahead on that basis. So there will be a budget in place, which will be made available to the Assembly in due course that the legal advice will be outsourced, from within the Island but outsourced outside the Law Officers.

## 1.8.15 Senator A.J.H. Maclean:

I was just going to help and address one or 2 of the questions that have been asked. The Deputy of St. Martin was interested in the progress, albeit at a snail's pace of the Licensing Law. I understand it has been an interest of his quite rightly and he has been very helpful in that regard for some years, I might add. The consultation, as he will be aware, has closed. The responses from consultation are still being assessed. I have just been in contact with my colleague, the Minister for Home Affairs. We are looking to progress matters and will be in a position hopefully to report back to him in the not too distant future as to where it will feature in the law drafting process for hopefully next year. Deputy Higgins asked a question about an aircraft registry. He is absolutely right. We do believe there is significant opportunity for an aircraft registry with Jersey. We have been working in conjunction with Guernsey Pan Channel Island group that has been looking at the

opportunities of the islands working together to develop the opportunity and, again, I hope to be in a position to give Members more information with regard to the progress on that particular initiative fairly soon.

[15:45]

There was a query, I believe, from Deputy Martin about intellectual property. We have been progressing the development of the Intellectual Property Law and, in fact, the Scrutiny Panel has been extremely helpful, and it has had an expert looking at the law that has been drafted and, indeed, has been helpful in I believe agreeing to share the results of the review with the expert that they contracted. We hope to be in a position to lodge that particular piece of legislation within a matter of weeks for debate before the end of the year which I think will address what the Deputy raised.

#### The Bailiff:

Does any other Member wish to speak? Very well, I call upon the Chief Minister to reply.

## 1.8.16 Senator T.A. Le Sueur:

I will begin with the generality of the comments from the Deputy of St. Martin and the Deputy of St. Mary about the need for perhaps greater detail about past years' inflation programmes, and I take on board those comments because it may well be that had that information been available, it would have short-circuited some of the questions we have had this afternoon, but I would point out to Members 2 things. Firstly, this is a Business Plan looking forward, not a report on what we have been doing in the past and, secondly, that as the Deputy of St. Mary says, this has some similarities with the capital programme in that what is earmarked in one year may take more than one year to come to fruition. If we do this for the legislation programme, then we should no doubt be doing it in the capital programme as well. We have not done it with the capital programme in the past and we used that as the parallel not to do it with the legislation programme, but I accept that it could be taken either way and we will consider that for the following year's Business Plan. As for the other issues that have been raised, the majority of them have been dealt with hopefully by fellow Ministers. Some that maybe have not been addressed properly yet, Deputy Fox asked about the civil asset recovery programme. This is the second phase of the programme and, as usual, with the second phase of a programme, that is where you put in all the bits which were too difficult to do in the first place, and I gather that the second phase of this law is in the same situation. It is with the Law Officers because there are complications in the drafting. It has not stalled but it is just something which has taken rather longer than I think anyone would have liked to see happen. Deputy Le Claire asks about the migration policy and where is that? I am pleased to be able to be advise the Deputy and Members that that is now with the Law Officers' Department. The law is drafted and it is being checked. I am sure the Deputy of St. Martin will be glad to know it is being checked for human rights compliance. That will take some time because housing and migration issues do raise some human rights issues and I want to make sure, not just for the sake of the Deputy of St. Martin, but for the sake of all those affected that we get it right. But that is certainly in hand and we are on target to come back to the States either towards the end of this year or probably more likely early next year once that work has been completed, but I have got ongoing discussions next week when I get out of the Business Plan debate and we are doing other things to pursue that one. The Deputy also asks about the United Nations Convention on the Rights of the Child. I did answer a question on that at the start of the week and, indeed, I answered a question from Deputy Le Claire earlier in the day. The co-ordination of that is down to the Chief Minister's Department, but it does require, in order to comply with all our obligations, amendments to a whole raft of laws not administered by the Chief Minister's Department but administered by Education, Home Affairs, Uncle Tom Cobley and all, if you will pardon that expression. So all those have to be addressed before we can sign up to the main operation. As I said in my answer on Monday, that work is ongoing but do not let us underestimate the size of it. Deputy Le Claire also asked about I think that is a good illustration of the need for having this contingency fund to have drafting days in hand. That has now come up with the new Minister for Housing's timetable as a higher and more developed priority, and it may well be that in 2011 there will be a need to have some legislation in respect of housing association status, regulation of trust properties and a whole range of other matters like that. There are days set aside. It would be a matter of prioritising at the time how ready we are, having debated the policy, which no doubt the Minister will be bringing in due course. So that is an indication of why the legislation programme is now framed the way it is but, in conclusion, I do take note of what was said by the Deputies of St. Martin and St. Mary about more information, too late, clearly, for this year's Business Plan but it will be taken on board for the following years. With that, I maintain part (f) of the Business Plan.

#### The Bailiff:

All those in favour of adopting paragraph (f), kindly show? Those against? Paragraph (f) is adopted.

#### Senator T.A. Le Sueur:

That technically, in fact, factually, is the end of the Business Plan debate and I think I need to offer some thanks firstly to Members for their patience and tolerance over the past few days. Some people have said that the outcome is not entirely satisfactory and we have not been listening to the views of the public. On the contrary, I think what we have got is recognition of the fact that there is a variety of views from 90,000 different members of the public and what we have debated over the last few days is our efforts, all of us who are here, our efforts in trying to seek a balance between those competing demands from different points of view. I believe that we have been able to have that open discussion and as I said in my comments about part (a), that is something which we will need to take forward when we do the second part of the Comprehensive Spending Review. I would also like to thank the staff who have been subject to working longer hours for Tuesday, Wednesday and Thursday evenings in an effort to get this done. I am sure we are all grateful to them. [Approbation] I also have to thank officers and staff in my department and in the Minister for Treasury and Resources' department. Putting together this Business Plan and the annex is no easy job and it is done against a very tight timescale. I should have referred in my comments on part (a) to the fact that there was a suggestion Members did not have sufficient time to lodge amendments to this Business Plan, and I point out that the Business Plan was lodged on 13th July and we began debate on 19th September, some 9 weeks later. The Public Finances Law requires the Business Plan to be lodged at least 6 weeks before it is debated. I was conscious of the fact that Members do want more than 6 weeks to consider amendments to that Business Plan and that is why we have reassessed ourselves as Ministers to allow that 9-week process. But that does mean, of course, that it contracts at the other end of the production line. We have to get our Business Plan produced that much earlier in the year and again we are under tight time pressures. We are always, as a States, under tight time pressure and we have, I think, gradually got used to that situation but to say that we have not had time to lodge amendments is perhaps indicative of the pressures which we all face at the current time, and have been facing over the weeks and months, and which we are going to have to face in the months to come. I know this is not the time for making long speeches when we have an agenda still. So having exceeded maybe my goodwill period, I shall sit down now by thanking all Members for their contributions. [Approbation]

#### Senator S.C. Ferguson:

I would just like to put the Chief Minister and the Minister for Treasury and Resources on warning that the Corporate Services Scrutiny Panel reserves the right to bring amendments. Having been thwarted in our debate of the envelope for 2012 and 2013, we reserve the right to bring amendments in due course.

# 2. Immigration, Asylum and Nationality Act, 2006 and Immigration and Asylum Act, 1999: Extension of Certain Sections to Jersey (P.80/2010)

## The Bailiff:

Very well. Then the next matter on the Order Paper is the Immigration, Asylum and Nationality Act 2006 and Immigration and Asylum Act 1999: Extension of Certain Sections to Jersey, Projet 80 lodged by the Chief Minister and I will ask the Greffier to read the proposition.

#### The Greffier of the States:

The States are asked to decide whether they are of opinion to signify, pursuant to Article 31(1)(b)(i) of the States of Jersey Law 2005, whether they agree that a request be made to Her Majesty in Council for the making of an Order in Council that would extend to Jersey, with appropriate modifications and adaptations, the provisions of - (a) sections 31, 32, 34 and 39 of the Immigration, Asylum and Nationality Act 2006; and (b) section 18 of the Immigration and Asylum Act 1999, as summarised in the report of the Chief Minister dated 18th May 2010.

## 2.1 Senator T.A. Le Sueur (The Chief Minister):

Some may say there is no rest for the wicked but, in fact, I am standing here to propose Projet 80 really on behalf of the Department of Home Affairs and the Minister for Home Affairs because this is really a matter more within their remit. However, because the extension of this legislation is something which falls under the scope of international matters, which only the Chief Minister can lodge, I am tasked with the matter of lodging this legislation. In order to make the debate run more smoothly, I propose merely to speak briefly on its introduction and invite other Members to speak. I think the Assistant Minister for Home Affairs will start and, although by law under Standing Orders, I have to sum up, I would hope again a substantive summing up could be done by the Minister for Home Affairs who will therefore, I believe, hold back until all Members have spoken. If that procedure, which I think will help make a more orderly debate is done, it simply falls to me to propose the proposition for us today.

#### The Bailiff:

Is the proposition seconded? [Seconded] Very well. Do you wish to speak, Deputy Hilton?

#### 2.1.1 Deputy J.A. Hilton of St. Helier:

This proposition relates to the collection and sharing of data under the e-Borders regime. Members are being asked whether they agree to the extension to Jersey of sections of the Immigration, Asylum and Nationality Act 2006 as well as a section of the Immigration and Asylum Act 1999 in order for this to happen. From a Jersey perspective, this relates to the collection of passenger data for journeys to and from Jersey, to and from places outside the common travel area, which includes the U.K., Guernsey, the Isle of Man and the Republic of Ireland. Journeys between Jersey and the U.K. are not included in the regime. If Jersey is to participate in the e-Borders programme, it must have the relevant legislation in place to do so and support for this proposition will ensure that this is achieved. If Jersey's legislation is not compatible with the U.K. system, it would place the Island outside the e-Border regime. As a result, the U.K. authorities could require all carriers to provide advance information on all passengers travelling between Jersey and the U.K. It is relevant that Members be aware that the Island has already indicated its intention to participate fully in the programme in the extension of this legislation and the data collection and sharing powers is the next stage of the process. It is still not known when the Island will integrate fully with the e-Borders regime. It was originally anticipated that this would be by the end of 2010 but there have been delays in the process. The programme will now be the subject of a further delay following the decision of the U.K. Coalition Government in July 2010 to terminate the contract of the prime supplier. A new supplier is now being sourced but it is inevitable that this is going to cause delay

in the whole programme and impact on its extension to Jersey. It will be the responsibility of the airline and shipping companies to collect any data required under the e-Borders regime and this will be sent directly to the National Borders Targeting Centre in Manchester.

[16:00]

The centre is manned by both U.K. border agency staff and police officers. Any data submitted to the centre is checked against watch lists of individuals who are of interest to the law enforcement agencies. By participating in the scheme, Jersey's law enforcement agencies will be able to add individuals of interest to the watch list. If anyone appearing on a watch list is identified as travelling to Jersey on a journey where e-Borders data is being collected, then the collection agency will alert the relevant agency in advance of the person's arrival so that the person can be identified on arrival and appropriate action taken. On that basis, the e-Borders programme will make a valuable contribution in identifying people of interest prior to their arrival in the Island while ensuring that the vast majority of legitimate travellers continue to enjoy free movement of travel.

#### 2.1.2 Senator A. Breckon:

The Chief Minister mentioned before how long the Business Plan had been lodged but I remember a few days after I got this, I sent an email to him and to the Head of Customs and Immigration because I had a number of questions, and perhaps I should have reminded him but I did not get a reply. The reason I have done that, I was aware that the former U.K. Government were trying to get a number of pieces of legislation through the House of Commons and the House of Lords which could have introduced what was, in effect, passport controls in what is regarded as common travel area and free movement. You do not need to show your passport if you go from England to Wales so therefore why would you need to show it if you went from Jersey into England? There were some constitutional issues here and I hope somebody can give me some comfort because the other thing is we have a merged department of Customs and Immigration, and where is the line? Where is the protocol for information? We know of passenger lists and all that but where is the "big brother" and where is the wherewithal to do the adequate watches and safeguards? The other thing, I know the U.K. Government, and this one have probably got more things on their plate at the moment, had a couple of goes at that. They put it in another law under Article 90 and tried to get it in again and I would ask those responsible to be vigilant to make sure that we do not end up with passport controls where people coming in and out have to show a passport. The reason I say that is airlines have various things. It can be a driving licence or a bus pass but at the same time if we have to do that, then somebody has to stand there and do it, whatever time of day or night it is and wherever it is and if we are talking about the U.K., or even Ireland or wherever, then where are the actual controls and what are they? I think although this may be necessary, I have a degree of caution about it because, as I say, we have merged Customs and Immigration and they both have a job to do and we are being pressurised in some instances from outside. As I say, if you go from England to Scotland or England to Wales or England to Northern Ireland, in the main, if you are travelling by road, you just go. So what we do not want to do is get bogged down with bureaucracy with this stuff either so I hope somebody can give me some comfort on these facts.

# 2.1.3 Connétable P.F.M. Hanning of St. Saviour:

I do not know if the Minister can help but e-Borders is causing major worries for private boat owners. The R.Y.A. (Royal Yachting Association) has serious concerns about it and it raises safety issues. There is a problem in that you have to declare your crew list and where you are going and it raises issues if there are weather changes and people have to change destination. E-borders appears to be designed for airlines and shipping lines. It does not appear to cope at all well with private boat owners. Jersey is very close to France. We have a lot of private boat owners and they are going to be seriously affected by this. Not all these boat owners have access to computers and therefore they will have problems notifying any changes of their destinations and what they intend to do. It really is worrying for a lot of what I would call the "smaller boaters" around the Island

and perhaps the Minister would be willing to consult with yacht clubs and boat owners' associations before this is brought in because I can see it raising major worries. What will happen is that legislation will be brought in and a vast number of people will just ignore it because it is totally impractical for our use.

## 2.1.4 Deputy P.V.F. Le Claire:

I do support us keeping up with the obligations of the wider world in respect to those people who may be on watch lists for terrorism, et cetera, and for all of those reasons, I do support this so I would ask that the Chief Minister does not take this the wrong way but on page 4 under "Manpower and resource implications", it says: "There will be no additional manpower, revenue or capital requirements arising" and I do not think I have ever seen financial and manpower implications written like that before. I am a bit of a dullard, I suppose, when it comes to these things but I understood Standing Orders to say that we must state whether there are any financial implications and does that mean then that "no revenue or capital requirements arising" covers that? Are we really seriously saying that any of this work is not going to have any implication? It just does not really seem credible to me.

#### The Bailiff:

Well, I can just deal with the first bit, Deputy. To say there are no manpower, revenue or capital requirements, I think, does comply with the Standing Order about financial because "financial" has to be either revenue or capital.

## **Deputy P.V.F. Le Claire:**

I wondered that, Sir. Sometimes I get confused with some of the States terminology, whether "revenue" was a new post or something. Thank you, Sir.

#### The Bailiff:

It complies with that. Obviously the other aspect of your question is for the Chief Minister.

## 2.1.5 The Connétable of St. Ouen:

While I do not disagree with this proposition, I think that the public of the Island would be much more reassured if instead of hearing from the Assistant Minister that people on this list will be identified and we will be warned that they are coming, if, in fact, we were told that they were identified and they were not allowed to come in the first place.

#### 2.1.6 Senator S.C. Ferguson:

Do I assume this is another example of E.U. (European Union) legislation being sort of "slung out" in all directions, if you will excuse the somewhat unparliamentary language. What information exactly is going to be collected and where is it going to be held given the appalling record in the U.K.? I have every faith in people in Manchester as opposed to London but given the appalling record in the U.K. of holding data, I am a little concerned that it is going to end up that everybody in the bureaucracy is going to know where everybody is going and what they are about. I can appreciate that people want to identify people who might be a problem but it does seem to be lining up "Joe public" as well in the sort of "big brother" syndrome.

## 2.1.7 Senator B.I. Le Marquand:

So on the assumption that everybody else has spoken, if they have not and ask further questions, then I will have to go and stand by the Chief Minister as happened on a previous occasion. I thank Members for those questions all of which are interesting and important questions. This is a quite different matter to the matter that was causing us problems in the past in terms of the ability of the U.K. to put in a secondary control within the common travel area. My memory is that the first attempt to do that fell in the House of Lords and I think the second attempt to do that just dribbled away with the change of government. I am pleased to see the Attorney General is nodding to

indicate that I am right in that. So this is quite a different thing. This is nothing to do with that whatsoever. This has got to do with requiring transporters to provide lists in advance of the people who are going to travel into the common travel area from outside, in particular, in this case, into Jersey from outside the common travel area so that they can be vetted for national security reasons. I mean national British Isles security reasons. Secondly, the question of the Connétable of St. Saviour's in relation to boat owners is also an extremely good question and, fortunately, I have a very good briefing in relation to this. The proposal which was initially thought to have been brought in in 2010 has now been put back to 2014 in the U.K. and, indeed, is causing exactly the same problems and annoyance to boat owners in the U.K. Jersey has indicated, as has Guernsey, that we simply do not have the resources to operate any such system, and therefore we will be dissenting from this. This, of course, could put us into an interesting position but that is our view. But the safeguard, which I did check exactly with a view to this question is on page 6. If you look at the actual Immigration, Asylum and Nationality Act, page 6, Article 31(2) where there is a substituted paragraph (ii), Members will see that: "The Secretary of State may by order require or enable an Immigration Officer to require" so there is a power given in the U.K. to the Secretary of State. Now, obviously, when we extend legislation to Jersey, we have to transfer it to Jersey in a way that is meaningful and so somebody in Jersey has to be given the power. That will probably be the Minister for Home Affairs. It could alternatively be the Chief Minister but it probably lies best with the Minister for Home Affairs, in which case the ambit of the thing, the requirements, as it were, remain within the control of Jersey and that is the important thing. As I said, we could get into a tricky position if the U.K. were to insist that we go down this route and we are simply not able to do so. We hope we are not going to arrive there but in any eventuality even in the U.K., it is not going to be before 2014, and I am very well aware of the sensitivities in this area. A third question which I think was that of Deputy Le Claire and was linked together with that of Senator Ferguson is in relation to where the information goes, and the answer is that it goes to the National Borders Targeting Centre in Manchester, which is the checking centre in relation to people. It does not go initially to the local authorities although, of course, it can be passed on and my notes tell me that it has been agreed that we can have access to the things directly if we wanted to. But it is much easier for us in terms of resources if a central operation is doing the checking for us. This is an increasingly important issue in terms of making sure that people are not trying to come into the British Isles who represent a danger and as we are part of the common travel area and want to be part of the common travel area so that we will not have to have passport checks and things of that nature from Jersey, it is really very important that we co-operate in relation to this. Interesting question from the Connétable of St. Ouen in relation to stopping people coming in the first place. I suppose the answer to that is that once they are identified, if they really are, if I may use the word "baddies" for a moment, if they really are "baddies", then, of course, that information could go to France or wherever else and they might hopefully be intercepted there. I think that answers all the questions. I cannot underestimate the importance of the common travel area, our involvement in that. The alternative whereby we would effectively be treated for immigration purposes as if we were outside would be very, very inconvenient and so we do believe it is important that we maintain our position there but on the other hand, we also have got to safeguard issues such as boat owners and so on.

## The Bailiff:

Very well. If no other Members wish to speak, I will call upon the Chief Minister to reply.

#### 2.1.8 Senator T.A. Le Sueur:

I am not sure if Deputy Le Claire got a complete answer to his manpower financial implications question but certainly, as far as manpower is concerned, these returns will be made by the carriers rather than by the department so it is there that the other implications might arise. So, I think, with that and having been grateful to the Minister for Home Affairs for his quasi summing up, I shall now sum up formally and propose the adoption is raised.

#### The Bailiff:

Very well. All those in favour of adopting the proposition, kindly show? Those against? The appel is called for in relation to the proposition, for or against the proposition of the Chief Minister. I invite Members to return to their seats and the Greffier will open the voting.

[16:15]

If all Members have had an opportunity of voting, the Greffier will close the voting.

POUR: 38	CONTRE: 1	ABSTAIN: 0
Senator T.A. Le Sueur	Senator A. Breckon	
Senator P.F. Routier		
Senator P.F.C. Ozouf		
Senator B.E. Shenton		
Senator S.C. Ferguson		
Senator A.J.H. Maclean		
Senator B.I. Le Marquand		
Senator F. du H. Le Gresley		
Connétable of St. Ouen		
Connétable of St. Helier		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. Martin		
Connétable of St. John		
Connétable of St. Saviour		
Connétable of St. Clement		
Connétable of St. Peter		
Connétable of St. Lawrence		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy J.B. Fox (H)		
Deputy J.A. Martin (H)		
Deputy of Grouville		
Deputy of St. Peter		
Deputy J.A. Hilton (H)		
Deputy P.V.F. Le Claire (H)		
Deputy J.A.N. Le Fondré (L)		
Deputy S.S.P.A. Power (B)		
Deputy I.J. Gorst (C)		
Deputy of St. Mary		
Deputy T.M. Pitman (H)		
Deputy A.T. Dupré (C)		
Deputy E.J. Noel (L)		
Deputy M.R. Higgins (H)		
Deputy A.K.F. Green (H)		
Deputy D.J. De Sousa (H)		
Deputy J.M. Maçon (S)		

# 3. Draft Census (Amendment No. 3) (Jersey) Law 201- (P.81/2010)

## The Bailiff:

Very well. The final matter then on the Order Paper is the Draft Census (Amendment No. 3) (Jersey) Law, Projet 81 lodged by the Chief Minister. I will ask the Greffier to read the citation.

#### The Greffier of the States:

Draft Census (Amendment No. 3) (Jersey) Law. A Law to amend further the Census (Jersey) Law 1951. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law.

# **Senator T.A. Le Sueur (The Chief Minister):**

Adopting a policy of delegation, Sir, I delegate this one to my Assistant Minister, Deputy Le Fondré.

# 3.1 Deputy J.A.N. Le Fondré (Assistant Minister, Chief Minister's Department - rapporteur):

I shall keep this as short as possible because I hope it is a simple amendment. All this does is in preparation for the Census for next year. There is a proposition coming to Members and I think it is at the next sitting. This amendment is just to set or change the level of fines in relation to the Census and effectively increases it up to a level of £1,000 for the offence. That is consistent with the level in the U.K. who are holding their Census on the same day as ourselves next year and it has not changed since, I think, it is 1986. On that basis, I move the amendment.

#### The Bailiff:

Is that seconded? [Seconded]

## 3.1.1 Deputy J.M. Maçon of St. Saviour:

Just very quickly to check the rapporteur's briefing. When the last Census was conducted, were there any offences committed, how many were committed and were there any reports of people having difficulty to pay these fines?

## 3.1.2 The Deputy of St. Martin:

As the Assistant Minister will note on page 3, it mentions that: "In the view of the Chief Minister, provisions of the draft Census are compatible with the Convention Rights." Indeed, it also says again on page 4 they are compatible with Convention Rights. Will the Assistant Minister please inform Members why they are compatible and what Articles are relevant?

## 3.1.3 Senator P.F.C. Ozouf:

In those rosy days of the committee system of government, there was an Etat Civil Committee, which was responsible for the last Census and I was the President of it, and I do not recall any issues being drawn to our attention in terms of the matter that Deputy Maçon raises.

## 3.1.4 Deputy D.J. De Sousa:

I just want to ask the reason for a doubling in the fine.

#### 3.1.5 The Deputy of St. Mary:

I have just read the explanatory note and there is mention of the fines for people who are doing the Census disclosing information, which in my view would be a very serious matter, and I am not clear on whether this amendment relates to that at all in any way. If it does not, obviously then it is not pertinent but it is mentioned in the explanatory note so I am now puzzled and would like to be unpuzzled.

#### 3.1.6 Senator T.A. Le Sueur:

I will just comment in respect of the question from the Deputy of St. Martin. This proposition is merely to change the level of the fine from £500 to £1,000. In that situation, it is questionable whether any statement on the human rights would be even necessary because it does not change the principles of the law whatsoever.

#### The Bailiff:

Very well. I call upon the rapporteur to reply.

## 3.1.7 Deputy J.A.N. Le Fondré:

I was just looking to answer the Deputy of St. Mary's question. Basically all this is doing is not changing the law as such. It is just increasing the fine and also makes it consistent with the Interpretation (Jersey) Law 1954 in terms of how penalties, et cetera, are applied. So the Deputy is asking whether this amendment applies to people who are conducting or have access to information releasing that information. All this does is increase the level of the fine but the explanatory note does make reference to the main law under Article 4 as an offence so therefore my assumption on that basis is that that offence is covered for. This amendment does not change it. It changes the penalty for making that offence. I hope that is reasonably clear. I think the Chief Minister has answered the Deputy of St. Martin's question, and I again reiterate the point that essentially this is not a change to the principles of law. It is a change to the amount of the fine. In relation to Deputy De Sousa, the reason that the fine has been increased to this amount, I think it is probably it has not changed since 1986 which is something like 24 years ago and specifically to make it consistent with the U.K., I think. It was just to put it on to a parallel basis. I hope I have answered everybody's questions and I maintain the amendment.

# Mr. T.J. Le Cocq Q.C., H.M. Attorney General:

I think I can assist with this. The principle of the 1951 Census (Jersey) Law, the penalty provisions were in Article 4(1) and 4(2); 4(2) covers the publication or communication of any information without due authority and that is among the offences in respect of which the increase of fine is taking place.

## The Deputy of St. Mary:

Sorry, there is a clarification. My understanding was this was a fine of people who are being censused failing to give the right answer, correct answer, or failing to deliver certain papers. Now I am being told that it is £500, we are going up to a maximum of £1,000 for officers conducting the census to disclose information. That is not appropriate in my view but I would like clarification.

## The Attorney General:

The amendment to the law covers both forms of offence and what I should say in regard to 4(2), the fine has gone up but there is also a period of imprisonment that is associated with it as an alternative for the court.

#### Connétable L. Norman of St. Clement:

Clarification. I think the fine for disclosing information is unlimited is the way I read this, a term of imprisonment or a fine is not specified.

#### **Deputy P.V.F. Le Claire:**

Could we ask what the length of imprisonment is as well, please?

## The Attorney General:

Yes, I should perhaps have made that clear and I am grateful to the Connétable. Where a statutory provision gives an expression "a term of imprisonment" and to "a fine", the fine is unlimited. There is no limitation on the fine that the court is capable of imposing.

## **Deputy P.V.F. Le Claire:**

I am sorry, I was not following this until it became interesting. How long can you go to jail for is the question I would like to ask of Her Majesty's Attorney General?

#### The Attorney General:

Two years.

#### The Bailiff:

But, Mr. Attorney, can you just correct, my reading of 1(b) is that there is no change in relation to offences under 4(2), in other words, those who are carrying out the census and disclose information wrongly. It appears to be just a change in wording but saying exactly the same thing. The change in fine appears to be for those who are being "censused", to use the Deputy of St. Mary's words. Is my understanding correct or not? [Laughter]

## Senator B.I. Le Marquand:

Can I assist the lawyers here? Part (b) at the moment you could have either imprisonment for 2 years or a fine, and the amendment allows both. That, I think, clarifies the position.

#### The Bailiff:

Right. Good thing to have a third lawyer in the House. Very well. So all those in favour of adopting the principles, kindly show? Those against? The principles are adopted. Senator Ferguson, do you wish this matter to be referred to your Scrutiny Panel?

# Senator S.C. Ferguson (Chairman, Corporate Affairs Scrutiny Panel):

No, thank you, Sir.

#### The Bailiff:

Very well. Deputy Le Fondré, do you propose Articles 1 and 2?

## Deputy J.A.N. Le Fondré:

Yes, Sir.

#### The Bailiff:

Are they seconded? [Seconded] Does any Member wish to speak on any of the individual Articles? All those in favour of adopting Articles 1 and 2 kindly show? Those against? They are adopted. Do you propose the Bill in Third Reading, Deputy Le Fondré?

## Deputy J.A.N. Le Fondré:

Yes, Sir.

# The Bailiff:

Seconded? [Seconded] Does any Member wish to speak in Third Reading? All those in favour of adopting the Bill in Third Reading, kindly show? Those against? The Bill is adopted in Third Reading. So that concludes Public Business.

#### ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

#### The Bailiff:

We then come to the arrangement of Public Business for the forthcoming sittings and I invite the Vice-Chairman of P.P.C. to speak to it.

## 4.1 The Deputy of St. Peter (Vice-Chairman Privileges and Procedures Committee):

If I could refer Members to the consolidation sheet and say that we are adding P.98 Jersey Law Commission: Appointment of Member to the meeting on 28th September and also moving P.113 which was due for today which is now moved to 28th and perhaps Deputy Southern may wish to comment on where he would like to see that in the running order.

## 4.1.1 Deputy G.P. Southern:

Yes, certainly. Since it has been attached to what we have been spending 4 and a half days doing, I really would appreciate it if it was fairly high and early in the Order Paper without putting anybody else's nose out of joint. If that were possible, I would be very grateful.

## The Deputy of St. Peter:

I believe looking at the sheet, that is possible and there are no other changes apparent in the consolidation sheet so I will leave it as it is.

#### The Bailiff:

Does anyone wish to make any observations then on it?

#### 4.1.2 The Deputy of St. Martin:

I understood we were going to move P.124 from 2nd November to 12th October and I have sent an email to the Acting Chairman the other day. I see a nod of acknowledgement from the Greffier so that will be the case.

#### The Bailiff:

So that is for 12th October? Does any other Member wish to mention any other intention?

#### 4.1.3 Senator B.E. Shenton:

I plan to move P.78, the repeal of the Minister's power to 16th November. The reason for that is obviously if Senator Breckon's proposition goes through, it will have implications on how a ministerial department is run and I would hate to waste the Chamber's time with a debate that then becomes fairly irrelevant.

#### The Bailiff:

Very well. So P.78 shall be moving to 2nd November. Senator Breckon, was there anything you wished to say?

## 4.1.4 Senator A. Breckon:

Yes, I understand that the Property and Infrastructure Regeneration, the development company, the Chief Minister I know has been trying to organise a meeting of Members but I also understand that there is a Scrutiny review underway. I do not know if the Chairman could confirm but I do not think we will be finished in that time and I think we have had 2 false starts with this item already and bearing in mind that it is £1 billion plus to hand over the States property to a W.E.B.-like (Waterfront Enterprise Board) structure which puts the fear into most people, I wonder if either the Chief Minister or the Chairman of the Corporate Affairs Scrutiny Panel could give us some guidance on that rather than Members do some homework on it and it be another false start.

#### 4.1.5 Senator T.A. Le Sueur:

As the Senator says, this matter has been on the stocks for I suppose years now almost but the latest proposition which was lodged on 7th June was really intended to be a consolidated proposition reflecting all the previous changes. There are ongoing discussions with the Corporate Services Scrutiny Sub-Panel and I am hoping that those can be concluded in advance of 28th September. In addition, there was a presentation which was going to be given to States Members on Monday but in view of the potential extension of the Business Plan debate, that was postponed and it is probably going to be more like a week on Monday. In that time, I hope we can achieve this timetable because I am anxious that this matter is resolved and I know so too is the Chairman of the Scrutiny Sub Panel. We want to resolve it in as orderly a way as possible but I am concerned that this ongoing delay simply perpetuates the existing Waterfront Enterprise Board arrangements which we have agreed for some time now need to be changed. So, at the present stage, I would be hopeful that we could debate this on 20th September. I acknowledge the concerns of the Senator and the need for an orderly debate. In an effort to try to be helpful, I would agree to a 2-week delay until

12th October but that would be conditional on everything being completed at that stage and no further delay being envisaged. It is up to us, then, I think, to give this matter now the urgency it requires and either accept it or reject it but I think to leave it in limbo is not fair to Members or more importantly to the Directors of W.E.B. So with reluctance, I am prepared to move it till 12th October on the assumption that there will be no further delay.

[16:30]

## 4.1.6 The Deputy of St. Peter:

As the Chairman of the Sub-Panel, I thank the Minister for his comments and am pleased to see that he is putting it back. Having said that, there are some outstanding issues that he has alluded to within our review and I would hope that those outstanding issues will be resolved as soon as possible so we can finish our review. The Chief Minister is aware of what those issues are.

# 4.1.7 Deputy A.K.F. Green:

While I was looking at the Business Plan, I noticed that the North of Town Masterplan is to be debated on the 12th, I think it is, and I have an amendment there. I unfortunately will be at the Commonwealth Games then and I just wondered if we could move that to 19th October.

#### The Bailiff:

The Planning Minister is not here. Is there an Assistant Planning Minister here? Deputy Duhamel?

# 4.1.8 Deputy R.C. Duhamel:

I think we are in the hands of the House for that one, Sir. I am happy that it is put and if the Assembly agree to it, then I must be bound by the decision.

#### The Bailiff:

Deputy Green, the Greffier advised me he has had some preliminary discussions with the Minister for Planning and there was a problem about summer dates. Could it be left because this is not for the next meeting? Could it be left that your point is noted and that there will be a discussion and no doubt you will be consulted? Very well.

## 4.1.9 Deputy P.V.F. Le Claire:

I have some propositions down for the next meeting and one of them I would like to ask for clarification if I can from the Minister for Economic Development. I lodged P.87 on 22nd June. We have been in dialogue on the emails about whether or not I am going to have comments on that, but we have not had any comments from that yet and it does not leave us much time if I am going to get negative comments for me to go and do any kind of investigation into those. So I am asking if ... I may just deal with that one first of all. Is the Minister able to furnish us with comments for that? I know the Council of Ministers is meeting on Tuesday.

#### 4.1.10 Senator P.F.C. Ozouf:

If it may assist, I think in the proposition, the Deputy requested the Minister for Treasury and Resources to do certain matters. It is in the remit of the Minister for Economic Development but we have been liaising and comments will follow very shortly if not on Monday.

## 4.1.11 Deputy P.V.F. Le Claire:

That is very helpful. Thank you. Maybe they could tell me what those are but I will wait till Monday. The other one is work and resident permits, establishment of a working group. I have lodged a significant proposition there that deals with some significant issues in relation to the rights of people to work in Jersey and the rights of people to own property and we have not seen anything from the Council of Ministers yet and I am just wondering when that is going to come and how it is going to come, because that debate needs to be an informed debate and there are issues about human rights that are always raised at this time. I do not want it to be a dark spectre on the day of

the race so I am wondering if the Council of Ministers can address that. Through the Chief Minister now, will these comments be issued on Tuesday when the Council of Ministers meet from the Housing Department, the Economic Development perspective and the Human Rights perspective?

## **Senator T.A. Le Sueur:**

I am happy to wait for Senator Ferguson if it is on the same subject.

## 4.1.12 Senator S.C. Ferguson:

Well it is because to some degree we discussed Deputy Le Claire's proposition at the last meeting of the Migration Sub-Panel because it does seem to rather overlap with the Migration Law and we have, in fact, asked advice of the Migration Advisory Group and of the Attorney General about the position of this so that I am really wondering if Deputy Le Claire could hold back his proposition until we then manage to sort out how much overlap there is.

#### 4.1.13 Senator T.A. Le Sueur:

I was going to say that I have draft comments in my case there which I have looked at which I am not entirely satisfied with yet because, as the Deputy says, it is an important proposition. We need to get those comments correct in order that he and other Members can be properly informed. I hope to do that over the weekend and certainly I see no reason why the Deputy and Members cannot have that early next week. But I certainly note what the chairman of the Corporate Services Scrutiny Panel has said. It may well be that with the need for informed comment both by the Council of Ministers and by the sub-panel, it may be wiser to defer it for a couple of weeks. That is a matter which the Deputy will have to decide for himself.

# 4.1.14 Deputy P.V.F. Le Claire:

Thank you, that is very helpful. My proposition is calling for a working group. It is not calling for the change of a law. It is calling for a working group to be set up to look at this so it is not really going to be something that is going to make any decisions or ask us to make any decisions other than establishing a working group. Therefore, I will wait if I may to look at the comments from the Chief Minister, cognisant of the fact that there may be a request to put this back. I would probably be happy to put it back but with the caveat that we cannot put everything back. We will end up stacking everything up until Christmas and we will be in a right mess again.

## 4.1.15 Senator T.A. Le Sueur:

I am prepared to leave it on the Order Paper concerned to decide in 2 weeks' time.

## The Bailiff:

So leave it on the Order Paper for the moment, yes.

### 4.1.16 Deputy G.P. Southern:

Briefly, I am loathe to hold up proceedings any further, but could I ask the Minister for Treasury and Resources when Members are likely to see the report on the consultation on personal tax because we have seen it in the newspaper and we have not seen it ourselves yet.

#### 4.1.17 Senator P.F.C. Ozouf:

I apologise. Because of the Business Plan, I had meant to send an email to all Members with it. It is going to be presented as an R, and I will do so as soon as I get back to my desk.

#### The Bailiff:

Very well. So do Members agree then that we take on the 28th September those matters listed but minus P.73 and P.78 and with the addition of P.98 and P.113, I think, and other minor changes

thereafter but for next time. Is that agreed by Members? Very well. So that concludes the business of the Assembly so we will reconvene on 28th September.

# ADJOURNMENT

[16:37]