

# STATES OF JERSEY

## OFFICIAL REPORT

**TUESDAY, 23rd JUNE 2015**

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[9:31]

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

## **COMMUNICATIONS BY THE PRESIDING OFFICER**

### **1. Mr. H. Sharp, Q.C., H.M. Solicitor General - retirement**

#### **The Deputy Bailiff:**

There is one matter to refer to under item A. As Members may be aware, this is the last occasion on which the Solicitor General will advise the Assembly before his retirement from office and move into private practice. Mr. Sharp became Solicitor General in 2010 and has both from that time, and indeed from when he first joined the Law Officers' Department some years before, worked as a highly-able and diligent servant of the Island. In court he has appeared in some of the most high-profile criminal cases and has shown himself to be able to represent the public interest to the highest standard. He has represented the Island abroad in the best traditions of the Law Officers, addressing, on occasion, both conferences organised by the World Bank and by other notable organisations. His advice within the Assembly has always been robust and characterised by an enviable clarity that I am sure was appreciated by Members in setting out his view of the law. Delivering legal advice in politically-charged circumstances is not always easy but the key characteristics are that it must be given bravely, because it will be unpopular to some, and even-handedly so the recipients know there is no political slant in it and that is something that the Solicitor General routinely has been able to achieve. Both the Bailiff and I have had the opportunity of working with the Solicitor General and we are both very grateful to him for his service in the Law Officers' Department; in particular I am particularly grateful for the support he gave me while I held the office of Attorney General. I have enjoyed working with him. I would like on behalf of Members, and also on behalf of the Bailiff and myself personally, to thank him very much for his service and to wish him very well indeed for the future. **[Approbation]**

## **APPOINTMENT OF MINISTERS, COMMITTEES AND PANELS**

### **2. Nomination of members of the Economic Affairs Scrutiny Panel**

#### **The Deputy Bailiff:**

We now come to the appointment of Ministers, Committees and Panels under F and there is a nomination by the chairman of the Economic Affairs Scrutiny Panel for the appointment of members to join his panel. Connétable, in accordance with Standing Order 125(1), how many members do you wish to have?

#### **Connétable J.E. Le Maistre of Grouville:**

Deputy Brée.

#### **The Deputy Bailiff:**

I beg your pardon.

#### **Deputy S.M. Brée of St. Clement (Chairman, Economic Affairs Scrutiny Panel):**

It is myself who is now the chairman of the panel.

#### **The Deputy Bailiff:**

I am terribly sorry, my note is rather behind the time.

#### **2.1 Deputy S.M. Brée:**

I would like to nominate 3 Members for the panel. They are the previous panel. My reason for nominating them is that we work extremely well as a team together. This can be seen by the Scrutiny work that we undertook for the Ports of Jersey incorporation. So I would like to nominate the Connétable of Grouville, the Connétable of St. Ouen and the Deputy of St. Mary. Thank you.

**The Deputy Bailiff:**

Are those nominations seconded? **[Seconded]** Are there any other nominations? Well if there are no other nominations then I declare the Connétables of Grouville and St. Ouen and the Deputy of St. Mary to be members of the Economic Affairs Scrutiny Panel.

**3. Nomination of Deputy S.M. Brée of St. Clement as a member of the Privileges and Procedures Committee (as a representative of the Chairmen's Committee)**

**The Deputy Bailiff:**

There is a nomination now in accordance with Standing Order 122(9) for Deputy Brée of St. Clement to join the Privileges and Procedures Committee as a representative of the Chairmen's Committee. Chairman.

**3.1 Connétable L. Norman of St. Clement (Chairman, Privileges and Procedures Committee):**

The Chairmen's Committee have recommended to me that I should nominate Deputy Brée of St. Clement as a member of the Privileges and Procedures Committee and I am delighted to do so. If elected, Deputy Brée would take the place of the Constable of Grouville who is no longer a member of the Chairmen's Committee and therefore not eligible. I would like to take this opportunity of thanking the Constable for the contribution he has made during his period of office on the Privileges and Procedures Committee and the support he has given myself and the committee. I have pleasure in proposing Deputy Brée as a member of the committee.

**The Deputy Bailiff:**

Is the nomination seconded? **[Seconded]** Are there any other nominations? No? Then I declare that Deputy Brée of St. Clement is appointed as a member of the Privileges and Procedures Committee as a representative of the Chairmen's Committee. **[Approbation]**

**QUESTIONS**

**The Deputy Bailiff:**

There are no matters under G, nor matters under H, and that brings us to questions; first written questions.

**4. Written Questions**

**4.1 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING TAXI REGULATION:**

**Question**

Could the Minister outline what progress, if any, has been made since the Taxi Regulation Review last year and detail what further work needs to be done?

**Answer**

Since the beginning of the year both the Assistant Minister and I have put a great deal of effort into researching into taxis, speaking with the main industry representatives and going out day and late-night to meet drivers and their customers.

I can confirm that my views on taxi regulatory policy and how it should be developed are now well formed. There has been a lot of uncertainty during the review for drivers and continued interest from the travelling public. So, I am looking forward to making public how I intend to improve and modernise the service.

However, I also recognise that many livelihoods rely on the taxi service, as well as the social, economic and leisure benefits that come from maintaining a stable cost effective and efficient service. Therefore, before I make any public announcement I have asked my officers to undertake some final research and technical development.

The areas being developed at a high-level are:

- **Service Enhancements** including matters such as: Driver Fitness, Driver Training, Industry Branding, Access for People with Disability, Driver Discipline and Complaint Procedures.
- **Tariff Transparency** including matters such as: Tariff Structures, Tariff Setting, Customer Information, Meter Requirements and Company Regulatory Requirements.
- **Regulatory Reform** including issues such as: Classes of Taxi-cab, Operating Restrictions and Quantitative Regulation.

As part of their due diligence work I have also asked officers to ensure that the necessary legislative articles are in place to allow my intended changes to be implemented and identify if and where new regulatory powers may be required, this work has started and is ongoing.

Furthermore, a significant amount of work will be required at a detailed technical level to actually implement the changes. This work has started and is being progressed within the necessarily and increasingly limited resources available.

I anticipate that the high-level work will be completed late July and I will be ready to announce my intentions at that point.

#### **4.2 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING VISIT JERSEY:**

##### **Question**

Now that the process of transforming the Tourism Department into Visit Jersey has been completed, will the Minister inform members how many public sector staff have:

- (i) transferred to Visit Jersey from the Tourism Department;
- (ii) been redeployed elsewhere in the public sector; and
- (iii) been made redundant, either voluntary or compulsory.



For the first 2 groups above, will the Minister state what changes, if any, there have been to the salaries and terms and conditions of employment of those involved?

Will the Minister further detail how the terms and conditions (sickness, holidays, pension, hours, and so on) for employees of Visit Jersey differ from those applicable to public sector employees?

Will the Minister also give the total savings that are expected to be achieved from this reorganisation, including a breakdown of staffing and other costs, and outline what changes to the range and levels of service are planned?

### **Answer**

- (i) No one transferred from Jersey Tourism to Visit Jersey. All Jersey Tourism staff were given an exclusive period to apply for jobs at Visit Jersey. In total 7 employees of Jersey Tourism accepted roles at Visit Jersey and resigned from the States of Jersey.
- (ii) 2 employees have been permanently redeployed across the States of Jersey, 1 employee is on maternity leave prior to commencing a trial period elsewhere in the States of Jersey, and 3 employees have accepted fixed term contracts in the States of Jersey (they remain on active redeployment for the duration of their contracts).
- (iii) 6 employees were made redundant at the end of May 2015.

Visit Jersey is an independent limited company, funded by the States of Jersey. The relationship between the Minister for Economic Development and Visit Jersey is governed by a Partnership Agreement under which the department provides an annual grant subject to the agreement of an annual business plan. The terms and conditions of its staff is a matter for Visit Jersey.

As Visit Jersey took over the promotion of tourism to and within Jersey under policy set by the Minister for Economic Development mid-year the business plan is being finalised once the budget has been finally established. The business plan, which will be published, will contain full details of staffing and any changes to the range and levels of service.

### **4.3 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING JOB OPPORTUNITIES IN THE MINING AND EXTRACTION SECTOR:**

#### **Question**

Further to the Minister's answers in response to oral question 6910 on 29th March 2012, will he inform members how many job opportunities have been converted into real jobs by the 87 businesses which have been established in sectors including mining and extraction, and provide details of the income tax paid by the employees of those companies, and also the company tax paid during the period 2008 to 2013?

#### **Answer**

The Deputy is referring to the 87 inward investment businesses that were granted licences between 2008 and 2010. By way of an update I am delighted to inform the Assembly that to date 264 licences have been granted to inward investment businesses since 2008. These 264 licenses granted to businesses had the potential to create over 2000 jobs at the point of approval.

The assessment of actual jobs created by these businesses can only be done on a 6 monthly basis, in line with Manpower returns, so the most recent information we can access is for those businesses that were trading as at December 2014. For those businesses that were established during that year, this is likely to be too early to evaluate the number of jobs created, additionally, these businesses are working to a 3-year staffing consent and will therefore recruit as business demand dictates within that period. A fuller picture of jobs created by businesses established in 2014 will be available from the June 2015 manpower figures.

As at the end of 2014, 150 inward investment businesses were trading and employing staff. The total number of jobs filled within these businesses is 1319, of which 82% were filled by locally qualified people.

As stated in numerous previous answers to the Deputy, my department is not privy to tax paid by individual businesses or persons. This is confidential information between the business and / or their employees and the Income Tax Office. Inward investment activity, and the associated job creation, generates new tax revenue for Jersey. We will continue to support inward investment and will continue our relentless focus on the creation of jobs and employment.

I reiterate that there is an open invitation for the Deputy to visit the Department so we can explain and discuss with him the nature of our work and the benefits of inward investment to Jersey. Given his clear interest in this area I am disappointed he is yet to take up this offer.

#### **4.4 DEPUTY T.A. MCDONALD OF ST. SAVIOUR OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING PROCEDURES FOR DEALING WITH COMPLAINTS:**

##### **Question**

Further to the Minister's response to question 8772, tabled on 28th April 2015, could the Minister, being the corporate sole, advise whether he considers that the Department's current procedures for dealing with complaints, as outlined within his response, could give rise to any concerns regarding a conflict of interest, given that the complaints could be made against themselves or against officers acting under their direction and delegated responsibility while representing the corporate sole?

##### **Answer**

In my answer to question 8772 given in April 2015 I set out my department's procedure for dealing with informal and formal comments and complaints. It confirmed that if a complainant is not satisfied with the response they receive from the Department in relation to a complaint they could progress this with the States of Jersey Complaints Board. Any person may apply to the Greffier to have a matter reviewed by the Complaint Board if they are aggrieved by an act or decision made relating to any matter of administration by any Minister or Department of the States. Those who sit on the Complaints Board are appointed by the States but are not States members and they are all completely independent and give their services on a voluntary basis. In some instances the

complainant may have the option to refer the complaint to another independent body (e.g.: Information Commissioner).

I believe this is the process followed across the States of Jersey and full details of the States of Jersey complaints procedure are available on the States of Jersey website.

Given the independence of the States of Jersey Complaints Board and the other bodies that may be involved in a complaint I believe the process followed is fair and correct and should not lead to any conflict of interest.

I am happy to meet with the Deputy to discuss any concerns he may have regarding this process.

Alternatively, he may prefer to discuss this matter with the Greffier of the States who administers the States of Jersey Complaints Board process, which has been established under the Administrative Decisions (Review) (Jersey) Law 1982.

*Below is the answer given to question 8772.*

1240/5(8772)

## **WRITTEN QUESTION TO THE MINISTER FOR PLANNING AND ENVIRONMENT**

**BY DEPUTY T.A. MCDONALD OF ST. SAVIOUR**

**ANSWER TO BE TABLED ON TUESDAY 28th APRIL 2015**

### **Question**

The Royal Court Judgement in the case of ‘Manning v Minister for Planning and Environment’, ([2015]JRC013 dated 15th January 2015) states: “It is absolutely critical that those charged with the administration of this legislation act in a transparently fair and even handed way. Very regrettably this has not been the case here.”.

Is it the department’s procedure, in the first instance, for the Chief Executive Officer and possibly other departmental directors, to examine and respond to complaints regarding the department or staff acting under the officer’s responsibility, and, if so, would the Minister advise whether officers or directors will continue to investigate allegations of misconduct, alleged intentional underhandedness, or alleged negligence, which could be made against themselves or officers acting under their direction and responsibility, whilst representing the Minister?

### **Answer**

My department receives informal and formal comments and complaints in relation to its operations and these are carefully considered and assist in service improvements. In relation to Court judgements, these are reviewed by the department and can also help towards changes to policies, processes and procedures.

Complaints, comments or compliments can be made to the department by phone, submitted via the gov.je website or submitted in writing. We try and resolve matters, including informal complaints

with the customer straight away. If the complainant is not satisfied with the outcome of their complaint, they are advised to make a formal complaint to the department.

Formal complaints made in writing are fully investigated by a relevant Manager or Director and a response is provided. If the complainant is not satisfied with the result of any investigation they can request that their complaint is reviewed by the Chief Executive Officer of the department. The Chief Executive Officer will investigate the complaint and provide a response. If the complainant is not satisfied with the response they receive from the Chief Executive Officer they will be informed of the procedure they can follow to progress their complaint with the States of Jersey Complaints Board. In some instances the complainant may be able to refer the complaint to another independent body (e.g.: Information Commissioner). Full details of the Department Customer Feedback Policy and complaints procedures are available on the States of Jersey website.

Any matter relating to the conduct of an employee of the States Employment Board, following a formal complaint and investigation, would be dealt with by the department Chief Officer or his nominee in accordance with States of Jersey disciplinary procedure.

#### **4.5 DEPUTY T.A. MCDONALD OF ST. SAVIOUR OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING ACTIONS TAKEN BY OFFICERS ACTING IN THE NAME OF THE MINISTER:**

##### **Question**

With reference to the Minister's answer to written question 8774, tabled on Tuesday 28th April 2015, can he advise whether he has been made aware of any concerns by officers within the Department regarding –

1. the possibility that officers in the Department may have acted outside of the powers contained within the Regulation of Investigatory Powers (Jersey) Law 2005 and the Police and Criminal Evidence (Jersey) Law 2003; and,
2. actions taken by officers acting in the Minister's name being contrary to several procedures detailed in the "Supplementary Planning Guidance" Practice Note 4 of 3rd December 2010, published by the Minister following the publication of recommendations and findings by the Reg's Skips Committee of Inquiry?

##### **Answer**

Question 8774 asked by the Deputy and tabled on Tuesday 28<sup>th</sup> April was divided into six parts and most of the question related to Magistrate and Royal Court prosecutions initiated by my department. For the benefit of States members I include below the full answer I gave to question 8774 in April.

Part 1 of this new question appears to be very similar to part 6 of question 8774 and part 2 relates to the guidance issued in 2010 in relation to enforcement procedures under the Planning and Building (Jersey) Law 2002. I believe both questions from the Deputy imply wrongdoings in the compliance or enforcement function of my department and I am surprised and disappointed that despite my request in April the Deputy has failed to provide me with any evidence of irregularities within my department or met with me to discuss any concerns he has.

While I am aware of allegations of abnormalities against my department by some members of the public and I have been in contact with some of these people, neither my Chief Officer nor I have seen any evidence to support the serious claims being made.

In answering question 8870 asked by Deputy Mc Donald at this States sitting I have clarified the States of Jersey complaints procedure which includes the escalation of complaints to the independent States of Jersey Complaints Board, who can review any matter relating to the administration by any Minister or Department of the States. I would urge the Deputy and those he is trying to support to provide any evidence they have of any irregularities to me, my department Chief Officer or to the Greffier of the States in order that this can be investigated and appropriate action taken.

I extend my invitation again to the Deputy to meet and discuss any concerns he has.

*Copy below of Question 8774 referred to in Question 8871 above:*

1240/5(8774)

## **WRITTEN QUESTION TO THE MINISTER FOR PLANNING AND ENVIRONMENT**

**BY DEPUTY T.A. MCDONALD OF ST. SAVIOUR**

**ANSWER TO BE TABLED ON TUESDAY 28th APRIL 2015**

### **Question**

Will the Minister –

1. Provide a list of all cases the department has recommended for prosecution from January 2008 to April 2015, and in which court (Magistrate's Court or Royal Court), they were presented;
2. Detail the alleged breach of which statutory provision/enactment in each case;
3. Provide the result of each case (withdrawn, dismissed, or resulting in conviction);
4. State whether, given the resources and cost of pursuing and resolving each case, the department believes that each case was sufficiently justified and in the public interest;
5. State whether the department has any reason to believe that there are cases that it has been recommended to pursue by investigation, which are questionable with regards to the lawful procedures and probity in connection with why and how they were pursued and actions taken;
6. Notify the Assembly if the department has any reason to believe that there are cases where investigative officers may have exceeded their duties and taken a non-departmental approach with regards to exercising non-existent rights under the Regulation of Investigatory Powers (Jersey) Law 2005, the Data Protection (Jersey) Law 2005, Criminal Justice (Evidence and Procedure) (Jersey) Law 1998 and the Police and Criminal Evidence (Jersey) Law 2003?

### **Answer**

The answer has been supplied in parts as set out in the question, as follows:

1. *Provide a list of all cases the department has recommended for prosecution from January 2008 to April 2015, and in which court (Magistrate's Court or Royal Court), they were presented;*
2. *Detail the alleged breach of which statutory provision/enactment in each case;*
3. *Provide the result of each case (withdrawn, dismissed, or resulting in conviction);*

My department is responsible for progressing enforcement actions in relation to several different laws. To provide the detailed information requested by the Deputy in parts 1, 2 and 3 of his question requires several hours of detailed work and I will provide this information to Members as soon as possible.

4. *State whether, given the resources and cost of pursuing and resolving each case, the department believes that each case was sufficiently justified and in the public interest;*

Depending on the law which has allegedly been breached and the particular circumstances of the case my department will consider what action (if any) to take in relation to an alleged breach of the law and will endeavour to avoid taking formal action unless necessary. My department will refer some cases to the States of Jersey Law Officers' Department or to the appropriate Parish Centenier before a case is brought to the Magistrate's or Royal Courts. The public interest test in deciding whether to bring a prosecution to the Courts is made by the Attorney General's Office or appropriate Parish Centenier. Officers from my department may submit a report to the Attorney General's Officer or Parish Centenier outlining an alleged breach of the Law, but it rests with the Attorney General's Office or Centenier to decide if to proceed with a prosecution.

5. *State whether the department has any reason to believe that there are cases that it has been recommended to pursue by investigation, which are questionable with regards to the lawful procedures and probity in connection with why and how they were pursued and actions taken;*

My department only progresses enforcement matters it believes merit action and cases are only brought to the Courts following States of Jersey Law Officers' Department or Parish Centenier review and support.

6. *Notify the Assembly if the department has any reason to believe that there are cases where investigative officers may have exceeded their duties and taken a non-departmental approach with regards to exercising non-existent rights under the Regulation of Investigatory Powers (Jersey) Law 2005, the Data Protection (Jersey) Law 2005, Criminal Justice (Evidence and Procedure) (Jersey) Law 1998 and the Police and Criminal Evidence (Jersey) Law 2003?*

Any matter relating to the conduct of a States Employment Board (SEB) employee is dealt with by the department Chief Officer or his nominee in accordance with agreed SEB policies and procedures.

If the Deputy is aware of any irregularities within my department I would ask that these are brought to my attention, or the attention of the Department Chief Officer, in order that these are investigated. I would welcome the opportunity to meet with the Deputy to discuss any concerns he has.

#### **4.6 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING HIGH VALUE AND LOW VALUE BUSINESS:**

##### **Question**

Further to the Minister's speech to the Jersey Chamber of Commerce on 11th June 2015, can he explain what he meant when he said that Economic Development had "swept away the old mantra of high value and low value business"? Can the Minister advise whether this a new policy decision and, if so, when will it be brought to the States for endorsement?

##### **Answer**

One of the four objectives in the Economic Growth and Diversification Strategy (EGDS), approved by the States, is to increase productivity across the whole economy.

Whilst it is clear from published statistics that the GVA per capita varies from sector to sector the strategy and policy of the Council of Ministers, the Economic Development Minister and EDD is founded on the belief that all sectors have a significant contribution to make to increased productivity-led growth. As a consequence, consistent with the EGDS, the policy is to work with all sectors to increase productivity.

EDD's work, in partnership with other departments, in sectors such as tourism and agriculture that have a relatively low per capita GVA is aimed at increasing productivity. For instance:

Productivity in the tourism sector can be increased, in part, by increasing visitor numbers. In 2014 and the first quarter of 2015 it is encouraging to see that visitor number have indeed increased. Sustaining this trend is, in no small part, why Visit Jersey has been created with an aggressive target to increase visitor numbers and further increase productivity.

In addition to continued work on farm productivity, increasing exports from Jersey's rural sector has the potential to significantly increase profitability and productivity in the dairy sector.

The statement made in the speech to the Chamber of Commerce on 11<sup>th</sup> June 2015 is wholly consistent with the broad based approach to productivity-led growth which is an established and well developed policy position.

#### **4.7 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING ECONOMIC GROWTH:**

##### **Question**

What statistical evidence does the Minister have to justify the statement made during his speech to the Jersey Chamber of Commerce on 11th June 2015 that Jersey's economy is returning to growth?

In this regard, could the Minister provide a yearly breakdown of growth in Jersey's Gross Value Added over the past decade?

##### **Answer**

Statistics that define economic growth in Jersey are published by the independent Statistics Unit in the third quarter of every year for the preceding calendar year. The latest available GVA figures for 2013 (published in September 2014) and previous years can be accessed here:

<http://www.gov.je/government/jerseyworld/statisticsunit/businesseconomy/pages/gvaandgni.aspx>

This information and more comprehensive economic data is also published in the “Jersey in Figures” booklet published by the Statistics Unit on an annual basis. The latest Jersey in Figures booklet can be found here:

<http://www.gov.je/government/jerseyworld/statisticsunit/factsfigures/pages/jerseyfiguresbooklet.aspx>

The statement made in the speech to the Jersey Chamber of Commerce on 11th June was based, in no small part, on the opinion of the independent Fiscal Policy Panel (FPP). In their pre-MTFP Report published the FPP concluded that:

“The Jersey economy has shown some signs of a moderate improvement in 2014, with a likely return to growth for the first time in six years. Survey data suggest more positive sentiment in both the finance and non-finance sectors”

This is consistent with the latest Business Tendency Survey produced by the Statistics Unit that showed

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Business%20Tendency%20Survey%20March%202015%2020150410%20SU.pdf>

The highlights of the survey are:

The headline all-sector Business Activity Indicator was 26 percentage points (pp), implying that the proportion of businesses in Jersey reporting an increase in business activity compared with three months previously was 26 pp greater than the proportion reporting a decrease;

The all-sector Business Activity Indicator increased significantly in the latest quarter, recording its highest level since this survey was introduced in September 2009;  
Over all sectors: five of the ten indicators increased significantly, three recording their highest levels to date, whilst one declined in the latest quarter and four were relatively unchanged;

For the Finance sector:

Four indicators improved compared with the previous quarter, five were essentially unchanged and one declined;

The Business Activity, Profitability, Employment and Future Business Activity indicators improved in the latest quarter, whilst the Input Costs indicator declined;

For the non-finance sectors overall:

Seven indicators were improved compared with the previous quarter, two were essentially unchanged whilst the Input Costs indicator declined

Combined with the latest Actively Seeking Work statistics published by the Statistics Unit it seems clear that the likelihood is that, as stated by the FPP, Jersey’s economy has returned to growth.



#### **4.8 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE CHIEF MINISTER REGARDING PERFORMANCE RELATED PAY:**

##### **Question**

Further to the comments of the Minister for Economic Development in support of performance related pay during his address to the Chamber of Commerce on 11th June 2015, could the Chief Minister outline how he would see the principle of 'performance related pay' applying to public sector workers such as fire fighters, nurses and teachers?

##### **Answer**

As made clear in his speech to the Chamber of Commerce on June 11<sup>th</sup> 2015, the comment made by the Minister for Economic Development in support of performance related pay was made in a personal capacity.

As part of the Public Sector Reform programme the Workforce Modernisation project is being developed in partnership with the Trade Unions. It is aiming to deliver a more productive and sustainable public service, with well-designed roles managed through an improved performance culture that provides organisational flexibility and supports continual service redesign.

Modern public sector organisations no longer rely on 'time served' as a prompt for pay progression. It is likely that pay progression within the States of Jersey will be linked to a combination of experience, knowledge or qualifications.

Similar frameworks are already in place for areas of the public sector that have been modernised. For example pay progression in the Fire Service and the Law Officers Department depends on staff meeting competencies from job descriptions, professional body requirements or National occupational standards.

Should the States Employment Board develop proposals for performance related pay, we will consult with staff and unions, as we have done throughout the workforce modernisation programme.

#### **4.9 DEPUTY S.Y. MÉZEC OF ST. HELIER OF THE CHAIRMAN OF THE COMITÉ DES CONNÉTABLES REGARDING THE RECRUITMENT OF CENTENIERS:**

##### **Question**

Following the decision of the Royal Court to fine the Parish of St. Saviour for being unable to recruit the required number of Centeniers, does the Comité intend to bring forward proposals to change the law to alter the requirement for a particular number to be appointed?

Could the Chairman also advise what actions, if any, the Comité has taken to address recruitment difficulties within those Parishes which have struggled to fulfil the requirements, as has been the case in recent years?

##### **Answer**

The Comité, in conjunction with each Connétable, keeps under review the authorised strength of the Honorary Police in each Parish which is set out in law. It is ultimately a decision for each Connétable as to the number of Honorary Police officers required to fulfil the community policing role in his parish.

Whilst there has, on this occasion, been a difficulty in finding a Centenier for the Parish of St Saviour this is a relatively isolated situation and the last occasion that a fine was imposed on a parish for failing to fill the office of Centenier was in 2005.

## **5. Oral Questions**

### **5.1 Deputy G.P. Southern of St. Helier of the Chief Minister regarding economic growth:**

When promoting economic growth, what attention, if any, has the Chief Minister given in proposals for the Medium-Term Financial Plan and Budget 2016 to the evidence from International Monetary Fund discussion note SDN/15/13 and elsewhere that increasing the income share of the top 20 per cent decreases G.D.P. (gross domestic product) growth while increasing the income share of the bottom 20 per cent promotes higher G.D.P. growth?

#### **Senator I.J. Gorst (The Chief Minister):**

I will just apologise in advance that my opening answer is slightly longer than normal. It is important to recognise that such discussion notes represent the views of the authors and do not necessarily represent I.M.F. (International Monetary Fund) views or I.M.F. policy and we should understand what the authors say about why widening income disparities would matter for growth. They say higher inequality lowers growth by depriving the ability of lower-income households to stay healthy and accumulate physical and human capital and that it can lead to under-investment in education as poor children end up in lower-quality schools and are less able to go on to college. This would appear to validate the focus in the Strategic Plan and the next M.T.F.P. (Medium-Term Financial Plan) on investing in health and education. The paper also explains that growth policies can be more inclusive if they focus on encouraging innovation, removing barriers that stifle competition and technology diffusion and move goods produced upwards in the value chain.

[9:45]

These are areas we have already identified as priorities in our Strategic Plan.

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

While it is the case that this is only a discussion paper and represents the views of the contributors, nonetheless the Chief Executive Officer of the I.M.F. has joined in with this sentiment and has stated over the weekend that poor and middle-class households have come to realise that hard work and determination may not be enough to keep them afloat, contradicting the adage that a rising tide floats all boats. What measures specifically in the M.T.F.P. and Budget plans for 2016 does the Chief Minister have to promote growth?

#### **Senator I.J. Gorst:**

I do not think it is going to be useful if we have a debate across this Assembly about particular sentences in a particular document or a sentence given by a senior official. If we take the approach in the round, it is why I gave a slightly longer answer because there are underlying issues that policy-makers and we, as a government, are cognisant of and that is because people stop being able to afford and access appropriate health care and sufficient investment is not put into education.

They are things that this Government is determined to address, unlike other governments around the world.

**5.1.2 Deputy G.P. Southern:**

Would the Chief Minister mind awfully answering the question? What measures do you have in the M.T.F.P. to promote growth?

**Senator I.J. Gorst:**

We continue to promote growth; we continue to support financial services. The Members opposite do not seem to agree with that approach but when we see the average earnings of people in that industry, they are dealing with exactly the issues that the questioner is asking about and, yet, on the other hand, he does not seem to support it. We have had a new Financial Services Strategy, we are maintaining the investment in the financial services section of the Chief Minister's Department. We are delivering on the policy suggestions of the jurisdictional review; we are supporting technology and Digital Jersey and Jersey Finance. We are continuing to support the work of the External Relations Department. Many, many policies we are continuing to support and are being successful because in the labour force, rather than jobs falling in that sector, we have seen growth of 400 over the period of the last year.

**5.1.3 Deputy S.Y. Mézec of St. Helier:**

In reference to the Chief Minister's first answer, while it is the case that the I.M.F. paper will validate his Government's position on increasing funding and investment in health and education, would he agree that it invalidates his Government's position on introducing a waste disposal charge and a health charge?

**Senator I.J. Gorst:**

Not at all, no.

**5.1.4 Deputy M. Tadier of St. Brelade:**

Of course we have already realised that the way to invest in education and health goes through regressive charges rather than progressive taxation which is only to be expected from this type of Council of Ministers. But does the Chief Minister also accept the conclusions of the discussion paper which state that the redistributive role of fiscal policy could be reinforced by greater reliance on wealth and property taxes and more progressive income taxation and, if so, will he incorporate such measures in the 2016 Budget?

**Senator I.J. Gorst:**

The questioner sometimes makes a statement in his question which then is perceived as fact. He knows very well that decisions have not yet been made on how we are going to have the conversation with the public and how we are going to all decide to pay more for our appropriate health care into the future. So he is asking a question which is not based on fact yet because this Assembly will ultimately decide. When it comes to property taxes, I seem to remember that the Members opposite, when the previous Minister produced an excellent discussion document on the possibility of property tax changes and re-evaluations and extracting appropriate sums from that arena, I am not sure that the Members opposite supported that. It was an excellent document and I know that the current Minister is going to continue to work on it and bring some proposals forward in that regard. We continue to have some of the highest thresholds before people start to pay income tax so I do not accept the comments of the questioner in that regard either.

**5.1.5 Deputy G.P. Southern:**

Returning to the core of the question and the paper which states that increasing the income share of the bottom 20 per cent promotes higher G.D.P. growth, why then, if that is the case, does the Chief Minister propose to cut support to the poorest in our society by cutting benefits as proposed by his Social Security Department?

**Senator I.J. Gorst:**

If we look at some of the work that came out of the work that was undertaken to look at the possibility of the introduction of a living wage, we will perhaps draw some conclusions from the benefit levels coupled with work that needs to be reviewed and support the work that the Minister will be doing in that regard. The Deputy keeps wanting to talk about growth and inequality in the abstract. That is not how we should deal with it. We should look at why is inequality concerning this discussion document and it is exactly the reasons that I said in my opening answer: because it will lead to under-investment in education and under-investment in healthcare, neither of which are what we are proposing as this Government. In actual fact, the reverse.

**5.2 Deputy M. Tadier of the Chief Minister regarding the development of the Esplanade Quarter:**

Is the Chief Minister satisfied that the statement made by the Minister for Treasury and Resources on 4th February 2014, when he told the Assembly that he was “absolutely clear with S.o.J.D.C. (States of Jersey Development Company) that their buildings are to be progressed on a fully-let basis in order to reduce the risk” was accurate?

**Senator I.J. Gorst (The Chief Minister):**

In 2010 when this Assembly approved a proposition to establish S.o.J.D.C. there was a clear requirement for a sufficient level of legally-binding pre-lets to fund the cost of construction. In 2014 the former Minister’s answer to a supplementary question was given at a time when negotiations were underway for a tenant to take 100 per cent of a specific building. It appears that the answer was alluding to those negotiations. However, to focus on one answer is to ignore the many other debates where it was made clear that the requirement was for sufficient pre-lets. For instance, on 10th September 2013: “The office developments will be demand-led with construction only proceeding with pre-lets in place. This is in accordance with P.73/2010 and the memorandum of understanding.” On 13th May 2014: “There is a level of pre-lets that are required before any of the buildings can go ahead.” Sufficient but not necessarily 100 per cent. Again, on 9th December 2014, we heard: “A sufficient level of legally-binding pre-lets to fund the cost of construction in the first phase of this scheme.”

**5.2.1 Deputy M. Tadier:**

It will appear that the Chief Minister adopts a policy of mushroom growing when dealing with the Assembly. So from his answer, can the Chief Minister just reconfirm that it was the case that Senator Ozouf at the time was absolutely clear that the building should be progressed on a fully-let basis? But not only that but S.o.J.D.C. had fully understood that and, thirdly, that this States Assembly has, from that point until a couple of weeks ago, also been working on the assumption that that development would be progressed on a fully-let basis, because nothing came back to the Assembly at any point from the shareholder representative, either the previous or the current one, to tell the Assembly otherwise?

**Senator I.J. Gorst:**

No, I do not. It is quite clear from even those 3 extracts that I read in my opening statement that that was not the case. We can continue to take a sentence out of many, many supplementary

answers in a situation that we are continuing to change. As I said, at that point it was expected that a particular building would have been pre-let to 100 per cent but it has always been my understanding, and it is clear in the memorandum of understanding, that there would be sufficient pre-lets to fund the cost of construction.

**5.2.2 Deputy G.P. Southern:**

Would the Minister expect that such an important and significant understanding would appear in any minutes or notes taken from the meeting referred to on 4th February 2014 or not? Is he surprised that they are not in existence?

**Senator I.J. Gorst:**

I have not seen the minutes but if we take into fact the context that S.o.J.D.C. were, as I understand it, at that point in, extending negotiations with a tenant to take on 100 per cent of a particular building. I am not necessarily surprised that there would not be a line as the Deputy might be intending but that does not mean that that conversation was not around that particular issue because I have no doubt that it was.

**5.2.3 Deputy G.P. Southern:**

Is the Minister confident that the understanding, which was significant, was made between the relevant Minister and the board of S.o.J.D.C?

**Senator I.J. Gorst:**

We have to take the answer that the Minister gave in the context of everything that he said in that supplementary answer and not just take one line out of context, which I fear that we are in danger of doing. Because if we look at the many supplementary answers and the many answers that the Minister had to give on this issue, it becomes clear, I think, that the 100 per cent pre-let was in relation to the particular tenant for a particular building and therefore we need to look at the M.O.U. (memorandum of understanding) and other comments that were said both before and after that particular date.

**5.2.4 Deputy M. Tadier:**

Well I am glad that it has taken even a few weeks for the Council of Ministers to get their story straight on this one because the Minister for Treasury and Resources, only last week and the week before, was telling us that he assumed that the former Minister for Treasury and Resources was mistaken. But we have the Chief Minister today telling us after a few weeks that the former Minister for Treasury and Resources was not mistaken, he was absolutely correct, and that things have changed since that. Does the Chief Minister genuinely expect us to believe his answer when the former Minister for Treasury and Resources stated that the buildings are to be progressed on a fully-let basis with no mention of this particular contract with this particular tenant? There was no context provided in that answer given on 4th February. Is it not the case that the Minister for Treasury and Resources was correct and that S.o.J.D.C. just chose to move the goal posts and for the current Minister for Treasury and Resources not to come back to the Assembly and do his job to tell us, and that this Council of Ministers is not to be trusted and that the S.o.J.D.C. is completely out of control?

**The Deputy Bailiff:**

Well, there are a number of questions there, Deputy. Which ones would you like the Chief Minister to answer?

**Deputy M. Tadier:**

I think a “yes” would be sufficient for all of those answers.

**The Deputy Bailiff:**

Well which question would you like the Chief Minister to answer, Deputy? Very succinctly, please.

**Deputy M. Tadier:**

I would like to ask the Chief Minister whether he agrees in the round that the political oversight for S.o.J.D.C. has been negligent on their behalf.

**Senator I.J. Gorst:**

Absolutely not. The memorandum of understanding makes it absolutely clear. Sometimes when Ministers are put on the spot about something that somebody else has said, they do not have the details in front of them, they do not have the entire transcript in front of them, they might not be able to give the full answer that they are able to give upon appropriate research in considering all of the answers and all of the facts before them. I think it is about time that this Assembly acknowledged that for at least 5 times it has voted and asked S.o.J.D.C. to develop the waterfront site. We know that some Members do not accept that and that is their absolute democratic right to do so. But to try and suggest that the Assembly has decided anything other than development on the waterfront site I think is disingenuous and I do not think that we should do it. A pre-let is in place, it is sufficient to fund the cost of construction. We should allow that building to be developed and then we will wait for the Scrutiny report. Thank you.

**Deputy M. Tadier:**

Not relevant and that means that we can mislead the Assembly if we choose to.

**The Deputy Bailiff:**

Deputy, if you please. This is question time and you have had your final supplementary question. Could I remind, Members, please, that questions are supposed to be succinct? That is provided for in Standing Orders and they should be one question at a time. They should not be multiple questions.

**5.3 Deputy R. Labey of St. Helier of the Minister for Treasury and Resources regarding parking spaces assigned to Andium residents:**

What efforts, if any, are being made by Andium Homes to ensure that parking spaces assigned to Andium residents are not being occupied by unauthorised vehicles; does Andium have the same legal authority to tow such vehicles away as was the case, I believe, with the former Housing Department, and, if not, what action, if any, will the Minister take?

**Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

Andium Homes advised me that they continue to closely monitor their car parks, the majority of which require a permit. In many cases either a key or electronic swipe card is necessary in order to access parking.

[10:00]

They monitor parking actively in close collaboration with tenants and their representative groups and have a contract for patrolling car parks, particularly those in town. Vehicles parked without authority are issued with warning notices and owners pursued to remove their vehicles. On 1st July 2014 when ownership of the State social housing stock transferred to Andium Homes, their powers under the Road Traffic (Removal of Vehicles) (Jersey) Order 1963 as amended ceased in respect of

all land specified in the transfer regulations. That put Andium Homes in the same position as any other private land owner, including all other affordable housing providers.

**5.3.1 Deputy R. Labey:**

It seems odd to be having this conversation with the Minister for Treasury and Resources when we have a perfectly good Minister for Housing sitting over there but there we are. I do not get the system. **[Interruption]** I do not think it is being closely monitored enough because we are talking about places in town and I have had people complain to me that working shifts, they come back at all hours of the night after working and regularly their spaces are taken up. Obviously this is not places with a barrier because the cars are parking there.

**The Deputy Bailiff:**

Could we have a question, please, Deputy? This is question time.

**Deputy R. Labey:**

Yes. Let me think of one immediately on my feet. **[Laughter]** Would the Minister ask Andium to monitor this even closer?

**Senator A.J.H. Maclean:**

I thoroughly agree with the Deputy about the very fine Minister for Housing and I do, in many respects, wish she were answering this question. Perhaps I can help in one area. An example in St. Helier or in town, La Collette, there are in fact 77 spaces but there are not any for visitors. That is 0.67 spaces per unit. But as the site is developed, which is the intention, that is going to create 193 spaces and importantly 29 for visitors, which moves it up to 1.1 space per unit. That clearly, as a result of development, is going to improve the position. But to answer specifically the question of the Deputy, of course we will continue to ask Andium to closely monitor, even more closely monitor, the parking situation with regard to housing.

**Deputy R. Labey:**

Just for clarity, I was not referring to La Collette.

**The Deputy Bailiff:**

You have a final supplementary as usual, Deputy.

**Deputy R. Labey:**

I am so sorry.

**5.3.2 Deputy G.P. Southern:**

Is it still the practice of Andium Homes, as the Housing Department previously, to let spaces out to members of the public rather than residents, in certain cases reducing the supply of parking spaces for those residents?

**Senator A.J.H. Maclean:**

Indeed. A small number of paid parking permits are indeed let to individuals and that is the case. But as far as parking and the availability of adequate parking for residents, that is a matter that is being monitored very closely by Andium Homes. What I should point out perhaps, the issue about the statutory powers of Andium Homes to be able to deal with parking infringements is, in my opinion, the crux of this matter. I can tell Members that the Home Affairs Department is looking at this issue because of course it does not just apply now to Andium Homes but all those private landlords and housing associations that have similar problems. Home Affairs Department are looking at ways in which powers can be put in place to ensure that infringements of parking can be

properly monitored. I think that is an appropriate step forward. I can also add that the State Strategic Housing Unit is also raising these matters with the other social housing associations to assess exactly the scope and level of the problem that exists and that will be fed into the work that the Home Affairs Department is doing to find a solution.

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

A supplementary? Would the Minister collate and circulate figures for those private lets, including staff members of Andium who may have parking spaces as well?

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

Yes, I am very happy to do that and I am happy to circulate that detail for Members as well. I should point out there are something in the region of 4,600 homes and a significant number of different sites that are monitored but nevertheless I am sure the data can be collated relatively quickly and circulated to Members.

### **5.3.4 Deputy M. Tadier:**

I am presuming that the Minister and Andium are using Car Parking and More or CPARK, a patrol company which has a contract for monitoring private car parks. But even if it is not that particular company, can the Minister for Treasury and Resources explain that there is no legal basis for such companies to pursue any notices that they put on an individual's car? On that basis, given the fact that there will never be any possibility until the law is changed of a successful claim in the Petty Debts Court, why are Andium wasting money on a contractor who is little more, under the current setup, than bogus?

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

I do not agree with the final point the Deputy made although he is correct that there are no statutory powers, as I pointed out, for Andium. They do in fact have a company that monitors the car parks. It is important that there is a presence seen around the various sites and indeed that acts as a deterrent. I have no doubt the fact that there is a company in place monitoring what is going on and, I might add, issuing notices, helps from a deterrent perspective. It is not ideal and I know, as I have already pointed out to Members, that the Home Affairs Department is looking at this matter and indeed that would, in my view, require a change to legislation and I would hope that can be progressed quickly.

### **5.3.5 Deputy M. Tadier:**

A supplementary? Is it really good practice for a quasi-government body to be employing a company which has no legal basis for the tickets which they issue? It does not seem to make sense to me. Certainly, when anyone comes and asks me, hopefully the Minister for Treasury and Resources, in his constituent capacity, would advise constituents definitely not to pay these fines because they cannot be pursued in the Petty Debts Court. That is the point at which we are at; why is Andium Homes engaged in a process that is costly to themselves and to their tenants which cannot be enforced by law?

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

Well it may not be enforceable by law but, as I have pointed out, it is a matter of deterrence. Where you have monitoring of the various sites by this particular firm it does deter individuals from abusing the parking arrangements that are in place specifically for tenants. I think that is the only sensible position that Andium can take at this moment and I think it is absolutely right that they so do.

### **5.3.6 Connétable M.P.S. Le Troquer of St. Martin:**



Listening to the first answer from the Minister, does the Minister foresee problems with parking on land owned by the Ports of Jersey following the incorporation?

**Senator A.J.H. Maclean:**

No, that matter is being addressed as a separate issue and that will be dealt with as part of the Regulations when they come before the States in due course.

**5.3.7 Deputy R. Labey:**

My apologies for jumping the gun earlier. Just to clarify that I am not talking about La Collette here where parking is the least of the residents' problems at the moment. Clearly the deterrent is not working and I have heard nothing from the Minister today, unless he can correct this now, that the situation I am talking about with residents not being able to park their cars in the middle of the night because other people are there, is going to get no better, is it?

**The Deputy Bailiff:**

Is there a question, Deputy?

**Senator A.J.H. Maclean:**

I think the Deputy was asking whether it is going to get any better. I would first of all perhaps put into context the level of the problem. The level of the problem is approximately 17 notices per week being issued. That is across a total of 200 sites and, as I have said, this involves 4,600 homes so there is a significant number and 10,000 spaces in total. So this is a very low level issue that we have to address but nevertheless it does need to be addressed. Finally, on the point of La Collette, I used that as an example whereby redevelopment is going to improve the parking situation and Andium are continuously looking at ways in which they can improve it, not just through changing the legislation to be able to enforce a situation where certain people are infringing the rights of tenants and that does need to be stopped.

**5.4 Deputy S.Y. Mézec of the Chief Minister regarding redistribution through the tax and transfer system:**

Does the Chief Minister accept the statement on page 30 of the International Monetary Fund discussion paper SDN/15/13 that "redistribution through the tax and transfer system is found to be positively related to growth for most countries" and, if so, what, if any, redistributive measures does he have under consideration for the 2016 Budget, and if he does not accept the statement, would he outline why?

**Senator I.J. Gorst (The Chief Minister):**

As I said in my previous answer, such discussion notes represent the views of the authors. I would not disagree with such a statement in general terms but we should not, I think, leap to conclusions as to what it may mean for Jersey. The authors of the report also point out that there is no "one size fits all" approach and that the drivers of inequality and their impact differ across countries for different income groups. As such, the nature of appropriate policies would necessarily vary across countries and would also need to take into account country-specific policy and institutional settings and capacity implementation constraints. The Deputy uses one quote from this paper to imply we need to do something in Budget 2016, however, the paper also explains, as I said in my previous answer, that better access to education and healthcare can help to address the inequalities. These are 2 issues that we are focusing on in the next M.T.F.P.

**5.4.1 Deputy S.Y. Mézec:**

Would the Chief Minister care to explain just exactly how he thinks taking money out of lower and middle-income earners' pockets through a health charge and through a waste disposal tax is going to be conducive to growth and would he instead consider looking at income tax as the most progressive way to raise the funds which the Government needs to put forward its investment in health and education?

**Senator I.J. Gorst:**

Once again, the questioner has assumed that there is any proposal to take money out of lower-income households and that is a ... the Deputy seems to find that amusing. Well one of them, anyway.

**The Deputy Bailiff:**

Yes. Perhaps the Chief Minister could be allowed to give his answer.

**Senator I.J. Gorst:**

As the Deputy knows from the answer I gave to a question some moments ago, we have not yet decided on that but it would appear to me that in any new charge or discussion of a charge there should be appropriate provision for lower-income households to mitigate the effects of such a charge.

**5.4.2 Deputy G.P. Southern:**

I will return to the question, particularly which comes in this policy discussion under the final section "Final Remarks", which states that: "The redistributive role of fiscal policy could be reinforced by greater reliance on wealth and property taxes and more progressive income taxation." If he does accept that the removal of inequality increases economic growth, as referred to earlier, what measures to redistribute will he put in the 2016 Budget?

**Senator I.J. Gorst:**

Once again, the questioner is taking one sentence out of 3 pages worth of Final Remarks. The first point that they make is "no one size fits all" despite what the questioner seems to wish to indicate. The second is squaring equality and efficiency concerns. The third is fiscal policy can be an important tool for reducing inequality. We have got - educational policies are key - we have got fostering financial inclusion safely, well-designed labour market policies and it goes on for another 2. So we have to take these issues in the round and I believe that in the Strategic Plan and in the M.T.F.P. that is exactly what we are doing and not simply taking one policy because it might suit our political persuasion.

**5.4.3 Deputy G.P. Southern:**

Is it not the case that the Chief Minister and his Ministers are ignoring all the options there, removing and reducing employment protection, for example, and removing and reducing benefits to those in the bottom 20 per cent, thereby increasing inequality in our society, all of which works against economic growth, which is his prime aim? Is it not the case that he is refusing to acknowledge the entire finding produced by the I.M.F.?

**Senator I.J. Gorst:**

Absolutely not. Yet again we have a partial use of information in the question put before us. I believe fundamentally that it is better for people to be in work than out of work for not only financial reasons but for emotional, for psychological reasons, for being part of the community, and the change that this Council of Ministers made, ably led by the Minister for Social Security, about unfair dismissal criteria, the sole aim of that policy change was to get people into work and to remove the barriers from employers who were in a position where they were not employing people

because they felt that the requirements of that particular part of the law were too onerous. It is a balance. We absolutely accept that. But we believe that in that instance that was the right balance and it was the right policy because it is going to encourage employers to work and get more people into work, which is a fundamental requirement to deal with inequality that the Deputy seems to forget.

#### **5.4.4 Deputy M. Tadier:**

I am glad we found some common ground because we have a common policy of believing that people should be in work and people are better off in work.

[10:15]

But we have an additional caveat which says that people should have dignity in work and that they should not be paid poverty wages, but they should be able to survive on the money they get from a full week's work without having to resort to government handouts. That is our position. But I am talking about this document. It is not the case that one quotes selectively because right throughout the document the whole ethos is that inequality affects growth drivers, inequality dampens investment and hence growth by fuelling economic financial and political instability. Inequality can lead to policies that hurt growth. Inequality hampers poverty reduction. So this is very much where we are coming from ...

#### **The Deputy Bailiff:**

Deputy, could I have a question please.

#### **Deputy M. Tadier:**

... as a party. Does the Minister not agree ...

#### **The Deputy Bailiff:**

Deputy, this is not a party statement. This requires a question. This is question time.

#### **Deputy M. Tadier:**

Thank you, Sir, but we have had counter-statements from the Chief Minister trying to impute what our policies are. At the end of the day this is a political forum, but I am coming to my question. I take that direction humbly, is that: does the Minister not agree that the nub of the issue is to do with inequality and does he also share our vision that we want a society which has less inequality and therefore if we can do that, that is much better for society as a whole?

#### **Senator I.J. Gorst:**

I am pleased to say we are going to be able to finish ... well, no, because we have got a follow-up question from Deputy Mézec. But with regard to that last question, I think there were 2 areas where we agree. First is that it is best and the fundamental issue is getting people into work and the right to a job and, secondly, that we do acknowledge that inequality is a corrosive thing in a community and we need to consider and balance policies to try and deal with that as much as we possibly can. But of course the challenge is that while Members of the Government say that they want to support sectors of our economy that pay larger wages, and want to work with those sectors of our economy where they struggle to pay such wages, because of the margins involved, it sometimes seems that the members of the party that the questioners represent do not accept that fact and think that we can just simply impose upon those employers, therefore removing jobs from our economy by forcing them to pay larger salaries and therefore putting people out of work. Surely better to work with those sectors of our economy, support them with in-work benefits while working with them to increase their margins, increase their productivity, so that over time they are going to be able to increase their wages.

#### **5.4.5 Deputy S.Y. Mézec:**

You can tell how much confidence the Chief Minister has in what he says when he simply has to attribute statements and policies to a party that do not believe those things. Does the Chief Minister agree with what the I.M.F. C.E.O. (Chief Executive Officer) Christine Lagarde says, which is that poor and middle class households have come to realise that hard work and determination may not be enough to keep them afloat? If he does agree that always being in work is better than not being in work, which is what my party also believes, would he accept that the Government position should be that it needs to do more to help those people who are in work but are being paid poverty wages and are having their income support cut, giving them a worse standard of living, which is ultimately bad for economic growth, which is the entire ethos of this entire document, not just a few sections at the end, like he suggested before?

#### **Senator I.J. Gorst:**

I am a little confused about what the party policy is. Some moments ago members of their party seem to be suggesting that in-work benefits were not appropriate. Now they seem to be suggesting that refining those benefits to encourage work and make sure there are not incentives to keep people out of work is not appropriate either. The policy of this government is to support those individuals appropriately so that being in work always pays rather than being out of work and work with those sectors of our economy that struggle with difficult margins to improve their productivity so that ultimately over time we can see the minimum wage increase, which is also part of the policy of this Government, working with the Employment Forum to address some of those issues. Not imposing above believing that we know better, which ultimately would lead to fewer people in work in those sectors, which cannot be good either for those sectors, cannot be good for those individuals, and ultimately is not good for Jersey into the future.

#### **5.5 Deputy J.A.N. Le Fondré of St. Lawrence of the Minister for Treasury and Resources regarding information requested from the States of Jersey Development Company by the Corporate Services Scrutiny Panel:**

Would the Minister, as shareholder representative, advise whether he considers it to be acceptable that the States of Jersey Development Company has still not supplied all requested information to the Corporate Services Scrutiny Panel in order for it to complete its review and, if so, what action does he propose to take to resolve the situation?

#### **Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

The States of Jersey Development Company has been established by the States of Jersey to operate as an arm's length commercial entity. The States set out operating protocols within the proposition on the establishment of S.o.J.D.C., P.73/2010, that provided oversight and approval by the Minister for Treasury and Resources with political direction being given by the Regeneration Steering Group. Some of the information that has been requested by the Corporate Services Scrutiny Panel is commercially sensitive and is subject to confidentiality clauses in the signed legal contracts which involve third parties. By disclosing the requested information to Corporate Services the directors of S.o.J.D.C. would personally be in breach of their contractual commitments. The States of Jersey Development Company has endeavoured to provide Corporate Services and its advisers with sufficient information to enable the panel to carry out its review without putting the directors of the company in breach of their legal duties, which is a difficult balance. In similar cases in the past, advisers to Scrutiny Panels have been prepared to sign non-disclosure agreements. In this case EY, the adviser appointed by the panel, were also prepared to sign such an agreement and would therefore have received all the requested commercially sensitive information. However, the panel did not feel it appropriate that the adviser sign such an N.D.A. (non-disclosure agreement)

and instructed them not to do so. Notwithstanding that, all parties have worked hard to find a solution, progress is now being made and I am aware that discussions have taken place over the last week alone between S.o.J.D.C. and EY as an information flow has followed, which is being assessed by EY and will hopefully provide them with all the information that they require.

**5.5.1 Deputy J.A.N. Le Fondré:**

Can the Minister confirm that Treasury have themselves not had sight of the pre-let agreement with the tenant, the final lending agreement, or the contract with the contractor, which are the key documents being referred to and which are the ones that we are requesting.

**Senator A.J.H. Maclean:**

I can. Although there was an original agreement, I believe, in outline form received back in October before the last elections with regard to a previous agreement but apart from that the Deputy is correct.

**5.5.2 Deputy S.M. Brée:**

Can the Minister confirm that as neither he nor his department had sight of the legally binding contracts with the tenant, the lender or the contractor prior to signature by S.o.J.D.C., no form of due diligence or independent verification was undertaken by the Minister as shareholder representative to ensure that the pre-let conditions, as imposed upon S.o.J.D.C., contained within P.73/2010 and the memorandum of understanding, had been met, and that he merely relied upon an interpretation from S.o.J.D.C. that this was in fact the case?

**Senator A.J.H. Maclean:**

That is correct and it is as Members would, I suspect, expect. It is certainly a position that I find acceptable, after all we set up organisations and companies to be at arm's length, we resource them appropriately, we ensure that they have an effective board, the board has oversight and is therefore accountable. Certainly, as far as I am concerned, that provides a suitable arrangement to ensure that the obligations of the company are undertaken and carried out.

**5.5.3 Deputy G.P. Southern:**

Does the Minister accept that the fact that we are still going on about this particular topic is because when it was learnt that the Scrutiny Panel concerned wished to hold an inquiry into this topic the Minister or his predecessor decided to plough ahead with the whole project anyway and hence we have got these timing and information problems at this stage now. Should he have not been talking to the Scrutiny Panel way back in December to work out a proper way forward, with proper timescales to avoid what we have got now?

**Senator A.J.H. Maclean:**

In fact the Deputy raises a very good point, and indeed when it was brought to my attention by the newly appointed panel, and indeed the chairman, that there was an intention to carry out a review, despite the previous Corporate Services Scrutiny Panel deciding over a year ago not to do so, and I spoke to the panel chairman and said that what was of critical importance was that the review was undertaken in a timely fashion. I made that point specifically because commitment had been given by S.o.J.D.C., tenants had signed heads of terms, and indeed were progressing towards legally binding agreements. I was given an assurance that the matter would progress quickly. What I can say is that the panel, as I understand it, appointed an expert in late November, early December, and I believe that particular expert reported in January. We have not seen that particular review and it was only since then that a further expert has been appointed by the panel and in part has resulted, I suspect, in the delays. Not the only reason. The other reasons are flow of information, which we have already discussed in this question earlier this morning.

#### **5.5.4 Deputy K.C. Lewis of St. Saviour:**

Does the Minister not understand that because of both the stated importance of the project and the concerns identified during our review thus far we are asking for the data to do the due diligence that Treasury should have done and which they have confirmed in hearings to us that they have not?

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

No, the matters are unlinked. Treasury have undertaken their role and responsibility in an appropriate way in my view. The panel are undertaking their own review. They are looking at the viability of the whole development. It is an entirely different matter. I am sure the results of that will be a matter of great interest, not only to myself and Treasury, but to Members as a whole. We look forward to the result of the review when indeed it is eventually published and we will listen to the conclusions of that review in due course. What we have committed to and what this Assembly has committed to is to continue with the development of the first building, the first phase, that is phase 1A, because of the level of commitments that have already been undertaken.

#### **5.5.5 Connétable C.H. Taylor of St. John:**

Both the Minister and the Chief Minister have responded that they await the report from Scrutiny. Will the Minister therefore undertake in this Assembly here and now that he will give a clear direction to the board of S.o.J.D.C. to release the information we request in confidence to the panel and its advisers, or does the Minister wish us to go down an expensive route of obtaining legal powers to obtain this information. The undertaking is will the Minister here and now undertake to the Assembly that he will get this information: yes or no?

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

It is not a yes or no answer that is appropriate.

#### **The Connétable of St. John:**

Point of order ...

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

What I have done ...

#### **The Deputy Bailiff:**

I beg your pardon. A point of order has been raised. This is a point in which you require a ruling from the Chair. Do you require a ruling from the Chair?

#### **The Connétable of St. John**

Yes, I asked for an answer, yes or no, will he direct S.o.J.D.C. to ...

#### **The Deputy Bailiff:**

You can ask whatever question reasonably you like, Connétable, but it is up to the Minister how he chooses to answer it.

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

I met first of all with the Chief Minister and the panel last week. I had 2 further meetings last week so we had 3 meetings in 3 days in order to find a solution to this issue. As I pointed out in my earlier remarks, it is not unusual that Scrutiny Panels sign non-disclosure agreements. If indeed the Scrutiny Panel had agreed to allow their adviser to sign a non-disclosure agreement, as has happened in the past, then all the commercially sensitive data to which the Connétable is referring would have been passed some considerable time ago across to the adviser so they could undertake their work. The panel decided, for their own reasons, that it was not appropriate to do so, and

therefore the impasse that Members have witnessed has occurred. However, I do believe now there is progress and data has been passed to EY from S.o.J.D.C. and EY are assessing that data to see if it meets their requirements so that they can undertake the review which they had been tasked by the panel to do. We will continue to monitor the situation and do everything we can, as I have emphasised before, both in this Assembly and to the panel themselves at a public hearing, I fully support the Scrutiny process. It is necessary to have the suitable data but equally there are fiduciary obligations on the directors of the company and it is a difficult balance that we need to strike. This is a far wider issue, I might point out, that needs a proper code to be put in place between the Executive and Scrutiny to resolve issues of commercial confidentiality in the future. It is not just about this issue and this panel and this Minister. It is across the whole of the States. There are issues here that must be resolved for the future.

#### **5.5.6 Deputy J.A.N. Le Fondré:**

I would just note in response to that last comment that we understand that the nature of any N.D.A. would prohibit us from discussing in any detail any findings by our advisers with us. That causes the problem.

[10:30]

The question is that directly at the Minister for Treasury and Resources in respect of his department to run the company, is given that some of our later requests of the department are now some weeks old could the Minister undertake that all documentation outstanding within his department will be supplied to us by the end of this week?

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

If there is outstanding data not of a commercially sensitive nature, yes, of course. Otherwise I see no reason why the panel cannot have it. As far as I was aware there was nothing that was still outstanding other than what we have discussed this morning. As I said, we had 3 meetings in 3 days last week and the only items mentioned were the 3 the Deputy was referring to before of a commercially sensitive nature.

#### **Deputy J.A.N. Le Fondré:**

There are some outstanding issues within the department, for example, various minutes and other directions.

### **5.6 Deputy G.P. Southern of the Chief Minister regarding the impact of the finance sector on economic growth:**

We move from one set of experts, the I.M.F., to another, the O.E.C.D. (Organisation for Economic Co-operation and Development). Does the Chief Minister accept the conclusions of Catherine Mann, O.E.C.D. Chief Economist, that jurisdictions with bigger banking sectors suffer weaker growth and worse inequality, and what impact, if any, does her statement that: "There can be too much finance. When the finance sector is well developed ... further increases in its size usually slow long-term growth"? What effect does that have upon plans for growth in the Medium-Term Financial Plan?

#### **Senator I.J. Gorst (The Chief Minister):**

Could I ask my Assistant Minister with responsibility for financial services to answer this please?

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

I always address my questions to Ministers rather than Assistant Ministers. I do not understand why this is delegated.

**The Deputy Bailiff:**

Deputy Southern, Standing Orders provide that if you require a question to be answered by a specific Minister you have to say so at the time that the question is lodged.

**Senator P.F.C. Ozouf (Assistant Chief Minister - rapporteur):**

I am very grateful to be able to answer a question, and I take this opportunity to thank Members for all of their kind words in my recent illness. Members can see that I am hopefully back on reasonable form or at least getting there. So turning to the answer. I am pleased to answer this question because it is an important question. It is the third question being asked this morning that takes conclusions of a report from the O.E.C.D. or I.M.F. and seeks to extrapolate those reports to justify or at least criticise the actions of the Council of Ministers. Now this O.E.C.D. report, *Finance and Inclusive Growth*, which I have read, seeks to make observations about domestic financial services markets and how they are run, and particularly the functioning of the domestic credit markets and how those can impact on equality and long-term growth within those domestic economies. The questioner is seeking to link those observations, which are no doubt extremely good for domestic markets, to effectively what Jersey does in their exports service market, and the 2 things are completely different. The O.E.C.D. conclude that high levels of domestic personal credit and domestic corporate lending are ways that the finance sector might contribute to widening inequality. Well, that is probably right for a domestic economy but it has got nothing to do with the facts of what we could do in Jersey in terms of financial services. The only thing that is relevant is the report does say that the finance sector pays a high level of wages compared to other sectors. Therefore it would be right to say that that is true and that the personal tax collected from our financial export financial services market does maintain public services, helps to fund planned investment in health, education and infrastructure projects, and these go along to reduce inequality as opposed to the contrary.

**5.6.1 Deputy G.P. Southern:**

The Council of Ministers seem to be dependent on growth in the financial sector. Has the Chief Minister or his Assistant Minister any concrete evidence that the finance sector is out of recession and, if so, would further growth hold back recovery in other sectors?

**Senator P.F.C. Ozouf:**

You have allowed a supplementary question, Sir, but I am struggling to see how that relates to the original question because it is about a report from the O.E.C.D. If Deputy Southern is agreeing and now sees the error of linking observations and good observations by the O.E.C.D. about the functioning of domestic financial services credit markets and financial services then clearly we have achieved something. In terms of growth: yes, the Council of Ministers is absolutely determined to continue and to expand good quality export services of which financial services is one aspect of it, because doing that will increase incomes, give opportunities for a wider group of people to improve themselves, get social mobility and, more importantly, fund the very social investment that the Council of Ministers is so determined to do in terms of health investment, education and at least limiting the burden of taxation on providing those things. The Jersey model, as I discussed repeatedly in my recent trip at the World Economic Forum, is a model which many other people look up to.

**5.6.2 Deputy G.P. Southern:**

Would the Assistant Minister please try and address the question in the supplementary which is perfectly appropriate? Has the Assistant Minister any concrete evidence that the financial sector is growing?

**Senator P.F.C. Ozouf:**



The finance sector I think is clearly growing. The evidence of the recent Business Tendency Surveys indicate that there is an improvement in optimism in financial services. We are seeing the very debates that this Assembly has had in relation to new tenants seeking to consolidate their operations, take additional space, all of the work that I have been doing in recent weeks to growing the footprint of the financial services indicates that it is growing. But of course the world, as we are seeing last night with the Greek arrangements, continues to be on a precarious situation in terms of growth but the good news is of course we are not dependent increasingly on that European market because we are seeking to grow our international financial services and business and professional services in areas such as the Middle East, in the growing areas of Africa and in the Far East. So yes, we are seeing growth but we must work hard to continue to make sure it happens, and sending messages of non-confidence or saying that somehow we do not want a big export financial services and business and professional services market is going to be completely counteractive to the very issues that the Deputy is trying to do. He is shaking his head but I do not understand why.

### **5.6.3 Deputy M. Tadier:**

The issue that we have is that when we hear the Senator use the words like “clearly”, “absolutely” and “categorically” followed by a statement it turns out to be that those statements turn out not to be correct. So one can be forgiven for believing why, when he says that clearly the banking sector is growing and the evidence is that it is not growing, one has difficulty in knowing which premise to believe. So is the Senator basically saying that he bases his financial projections for the future for the industry on blind optimism insofar as if we want to grow the industry, for example, we can build an office block for finance and that will be sufficient and contribute and perhaps we could also do the same for tourism to build a hotel, and then S.o.J.D.C. build a hotel and then tourism will be okay? Or is it valid for us as parliamentarians to suggest that there is a decline in finance and it is for this Assembly to manage that decline into the future?

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

Point of order, I think that the Deputy almost strayed into casting aspersions on to the honesty of my answers in this Assembly. I would ask you to consider whether or not he should withdraw such a potential allegation or at least confirm that he was not saying that I simply do not tell this Assembly the truth.

### **The Deputy Bailiff:**

No, Senator, I was listening very carefully to the way the Deputy put his questions. I did not detect in those questions, although it may be felt that they sailed quite close to any suggestion that you deliberately misled the Assembly or mislead the Assembly in any way at all, and consequently I do not think there is anything to ask.

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

Thank you for that, I think that is very helpful. It certainly came very close to the wind. I am interested in growing the export services economy for the benefit of all Islanders. That is the responsibility that the Chief Minister has asked me to discharge, together with himself, in close working with other Ministers, Treasury and Economic Development. That is what we are doing. Indeed we are increasingly seeing that Jersey’s standing in terms of what we do in financial and professional services is held up as a model. For example, the Island’s approach in relation to central registries and regulating financial services business company providers is held up as a model to deal with many of the issues of tax evasion, corruption and other things around the world. That narrative which Jersey has, of which I was privileged to be able to explain to various audiences across Africa in recent weeks, was extremely well received by some pretty discerning individuals and I hope that that confident response to this African roadshow, which was held at the same time as the Middle Eastern roadshow, which is seeing good and profitable interest in Jersey

professional services, should give the Deputy some confidence that Ministers know what they are doing and are believed in terms of what we are doing. We are held in the highest regard by many international agencies and many international commenters, including the O.E.C.D. that think that we are doing a good thing and we do good services in many of the work that we do.

#### **5.6.4 Deputy M. Tadier:**

Ultimately I think it is all related. Given the fact that so much time and energy and financial resources are diverted to the financial services industry, and I am not saying that is wrong. It is a key and big industry. Is it not also correct that in times of austerity the higher earners and the most obvious beneficiaries in that sector who are in Jersey should also be asked to pay a little bit more income tax? So if they were earning 6 figure salaries and they are quite clearly benefiting when many others, including their own colleagues that are lower ranked, are struggling, is it not now the time to say: "You can afford to pay a bit more, we are going to increase the upper rate of income tax from 20 per cent to whatever is perhaps a more optimum figure.

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

There are lots of questions in that.

#### **The Deputy Bailiff:**

I actually think that question is not in order, Deputy. It relates to increases in income tax which I think has strayed a very considerable difference away.

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

There was one bit that I thought was relevant. There were 5 questions. Whether or not the focus on financial services was correct.

#### **The Deputy Bailiff:**

Very well.

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

What I would say to the Deputy is that growing ... we are increasingly a centre which is ... I think the word "finance" covers a multitude of activities increasingly. We are an export services centre. We are a service-based economy that is adding professional and business services in terms of what we do. That is underpinning mining, it is underpinning intellectual property, the increasing and growing tech centre; that is what it is about. So the Deputy's sort of stuck record in relation to observations that we are simply a finance centre, he needs to move on to represent what the real growth and the real inward investment that we are seeing in Jersey, which is so important to create income, which is going to solve the problems that he wants us to deal with, which is inequality. This question is about inequality. If we increase economic activity and economic growth in these areas, which is good economic growth, and well-regarded economic growth, then we are going to be able to deal with social mobility. He does not have and his colleagues do not have the monopoly on caring about social mobility and inequality. We all care about that and that is what we are trying to do. Also there is no austerity. Where is austerity? We are not cutting government expenditure, we are switching government expenditure from some aspects of inefficiency into areas that we are doing so that we do not have to put burden on taxation. That I think is what the Minister for Treasury and Resources, which I fully support, is trying to do.

#### **The Deputy Bailiff:**

Can I just remind Members that questions and answers must be succinct?

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

Does the Minister agree that economic growth figures for the past 2 decades, time and time again, have stayed rested ultimately close to zero over the 2 decades? Does the Assistant Minister have any new and innovative methods to ensure that at last, after 2 decades of efforts on behalf of Council of Ministers after Council of Ministers, and he has sat on many of them, to ensure that we get some growth in the economy at last rather than what we have had over the past 2 decades?

**Senator P.F.C. Ozouf:**

That is an excellent question because again I would encourage Deputy Southern and his colleagues to understand that economic growth numbers and G.D.P. and G.V.A. (gross value added) numbers, which are calculated for Jersey are not necessarily ... first of all if they go down then you have to understand why. Why have they gone down? They have gone down because interest rates are low and that is pulled down. The moment interest rates return to normality because of the scale of the financial services industry you are going to see economic growth go up. Is that going to solve some of the underlying pressures of public finances in terms of more income required to spend on the hospital? No, it is not. So we need to move away from the single binary suggestions that one figure matters. The figures that I look at are employment numbers and Business Confidence Survey. Those are the things that matter and is it not absolutely remarkable that at the end of a worldwide financial crisis where many I.F.C.s (International Financial Corporations) have come under huge pressure Jersey has a rising number of people engaged in business and professional and financial services compared to many other places that are falling, and Jersey has a rising area of expertise in this area and a rising population as opposed to a falling one.

[10:45]

Those are the figures that he needs to look at as opposed to broken record accusations of G.V.A. which he simply does not understand because G.V.A. has fallen because of interest rates.

**Deputy G.P. Southern:**

The question was and it has not been addressed ...

**The Deputy Bailiff:**

No, I have ...

**Deputy G.P. Southern:**

The question was does he have any new weapons?

**The Deputy Bailiff:**

Deputy, please ...

**Senator P.F.C. Ozouf:**

I said employment.

**The Deputy Bailiff:**

When I ask for a final supplementary and the answer is given that is the end of that question, once the answer is given.

**Deputy M. Tadier:**

On a point of order, not to do with that ruling, is it in order for the Senator to stand up and say that his colleague in the Assembly does not understand something or is that perhaps going over the line? He seems very touchy this morning.

**The Deputy Bailiff:**

I do not rule that observation necessarily as out of order. It has to be taken in context, I think.

### **5.7 Deputy S.Y. Mézec of the Minister for Treasury and Resources regarding the development of the Esplanade Quarter:**

Can the Minister, as the shareholder representative, advise whether it was the States of Jersey Development Company's understanding that the buildings should "be progressed on a fully-let basis in order to reduce the risk" as stated by the then Minister for Treasury and Resources on 4th February 2014, and if it was not, what did the S.o.J.D.C. believe his instructions to be?

#### **Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

The States of Jersey Development Company did not and do not believe that the building should be progressed on a fully-let basis. The position with regard to pre-lets is set out in P.73/2010, which is the proposition agreed by this Assembly that established S.o.J.D.C. to be our development company. Under the heading "Managing Risk" there is a subheading, "Sales", which states, and I quote: "If it is proposed that a specific development is undertaken directly by S.o.J.D.C. before committing to construction costs S.o.J.D.C. will have to secure a sufficient level of legally binding presales or pre-let to fund the costs of constructing the first phase of a scheme. This will remove part of the sales risk of a particular development project and will ensure that there will be no financial liabilities relative to a particular development's construction costs." That is the end of the quote. This does not say that S.o.J.D.C. must only proceed on a fully-let basis. S.o.J.D.C. has proceeded in accordance to its operating protocols set down in P.73, which was agreed by this Assembly. As I said last week, the minutes of the meeting did not record any specific instruction from the former Minister for Treasury and Resources.

#### **5.7.1 Deputy S.Y. Mézec:**

The Minister was quoting a document from 2010 and here we are talking about a statement from 2014. So were the S.o.J.D.C. operating at any point on the basis that buildings were to be progressed on a fully-let basis? If so, from when to when, how long, and if not why was this statement made at all?

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

We have covered this particular point time and time again. Since clearly I am not being clear enough I will try again. P.73/2010, under the proposition agreed by this Assembly, was an M.O.U. of which I have just read out a clear extract which makes it abundantly obvious that S.o.J.D.C. were operating on the basis of not the 200,000 square feet, which was historic and related to Harcourt, or fully-let basis of particular buildings. The only matter, and the Chief Minister has referred to it earlier this morning, is that at the time that the former Minister for Treasury and Resources made comments in this Assembly there was indeed a tenant that was likely to take one entire building, and in fact more than one entire building, but let me be absolutely clear, S.o.J.D.C. were operating under the M.O.U. and under the terms laid out that I have just read to this Assembly that they had to cover the construction costs of a particular building with a pre-let and that is exactly what they are doing.

#### **5.7.2 Deputy M. Tadier:**

Clearly it is not quite the case when the Minister refers to a document from 2010 which did not specify what sufficient pre-lets meant. There was no definition one way or the other and therefore the fully-let basis was not contrary to what was outlined in 2010. The difference is that subsequent to that the sole person who was responsible for S.o.J.D.C. and to be accountable to this Assembly stated that he was quite clear that S.o.J.D.C. should proceed on a fully-let basis, therefore sufficient

lets in his mind meant fully let. Can he confirm that S.o.J.D.C. understood that clear instruction is the question?

**Senator A.J.H. Maclean:**

I think I have made it clear that certainly with regard to the minutes of the meeting that was referred to there is nothing in those minutes that gives any indication of a clear instruction and certainly nothing that deviated from the position that was in place under P.73/2010. A moment ago the Deputy said that it was not clear what the level of pre-lets were. In fact it makes it absolutely explicit in the M.O.U., which I read out a moment ago, that S.o.J.D.C. will have to secure a sufficient level of legally binding presales or pre-lets to fund the cost of constructing the first phase of the scheme. That is going to be assessed and it has been assessed in the case of building number 4, the first one, by an independent valuation. That valuation has been undertaken by the institution providing the funding to S.o.J.D.C. S.o.J.D.C., of course, as our development company, and like any other development company, go to the market place to find funding to be able to start construction. That valuation confirms that the cost of construction of building 4 is covered as a result of the pre-let that is now in place, the legally binding agreement now in place.

**5.7.3 Deputy M. Tadier:**

This is not relevant. This is not to do with the 2010 document and the M.O.U.s and the interpretation of S.o.J.D.C. This is about a statement given in this Assembly in good faith which should have all those codes of practice surrounding it where it was told that S.o.J.D.C., you have to only proceed on a fully-let basis. They either understood that instruction or they did not. If they did not understand that instruction then they are not doing their job or the communication has broken down. Either way it is the job of the Minister for Treasury and Resources, whether the previous one or the current one, to come back to this Assembly and tell us when the understanding changes so can he state: does he stand by his former statement that his predecessor was mistaken or is it now the case in the revised or well in history that we are receiving this morning that the Minister was correct and that S.o.J.D.C. were the ones in the wrong? Because it has to be an either/or.

**Senator A.J.H. Maclean:**

My predecessor made some comments in this Assembly which have been pulled over for some considerable time and in part have been taken out of context. But notwithstanding that fact and all the surrounding information that was part of the answer given by the Chief Minister this morning, the fact of the matter is that S.o.J.D.C. were under and are under no obligation and no illusion other than that which was laid out under that proposition P.73 and the M.O.U. I do not think I need to go through that again. It has been clearly stated and that position has not changed and is not changing.

**5.7.4 Deputy G.P. Southern:**

Once again I have to draw attention to the words of the M.O.U. which suggested that the level of pre-lets should have been sufficient to cover the cost of the building and not what actually happened was a level of pre-lets sufficient to take out a bank loan. The 2 are different, are they not?

**Senator A.J.H. Maclean:**

Yes, of course they are different and, in fact, let me be clear about this point as well. The borrowing from S.o.J.D.C. for the construction of building number 4, that is the first building which has the pre-let in place, that borrowing covers the construction of the building in total. The value of the building far exceeds in fact the construction of that building and that has been independently verified by valuers for the bank that are providing that funding.

### **5.7.5 Deputy S.M. Brée:**

I would hasten to try and correct the Minister but the lender's valuation is based on the ability of the borrower to service the loan. It is not, and neither would any lender do this ever, it is not about verifying that the borrower can meet a condition imposed on it by this Assembly. The 2 are totally divorced from one another. The bank is looking at risk. This Assembly is also looking at risk but a different type of risk. The Minister has also made mention that - the question I have is the Minister has made mention many times about the conditions in P.73 and M.O.U. having been met but he has already stated today that he undertook no due diligence or independent verification. Can he please confirm what he is basing his statement that the conditions have been met?

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

I think the Deputy knows the answer to that question, we have already covered it. He is right, it is about assessing risk. Both the bank and indeed the company and those responsible for the company, both the directors under their responsibilities, under Companies Law, and of course the Board of Directors, all have responsibilities. In terms of assessing whether the obligations have been met in terms of the pre-lets for this particular building, that was undertaken by the lending institution. Yes, it is not just about servicing the debt, it is also the value of the building and the valuation has come out in excess of the construction costs of the building, and that is based purely on one pre-let agreement that is in place. Indeed one fully expects the building will be fully let and of course on that basis the value therefore increases still further.

### **Deputy J.A.N. Le Fondré:**

Point of clarification, Sir? Only from the last speaker. The speaker made a comment that the valuation is based purely on the value of the pre-lets ...

### **The Deputy Bailiff:**

Sorry, Deputy, if I call on you to ask a question during question time you can ask a question but it is not a question of asking for a point of clarification. This is not a speech. This is answer and questions.

### **Deputy J.A.N. Le Fondré:**

It is just I think the Minister may have inadvertently ...

### **The Deputy Bailiff:**

I am afraid we are running out of time that can be allocated to this question, so I call on Deputy Mézec for a final supplementary.

### **Deputy S.Y. Mézec:**

No further questions.

### **The Deputy Bailiff:**

I think question 8 has been withdrawn, Deputy Tadier, am I correct?

### **Deputy M. Tadier:**

That is right, Sir.

## **6. Questions to Ministers without notice - The Minister for Home Affairs**

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

It was referred to earlier today that Andium Homes as an incorporated body no longer has the power to enforce properly its parking regulations on particular sites. It was said that the Airport and the Ports authority, which is due to be incorporated, will have the same problem. What proposals does the Minister have under consideration to solve these particular issues for incorporated bodies?

**Deputy K.L. Moore of St. Peter (The Minister for Home Affairs):**

Sorry, could the Deputy repeat his question? I am not quite sure of the relevance to my department.

**Deputy G.P. Southern:**

I understand that the towing away of vehicles and the enforcement of fines is something that traditionally the Home Affairs Department has taken under its brief in the past. If not, then the question is not relevant, but the question is: when we are developing incorporated bodies like Andium Homes and the Airports and Ports authority, what remit has anybody, but certainly Home Affairs, to regulate those particular activities in terms of parking?

**The Deputy Bailiff:**

Are you able to answer that question, Minister?

**The Deputy of St. Peter:**

I think so. I would assume that it would become private land and in that instance the onus would be upon the owner of the land to organise the parking restrictions. As the Deputy is well aware, at the moment this is an area that is under some consultation. We have been reviewing current regulations and at the moment we have requested expert legal opinion from the RAC and from a Q.C. (Queen's Counsel) and we are waiting for their responses.

**6.2 Deputy R.J. Renouf of St. Ouen:**

Is the Minister planning to bring proposals to assist the resettlement of offenders after having left prison and served their sentence and thereby help reduce the rate of reoffending?

**The Deputy of St. Peter:**

At the moment there are procedures in place to give offenders assistance in resettlement through a number of different organisations and this culminates in an event called the Workplace, I believe, which has happened recently in the prison whereby different bodies can attend at the prison, meet with offenders and help to develop relationships.

[11:00]

I am talking about bodies such as Freedom for Life Ministries and other bodies who can help with accommodation and access to work.

**6.3 Connétable J. Gallichan of St. Mary:**

Does the Minister have any update regarding discussions for on-the-spot fines introduction, please?

**The Deputy of St. Peter:**

I am grateful for the question and I thank the Connétable. Last month, my Assistant Minister, the Connétable of St. Lawrence, and I went to the City of London Police to find out about their mobile data investigations. They are looking at introducing mobile data to assist police officers in their work and we thought it would be interesting to find out what stage they are at. So we have gained some information from them as have officers from States of Jersey Police and we are giving some consideration to how we can make progress ourselves, but that will not progress much further before we attend upon the Comité des Connétables to assess their views on the issue.

#### **6.4 Deputy K.C. Lewis:**

Further to news that Jersey has more people addicted to drugs per head of population than the U.K. (United Kingdom), what action is the Minister taking in relation to this and especially in relation to the so-called legal highs? I am aware that this is a multi-agency problem.

#### **The Deputy of St. Peter:**

The questioner is absolutely right, it is a multi-agency issue and something that we are working with our colleagues at Health in order to tackle many aspects of the findings of that report. The police do take very seriously drugs offences and you will note the recent seizure of £1.2 million worth of drugs that occurred just this week, which was a significant success for the force in preventing drugs from reaching the streets.

#### **6.4.1 Deputy J.A.N. Le Fondré:**

When wheel clamping was abolished, the Minister for Home Affairs undertook to introduce an alternative under law to allow private landowners to be able to enforce parking restrictions on their land. From memory, that was a good 2 years ago. When are we going to see that alternative?

#### **The Deputy of St. Peter:**

Yes, I did refer to that piece of work in my first question from Deputy Southern that we are still awaiting some legal advice.

#### **Deputy J.A.N. Le Fondré:**

Do we have any indication of the timeframe?

#### **The Deputy of St. Peter:**

Currently I do not. I believe it is being chased up.

#### **6.5 Deputy M. Tadier:**

It is in the same vein. Interestingly, we already have on-the-spot fines in Jersey. We have a car parking control company operating and giving on-the-spot fines to people which are not legally enforceable and which is backed up by the D.V.S. (Driver and Vehicle Standards) Department, who give data to the company to find out who the individuals are doing that, but it seems we cannot do that with the police force or with the honoraries. So there is some disconnect going on. Does the Minister for Home Affairs believe that it is a completely unsatisfactory situation to have this kind of company operating, if you like, by chance because it is not legally enforceable, just as a deterrent we have heard from another Minister? Is this the Government policy that we can have no law to back it up but we can have companies operating as deterrents? Is this something that can be resolved by her department?

#### **The Deputy of St. Peter:**

I believe this is exactly why we are conducting this research at the moment to try and resolve the problem.

#### **6.5.1 Deputy M. Tadier:**

The supplementary is would it not be better to tell this particular car parking control company and those similar to them that they must stop operating immediately until there is a legal basis in place?

#### **The Deputy of St. Peter:**

I do not think it would be sensible if I were to give a direct answer to that question at this point. I would need to take some consideration.



**The Deputy Bailiff:**

I also do not think it is a matter for this Minister, in fact, Deputy.

**6.6 Deputy S.Y. Mézec:**

Would the Minister inform the Assembly how overtime in the police force has been affected given the department's decision not to recruit more police officers when vacancies have arisen?

**The Deputy of St. Peter:**

I have a great deal of statistics and facts at my fingertips here, but over time within the police force is not one that I have. I can certainly endeavour to find that information and provide it to the Deputy.

**6.7 Deputy R. Labey:**

Does the Minister regard the purchase of BMWs last year for the force as value for money and why were the services of fleet management not employed for these transactions?

**The Deputy of St. Peter:**

This is a question that we have gone into some depth to answer and I am satisfied that the police, in fact, did receive value for money on this purchase. They did not use fleet service management, much to the dismay of our Minister for Transport and Technical Services who asked this question some time ago. The reason was because BMW supply cars to many police forces throughout the world and particularly the U.K. and we were able to use a particular deal that was being made available to other police forces. So we bought them for exceptionally good value and they were already fitted for the purposes of the police force.

**6.8 Deputy L.M.C. Doublet of St. Saviour:**

Can the Minister see any scope for moving registration of births into children's centres as recommended in the 1,001 Days document, which we have signed up to, in order to get near to 100 per cent contact with all families in the system of the children's centres at the earliest stage possible?

**The Deputy of St. Peter:**

Sorry, I think I missed the beginning of the question.

**Deputy L.M.C. Doublet:**

Can the Minister see any scope for moving registration of births into children and family centres?

**The Deputy of St. Peter:**

Apologies for not hearing that. It is something that we are considering and looking into. It is an interesting and valid question.

**6.9 Deputy G.P. Southern:**

Are the figures underlying the purchase of vehicles for the police - which have satisfied the Minister - in the public domain and, if so, will the Minister point Members at a reference to them? If they are not in the public domain, will she agree to put them in the public domain?

**The Deputy of St. Peter:**

I am sure the police will be delighted to prove their good bookkeeping.

**6.10 Deputy M. Tadier:**

I am sure that the Minister shares my desire to see less drug dependency, a reduction in harm caused by drugs and combating organised drug crime globally. In that vein, is her department keeping an eye on countries which have perhaps adopted decriminalisation or regulation of certain types of drugs to see what the outcomes are, social outcomes, in those jurisdictions?

**The Deputy of St. Peter:**

I believe the Deputy is referring to some states of America where there has been some decriminalisation and that is ...

**Deputy M. Tadier:**

Not exclusively, but those are some.

**The Deputy of St. Peter:**

Not exclusively. It is a subject that is often looked at and observed from our perspective but I think at the moment the initial important facts are that we work with Health and Social Services and also that the work is carried out regarding the new psychoactive substances and changing the law in relation to the compounds of those substances so that they are all made illegal.

**6.10.1 Deputy M. Tadier:**

A supplementary: has any thought been given to the fact that psychoactive substances are being used more and more in proliferation because Jersey is so successful at stopping other drugs coming in that perhaps people seek to use these substances, which are arguably even more dangerous and certainly more unknown?

**The Deputy of St. Peter:**

Well, it is for that reason that the consideration is being given to changing the law and the police are very well experienced in dealing with people who are under the influence of new psychoactive substances. I think the effects are, indeed, very distressing on the individuals who have taken those drugs. Customs and Immigration also take this very seriously and officers are regularly in post at Jersey Post early in the morning checking parcels. Indeed, they have been very successful in seeking and stopping those parcels from arriving into the Island.

## **7. Questions to Ministers without notice - The Chief Minister**

**7.1 Deputy C.F. Labey of Grouville:**

Does the Chief Minister's Minister for Planning and Environment enjoy the full backing of the collective responsibility of his Council of Ministers in appealing the Royal Court decision against the development of Keppel Tower, Grouville, or is his Minister pursuing the appeal on his own initiative?

**Senator I.J. Gorst (The Chief Minister):**

That is a very good question out of the gate. I am not aware that it has been discussed at the Council of Ministers, but I have no doubt that the Minister has taken full and appropriate advice and will in due course update the Council of Ministers on his actions.

**7.1.1 The Deputy of Grouville:**

A supplementary: would it not be more favourable to the taxpayer, let alone a senior citizen being persecuted by this action, to bring forward an amendment to the Island Plan, although maybe this action would be less favourable to the developer?

**Senator I.J. Gorst:**

As I said, it is not an issue which I have discussed with the Minister, but I have no doubt that should the Deputy wish to ask that question of the Minister that he will consider it along with the other advice that I expect he will have received prior to following the course of action that has been given some publicity recently.

### **7.2 Deputy R. Labey:**

The Chief Minister will be aware of my attempts over several weeks to establish why Jersey's competition regulator has failed to oblige J.T. (Jersey Telecom) to introduce wholesale rental on broadband, on multiple fixed lines, and also number portability. The former Minister for Economic Development and now J.T., sole shareholder as Minister for Treasury and Resources referred me to the current Minister for Economic Development, who referred me to the Assistant Chief Minister, who I can only ask questions of via the Chief Minister, so my question is this. **[Laughter]** Is this joined-up government or is it an attempt to delay and to protect the monopoly of J.T. contrary to stated policy?

### **Senator I.J. Gorst:**

No, it is not and there is always a balance which needs to be struck in this regard. I think that all Ministers accept that the current balance is not the appropriate one. While we might want to extract the greatest possible value that we can out of the shareholding of Jersey Telecom, there is the broader competitive element which needs to be considered and the cost and speed of connectivity, and that is why my Assistant Minister is currently undertaking a review to consider these issues. I do not know what date that that review is going to be available, but it is the appropriate course of action because we think that there needs to be rebalancing in that equation.

### **7.3 Deputy K.C. Lewis:**

Will the Chief Minister use his influence to unblock the impasse we have at the moment between S.o.J.D.C., Treasury and the Scrutiny Panel? At the moment, we cannot finish our report until we have full and unfettered access to all the information. At the moment, it is something we have not seen is better or worse than something else we have not seen. We must have full access to this information and free, unfettered access to our consultants, Ernst & Young. Will the Chief Minister use his influence to unblock this impasse?

### **Senator I.J. Gorst:**

I understand the difficulties that the Scrutiny Panel are experiencing and I also understand the difficulties that the Minister for Treasury and Resources has and the need for commercial confidentiality that the organisation that we have set up to undertake this development has as well, particularly when it comes to third parties. The Deputy knows that my influence, much as it is, is already being brought to bear and I hope that the current course of action is going to alleviate the impasse that we have. But we will not know that until we hear back from EY whether that is the case or not. One of my officers has been working not quite full time on trying to deliver information to the Scrutiny Panel and support them in the best way that we can. I of course personally met with them, or they came to see me, shall I put it like that, last Wednesday as the States rose early.

[11:15]

### **7.4 Deputy L.M.C. Doublet:**

Could the Chief Minister please provide a further update on the progress of the early years taskforce given that a lead person has now been appointed, including timescales and some specific priorities?

### **Senator I.J. Gorst:**

Yes, I do not have those with me this morning but I will endeavour to do so because I understand that good progress is now being made and that one of the areas that needs to be considered is exactly the question that the Deputy asked of the Minister for Home Affairs earlier.

#### **7.4.1 Deputy L.M.C. Doublet:**

A supplementary: in order to facilitate the work of the early years taskforce, has the Chief Minister given any further thought to the creation of a Minister for Children given that his answer, when questioned by Deputy Hilton in February of this year, was that he had been a supporter of this idea in the past and there may be a realistic opportunity for making it happen?

#### **Senator I.J. Gorst:**

I have not given it any further consideration. It would be unfair for me to say that we have. I still support that option but, as the Deputy knows, Ministers have been extremely busy with preparing for the M.T.F.P. and we are in due course going to see a number of changes during the course not only of 2016 but 2017, 2018 and 2019. Therein I think lies the opportunity to rationalise and perhaps create such a post.

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

What new measures or methods does the Chief Minister have in his second term of office, as distinct from his first term of office, to promote economic growth, which remains stubbornly close to zero net growth over the past decade?

#### **Senator I.J. Gorst:**

We are going to continue the policies that we brought into force at the end of the last Government. When we look at the labour market survey we see that those policies are working. I can reiterate the words of the Assistant Chief Minister earlier: we know why G.V.A. has remained difficult to shift because of the basis of our economy historically on banking and the interest rates and the stubbornness of moving those, although the latest advice is that they might move perhaps a little bit sooner than we at first thought. But we continue to promote all sectors of our economy. The new Minister for Economic Development is delivering a changed Visit Jersey. We are seeing visitor numbers in that sector grow and we need to ensure that we have profitability in that sector increased and productivity increased. That means using full occupancy of the facilities already available, but there are many, many streams to that work because we recognise that it is fundamentally important to each Islander's future.

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

Is the Chief Minister content that one of the signals of economic growth, i.e. the number of jobs, over half the new jobs created in the past year have been zero hours and presumably low pay jobs?

#### **Senator I.J. Gorst:**

The honest answer is no, I am not. But if we look at the sectors where those jobs have been created, that gives us the challenges that I spoke about in questions on notice earlier about the balance of supporting businesses to increase their productivity, the work I was just talking about that Senator Farnham is doing particularly in the tourism sector, to improve their margins so that over time they can create permanent jobs and we can see an increase in the minimum wage. But it has to be a balance because what we do not want to do is tip in the opposite direction so that people are put out of work. If we look I think in the financial services sector the increase in zero hours contracts in that particular sector was miniscule. It is elsewhere in the economy that we have the issues that need to be addressed.

#### **7.6 The Deputy of St. Ouen:**

Would the Chief Minister advise the Assembly what is the timetable for lodging a proposition relating to the new hospital?

**Senator I.J. Gorst:**

It is all the difficult questions this morning. Again, I do not know from conversation with the Minister for Health and Social Services exactly what that timetable will be. I know that that is unsatisfactory for the chairman of the Scrutiny Panel, but there is the issue of site selection and there is the issue of cost and how we are going to pay for it. Those 2 issues do need to be considered together and there is no easy answer to either of those questions. That is why it is taking much longer than any of us would like.

**7.7 Deputy M.J. Norton of St. Brelade:**

I noticed with interest in the media recently that there is a non-co-operative jurisdiction blacklist called the E.U. (European Union) blacklist, which is out currently, in which Guernsey is on and Jersey is not. I wonder if the Chief Minister would care to comment on that, please.

**Senator I.J. Gorst:**

Yes, it is a difficult question. The Chief Minister of Guernsey and myself recently met with the E.U. Commissioner of Tax and at our meeting he said he very much welcomed the active engagement of the Channel Islands in the key initiatives involved in the fight against tax evasion, fraud and abusive tax avoidance, in which we are important partners of the E.U. Therefore, it is difficult for us to understand why such a consolidated list, which is what it is, can have been produced when it is not based on the international standard set out by the O.E.C.D. Global Forum. The O.E.C.D. and the Global Forum have written to the E.U. in the following way. They say: "We would like to confirm that the only agreeable assessment of countries as regards their co-operation is made by the Global Forum, but a number of countries identified in the E.U. exercise are either fully or largely compliant and have committed to automatic exchange of information, sometimes as early adopters as Jersey and Guernsey have done." Therefore, they say: "Without prejudice to a country's sovereign position, we are happy to confirm that these jurisdictions are co-operative [which seems to run counter to the E.U. comments] and we would like to commend the tremendous progress made over the past years as well as the co-operation and integrity of the global forum process." Guernsey, Jersey and the Isle of Man are part of that process. I would also like to support the work that Her Majesty's Government in the U.K. have done in lobbying on behalf of Guernsey to make sure that the position is clearly understood in the E.U. that Guernsey is a co-operative jurisdiction as Jersey is and that it should not be for the E.U. or for Member States thereon to have arbitrary lists of black lists when indications to some of those jurisdictions, ourselves included, have been to the contrary and that we would be removed because we are compliant with the requirements for automatic exchange of information and we are exchanging that information.

**7.8 Deputy S.Y. Mézec:**

One policy that both the Chief Minister and I share is the view that more classes of social security contributions should be introduced for the self-employed. Could I ask the Chief Minister to update the Assembly on what progress is being made with this and when he believes it will come to fruition?

**Senator I.J. Gorst:**

It seems that this morning I am being asked to step on the toes of all Ministers in this Assembly and these questions would be far better addressed to those Ministers rather than the Chief Minister, but there we are. The Deputy knows that the actuarial valuation recently published - I think it was last year; I lose track of days - suggested that over the medium term we needed to consider how we

would continue to fund pensions into the future. We have the Social Security Reserve Fund, which we know has been set up to smooth out the need to raise contributions and make the funds sustainable into the future and at the same time we need to consider other classes. That work, as I understand it, is going to take place ... and I am just forgetting because I mentioned it in a meeting yesterday. I am not sure whether it is later this year or next year. I think it is probably next year.

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

Is the Chief Minister aware that the Minister for Treasury and Resources has just circulated a major piece of communication tonight about the potential purchase of J.T. when many Members of this Assembly were at a meeting last night of J.T., the annual general meeting of J.T., at which the Minister, although he was there, made no mention at all of the potential sale of J.T. at that meeting? Is it not a bit inappropriate that he should be announcing it today rather than last night?

### **Senator I.J. Gorst:**

Absolutely not. This is an important approach which has been made. Staff in both the organisation which made the approach and J.T. needed to be informed. As I understand it, they will be informed as the Minister rises to make this statement. I know the Deputy does not always agree when I give answers, but it is appropriate that the Minister makes such an important statement in this Assembly so that he can be appropriately questioned and held to account [**Approbation**] by this Assembly. Therefore, I fully support the Minister in making the statement openly in this Assembly and not in a private briefing where not all Members were able to attend last night. [**Approbation**] I just wish that timing was such that we could do it more frequently like this.

### **The Deputy Bailiff:**

If there are no further questions for the Chief Minister, then that brings this question period to an end. There are no matters under J. Under K, there are 2 statements to be made. The first is a statement by the Minister for Treasury and Resources concerning the States of Jersey Development Company.

## **STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY**

### **8. The Minister for Treasury and Resources - statement regarding the States of Jersey Development Company**

#### **8.1 Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

The Minister for Treasury and Resources has on behalf of the States the responsibility for the public shareholding in S.o.J.D.C. In that capacity, I would like to inform Members that the chairman of the States of Jersey Development Company is retiring with effect from 30th June 2015. Mr. Mark Boleat has provided notice of his intention to retire but agreed to be flexible on his retirement date to fit in with the company business. He made it clear that he would not wish to retire until a pre-let had been secured on the Jersey International Finance Centre, something that has now been achieved. Mr. Boleat has been offered and has accepted a position on PwC's United Kingdom Advisory Board. However, he could not take up the position while he was chairman of a company, S.o.J.D.C., that PwC audits. He had initially been offered the position in the autumn of last year but declined it at the time as he wished to see S.o.J.D.C. through to commencing work on the Jersey International Finance Centre and the former J.C.G. (Jersey College for Girls) site. I would like to publicly thank Mr. Boleat for guiding the business of the Jersey Development Company since its inception in July 2011, initially stepping in at the last minute to fill the chairman's position on a temporary basis. His vast business experience has been instrumental in advancing the various projects that the Jersey Development Company is responsible for. He leaves

the company in a sound position and with a positive future. The process to secure a replacement is under way and I hope to be recommending a candidate to the States in September.

**The Deputy Bailiff:**

Thank you, Minister. There is now a period of 15 minutes available to Members to ask the Minister questions arising out of the statement. If there are no questions for this Minister, then that brings us on to the following statement, which is again by the Minister for Treasury and Resources concerning J.T.

**9. The Minister for Treasury and Resources - statement concerning Jersey Telecom**

**9.1 Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

The Minister for Treasury and Resources has on behalf of the States the responsibility for the public shareholding in J.T. It is in that capacity that I would like to inform Members of an important development for the business which could, if agreed, result in changes to the future ownership structure. I can confirm that an unsolicited written offer has been received addressed to the Minister for Treasury and Resources and the J.T. board. The offer is from the ultimate owner of the Airtel business in the Channel Islands, Mr. Sunil Bharti Mittal. Mr. Mittal is the owner of Bharti Airtel, an Indian multinational telecommunications company that operates in 20 countries. The offer sets out a proposal to (a) merge J.T. and Airtel in Jersey and Guernsey in return for a percentage ownership in the combined business; and (b) to purchase an additional holding in the merged entity. This would mean the States retaining just under 75 per cent of the shares. The strategic minority interest would amount to 25 per cent plus one share of the merged business. I recently met Mr. Mittal at his request and I am satisfied that his offer is intended to develop and grow the J.T. business and build on his long-term commitment to Jersey.

[11:30]

Having considered the offer, the board of J.T. has confirmed that it views the offer as worthy of very serious consideration. Its reasoning for such a positive response to the significant challenges relating to scale that it faces in the market is the access to wider sales channels and the opportunity to properly leverage the significant international capability of the Airtel business and its owners to grow J.T. and deliver greater value for consumers and Islanders. Clearly, this initial offer is subject to further detailed evaluation. Consideration of such an offer raises important questions on the most appropriate ownership structure for J.T. in order to balance the need for financial returns with the need to continue to meet strategic objectives in telecoms, facilitate future investment in the infrastructure, and protect the interests of consumers. The Comptroller and Auditor General in a report dated 24th July 2014 about the States as a shareholder in J.T. has already raised the issue of whether the States should continue to own J.T. in whole or in part. Any significant changes in ownership, especially resulting in consolidation in the Jersey telecoms market, would require the approval of C.I.C.R.A. (Channel Islands Competition and Regulatory Authorities) under the terms of the Competition (Jersey) Law 2005 and provisions contained in the licences of J.T. and Airtel. The Treasury is now working on a firmer timeframe that will allow a full and detailed evaluation of the commercial and strategic aspects of this offer. This will involve working across government with colleagues from the Council of Ministers, in particular the Chief Minister and the Minister for Economic Development. We will complete this work in a timely manner and I will update Members when we have a firmer indication of likely timescales. I have briefed the chair of the Corporate Services Scrutiny Panel and will keep him and his panel regularly updated on progress and development on what is clearly an interesting offer from a leading international telecoms operator. All parties realise the importance of keeping staff and customers of both companies fully informed. Accordingly, J.T. employees are being briefed by J.T. directors as I speak and I understand Mr. Mittal will be briefing Airtel staff at the same time. I know both employees and

customers of J.T. and Airtel will want a thorough, professional and comprehensive evaluation of the offer made leading to a swift and clear conclusion. I can also confirm that to accept this offer or any decision to change the future ownership structure of J.T. would require a decision of this Assembly.

**The Deputy Bailiff:**

Thank you, Minister. There now follows a period of 15 minutes within which Members can ask questions of the Minister arising out of this statement.

**9.1.1 Deputy G.P. Southern:**

At the briefing held by J.T. last night, it was pointed out that increasing amounts of the profits made by J.T. were being made in the rest of the world. I think it is something of the order of 51 per cent of profits now made in the rest of the world. To what extent will Airtel subsidiaries enable the diversion of tax revenues which are coming to us currently as sole owner ... what potential is there for diversion of those tax revenues being diverted elsewhere in the world because of some form of structure that is adopted by the new company, thereby taking away our monopoly on that tax structure?

**Senator A.J.H. Maclean:**

It is a very important question the Deputy raises. In fact, at the presentation last night which was undertaken by J.T. with regard to its results from 2014, the directors made it clear that, yes, 51 per cent or so of profits are now generated from outside of Jersey. The majority of that return that comes from those businesses is invested back into Jersey. What I can say to the Deputy ... and Members will appreciate this is very early stages of an offer that has been received, notification to Members of that offer, but the process has to be undertaken, the due diligence and suchlike. All I can say is that having met Mr. Mittal, who has had a relationship with Jersey since the mid-1990s, had considerable investments here in the Island, has had a considerable investment that he has already made in the Airtel business across the Channel Islands, his commitment is to grow the business, and without doubt certainly the initial offer that has been presented and the words that he has given to me in our initial meeting indicates that that will generate value and revenue and benefits locally as well as securing the longer term future of the J.T. business by giving it access to the considerable economies of scale through an international network that is part of the Bharti Airtel Group.

**9.1.2 Deputy G.P. Southern:**

Will the Minister bear in mind the commitment of J.T. historically and at present to local training at all levels within the company and be aware that if those positions were to be outsourced to a wider Airtel Group elsewhere that that would cause difficulties or might cause difficulties for our skill base on the Island?

**Senator A.J.H. Maclean:**

Another good question from the Deputy. I think this represents tremendous opportunities. To answer his question in short, yes, of course, and we do see with inward investment more generally that it generates opportunities for employment locally within the local economy. But excitingly, I would suggest, if this were to go ahead - and as I am at pains to point out, this is the first step of a journey - then, of course, opportunities for those working within J.T. locally to work within the international group clearly must be there. So from a job progression perspective I think potentially it could be a very exciting opportunity for employees.

**9.1.3 The Connétable of St. John:**



Does the Minister agree with me that this is fantastic news and it is giving Jersey businesses access and better access through a large international telecoms company that should benefit businesses, especially the finance industry, on the Island?

**Senator A.J.H. Maclean:**

Yes, potentially, of course, I do. I think it is a very interesting offer that we have received with many benefits, but clearly it has to be properly evaluated. This is only the first step. There is a great deal of due diligence to be undertaken and that work is only just about to begin. But at face value, which is why I am making the statement today to Members, certainly it is the view of the J.T. board, and I support this view, that this represents a very interesting opportunity potentially for J.T. and for the Island as well.

**9.1.4 Deputy K.C. Lewis:**

I am aware it is very early days yet, but is the Minister anticipating a name change or an addition to the Jersey Telecom name?

**Senator A.J.H. Maclean:**

I am not but again, as the Deputy points out, it is very early days and those sorts of details are yet to be discussed.

**9.1.5 Deputy G.P. Southern:**

On a different and perhaps more philosophical point, is it not the case that this particular company, which is already in Jersey but unable to compete I think on a level playing field because of the lack of powers of C.I.C.R.A. ... as you say, this has to come before C.I.C.R.A. in terms of a reduction in the number of operators. Is it not the case that in the absence of sufficient powers of C.I.C.R.A. a level playing field has not been able to be created and this is an alternative to take over your dominant player in the field rather than compete and it does reduce competition?

**Senator A.J.H. Maclean:**

Yes, the whole issue around competition, and I made the point, was that this is a matter for C.I.C.R.A. to obviously consider, but more generally the matter around the number of licences, the 4 licences, the 3 that are in occupation at the moment, there is a question mark and I think the Comptroller and Auditor General was in a different way also alluding to the structure of the market as well. But yes, that is a matter that does need to be given some consideration. If indeed this were to go ahead and if indeed, therefore, there were 2 leading operators in the Island, then the role of the competition authority would be even greater. To ensure that the appropriate powers are in place to protect consumers, other operators and suchlike is absolutely paramount.

**9.1.6 Deputy G.P. Southern:**

If I may, does the Minister accept that it would become more paramount, if that is possible, if we were to reduce the number of operators?

**Senator A.J.H. Maclean:**

Yes, I would and as a part of the consideration of the telecoms market generally, the Minister or Assistant Minister with responsibility specifically for the competition authority, Senator Ozouf, is about to undertake a review of that area and as such will feed into this particular consideration.

**9.1.7 Deputy R. Labey:**

It might just have been answered. I was going to ask for clarity on the timescale here, the timeline here, and how the current review into wholesale rental, *et cetera*, will affect this deal. Will it prolong it or can it be done without it? Is it a deal breaker?

**Senator A.J.H. Maclean:**

No, it is not but in terms of the timeframe I said in my opening remarks that I would come back to the Assembly and advise Members exactly what the timeframe is going to be. This is, as I have said several times, a very early stage. What we do need to do, though, without any shadow of doubt, we have received an offer; it is essential that we consider it in a timely fashion both for the employees on all sides but also to ensure that we maximise the opportunity as it exists. As I have said, I will come back to Members to update the timeframe but this is going to be dealt with in a timely manner.

**9.1.8 Deputy G.P. Southern:**

One of the things that was mentioned at the meeting last night was that the big boys often pass on their costs to the smaller operators in that, for example, a company was quoted as saying: “We have just been made to reduce our charges in the European market. You are not Europe so, therefore, we are going to put up your rates.” To what extent is that a risk and will the Minister be aware of the potential for using Jersey, as a small operator still, for a place where profits are maintained and the customer comes second and them first.

**Senator A.J.H. Maclean:**

I think the point that the Deputy is making; there are some issues for J.T. as a small operator in the global sphere and, as such, Members and members of the public will be aware of the costs associated with roaming charges and such like. J.T. have worked hard to find, if I can put it this way, work-arounds to assist consumers from those sometimes very high charges that they are disadvantaged by. I would suggest that, should this particular deal go ahead and give access to the international family of Bharti Airtel, then that would open up opportunities for better value for consumers as the buying power would be significantly greater and economies of scale would potentially be to the significant advantage of local consumers. But that is a matter which will come out as part of the consideration of this offer.

**9.1.9 Deputy R. Labey:**

Does the Minister agree that if the Airtel merger with J.T. was to go ahead then consideration might have to be given to a replacement third operator?

**Senator A.J.H. Maclean:**

I think it is the market that ultimately will dictate whether a third operator is going to be beneficial, and, indeed, viable for that matter. One could come to the conclusion that the reason that this offer has come about is because having the 3 operators is perhaps not viable. If we do reduce to 2 operators, then there is a very, very relevant, and Deputy Southern was alluding to this, role for the regulator to undertake and, ensuring the regulator does that job properly and is resourced accordingly, is going to be critically important to ensure that there is a proper functioning and cost-effective marketplace.

**PUBLIC BUSINESS**

**10. States of Jersey Development Company: re-appointment of Non-Executive Director (P.45/2015)**

**The Deputy Bailiff:**

Well, questions for the Minister, then we come on to Public Business. The first item of Public Business is the proposition lodged by the Minister for Treasury and Resources entitled the States of

Jersey Development Company Limited: re-appointment of Non-Executive Director, P.45/2015, and I ask the Greffier to read the proposition.

**The Greffier of the States:**

The States are asked to decide whether they are of opinion - (a) to re-appoint Mr. Paul Masterton as a Non-Executive Director of the States of Jersey Development Company Limited, for a period of 3 years, in accordance with the Memorandum and Articles of Association, to take effect from the delivery to the company of the notice referred to in paragraph (b) below; (b) to authorise the Greffier of the States for and on behalf of the States to deliver a notice to the States of Jersey Development Company Limited, in accordance with Article 21(b) of the Memorandum and Articles of Association, to give effect to the appointment.

[11:45]

**10.1 Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

I am seeking Members' approval for the re-appointment of Mr. Paul Masterton to the board of the States of Jersey Development Company. The board consists of 7 members: 2 executive directors and 5 non-executive directors. Mr. Masterton was first appointed on 12th July 2012 for a term of 3 years, and I am seeking his re-appointment for a further 3-year period, to expire on 11th July 2018. There are attached notes on the background of Mr. Masterton, and I am happy to answer any other questions that Members may have, but it is broadly a procedural issue. I maintain the proposition.

**The Deputy Bailiff:**

Is the proposition seconded? **[Seconded]** Does any Member wish to speak on the proposition? If no Member wishes to speak on the proposition, those Members who are in favour of adopting the proposition, kindly show. I beg your pardon, Connétable; I did not see your light and, as we have not concluded the voting, then I am pleased to hear you speak.

**10.1.1 The Connétable of St. John:**

This is a difficult situation and, as a member of the Corporate Scrutiny Panel, I feel that my opinion needs to be aired. It is the responsibility of the Corporate Scrutiny Panel, naturally, to carry out its duties as diligently and as thoroughly as possible and we require the help and assistance of various authorities to do this. As a member of the board of S.o.J.D.C. it is a responsibility to act collectively in their dealings with us. There have been significant delays in obtaining information and, at times, the integrity not only of the Corporate Scrutiny Panel has been brought into question, but I think also the integrity of our advisers. I personally, and I speak personally and not on behalf of the Corporate Scrutiny Panel, feel that a standard needs to be made, and I cannot support the election or re-election of any current members on to the board that does not co-operate with the Corporate Scrutiny Panel, and I would urge Members to think carefully and to oppose this proposition.

**The Deputy Bailiff:**

Does any other Member wish to speak on the proposition? If no other Member wishes to speak, I call on the Minister to reply.

**10.1.2 Senator A.J.H. Maclean:**

I am afraid I cannot leave those comments alone and unresponded to. The board have met all their legal obligations, as a board member, and I think to suggest not supporting the re-appointment of this particular board member N.E.D. (non-executive director) is absolutely inappropriate. I understand that the panel is frustrated. We have talked in questions earlier today about some of the challenges faced in this particular issue, and they are much broader than just this particular panel

and this particular matter. But, to suggest the integrity of the panel, or indeed for that matter, the panel's advisers, is called into question by any member of the board, any member of the executive of S.o.J.D.C., or anybody else for that matter, is completely and utterly untrue and unfounded. That is not the question. There are obligations for directors and officers of companies to undertake, and that is simply what S.o.J.D.C. executives and board have been doing. I have said in this Assembly, I find myself in an extraordinarily difficult position in terms of striking the right balance here and protecting the legal obligations and interests of the relevant parties. As I said, this matter does need to be resolved, and I believe we are fortunately now making, hopefully, some progress. I maintain the proposition about the re-appointment of Mr. Masterton as an N.E.D. for S.o.J.D.C., which I think is thoroughly appropriate.

**The Deputy Bailiff:**

The appel has been called for. I invite any Members outside of the Chamber to return to their seats and I ask the Greffier to open the voting.

**POUR: 31**

Senator P.F. Routier  
 Senator P.F.C. Ozouf  
 Senator A.J.H. Maclean  
 Senator I.J. Gorst  
 Senator L.J. Farnham  
 Senator P.M. Bailhache  
 Senator A.K.F. Green  
 Connétable of St. Clement  
 Connétable of St. Peter  
 Connétable of St. Lawrence  
 Connétable of St. Mary  
 Connétable of St. Ouen  
 Connétable of St. Brelade  
 Connétable of St. Martin  
 Connétable of St. Saviour  
 Connétable of Trinity  
 Deputy of Grouville  
 Deputy of Trinity  
 Deputy E.J. Noel (L)  
 Deputy of St. John  
 Deputy S.J. Pinel (C)  
 Deputy of St. Martin  
 Deputy R.G. Bryans (H)  
 Deputy of St. Peter  
 Deputy of St. Ouen  
 Deputy R. Labey (H)  
 Deputy M.J. Norton (B)  
 Deputy T.A. McDonald (S)  
 Deputy of St. Mary  
 Deputy G.J. Truscott (B)  
 Deputy P.D. McLinton (S)

**CONTRE: 5**

Connétable of St. John  
 Deputy G.P. Southern (H)  
 Deputy J.M. Maçon (S)  
 Deputy S.Y. Mézec (H)  
 Deputy S.M. Bree (C)

**ABSTAIN: 0**

**11. Draft Connétables (Amendment - Declaration of Convictions) (Jersey) Law 201-(P.48/2015)**

**The Deputy Bailiff:**

The next item of Public Business is the Draft Connétables (Amendment - Declaration of Convictions) (Jersey) Law 201- lodged by the Comité des Connétables, P.48/2015, and I ask the Greffier to read the citation.

**The Greffier of the States:**

Draft Connétables (Amendment - Declaration of Convictions) (Jersey) Law 201-. A Law to amend further the Connétables (Jersey) Law 2008. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law.

**11.1 The Connétable of St. Clement (Chairman of the Comité des Connétables):**

When the Connétables surrendered their policing powers last year, I think it was, or the year before, the ability for a person standing for Connétable to have a criminal record check done was also removed. Therefore, it was agreed that the Connétables should be treated similarly to Deputies and Senators and make a declaration of convictions at the time of nomination. That is the purpose of this amendment to the law and I propose the principles.

**The Deputy Bailiff:**

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles? Would all Members in favour of adopting the principles kindly show? Against? The principles are adopted. Firstly, does the Corporate Services Scrutiny Panel wish to take this matter?

**Deputy J.A.N. Le Fondré (Chairman, Corporate Services Scrutiny Panel):**

No, Sir, we do not.

**The Deputy Bailiff:**

Connétable, do you wish to deal with the ...

**11.2 The Connétable St. Clement:**

I would like to propose the Articles *en bloc*, Sir. This simply, as I said in my opening remarks, brings the Connétables into line with the Deputies and Senators, with the Constables now also having to make a declaration of convictions at nomination time. I maintain the Articles.

**The Deputy Bailiff:**

Are the Articles seconded *en bloc*? **[Seconded]** Does any Member wish to speak on the Articles? No Member wishes to speak. Those Members who are in favour of adopting the Articles, kindly show. The appel is called for. Any Member who wishes to vote, please return to the Chamber, and I ask the Greffier to open the voting.

<b>POUR: 37</b>		<b>CONTRE: 0</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator A.J.H. Maclean				
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator P.M. Bailhache				
Senator A.K.F. Green				
Senator Z.A. Cameron				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				

Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. John				
Connétable of Trinity				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy S.Y. Mézec (H)				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**The Deputy Bailiff:**

Do you propose the matter in Third Reading?

**The Connétable St. Clement:**

Yes please, Sir.

**The Deputy Bailiff:**

Is it seconded in Third Reading? **[Seconded]** Does any other Member wish to speak on the proposition in Third Reading? Members in favour of adopting the law in Third Reading, kindly show. Any against? The law is adopted in Third Reading.

**12. Draft Income Support Amendment (Jersey) Law 201- (P.50/2015)**

**The Deputy Bailiff:**

The next item of Public Business is the Draft Income Support Amendment (Jersey) Law 201-, lodged by the Minister for Social Security, P.50/2015. I ask the Greffier to read the citation.

**The Greffier of the States:**

Draft Income Support Amendment (Jersey) Law 201-. A Law to amend further the Income Support (Jersey) Law 2007. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following Law.

**12.1 Deputy S.J. Pinel of St. Clement (The Minister for Social Security):**

As Members will know, I am not a fan of long speeches, however, this is complicated legislation and I will do my best to explain it as concisely and clearly as possible. In this sitting, Members will

be asked to vote on 3 separate propositions relating to income support, although the first 2 of these propositions amend the primary Income Support Law and the third the Income Support Regulations, they are designed to work together to achieve an overall aim. I will start by explaining the general objective of the policy and the most significant outcomes that I hope to achieve. I will then go on to explain the individual changes in detail in a short introduction to each separate proposition. I have also proposed some minor changes to the administration of income support; these are all designed to improve the day-to-day functioning of the benefit. The overall aim of these amendments is to change the way that income support helps the parents of young children and remove any barriers that are preventing them from taking up employment. To achieve this, we have taken a fresh look at the way income support and Back-to-Work function together to help low-income families with young children. My conclusion is that we are now able to create a specific focus on these families and to successfully introduce changes that will bring the reasonable expectations placed on parents claiming income support more closely in line with the economic realities faced by the majority of working families in the Island. To achieve this, I propose to change the point at which the parent of a young child is expected to engage with our Back-to-Work employment services. For all people who are able to do so, the requirement to look for and take up work is a central principle of the income support system. However, until now, a person looking after a child under the age of 5 has been completely exempt from needing to work or, indeed, from undertaking any kind of activities to prepare them for work or help them look for work. These parents have not been expected to seek work, attend training or even visit the department to discuss these important matters, until the child's fifth birthday. This situation needs to be addressed. Several years ago the Minister for Education, Sport and Culture established the Nursery Education Fund, which funds free nursery places for children aged 3 to 4. The take-up for nursery places in the Island is extremely high; the Education Department should be congratulated for this scheme in which virtually every local child is attending nursery education in the year before they start primary school. Under the current income support system, by the time of the child's fifth birthday, the child will have completed one full year of nursery education and has started its first year of primary school. For parents of children with summer birthdays, the child may even have completed its first year of school. This means that there is a period of up to 2 years where children from income support households are at nursery or school for most of the day, yet their parents are not expected to talk to us about what steps they can take to start looking for work. Therefore, I am proposing that the start of that pre-school nursery year is the year in which parents claiming income support will be required to engage with us to start looking for work. This change, if approved, will take effect from September 2015 at the start of the new school year. Aligning the beginning of job-seeking activities for parents with the start of nursery education for the child underlines the valuable role that the Nursery Education Fund plays in preparing children for formal schooling and building-up the life skills that children get through socialising with their peers. As well as benefiting children, there is substantial experience to show that helping parents into suitable employment is one of the best ways to help improve the financial situation of their household and that the longer a person stays out of the workforce, the harder it is for them to successfully return to employment. The Back-to-Work teams have for several years been focused on the historically high levels of unemployment that have affected the Island since the economic downturn. Our staff have been able to help some parents on a voluntary basis, with a number of inspiring successes to report, but until now we have not been required to provide this to all parents as a condition of receiving income support. The steady and welcome reduction in the numbers of unemployed people over the last year means that our experienced team can turn more of its focus towards helping the parents of younger children. Some parents will be ready to look for work immediately, whereas some will be further from work and will need a lot more of the specialist help we provide. This will always include coaching in looking for work, but there is also a full programme of training to help people who have been out of work for longer. We can help parents improve their confidence, build

motivation and bolster their skills. In each case, we will work with parents to establish what represents a realistic goal for the individual as they begin looking for work. I hope that Members will agree that it makes no sense for the income support rules to continue to allow a parent to opt out of taking up employment or getting help through job training and the work preparation services we now are able to offer them. Of course, there is little to be gained from expecting parents to look for work if flexible support is not available to care for their child while they are working or undertaking training. There are free nursery places, but the proposed changes also contain an increase to the financial help that can be offered towards paid childcare and new powers that will enable the Minister to approve financial support to a broader range of childcare providers in the future. This will enable us to continue supporting childcare needs that fall outside the free hours provided by the Nursery Education Fund, or that are required to help parents take up jobs that might fall outside these hours. I have also created a new provision in the law which allows parents of a very young child to share care while they are both working or looking for work part-time. I hope that this Assembly will agree that these changes represent nothing more than common sense. However, I would like to reassure Members that the requirement to look for work will not be onerous or unrealistic. It will not affect parents who are caring for a very sick or disabled person or who are unable to work themselves because of illness or disability.

[12:00]

The parents affected by this change will not be expected to work or look for full-time work, but will be expected to do these on a part-time basis as soon as their child is able to take up that free nursery place. A very small group of parents will need additional support, for example, working with the services based at the Bridge, such as Brighter Futures, before they are ready to take up more work-based training. The effect of the proposed changes is to bring a modest number of families into a well-established system that is more than capable of meeting their needs. There are about 100 income support families with a child starting nursery each school year. The proposed changes support other States policies and the recently-approved Strategic Plan. They will help to remove barriers to employment and increase workforce participation. They will reduce the need for inward migration because more local people will be helped into work. They fit well with the introduction of family-friendly employment rights, which also come into force in September 2015. Alongside these larger objectives, I have also taken the opportunity to propose a number of smaller changes that help improve the administration of income support. I will describe these in detail prior to the start of each proposition but, at this point, I should say that these are minor technical changes which will not affect the overall eligibility for income support. In summary, the focus today is on sensible, proportionate changes to the rules concerning parents of young children. I hope Members will support me in modernising the income support system to help more of these families move towards economic independence. I would now like to concentrate on the details of Proposition 50, which proposes the Draft Income Support Law. The changes I have just discussed have required adjustments to separate parts of the primary income support legislation. P.50 represents one of 2 changes to the primary legislation, with P.51 being the other. Although they have a common aim, 2 separate propositions are required as the changes made in P.50 must be placed before the U.K.'s Privy Council for approval, whereas the changes made in P.51 are already permitted to be made to the primary legislation by means of regulation. These only need to be approved by this Assembly. The changes made through Proposition 50 proposing the Draft Income Support Amendment Law support the policy to help parents of young children in a number of ways: through Article 2, they introduce the power for the Minister to amend the definition of "day care" by Order. This is important as it will allow the Minister in future to support a wider range of childcare options than are currently possible under income support. At present, the child day care component can only be paid in respect of care offered, either by providers registered under the Day Care of Children (Jersey) Law 2002, or by nannies registered with the Jersey Childcare Trust. Although these



continue to represent the most common forms of day care provided in the Island, in the future it might be desirable for the income support child day care component to be paid towards time at breakfast and after-school clubs, for example. Some of these clubs may not fall under the remit of the Day Care of Children (Jersey) Law. Prior to any Orders being made, I intend to continue working with colleagues in Education, the Jersey Childcare Trust and childcare providers themselves, to investigate the appropriate ways in which we might be able to extend the support within the income support system. In Article 3, the proposition introduces for the first time the concept of shared care of a very young child. Under the present rules, one parent can be completely exempt from job-seeking activities where they have a very young child, but the other parent is required to work, or look for work, on a full-time basis. The change proposes the option of a more flexible arrangement where both parents could agree to look for part-time work and share the childcare between them. This will help those parents who want to balance time with a new baby with the laudable aim of remaining in touch with the world of work. The rest of the changes made as part of P.50 take the opportunity to improve the administration of income support. As well as shared care of a young child, Article 3 also has the effect of expanding the regulation-making power found in the principal law, specifically the part that determines which people are eligible to receive income support, despite not being engaged in fulltime work. Articles 4 and 5 expand the Order-making power to allow the Minister to prescribe circumstances in which income support payments might be suspended or withheld. For example, this power could be used to avoid the situation in which households are sometimes overpaid significant amounts of benefit which they are then later required to pay back. Article 6 expands an existing Order-making power that deals with decisions and appeals. In layman's terms, this amendment would allow the Minister to make an order specifying when and why a question of law can be referred to the Royal Court for a ruling. Finally, I can confirm that the draft law has been subject to a full human rights audit. I urge Members to support these commonsense changes to the income support legislation. I propose the principles.

**The Deputy Bailiff:**

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles?  
Deputy Southern.

**12.1.1 Deputy G.P. Southern:**

Once again, we have an admirable presentation using all the key words to pull at the heart strings of Members before they consider this particular action. For example, we have reasonable demands made by the departments. Reasonable requests to go to work. We have the presence of friendly employers prepared to be flexible. I have to question how many friendly employers, flexible employers we have got out there, because certainly it seems to me, the only flexibility that we see in the vast majority of the job market is that belonging to zero hours, which suits employers and most often not the employees. Then, finally, we have the word "modernising", and my ears pricked up whenever I heard that; it is the Tony Blair word, and it usually hid an awful lot. I think to describe this as modernising is a misnomer. I think what we are talking about, and the key was in the small amendments at the end which said: "And, if necessary, we can impose sanctions." So: "After discussion, depending upon what we think, we advise, we then make." Time and time again, I see cases in Social Security in these and similar areas where reasonableness is a matter of judgment, where fairness is a matter of judgment and, certainly, sanctions is a matter of judgment. Now, the fact that here is an area where we can further impose sanctions to make people take a particular action, whether they will or nay, I think is a wrong move; we should not be doing it. By all means, yes, we have made progress on a voluntary basis, but now we want to make it effectively compulsory. While I can see that the principle of permitting those parents who wish to, to train to go back to work at an earlier point in their child's upbringing, there are many, many cases where

sufficient flexibility is not employed by the department. Above all, to end up making yet another area where we can sanction people to try and force them to take actions that we decide are good for them and not them deciding what is good for them, is wrong. This, at its heart, is a motion to save not a great deal of money, but a little money from the taxpayers' pot belonging to Social Security. I suspect that that is why this particular move has been made, and I shall, I think at this stage, unless I hear further justification, be voting against this particular move because of the presence of sanctions and the presence of making people do something that they may not agree is best for them in their situation and their children.

#### **12.1.2 Deputy T.A. Vallois of St. John:**

I am just going to briefly ask, I think from my point of view, for some reassurance from the Minister. It is very similar to the speech Deputy Southern has just made with regards to the definition of what "reasonable" is. I have experienced cases over the last couple of years through Social Security where, I would suggest, reasonableness has either gone out the window or does not exist, from my point of view. But the biggest issue is, of course, that many people have had to go into Social Security and see various different people and get various different advices, and this does not do anybody any good. This is where issues come in in terms of what the Minister was talking about: overpayments and having to claw-back that money at the end of the day. But there is a bit of a bigger issue here than what is happening in terms of how the administration is working, and I need reassurance from the Minister to support the principle of this law that, as suggested on page 8 of the law, there would be flexibility so that if 2 parents could go and work 20 hours each, that that would be the case; that that is a form of reasonableness that the department see. Because I have seen and I have experienced where people who have been on the Back-to-Work initiatives have managed to get a job after searching for a long period of time, say for 18 hours, but the department have turned round and said: "No. You have to have 25 hours or more" and so they have had to come out of that job and go and find another job that requires them to do 25 hours or more; they are not allowed to keep that job and try and work forward. I have seen that happen, cases that have come to me, so for me to support this and for this to go forward ... because I understand the principle of what is trying to happen here. I do not believe it is fully just about the whole saving the money; okay, there is always cynicism around those areas, but I think that, from my point of view, to ensure that going forward we do not experience more and more cases of members being pushed out of particular areas of work because they are not doing the legitimate 25 hours, as prescribed by Social Security.

#### **12.1.3 Deputy L.M.C. Doublet:**

I just wanted to thank the Minister for parts 2 and 3; I think it is really sensible to increase the range of childcare options available to parents and to have the flexibility for both parents to share the part-time work. I do have some questions for the Minister on the 20 hours of work a week, which has a parallel with the 20 hours of childcare a week. Could the Minister just perhaps commit to keeping their number of hours under review? Because if you are a single parent and you are taking your child to a nursery then the child is there for 20 hours. You have to factor-in the time to get the child there and to pick them up, so you might not be able to work the 20 full hours a week. So it might be that we need to increase the number of free hours of childcare weekly, just to be sensible about this and allow for people to get their children to the childcare and then get to work. Also, I just wanted to draw Members' attention to my amendment to the Strategic Plan, by which we have all committed to ensuring that children should be developmentally-ready before they start school. I think we can assume that by "school" we mean any kind of childcare or education setting. Could the Minister just tell me what mechanism would there be, for example, if a child is not developmentally-ready to attend a setting outside the home, that a child might still need to stay with their primary caregiver and not be ready to go into a formal setting for childcare in the year that

they turn 4. What mechanism is there for any kind of assessment of that nature and what might happen as a result if it is found that a child is not developmentally-ready to go into any kind of childcare?

**12.1.4 Senator Z.A. Cameron:**

At a recent Commonwealth Parliamentary Conference, the topic of youth unemployment and employability of youth in different countries was raised and it was interesting that Guernsey and Germany do not require parents to seek work until the child is 7. They interestingly had far lower youth unemployment than countries with less generous welfare benefit payments. I would like to follow up on Deputy Doublet's comment on the need to ensure that the child is socially, behaviourally and emotionally at the right developmental age to be able to cope with nursery and interacting with their peers.

[12:15]

A recent report from the National Children's Bureau in the U.K. suggested that as many as one in 4 4 year-olds in England failed to have the necessary social and emotional development to start school. I just wondered whether Jersey has any plans to assess the impact of this legislation on our children's emotional and social development. We do not currently assess school readiness, unlike Scandinavian countries that have this assessed in all children by the age of 2 and early intervention put in place to ensure that children have proper attachment behaviour. I would like reassurance from the Minister before I can back this proposition that we are going to put such measures in place and measure the impact of the proposed legislation.

**The Deputy Bailiff:**

If no other Member wishes to speak upon on the principles, I call on the Minister to reply.

**12.1.5 Deputy S.J. Pinel:**

I thank those who have spoken. To allay the doubts of Deputy Southern and the Deputy of St. John, this is not a money-saving exercise at all. It is essentially done to encourage parents - parent returners, if you want to call them that - back into the workforce when their child starts nursery school. It seems unreasonable to expect people to claim income support when their child is being offered 20 hours per week of free nursery. Deputy Southern says it is pulling at the heart strings; it is just a change of law to make it more equitable. People in the workplace who are not on income support are all expected to go back to work sooner rather than later; some when their child is 6 months old, some when it is a year old. Deputy Southern mentioned sanctions. This is absolutely no different than would apply in the workplace: if somebody fails to turn up for work or is late, they will be given a warning, as they would if they are on income support, and that would be followed by disciplinary action, as a sanction would follow if people do not comply with the requirements to turn up to work or be late or improper behaviour. So that is no different from the workplace, and that is what we are trying to encourage people to do, is to return to that normal situation and to attain financial independence. Deputy Doublet mentioned 20 hours of work per week, and we have addressed that: the 20 hours of free nursery per week is going to also be covered for those on income support with extra childcare hours, either in breakfast clubs or after-school clubs, which would allow, of course, for shift work, perhaps, if that was the job that the parent acquired, or different timings. The childcare component, as I will describe coming on in another proposition, has increased in order to be in line with childcare costs. So there is a great deal of flexibility in the childcare that we are offering to provide. There is also, as I have already mentioned in my opening speech, a lot of work with Education, with Talking Therapies, with Brighter Futures, to ensure that a child will not be put into a situation where they are not nursery-ready, which I think also Senator Cameron mentioned. I am aware of the schooling systems in Europe, having lived in Germany for quite a while, and although they do not attend school until 7,

they do attend kindergarten from 3 or 4, and the kindergartens are excellent. Going on from that, 98 per cent of children in Jersey now are in nurseries, so this is not making it any different, it is just bringing it forward by an appropriate amount of time to take advantage of the free nursery places offered.

**The Deputy Bailiff:**

Do you maintain the principles?

**Deputy S.J. Pinel:**

Thank you, Sir. I maintain the principles and call for the appel, please.

**The Deputy Bailiff:**

The appel is called for.

**Deputy G.P. Southern:**

Can we have some debate on separate items on this particular ...?

**The Deputy Bailiff:**

Well, this is the principle, the debate has been closed and we move to the Articles next, Deputy. The appel has been called for. I invite Members to return to their seats and I ask the Greffier to open the voting.

<b>POUR: 31</b>		<b>CONTRE: 2</b>		<b>ABSTAIN: 1</b>
Senator P.F. Routier		Deputy G.P. Southern (H)		Senator Z.A. Cameron
Senator I.J. Gorst		Deputy S.Y. Mézec (H)		
Senator P.M. Bailhache				
Senator A.K.F. Green				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of Trinity				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				

Deputy P.D. McLinton (S)				
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**The Deputy Bailiff:**

Now, this is within the purview of the Health and Social Security Scrutiny Panel. Chairman, does your panel wish to take this on? **[Aside]** Minister, then, how would you like to deal with the Articles?

**12.2 Deputy S.J. Pinel:**

Can I take them *en bloc*, please, Sir?

**Deputy G.P. Southern:**

Could we have a separate debate and vote on the Article which refers to the potential sanctions, Sir, in particular?

**The Deputy Bailiff:**

Which Article number is that, Deputy?

**Deputy G.P. Southern:**

Which is the second one in 50. I do not know ...

**Deputy L.M.C. Doublet:**

Sir, is it possible to take all parts separately?

**The Deputy Bailiff:**

Yes. Any Member can ask for parts to be taken separately. Are you asking for that Deputy?

**Deputy L.M.C. Doublet:**

Yes, please.

**The Deputy Bailiff:**

Minister, so do you propose the Articles *en bloc* or do you wish to take them separately?

**Deputy S.J. Pinel:**

I wish to propose them *en bloc*, Sir.

**The Deputy Bailiff:**

Are the Articles seconded? **[Seconded]** Does any other Member wish to speak on any of the Articles?

**Deputy G.P. Southern:**

Sir, the ruling is that if the Minister wishes to take them all *en bloc*, the objection of any Member that wishes to take them separately is overruled. Is that the case?

**The Deputy Bailiff:**

The Minister has proposed them *en bloc*. The position is that Members are entitled to request that the vote is taken separately for each of the Articles, and Members now can speak on any of the Articles. When the vote is taken, it will be taken on each Article separately. Does any Member wish to speak on any of the Articles? Deputy Southern.

**12.2.1 Deputy G.P. Southern:**

Yes, and without wishing to repeat my objections in principle, I do believe that the principle is not necessarily correct and that the mechanisms set up within the department ... it was particularly referred to by the 2 previous questioners in this debate saying: "And who decides when a child is nursery-ready?" and the answer will be: "An officer at the department." That will be the reality, and who understands the family needs? Who understands the needs of the child? That, surely, is the parent. Now, being potentially forced... and if you include sanctions in the mechanism then you can be forced to do something which you consider to be inappropriate for the needs of your particular child or your family. The balance should be one of negotiation not where somebody else, the officer, has a big stick to say: "And when we have finished negotiating over what you think is reasonable, I will impose the big stick." So: "I will sanction you if you do not agree to do it this way" with this particular provision put in. Now, you can say: "Reasonable demands" till the cows come home, but that is not necessarily the case, and it is certainly not, in my experience, always the case that officers are reasonable. I have seen some really unreasonable demands made of families in particular, made of individuals, that suggest that their solution is not good enough and sanctions will be applied. Now, that should not be happening, whatever happens. We are talking here about 98 per cent of children in Jersey are in nursery schools, so who do we need to force into nursery schools? Who do we need to force to be applying or training or getting jobs in order to make sure that the children's needs are met? When do you say: "We know best for you and, whether you agree to it or not, we are going to sanction you if you do not do what we say"? That is ultimately what we are saying in this. So I will be voting against this, I think probably all the way through, because I think the principles are wrong but, in particular, I want to register my vote on the Article that involves sanctions. I want to object to that and I urge all Members to vote against the sanctions paragraph in this. These arrangements should be done by negotiation and not with the threat of a big stick, sanctions, behind: "We are going to dock whatever money you are receiving until you agree that we know best for your child and you in your circumstances." That should not be happening.

**Deputy S.J. Pinel:**

He is referring to a different proposition, Sir. It is P.52 is the one where sanctions are addressed.

**Deputy G.P. Southern:**

I am glad we have got that clarity, Sir, if that is the case.

**The Deputy Bailiff:**

Does any other Member then wish to speak on the individual Articles in connection with this, on P.50? If no other Member wishes to speak, then I call upon the Minister to reply.

**12.2.2 Deputy S.J. Pinel:**

I do not know whether you wish me to reply now to the Deputy or whether to wait until the pertinent proposition is brought forward?

**The Deputy Bailiff:**

Well, is a matter for you how you reply to someone who has spoken, so you have the opportunity to reply to them if you wish to, Minister, but you certainly do not have to.

**Deputy S.J. Pinel:**

I think I shall wait until the proper proposition, P.52, is brought forward.

**The Deputy Bailiff:**

So you maintain the proposition on the Articles. There was a request from Deputy Doublet that each of the Articles be voted on separately. Any Member is entitled to require that that is the case,

and so we will vote on them separately. The first Article is, of course, the interpretation. It may not be necessary to have the appel on each of these Articles. That is, of course, a matter for Members. All Members in favour of Article 1, kindly show? Those against? Article 1 is adopted. All those in favour of Article 2, kindly show? Article 2 is adopted. All those in favour of Article 3, kindly show?

**Deputy S.J. Pinel:**

Could I have the appel, please?

**The Deputy Bailiff:**

The appel is called for in respect of Article 3. I invite Members to return to their seats. I ask the Greffier to open the voting.

<b>POUR: 34</b>		<b>CONTRE: 4</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Deputy G.P. Southern (H)		
Senator A.J.H. Maclean		Deputy J.M. Maçon (S)		
Senator I.J. Gorst		Deputy S.Y. Mézec (H)		
Senator L.J. Farnham		Deputy L.M.C. Doublet (S)		
Senator P.M. Bailhache				
Senator A.K.F. Green				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**The Deputy Bailiff:**

We move on to Article 4, all those in favour of Article 4, kindly show? Those against? Article 4 is adopted. Those in favour of Article 5, kindly show? Article 5 is adopted. Those in favour of

Article 6, kindly show. Article 6 is adopted and Article 7 is the citation and commencement, all those in favour of Article 7, kindly show? Article 7 is adopted. The Articles are accordingly adopted. Do you propose the matter in Third Reading, Minister?

**Deputy S.J. Pinel:**

Thank you, Sir.

**Deputy G.P. Southern:**

Can we have the appel, please, on that?

**The Deputy Bailiff:**

Is that seconded in Third Reading? [**Seconded**] Does any Member wish to speak on the matter in Third Reading? No Members wish to speak and the appel is called for. I invite Members to return to their seats and I ask the Greffier to open the voting.

<b>POUR: 35</b>		<b>CONTRE: 2</b>		<b>ABSTAIN: 1</b>
Senator P.F. Routier		Deputy G.P. Southern (H)		Deputy L.M.C. Doublet (S)
Senator A.J.H. Maclean		Deputy S.Y. Mézec (H)		
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator P.M. Bailhache				
Senator A.K.F. Green				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
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Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				
Senator P.F. Routier				
Senator A.J.H. Maclean				



Senator I.J. Gorst				
Senator L.J. Farnham				
Senator P.M. Bailhache				

**13. Draft Income Support (Amendment of Law No. 2) (Jersey) Regulations 201- (P.51/2015)**

**The Bailiff:**

The next matter of public business is the Draft Income Support (Amendment No. 2) (Jersey) Regulations lodged by the Minister for Social Security, P.51/2015, and I ask the Greffier to read the citation.

[12:30]

**The Greffier of the States:**

The States, in pursuance of Article 3(3) of the Income Support (Jersey) Law 2007, have made the following Regulations.

**13.1 Deputy S.J. Pinel (The Minister for Social Security):**

I would now like to introduce proposition 51 which proposes the Draft Income Support (Amendment of Law No. 2) (Jersey) Regulations. This part of the proposed legislation is extremely brief. It only achieves one change, although I would say that this change represents the central part of what I am trying to achieve with this package of legislation. I have spoken about the important changes to the point at which parents of a young child are expected to engage with our Back-to-Work services. P.51 amends Article 3 of the Income Support (Jersey) Law 2007. This is the part of the law that lists the reasons that person can be become eligible for income support despite not being engaged in full-time remunerative work. At present the law allows for a complete exemption from work or looking for work if a person is responsible for the care of any child who has not reached their fifth birthday. The changes replace the child’s fifth birthday with the start of the year immediately before the first year of school, taking effect from 1st September. In effect the parent would be required to engage with the department at the start of the school year in which their child has their fourth birthday. In other words, these children could be 3 years old in September at the start of the school year. This is the age at which they are old enough to take up a free nursery place provided by the Nursery Education Fund. As I have stated before, at this age virtually every child in Jersey is taking up a place at nursery. If these proposals are approved the same point at which the parents become eligible for a free nursery place will, very sensibly, be the point at which they are required to start to engage with Back-to-Work. We will expect them to engage on a part-time basis and will support them whether they require intensive help, special training or simply additional childcare hours to take up work. This support has always been available on a voluntary basis. What I am proposing is that for people who have no other reason not to work it becomes a condition of receiving income support. I hope that Members will see the strong merit of this proposal. The best way to help low income families, to help the children of those families, is to help their parents back into the workforce as soon as they are able to begin nursery. The best way to help is to make sure that funding exists for childcare that fits around the requirements of looking for work and for taking up work. We have the expert resources to help people prepare for work and we know that the jobs are out there. What we need is for the income support system to be changed so that our rules no longer allow parents to opt out of engaging with our services or taking up employment. I must also reiterate that the existing income support rules are out of line with the experience of many working parents in Jersey who support their families by returning to the workforce as soon as their child is regularly at nursery, often at the age of 6 or 12 months. Our

benefit rules will also remain generous when compared to other jurisdictions. As a comparison, the rules in the U.K.'s universal credit require the parents attend interview to discuss work readiness after the child's first birthday and begin effectively actively preparing for work after the child's third birthday. I hope that Members will support this essential change to the income support rules. I maintain the principles.

**The Deputy Bailiff:**

Are the principles seconded? [**Seconded**] The principles are seconded. Does any Member wish to speak on the principles? Deputy Southern?

**13.1.1 Deputy G.P. Southern:**

Yes, this particular amendment introduces the concept of compulsion rather than negotiation, rather than what is reasonable, what the child is ready for. You know, we will make their mind up. The exemption, which is about to occur in P.52, will apply. So you are making it compulsory rather than a reasonable provision and talking about advice and guidance to parents as to how best they should cater for their children. Their children's needs, their family's needs. It has become one of... it is moving from one of choice to one of compulsion.

**13.1.2 Deputy L.M.C. Doublet:**

I just want to share my thoughts on this and I have struggled on this one a little because I can see 2 opposing values here. I do think that there might be a discrepancy at the moment in what we offer as a society to different families in Jersey. At the moment if you are on a lower income then you are able to stay at home and care for your child at home whereas I think there are many, many families who could be described as middle-Jersey who would love to do that but because they are paying mortgages, *et cetera*, the parents that are working 2 jobs ... I think we are all aware of the statistics that we have the highest number of families where both parents work. So in one sense I am for this because I think there is a discrepancy there in terms of what we offer but I am going to vote against this because at the end of the day I think we should put children first and I do not think dragging everyone down is the best way to achieve equality. I think we should be offering more to those families that are middle-Jersey in terms of being able to be facilitated to care for their children at home, if that is what is best for the child.

**The Deputy Bailiff:**

Does any other Member wish to speak on the principles? If no other Member wishes to speak I call on the Minister to reply. I am terribly sorry, Senator Cameron.

**13.1.3 Senator Z.A. Cameron:**

I will also be voting against this proposition because I am not assured that we currently have proper assessments and thorough enough assessments of school readiness in place.

**The Deputy Bailiff:**

Does any other Member wish to speak? If no other Member wishes to speak I call on the Minister to reply.

**13.1.4 Deputy S.J. Pinel:**

Thank you. Deputy Southern talks about the principles of getting back to work and forcing people into doing something that they are not wishing to. I do believe that if people are being paid income support, part of which is an obligation to seek and hopefully obtain work and in conjunction with 23 hours of nursery spaces, there is very little reason why they should not be looking for work. Deputy Doublet mentioned middle-income families, I am not quite sure what income she is referring to but those on income support would not necessarily fall into that category and we are

just talking about income support here. Senator Cameron, not proper assessments. Well, the Back-to-Work Department of Social Security assesses the wherewithal of the parents to go back to work, it is not a children's assessment, that would be done by Education or Brighter Futures or Talking Therapies, not by the Social Security Department. I maintain the principles.

**The Deputy Bailiff:**

The principles are maintained. So those Members in favour of the principles, kindly show? The appel is called for. I invite any Members to return to their seats if they are not in the Chamber and ask the Greffier to open the voting.

<b>POUR: 33</b>		<b>CONTRE: 7</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Senator Z.A. Cameron		
Senator A.J.H. Maclean		Deputy G.P. Southern (H)		
Senator I.J. Gorst		Deputy K.C. Lewis (S)		
Senator L.J. Farnham		Deputy J.M. Maçon (S)		
Senator P.M. Bailhache		Deputy S.Y. Mézec (H)		
Senator A.K.F. Green		Deputy L.M.C. Doublet (S)		
Connétable of St. Clement		Deputy R. Labey (H)		
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy of St. Ouen				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**The Deputy Bailiff:**

The Deputy of St. Ouen, it is a matter for your Scrutiny Panel, do you wish to call it in?

**The Deputy of St. Ouen (Chairman, Health and Social Security Scrutiny Panel):**

No.

**The Deputy Bailiff:**

Minister, how do you wish to deal with the Regulations?

**13.2 Deputy S.J. Pinel:**

I propose them *en bloc*, please, Sir.

**The Deputy Bailiff:**

Are the Regulations seconded? **[Seconded]** Does any Member wish to speak on any of the Regulations? If no Member wishes to speak, the appel is called for. I now invite Member to return to their seats and ask the Greffier to open the voting.

<b>POUR: 34</b>		<b>CONTRE: 6</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Senator Z.A. Cameron		
Senator A.J.H. Maclean		Deputy G.P. Southern (H)		
Senator I.J. Gorst		Deputy K.C. Lewis (S)		
Senator L.J. Farnham		Deputy J.M. Maçon (S)		
Senator P.M. Bailhache		Deputy S.Y. Mézec (H)		
Senator A.K.F. Green		Deputy L.M.C. Doublet (S)		
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**The Deputy Bailiff:**

Do you wish to propose the matter in Third Reading, Minister?

**13.3 Deputy S.J. Pinel:**

Yes, please.

**The Deputy Bailiff:**

Is it seconded? [**Seconded**] Does any Member wish to speak in Third Reading? Senator Routier.

**13.3.1 Senator P.F. Routier:**

Very briefly. There has been some mention about some assessments being made by the staff at Social Security. I would just like to say that it is a very, very difficult job that they have to do and we should be ... in any of the comments that we make we should, I do not think, be implying any criticism of them because they have a very difficult job to do and I am sure they do it to their best ability and I hope we will give them as much support as we possibly can. [**Approbation**]

**The Deputy Bailiff:**

Does any Member wish to speak in Third Reading? No other Member wishes to speak, Minister, do you wish to reply?

**Deputy S.J. Pinel:**

No, Sir.

**The Deputy Bailiff:**

All Members in favour of adopting the Regulations ... the appel has been called for. I invite Members to return to their seats and ask the Greffier to open the voting.

<b>POUR: 33</b>		<b>CONTRE: 7</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Senator Z.A. Cameron		
Senator A.J.H. Maclean		Deputy G.P. Southern (H)		
Senator I.J. Gorst		Deputy K.C. Lewis (S)		
Senator L.J. Farnham		Deputy J.M. Maçon (S)		
Senator P.M. Bailhache		Deputy S.Y. Mézec (H)		
Senator A.K.F. Green		Deputy L.M.C. Doublet (S)		
Connétable of St. Clement		Deputy R. Labey (H)		
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy of St. Ouen				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				

Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**The Deputy Bailiff:**

The next item of public business is the ... well, before we move to the next item of public business perhaps I can announce that a proposition in connection with the Keppel Tower petition has been lodged by the Deputy of Grouville today.

**14. Draft Income Support (Amendment No. 13) (Jersey) Regulations 201- (P.52/2015)**

**The Deputy Bailiff:**

The next item of public business is the Draft Income Support (Amendment No. 13) (Jersey) Regulations lodged by the Minister for Social Security, P.52/2015. I ask the Greffier to read the citation.

**The Greffier of the States:**

The States, in pursuance of Articles 3(3)(b), 5 and 18 of the Income Support (Jersey) Law 2007, have made the following Regulations.

**14.1 Deputy S.J. Pinel (The Minister for Social Security):**

I would now like to introduce proposition 52, which proposes the Draft Income Support (Amendment No. 13) (Jersey) Regulations. This is the final piece of the package of legislation presented for approval today. I would like to thank Members for bearing with me through a lengthy series of speeches. Proposition 52 contains a number of separate Regulations which I will explain in groups together for reasons of clarity. Firstly, returning to the main theme, these Regulations support our desire to help working parents by increasing the hourly rate of childcare component. This is achieved by Regulation 5 which increases the hourly rate and simplifies the categories that determine which hourly rate can be paid according to the age of the child. The remaining Regulations address a range of other improvements to the income support system. First, in terms of increases to the components of income support Regulation 5 also increases the rate that can be paid in respect of people living in hostel accommodation. This increase reflects the growth in costs faced by those valuable partner organisations who care for some of the most vulnerable members of our community. They provide a comprehensive service that is extremely valuable to income support and I am glad to be able to propose an increase that helps them meet their ongoing costs. The second area that is dealt with by these Regulations is very important but simply involves modernising and updating some of the language that deals with the impairment component of income support. This is the dedicated component of income support that supports people with long-term illnesses or disabilities. It provides for situations where people require extra financial assistance as a result of serious conditions that affect their everyday life. The nature of these changes is more technical as they involve updating the specific medical terminology that is used to determine eligibility to this component. Medical terminology and medical understanding evolves constantly and so these changes are introduced to ensure the language used in income support better reflects the way the effects of long-term illness are described and understood today. Regulations 4, 7 and 8 modernise certain terms used in the legislation and ensure that assessment for this component is carried out according to current understanding of disability and its effects. They update certain terms that are used to describe the effects of disabling conditions and modernise the pre-existing principle that these assessments are carried out in reference to any aid or prosthesis that a person commonly uses. I would like to reassure Members that these changes do not represent a major change to the rules around the impairment component. They are not designed to remove

large groups of people from the benefit or award it to great numbers of people who would not have previously qualified. They simply remove anomalies in the wording and address situations where people might be assessed inappropriately due to the limitations of the existing wording.

[12:45]

One further minor change, including in Regulation 6, updates the carer's component, the dedicated component for people who care for a very sick or disabled person. The component is at present only available in respect of somebody who receives the highest level of income support impairment award. The change simply extends this eligibility in respect of people who are now able to receive the new long-term care benefit in their home instead of the impairment award. In effect these are individuals who would meet every qualification for the highest level of the impairment award that are receiving the long-term care benefit instead. A final administration change is achieved by Regulation 2 which simplifies the functioning of the financial sanctions that affect people who have lost all entitlement to income support through repeated breaches of a warning issued for failure to look for work. As part of P.101/2013 the States strongly endorsed enhanced powers brought in to effect, those powers required by the Income Support Law to be actively seeking work. These powers introduced the system where people failing in their responsibilities would first receive a written warning and that any subsequent failure to seek work would be treated as a breach of that warning as long as it remains in force. Any breach of a warning in force attracts a financial penalty and an automatic extension of the warning period with the third and subsequent breach of the warning resulting in the loss of all household entitlement to income support for a fixed period. These powers have proved very successful in reinforcing the message the benefit is conditional upon a reasonable effort to look for work. Most people required to look for work do so without any incident and even those who make mistakes and receive a written warning usually go on to change their behaviour and continue looking for work without further problems. However, there will always be a small minority who choose to ignore the support and advice given through Back-to-Work, ignore written warnings and receive a financial penalty. An even smaller number will eventually lose all entitlement to income support. The Regulations improve and simplify the expectations on anybody who has lost all entitlement to income support through repeated failures to look for work. Should that person try to claim again they will first be required to demonstrate that they have been actively seeking work for an unbroken period of 42 days at some point prior to making a fresh claim. Without demonstrating this period of compliance, no fresh claim will be allowed until the original written warning expires a year after it was issued. This does not have the effect of making the sanction period longer or more difficult to overcome but clarifies that the requirement to demonstrate a solid period of compliance applies even if a person chooses to cease all contact with the department. Regulation 1 simply provides for the construction of references to regulations and schedules in these Regulations. Article 9 provides for the citation and commencement of these Regulations. I maintain the principles.

**The Deputy Bailiff:**

Are the principles seconded? **[Seconded]** We have now reached 12.50 p.m. so I am to ask Members whether they wish to adjourn now until 2.15 p.m.

**Senator P.F. Routier:**

I propose we carry on, Sir.

**The Deputy Bailiff:**

The proposition is that we carry on to conclude this item or to conclude business?

**Senator P.F. Routier:**

All items, Sir. I think the next one is very simple so I think we might be able to keep going.

**The Deputy Bailiff:**

Seconded? **[Seconded]** Members in favour of continuing to conclude the Order Paper, kindly show? Right, we will move on. Does any Member wish to speak on the principles? Deputy Southern.

**14.1.1 Deputy G.P. Southern:**

Now we see the full force of what this Government can do for poor people seeking a way to support themselves and their families and the stick, the big stick, I referred to earlier, gets bigger. Further conditions placed on receiving any benefit in order that we may make, coerce, members in our society into behaving and doing exactly what we say. No scope for choice, no scope for negotiating what would be a reasonable packet given the scope, the nature of the family unit and the problems associated with that family unit. When push comes to shove we will employ a sanction, we will stop your benefit or a part of your benefit until we decide that you are behaving properly. Now, that is the step we should not be taking. As we have heard, we have got 98 per cent of children in nursery education or thereabouts, so the system is working well with co-operation. We are taking a giant big stick, sanctions, in order to crack a very, very tiny little nut. We should not be doing it. We should not be doing it in cases where we are talking about the overall benefit and condition of the family. We are talking about is this child ready for this length of care away from its parents? What does the parent think? Does the parent have the ability to negotiate what it sees as a reasonable position, as reasonable hours, as reasonable attendance? Yes, I could do that but, no, I cannot do that. No, ultimately we are saying: "Well you will do that because we say it is good for you." Now, that should not be happening.

**The Deputy Bailiff:**

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

**14.1.2 Deputy S.J. Pinel:**

Once again I think Deputy Southern has misunderstood. This is not a new condition being introduced whatsoever. The 42 days that I mentioned earlier in my introduction, which is already in existence... all this is doing is just making it easier to administer. The Deputy says that children should not be forced into nursery, 98 per cent of them are already in nursery, all we are asking the parents to do is to look for work, hopefully achieve part-time work while their child is being paid for through the Education system to attend nursery, which I do not think is unreasonable.

**The Deputy Bailiff:**

Those Members in favour of adopting ...

**Deputy G.P. Southern:**

Can we have the appel, please?

**The Deputy Bailiff:**

The appel is called for. I invite Members to ...

**Deputy L.M.C. Doublet:**

Is it possible to take one of the Regulations separately?

**The Deputy Bailiff:**

Yes, it is possible to take one of them, which Regulation?

**Deputy L.M.C. Doublet:**

Number 2, please.



**The Deputy Bailiff:**

I am sorry, I beg your pardon, of course we are on the principles at the moment, we have not come on to the individual Regulations and that will be the time for that, I apologise. The appel has been called for. I invite Members to return to their seats and I ask the Greffier to open the voting.

<b>POUR: 34</b>		<b>CONTRE: 2</b>		<b>ABSTAIN: 1</b>
Senator P.F. Routier		Deputy G.P. Southern (H)		Senator Z.A. Cameron
Senator I.J. Gorst		Deputy S.Y. Mézec (H)		
Senator L.J. Farnham				
Senator P.M. Bailhache				
Senator A.K.F. Green				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**The Deputy Bailiff:**

Chairman, this is a matter for your Scrutiny Panel, do you wish to call it in?

**The Deputy of St. Ouen (Chairman, Health and Social Security Scrutiny Panel):**

No, Sir.

**The Deputy Bailiff:**

Minister, how do you wish to deal with the matter in Second Reading?

**14.2 Deputy S.J. Pinel:**

I would like to take them *en bloc* but if Deputy Doublet wishes to take them separately or Regulation 2 separately that is fine.

**The Deputy Bailiff:**

You can propose them *en bloc* but of course when it comes to the vote it is open to Deputy Doublet to ask for. Are the Regulations seconded? **[Seconded]** Does any Member wish to speak on the Regulations? If no Member wishes to speak then which is the Regulation you wish to take separately, Deputy?

**Deputy L.M.C. Doublet:**

Regulation 2, please, or section 2.

**The Deputy Bailiff:**

Then I think the right thing for us to do is to take Regulation 1, then Regulation 2 and then unless Members wish any other separate vote to take the remainder of the Regulations *en bloc*. All Members in favour of adopting Regulation 1, kindly show? Those against? Regulation 1 is adopted. All Members in favour of adoption Regulation 2 ...

**Deputy L.M.C. Doublet:**

Can we have the appel, please?

**The Deputy Bailiff:**

The appel is called for. I invite Members to return to their seats and I ask the Greffier to open the voting.

<b>POUR: 35</b>		<b>CONTRE: 5</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Senator Z.A. Cameron		
Senator P.F.C. Ozouf		Deputy G.P. Southern (H)		
Senator A.J.H. Maclean		Deputy of St. John		
Senator I.J. Gorst		Deputy S.Y. Mézec (H)		
Senator L.J. Farnham		Deputy L.M.C. Doublet (S)		
Senator P.M. Bailhache				
Senator A.K.F. Green				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				

Deputy of St. Ouen				
Deputy R. Labey (H)				
Deputy S.M. Bree (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

**The Deputy Bailiff:**

The vote is now on Regulations 3 through to 9 inclusive. Members in favour of adopting those Regulations, kindly show? Those against? The Regulations are adopted. Minister, how do you wish to deal with the matter? Do you propose it in Third Reading, Minister?

**Deputy S.J. Pinel:**

Yes, please, Sir.

**The Deputy Bailiff:**

Is that seconded in Third Reading? **[Seconded]** Does any Member wish to speak on the Regulations in Third Reading? The appel is called for. I ask Members to return to their seats and invite the Greffier to open the voting.

<b>POUR: 38</b>		<b>CONTRE: 2</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Deputy G.P. Southern (H)		
Senator P.F.C. Ozouf		Deputy S.Y. Mézec (H)		
Senator A.J.H. Maclean				
Senator I.J. Gorst				
Senator L.J. Farnham				
Senator P.M. Bailhache				
Senator A.K.F. Green				
Senator Z.A. Cameron				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Martin				
Connétable of St. Saviour				
Connétable of St. John				
Connétable of Trinity				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				

Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Brée (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				

## **15. Draft Adoption (Amendment No. 7) (Jersey) Law 201- (P.53/2015)**

### **The Deputy Bailiff:**

The next item of public business - the final item of public business - is the Draft Adoption (Amendment No. 7) (Jersey) Law, lodged by the Minister for Health and Social Services, P.53/2015 and I ask the Greffier to read the citation.

### **The Greffier of the States:**

Draft Adoption (Amendment No. 7) (Jersey) Law 201-. A law to amend further the Adoption (Jersey) Law 1961. The States, subject to the sanction of Her Most Excellent Majesty in Council, have adopted the following law.

### **15.1 Senator A.K.F. Green (The Minister for Health and Social Services):**

I am pleased to present this proposition to amend the Adoption (Jersey) Law 1961. Nothing can be more important to a child than a secure and loving family. Adoption is a second chance for children who, for whatever reason, cannot remain with their birth family. The purpose of the amendment is to modernise adoption practice in Jersey - the world has changed a lot since 1961 – to ensure continuing compliance with the European Convention on Human Rights, enabling the extension to Jersey of the 2008 European Convention on the Adoption of Children, and the last purpose, that is moving Jersey towards compliance with the 2008 Convention is a central aspect of this amending law. The 2008 Convention, which was prepared by the Council of Europe, reflects changes that have taken place in adoption practice since the preceding 1967 Convention. These conventions set the standards for the adoption arrangement for the Council of Europe Member States, however the 1967 Convention, which still applies to Jersey, has become outdated. In particular in the 1967 Convention does not permit joint adoption by couples, be they heterosexual or same sex, who are not married or not in a civil partnership. A position which is clearly outdated, which does not accord with the enactment of civil partnership legislation in Jersey. This amendment law will, however, introduce key changes which will enable Jersey to comply with that 2008 Convention and will, in time, enable the U.K.'s anticipated ratification of the 2008 Convention to be extended to Jersey. In addition, that process will enable Jersey to join the U.K. in renouncing the now outdated 1967 Convention. In this proposition I am proposing to make the following amendments. I must say again, first, that the welfare of the child is paramount consideration of the Court, of the Minister and of the Adoption Service. This amendment will make the Adoption (Jersey) Law consistent with the child welfare provisions in the Children's (Jersey) Law 2002 and the overarching principles of the U.N. (United Nations) Convention on the Rights of the Child. Secondly, that a child aged 14 or over must give his or her agreement to the granting of an adoption order. This is a specific requirement of the 2008 Convention. Thirdly, to permit joint adoption by unmarried couples, whether heterosexual or same sex. The 1961 law does not allow unmarried couples to adopt a child together. Currently to adopt one partner has to adopt

and the other has to seek a residence order under the Children's (Jersey) Law 2002 in respect of that adopted child. Enabling unmarried couples to adopt is not an amendment demanded by compliance with the 2008 Convention. But under that convention it is a decision for each Member State as to whether to afford the right to jointly adopt to unmarried couples. However, if we are to grant such a right then we must afford the right to both heterosexual and same sex couples. The amendment to the 1961 law in this regard is required to comply with anti-discrimination principles within the European Convention on Human Rights. An absolute bar on joint adoption by unmarried couples as exists in Jersey law has been found recently in U.K. law to be disproportionate.

[13:00]

It prevents the adoption by unmarried couples, even when it is in the best interests of the child. In practice, notwithstanding the questions of married, unmarried, same sex, heterosexual, the decision on which potential adopters are selected must - and always must - be on what is in the best interest and welfare of the child. Fourthly, where an individual makes an adoption application, the court must be satisfied that the agreement of the applicant's spouse or civil partner to the adoption order has been given freely and in writing. Fifthly, the amendment removes the mandatory requirements for an interview with a counsellor for those adopted since 2007 before they can receive a copy of their birth record. The requirement for a mandatory interview with a counsellor has historically been considered necessary in all cases. This is because in older adoption cases information about the adopted person's family of origin will have been withheld from the family into which the person is adopted. Meaning that the adopted person may be less well informed as to what they may discover about their origins. However, since the introduction of the child permanence reports in Jersey 2007 this now makes the process much more open and information about the history of the family much more available. To that extent counselling is no longer considered necessary as a mandatory requirement in every case. Counselling will still be made available if requested. A similar approach to this was taken in both England and in Wales. Finally, the amendment introduces a framework for the disclosure of information held on adoption services files to enable, among other things, an adoptive person to find out about their origins. This is a requirement under the 2008 Convention and the amendment will set out the procedure to be followed where a person makes a request to the adoption services for disclosure of restricted information. The introduction of enhanced procedures for the disclosure of adoption related information that balances the rights of all parties involved. It will also address the right to private and family life under the principles of the European Convention on Human Rights. The Adoption Service currently receives about 30 requests for such information a year. In the case where the Adoption Service has limited records, an application to the court will allow persons to access information held in other official records. There are no anticipated financial or staffing implications in these amendments. The amendment may lead to an increased interest in seeking information but I am advised that the current resourcing in the Adoption Service is sufficient for the purpose. I conclude by summarising. The proposition is designed to update the existing law, ensuring that Jersey has an adoption law fit for purpose, compliant with our own equalities legislation and developments due. But at the heart of our law and the amendments that are proposed here is the welfare of the child. The welfare of the child and the right to a lovely secure home must be paramount in consideration of all adoption matters. I make the principles.

#### **The Deputy Bailiff:**

Are the principles seconded? **[Seconded]** Does any Member wish to speak on the principles? If no Member wishes to speak then all those Members in favour of the principles, kindly show. Those against. The principles are adopted. Again, Chairman, this is a matter for your Scrutiny Panel. Do you wish to call it in for Scrutiny?

**The Deputy of St. Ouen (Chairman, Health and Social Security Scrutiny Panel):**

No.

**The Deputy Bailiff:**

Minister, how do you wish to deal with the ...

**15.2 Senator A.K.F. Green**

Shall I propose the Articles 1 to 9 *en bloc*?

**The Deputy Bailiff:**

Are the Articles seconded? **[Seconded]** Does any Member wish to speak on any of the Articles? If no Member wishes to speak then all Members in favour of adopting Articles 1 to 9, kindly show? The appel is called for. I invite Members to return to their seats.

**The Connétable of St. Martin:**

Can we take Article 4 separately?

**The Deputy Bailiff:**

Article 4 separately. Very well, we will take Articles 1 through 3. Is the appel called for in respect to Articles 1 through to 3? All those in favour of adopting Articles 1 to 3 inclusive, kindly show? Those against? Articles 1 to 3 are adopted. Article 4, those in favour of adopting Article 4, kindly show? The appel is called for that. I invite Members to return to their seats and I invite the Greffier to open the voting.

<b>POUR: 33</b>		<b>CONTRE: 1</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Connétable of St. Martin		
Senator P.F.C. Ozouf				
Senator I.J. Gorst				
Senator P.M. Bailhache				
Senator A.K.F. Green				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Saviour				
Connétable of Trinity				
Deputy G.P. Southern (H)				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy of Trinity				
Deputy K.C. Lewis (S)				
Deputy E.J. Noel (L)				
Deputy of St. John				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Martin				
Deputy R.G. Bryans (H)				
Deputy of St. Peter				
Deputy S.Y. Mézec (H)				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				

Deputy S.M. Brée (C)				
Deputy M.J. Norton (B)				
Deputy T.A. McDonald (S)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy P.D. McLinton (S)				
Senator P.F. Routier				
Senator P.F.C. Ozouf				
Senator I.J. Gorst				
Senator P.M. Bailhache				
Senator A.K.F. Green				

**The Deputy Bailiff:**

The remaining Articles 5 through to 9. All Members in favour of adopting Articles 5 through to 9, kindly show. Those against. Those Articles are adopted. Do you move the matter in Third Reading, Minister?

**15.3 Senator A.K.F. Green:**

Yes, please.

**The Deputy Bailiff:**

Is the matter seconded? [**Seconded**] Does any Member wish to speak on the matter in Third Reading?

**15.3.1 Senator P.F.C. Ozouf:**

Very briefly. While congratulating the Minister and being very pleased with the outcome of this amendment, because it clearly is the right thing to do and Members have agreed, I wonder whether the Minister in concluding in the Third Reading would also say that while agreeing these amendments there is also a need to speed up the speed of adoption in Jersey?

**The Deputy Bailiff:**

Does any other Member wish to speak on the matter in Third Reading? Then I call upon the Minister to reply.

**15.3.2 Senator A.K.F. Green:**

I thank the Senator for his comments. As I said at the beginning, while we have done a lot of tidying-up here and improved the situation, the whole emphasis behind what we are trying to do is about the welfare of the child. Clearly it must be in the welfare and the best interests of the child if we can speed up and find suitable homes - quality homes, loving homes - for children who need adoption.

**The Deputy Bailiff:**

Those Members in favour of adopting the law in Third Reading, kindly show? Those against? The law is adopted in Third Reading. That concludes public business and I would invite the Chairman of P.P.C. (Privileges and Procedures) to propose the arrangement for public business for future meetings.

**ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS**

**16. The Connétable of St. Clement (Chairman, Privileges and Procedures Committee):**

Thank you. The arrangement of public business proposed is as per the Consolidated Order Paper plus the proposition lodged this morning by the Deputy of Grouville, P.67, which is the Keppel Tower petition. On that basis, I would suggest that despite the effective manner in which Members have dealt with business in this session, I suspect that 14th July sitting could last for 2 days.

**The Deputy Bailiff:**

Do Members agree to take public business as the Connétable has proposed? Very well, the ...

**Senator P.F.C. Ozouf:**

May I just remind Members that despite the fact we have gone over time, there is a briefing on the very important issue of harmful electronic communications and cyber bullying which is being presented by Economic Development but in conjunction with Home Affairs. This briefing is at the Société Jersiaise. We will put off the time that we start the briefing until, say, 1.30 p.m. and run it for an hour, and hope Members will attend.

**The Deputy Bailiff:**

Thank you very much, Senator. The States stand adjourned until Tuesday, 14th July when the Minister for External Relations and the Minister for Treasury and Resources will face questions without notice.

**ADJOURNMENT**

[13:09]