

# STATES OF JERSEY

## OFFICIAL REPORT

WEDNESDAY, 13th DECEMBER 2023

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[9:30]

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

**Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter:**

I wonder if just before we resume amendment 33, I could ask your indulgence on 2 things. Firstly, I should have informed Members at the start of the debate that my officials are down in one of the rooms downstairs, should any Member wish to speak to them on any of the amendments or ask for technical advice, as is the tradition. Secondly, I was going to ask the chair, in her absence the vice-chair of P.P.C. (Privileges and Procedures Committee), but I suspect the vice-chair of P.P.C. might be absent.

**The Bailiff:**

No, Deputy Le Hegarat, I think, is the vice-chair.

**Deputy I.J. Gorst:**

My apologies. The vice-chair to consider the timing. I think we are averaging about 4 amendments a day or just over. We started well on Monday. Yesterday was a little slower. It is very possible, I think, that we will need to sit late tomorrow evening, if not this evening as well. Experience shows we do not want to sit too late too early, otherwise we just fill the additional time. But I wonder if she could just consider it in due course. Thank you.

**The Bailiff:**

Thank you very much indeed, Deputy. I think that latter point is a point certainly well made and, Deputy Le Hegarat, perhaps you will consult as necessary to determine.

**Deputy M.R. Le Hegarat of St. Helier North:**

Yes, Sir, I will.

**The Bailiff:**

Thank you very much.

**Deputy H. Jeune of St. John, St. Lawrence and Trinity:**

Excuse me, Sir. Just to apologise later to the Assembly, but I am going to be online after lunch. Due to the school situation, I need to be at home.

**The Bailiff:**

Thank you very much indeed, Deputy Jeune.

**1. Proposed Government Plan 2024-2027 (P.72/2023): thirty-third amendment (P.72/2023 Amd.(33)) - Increase revenue expenditure for agriculture and fisheries - resumption**

**The Bailiff:**

We will now continue with the thirty-third amendment. Deputy Morel has already spoken. Does any other Member wish to speak on this amendment?

**1.1 Deputy S.Y. Mézec of St. Helier South:**

It is very briefly to simply ask the Minister for Treasury and Resources if he would be willing to take this amendment in its 2 separate parts for separate votes on it. Both parts do refer to different types of funding and different types of funding source crucially, and he may get a better indication of the mood on both those parts if he took them separately. I do not think that is a particularly risky thing for him to do.

**The Bailiff:**

That obviously is a matter for the Minister. Does any other Member wish to speak on this amendment? If no other Member wishes to speak then I close the debate and call upon the Minister to respond.

**1.1.1 Deputy I.J. Gorst:**

I had intended to just go straight to the vote. But I must now address the request. I am, of course, happy to take the vote in 2 parts, but I would remind Members that they are 2 very different things. One is finding money to reconstitute the Agricultural Loans Fund, and that has its important role, I think, going forward in allowing for investment in new kit and new technology and, importantly, the transfer of farms intergenerationally and allowing new starters. That is one item. So that is the first amendment. The second amendment is the ongoing £3 million to allow the department, from revenue expenditure, to support agriculture and fisheries in a much more dynamic, straightforward and timely manner. I am not quite sure where we would be if, having voted for both of these 2 amendments less than 6 months ago, it is a moot point about whether we need to go to the vote or not, because we have already agreed to do it. But bearing in mind that you have considered it was in order and there was an amendment, so we needed to take the amendment, I would encourage Members not to change their vote from the previous vote. I worry greatly about the message that that would send to agriculture and fisheries, having taken them quite literally to the top of the hill and then starting to think for the future and think the impossible, we would then be pulling the rug from under their feet and saying: "Oh, actually, it has all got a bit tricky and we cannot do it." I ask Members to support both elements of this amendment, but I am prepared to take it separately. I call for the appel.

**Male Speaker:**

Before we go to the vote, can I raise the défaut on Deputy Millar?

**The Bailiff:**

Yes, I think technically the Deputy needs to be in her seat to have the défaut raised on her, not sort of vaguely in the area, but ... the answer is, let us just wait a moment. The défaut is now raised on Deputy Millar. [Aside] Deputy Alves, yes. I will note that. The appel is called for. The vote is firstly on the first part of the amendment, so paragraph 1 of the amendment. On that part only, I ask the Greffier to open the voting and Members to vote. We have a system problem. Let me just find out if we can resolve it quickly otherwise, of course, we will move to the appel nominal. We are going to try it again. We are not completely sure it is operational, but I open the voting on part 1 of the amendment. No, I am afraid we will have to move to the appel nominal for this. Hopefully we will have this fixed in short order. Otherwise it will lengthen the exercise.

**Deputy I.J. Gorst:**

I wonder if we might just have a standing vote on the first one. That does not seem contentious.

**The Bailiff:**

I do not mind. We will see and see how that runs. Those in favour of adopting paragraph 1, kindly show. Those against? It is not entirely clear. [Laughter] Paragraph 1 is adopted.

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

Just a technical question, is it possible to have that recorded? I think it is important so if there are any ...

**The Bailiff:**

What I just said or the fact that we have done the ...?

**Deputy M. Tadier:**

I think automatically what you say gets recorded, but can we have the vote recorded as if it were an electronic vote?

**The Bailiff:**

We do not count the numbers. I mean, it could be one person was sitting down and we would not necessarily see that. We take a basic show of the shape of the room, as it were, for a standing vote.

**Deputy M. Tadier:**

It is basically a shortcut for me asking for the appel to be read out verbally, which would take a long time and if there is nobody against, then presumably everyone is for.

**The Bailiff:**

Yes, but there are some absences from the Chamber so if I say everyone is for, that will not necessarily record whose vote is voted. I think we must just leave it in the usual way.

[9:45]

I think it might be helpful for the efficiency of the proceedings if we allow the Greffier the opportunity to shut the system down, then reboot it. That should only take a minute or 2. I am wondering whether I will step out of the room for a moment or 2 so people can sort of shout and throw buns, and whatever it is that happens when the Bailiff is not here.

**ADJOURNMENT**

[9:50]

**The Bailiff:**

I understand that there is some hope that the system now will operate. The vote, therefore, now is on the second part of amendment 33, and I ask the Greffier to open the voting and Members to vote. Sorry, you were actually asking for the appel on the first vote? That is absolutely possible. Actually, yes, I am sorry, Deputy Tadier. Deputy Gorst is right. The suggestion was made could we vote on a show. I agreed that we could do that if provided it was totally clear what the answer was. The vote was called on the show. It was totally clear what the answer was. Therefore, we cannot vote again on it, but we will vote on the second part. The vote is on part 2. **[Aside]** Can you hear me, that is the most important thing? Let us get this vote done, and then we will move on to the problem, if any, with the microphones after that. Thank you, Deputy Morel. The défaut is raised on Deputy Ozouf. The vote is on the second part of the thirty-third amendment and I ask the Greffier to open the voting and Members to vote. If Members have had the opportunity of casting their vote, then I ask the Greffier to close the voting. The amendment has been adopted: 35 votes pour, one vote contre, 9 abstentions.

<b>POUR: 35</b>		<b>CONTRE: 1</b>		<b>ABSTAIN: 9</b>
Connétable of St. Helier		Deputy M.B. Andrews		Deputy G..P. Southern
Connétable of St. Brelade				Deputy M. Tadier
Connétable of Trinity				Deputy R.J. Ward
Connétable of St. Peter				Deputy C.S. Alves
Connétable of St. Clement				Deputy S.Y. Mézec
Connétable of Grouville				Deputy T.A. Coles
Connétable of St. Ouen				Deputy C.D. Curtis
Connétable of St. Mary				Deputy L.V. Feltham
Connétable of St. Saviour				Deputy R.S. Kovacs

Deputy C.F. Labey				
Deputy S.G. Luce				
Deputy L.M.C. Doublet				
Deputy K.F. Morel				
Deputy M.R. Le Hegarat				
Deputy S.M. Ahier				
Deputy I. Gardiner				
Deputy I.J. Gorst				
Deputy L.J. Farnham				
Deputy K.L. Moore				
Deputy P.F.C. Ozouf				
Deputy P.M. Bailhache				
Deputy D.J. Warr				
Deputy H.M. Miles				
Deputy M.R. Scott				
Deputy J. Renouf				
Deputy R.E. Binet				
Deputy H.L. Jeune				
Deputy M.E. Millar				
Deputy A. Howell				
Deputy T.J.A. Binet				
Deputy M.R. Ferey				
Deputy A.F. Curtis				
Deputy B. Ward				
Deputy K.M. Wilson				
Deputy L.K.F Stephenson				

**The Deputy Greffier of the States:**

The Members who abstained: Deputies Southern, Tadier, Rob Ward, Alves, Mézec, Coles, Catherine Curtis, Feltham and Kovacs, and Deputy Andrews voted contre.

**The Bailiff:**

I am told that the microphone problem should now have been solved. If it turns out it has not been solved ... well, perhaps I would like to try.

**Deputy S.Y. Mézec:**

Is this working? Yes, there you go.

**Deputy R.J. Ward of St. Helier Central:**

This is all we need, it is fine, Sir.

**The Bailiff:**

Provided the 2 Members of Reform are able to be heard, it probably does not matter if ... Anyway, leaving aside levity for a moment, the next item I think has automatically fallen away, Deputy Luce.

## **Deputy S.G. Luce of Grouville and St. Martin:**

Yes, Sir, on the basis the Government have accepted amendment 21.

### **1.2 Proposed Government Plan 2024-2027 (P.72/2023): nineteenth amendment (P.72/2023 Amd.(19)) - Investment of stamp duty uplift into first time buyer funds**

#### **The Bailiff:**

Therefore, we come on to the nineteenth amendment proposed by Deputy Mézec, and I ask the Greffier to read that amendment.

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

Page 3, paragraph (h) – After the words “Appendix 2 – Summary Tables 5(i) and (ii) of the Report” insert the words – “, except that, in Summary Table 5(i), in order to ensure the revenue gained from the 3 per cent Stamp Duty uplift on ‘Buy to Let’ investment properties, second homes, and holiday homes may be used to increase the First Step shared equity scheme – the Head of Expenditure for the Cabinet Office should be decreased by £2,330,000; and the Reserve Expenditure line should be increased by £2,330,000”. Page 3, paragraph (l) – After the words “Appendix 3 to the Report” insert the words – “, except that on page 9 in the section “Improving Access to Housing” after the words “housing market” there should be inserted the words “The revenue gained from the 3 per cent Stamp Duty uplift on ‘Buy to Let’ investment properties, second homes, and holiday homes will be allocated to increase the First Step shared equity scheme.”

#### **1.2.1 Deputy S.Y. Mézec:**

Jersey has a severe housing crisis and one which poses as an existential crisis to Jersey, which is putting us on the road to terminal decline because of the way that it is inspiring Islanders to lose hope that they may have a decent future here and convincing many of them to leave the Island. In response to that, we have a Government that is completely asleep at the wheel, that is incapable of making any positive decision to resolve this crisis without prevaricating or putting out to review or consultation. The greatest action we have seen from the Government is to offer tax cuts to landlords who rent out rooms in their homes, which I think shows their priorities. Last year, when a proposal was brought to this Assembly, which would have seen the £10 million fund for first-time buyers, that has been sat in a pot for a few years now, allocated to a scheme to support a shared equity scheme through Andium Homes to support first-time buyers in purchasing their homes. The Government asked this Assembly not to support this and then a year later brought back exactly the same scheme after a year of inflation had degraded the value of that fund, meaning it can help fewer people. The purpose of this amendment is to take the revenue that is raised from the 3 per cent uplift on stamp duty for buy-to-let investors, an uplift that was created specifically to try to balance things a little bit more in favour of aspiring homeowners, rather than having the rug swept from beneath their feet constantly by investors with greater purchasing power than them. To use that revenue raised from that to allocate it to that first-time buyer scheme will enable more people to benefit from it. Just a bit of the history here. Since 2020, there has been a fund for £10 million set aside that has been left untouched since then to support first-time buyers. Last year, a proposal was brought forward to this Assembly asking that it be allocated for a shared equity scheme to support first-time buyers buying homes in the private sector to be administered by Andium. This Assembly voted for a wrecking amendment to that proposal so it did not actually properly get debated on at all. We were told we could not possibly go down that road because it could have harmful side effects. Lo and behold, a year later, exactly that scheme is put before this Assembly. After a year of time is wasted and they expect us to believe the nonsense they tell us on that. The scheme itself, though, with £10 million in it, is estimated to benefit only between 30 and 60 purchasers, depending on how much shared equity they are eligible for. We have around 2,000 applications live on the assisted purchase pathway, which is the Andium scheme for first-time buyers from their housing stock, as opposed to the private sector, which this scheme is

for. Thirty to 60 purchasers when there are tangible needs that we can at least demonstrate of around 2,000 is clearly not adequate, but it is a start and has to be supported. But beyond just supporting it, we need to find ways of putting more funding into that scheme to support more people buying their homes in the private sector, turning those into first-time buyer properties, and through shared equity we can make them a first-time buyer in perpetuity from them so that they cannot later on be swooped and purchased by investors. The 3 per cent stamp duty surcharge has been said to have had a severely negative impact on the buy-to-let market, and some have bemoaned that situation, which I find highly ironic because if that is the effect it has had, it has worked because that was precisely what it was meant to do. It was meant to even the playing field for those who want to purchase their homes to live in rather than for investors. But nonetheless, the Treasury has told me that they estimate that the uplift on stamp duty for next year is likely to bring in around £2.3 million.

[10:00]

That, if added to the first step shared equity programme, would provide for extra revenue to support more people. Over time, as those who benefit from that scheme move on or step up into larger properties and sell their homes back through the scheme, that money can be recycled over time to help more people. We are asked to reject this amendment partly on the basis that it is only a pilot, this scheme. What an expensive pilot; £10 million. What impacts do we think it is going to have? Do we think it is going to hurt people spending money to help them buy their first homes? Of course, what we will do is we will do what we so often do at the end of this pilot, and realise what a success it has been and then have to redebate extending it anyway. It is exactly what we did with the bus passes for young people. It is exactly what we did yesterday with G.P.s (general practitioners) for children, and it is exactly where we will be in a year's time if the Government says no to extra funding for it now. There are no conceivable circumstances where this programme is set up to be a failure. It will quite clearly help people into home ownership and achieve its aim. In asking the Assembly to tie that stamp duty uplift to this scheme, we provide over time more revenue into that scheme to help more first-time buyers and hopefully provide some kind of relief for the housing crisis that we face, helping more people into home ownership so that they do not have to live their lives perpetually in the rental market where they do not want to be, and hopefully will offer a little bit more hope to Islanders who, as of yet, have no reason to feel it when a Government is not prepared to do anything to improve their situation. That puts every possible decision out to consultation or review. We found that with the Housing White Paper and its proposals, which have been on the table for years now, but which they cannot even bring to the Assembly to ask to support now without delaying it for what we thought would be a year but, as we found out on Monday, will turn out to be longer than that. They cannot agree to abolish interest relief on buy-to-let properties, even though they have agreed to do it for homeowners. Without putting that out to a consultation and a review, not even just one of them, a review and a consultation; that is how much time they want to waste. But if we make this decision with this amendment today, we can get on with things sooner and provide that relief and hopefully alleviate that crisis somewhat. That is why I make the amendment.

#### **The Bailiff:**

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?

#### **1.2.2 Deputy D. Warr of St. Helier South:**

It is good to follow such a fiery speech from Deputy Mézec. On the face of it, this amendment seems like a good idea. It is very Robin Hoodesque, taking from the buy-to-let market and giving to aspiring homeowners. But I have a few issues with it. Ministers have been clear that we are implementing the first step scheme as a pilot. We are committed to determining its effectiveness, and to do this before pursuing additional funding in the next Government Plan. We already have £10 million in the bank for this scheme. Until we put that £10 million into the market, we do not know what its impact will be, if any, on house prices. We decided now was the right time to use the £10 million, because

the market conditions were right and the amount of money bore tolerable risk. I cannot commit to using stamp duty uplift to top up the pot of cash before my scheme has even given out its first loan. The Deputy's amendment, sadly, is totally premature. The Deputy's amendment also makes some claims that I hope to correct now. He says that my scheme reflects exactly what was proposed in Reform's housing crisis action plan and their election manifesto. As Ministers said in our comments at the time, Deputy Mézec's amendment quite specifically requires the £10 million to be used for a shared equity scheme to support private sector purchasers. It is easy to propose a headline idea without the detail behind it. But as a responsible Government, we have to go behind the headlines. Had Deputy Mézec undertaken an economic analysis at the timing of the scheme? Did he do the work to calculate the levels of equity and terms that would operate most effectively, representing best value for money and helping Islanders in the right way? We have done the work. We reached our conclusions, having been through a proper process. We looked at some 19 different schemes; for example, home loan guarantees, interest rate subsidies, assisted purchase I.S.A.s (individual savings accounts). As a Minister, it would be irresponsible for me to jump at the first idea that comes to mind, especially when we are spending taxpayers' money. It is tiresome that we have to continually face jibes as though the Government stole a Reform policy on this. I would not describe the concept of shared equity loan as an original thought. Shared equity is a very well-trodden path in Jersey, and Andium homes, our affordable housing provider, are already operating a shared equity scheme. There are also some very successful shared equity schemes in the Parishes, and I look particularly towards the Connétable of Trinity, St. Martin and the absent St. John, and commend them on their fine examples of how the Parishes are supporting first-time buyers to get on the property ladder. Another thing I would like to point out is the misleading aspect of the Deputy's amendment, in his reference to the 2,000 people who are "live on the assisted purchase pathway". These applicants are on the list because they aspire to buy a home, but sadly many of them are not in a position to do so or are holding their name on the list until the right time for them comes. We do not have high levels of active demand at the moment for many reasons, and I think anyone in the property market will tell you the same. As I said in an earlier debate, our response to the housing crisis, if it is to be effective, requires us to take care. We need to take a measured approach. We owe it to our Islanders to do this properly. Putting more money into a scheme that already has £10 million in the pot is one thing, but deducting millions of pounds from the Cabinet Office, who undertake vitally important work for our Island, and without any clarity on where on earth over £2 million worth of savings would come from, is just irresponsible and totally unnecessary. On the one hand, the Deputy is seeking assurances that Government is making effective cuts to spending. But then he suggests taking £2.3 million from a department's budget to fund a scheme that already has £10 million behind it. The Assembly should not forget that the Cabinet Office manages some of our vital front line services. This includes the I.T. (information technology) infrastructure for the hospital and all of our schools. I would urge the Assembly to oppose this amendment and, in doing so, agree with me that we can come back to look at further funding for the first step scheme next year.

### **1.2.3 Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter:**

Looking at the heads of expenditure, I see that the Cabinet Office has gone from an approved budget of 2023 of £67 million to a requested budget of £79 million; it is a £12 million uplift. Now, it might be helpful for this debate if perhaps the Chief Minister could explain the rationale behind that before. I think that would be helpful before we agree to cutting their debate. The Government seem to be able to take a million off it, or hopefully expect a million underspend, for the debate we finished this morning. I just request that could be made a little clearer. It might help Members to decide on this one.

### **1.2.4 Deputy R.J. Ward:**

I always think, what is that phrase? The only thing worse than being talked about is not being talked about. So I thank the Minister for mentioning Reform so frequently. He seems to be spending a lot

of time reading about what we are doing, and I think that is a good thing to do. Because some very intelligent and thoughtful things there; it might improve performance. You never know. But what I would say is what we are doing here, and this is a really difficult argument to make because it sounds slightly bizarre to me, that an uplift of 3 per cent on purchases of homes on stamp duty is just being put into generic funding in the Cabinet Office, which has increased by £12 million. When a suggestion comes that because that is coming from stamp duty, let us put it into the buy-to-let pot, which is something which will continue. We have to continue with that otherwise there are too many people on this Island who want to get themselves a home - a home, not a property, a home - somewhere to live where they have more rights because the rights they have when they rent are still limited because nothing has been done about it. A home that they can bring their families up in perhaps and may be able to afford the mortgage without putting themselves in stress, rental stress, which they have no control over because this Government will do nothing about rent controls. So rather than directing that money into a pot to increase that ability ... and if we talk about what people want and the Government seems to be very keen on spreading messages to the populace at the moment on certain issues. But let us look at the message that goes out there. If you are a first-time buyer, there is an opportunity here to increase the money that will be spent to support you by £2 million and a bit but we are not going to take that, we are going to use it on I.T. systems. We need our I.T. systems at the front line. It is ironic you mentioned the Education I.T. system because I tell you what, that is not working as well as one might think. That has been underfunding for years because it is spent in the wrong way. I cannot believe that what we are saying is when we have a housing crisis we are going to waste more money on that type of misspend rather than addressing the needs of people needing homes. That basic need on this Island. This is an opportunity. Again, it is an intelligent look at the Government Plan to say where is the money and where is revenue coming from in order to support something that will support a number of people on this Island directly. People who need financial support. People who need financial support for a home. I say to Members, if we are going to make decisions to say, no, that can be lost in the Cabinet Office, the ever-growing growth industry of the Cabinet Office. That is where growth is, the Cabinet Office. It is like the Borg cube. I am sorry, I apologise for the analogy, I think ...

**The Bailiff:**

Especially an analogy that will not be known to everybody.

**Deputy R.J. Ward:**

Yes. So the Borg is a totalitarian state and we would not want to think about that. It is this black hole of finance that the money will be lost in rather than something specific. I ask Members of this Assembly ... and, again, I say to Members of this Assembly, your decision is the important one. The Government Plan needs to be agreed by us and if we think this is a better use of that money, please vote to support this amendment.

**1.2.5 Deputy M. Tadier:**

Let us see if we can tease any Ministers out to speak today, after all they are the elected Government of the Island and they have an audience, not just with us but also in the gallery. It might be a good opportunity to connect directly with the public rather than sending out press releases in the *Jersey Evening Post*. Just a suggestion; they do not have to take us up on that. The Minister for Housing and Communities obviously has spoken already. He referred to Deputy Mézec's proposition as premature, which I think is wrong. I think there are other "P" words which could be used. I think it is proactive, I think it is possibly prescient. I think it looks for an issue which we know we already have. This is not a new issue. We know that housing is one of the most talked about issues during the election. Those of us who had to knock on doors, and I think it was most of us, if not all of us, it was the issue that kept on coming back time and time again, more so than the hospital and certainly more so than electoral reform. People were saying to us: "I am all right, I have my own house but it

is my children I worry about. It is my grandchildren that I worry about.” Or they were saying: “Actually, I am not all right. I am renting, I am a pensioner or I am coming up to retiring and I am thinking of having to leave the Island because I will not be able to afford the rent.” So it is an issue that cuts right across the generations and right across the demographics in the Island. We were even hearing people previously who would not have even mentioned it, who, as I said, might be very comfortable but are worried about the future generations in the Island. What Deputy Mézec is doing here is seeing an opportunity, seeing a fund that already exists, seeing an opportunity in a way to refund that and to continue to augment that fund. He is not saying it is a silver bullet, he is saying this is a mechanism which can increase that funding that is already there. It is strange the way the Minister for Housing and Communities talks about this £10 million as if that is all he needs. It is okay, I have this £10 million now. We have heard lots about that in the media and that is going to solve the problems but the reality is if a house costs on average £500,000, you can quickly do the maths, even with the shared equity scheme, to see how quickly that £10 million would be eaten up.

[10:15]

On the one hand, you should expect fully the Minister for Housing and Communities to be biting off Deputy Mézec’s hand metaphorically in order to increase that fund. Now, of course, then we come to the source of the funding. There are 2 sources really. It is not just a convenient pot to link it with buy to let; actually there is an intrinsic and inherent logic there because, of course, the 2 are linked. As I said yesterday, the more rental homes there are out there necessarily the fewer purchased properties that there can be. That just goes without saying, it is axiomatic. So if we have somebody who owns 100 properties, that means those 99 properties which the landlord does not live in cannot be owned by somebody who wants to own their own house, their own home, their own apartment. I think the problem is we have a Government which does not want to do anything that might change things because they are small “c” conservatives and I think they genuinely do not want to upset the housing market. They are worried that there might be unintended consequences that upset the status quo, which is so good, is it not? You know, the current housing market we know is in dire straits. There is very little movement in it. People cannot sell their houses, people cannot buy, people cannot afford to rent. When people do go to rent a property, they are asked for references just to make sure that they are good enough quality to be able to have a property to rent and hand over their money each month for that. So there is a necessary link here between these 2. The other thing is that the money is also coming out of the Communications Unit and the one Minister that we have heard from so far has said: “Well, is that not going to have a negative impact on the Cabinet Office? Where is the money going to come from?” You know, bearing in mind that we have just had a proposition debated where Ministers have scrambled around to try and find a solution, a temporary solution, for farmers and passed the charcuterie board around to all of their Ministers saying: “Can you slice us off a little bit of that saucisson, please?” I use a French analogy rather than the usual salami slicing, a bit closer to home. They all yield up: “Yes, of course, we will give you this and we are sure we can make some savings because we will probably have some underspends this year and we will give you that.” It is a temporary fix. So money can be found when they want to find money. Just some ideas then to help them perhaps. First of all, where is the money going to come from? Well, the first thing to consider is do not take out propaganda ads in the *Jersey Evening Post* with, at best, dubious or, at worst, unfactual information to try and wage a propaganda war against your own public sector. That is money well saved. We know it might get the *J.E.P. (Jersey Evening Post)* on your side for when you have to have a sympathetic column or front page but I think the public can see through that. I would refer us back to the financial statements that Deputy Mézec made when he said: “The increase in expenditure for the Cabinet Office next year is almost £12 million. Many struggle to understand why this department needs such a drastic increase in funding so soon after its establishment. It is also clear that there are some functions performed by the Cabinet Office which are not universally considered good value for money for taxpayers.” I think the one I have just alluded to might be such an example: “Such as the communications function which far exceeds in

cost and staffing what comparable jurisdictions spend.” I would go one step further and say what even is a Cabinet Office? I mean, it sounds very bizarre. We do not have a Cabinet in Jersey, do we? I mean, sometimes I think we have something of a kitchen cabinet sitting across from us, and it is certainly not a Wren kitchen either, it is maybe one of the lower end B.&Q.s. As we know, it does not really matter where your kitchen cabinet comes from, it is how it is put together that is the most important and whether it has cohesion. You do not want your kitchen cabinet falling apart after just a year of installation, even if it is a very expensive one or if it is a lower end one. That is why I think it is always important to employ a good builder. Certainly my kitchen is doing very well, thank you.

**The Bailiff:**

Deputy Tadier, I think we have gone as far as we can with the kitchen analogy.

**Deputy M. Tadier:**

Okay. It also sounds very Westminster, does it not? I know we have a lot of Westminster files in our cabinet at the moment but is this something which is really needed for Jersey as well with that level of spending. I would ask for a bit of restraint to be shown from the Council of Ministers. I think they can lead by example, they can offer up some savings from their Central Communications Unit, something that George Orwell might have referred to as the Ministry of Truth or Ministry of whatever - put your name in here - and offer up those savings and actually get behind the very fine words that they talk about in getting our community proper affordable housing in a sustainable way.

**1.2.6 Deputy P.M. Bailhache of St. Clement:**

Deputy Warr was right to criticise Deputy Mézec’s claim for original thinking in terms of the plan for shared equity in the private sector. The Jersey Liberal Conservatives had in their manifesto: “Increasing affordability by developing shared equity schemes for those who cannot afford to pass through the Housing Gateway. No doubt many others had that thought as well. Where I do share some empathy with the speakers from the Reform Party is in expressing frustration that it all takes so long to achieve what really has been blindingly obvious for so long. The Minister for Housing and Communities said that the first loan has yet to be made under the new scheme. These expressions of intent in party manifestos were given more than 2 years ago, yet nothing has happened. I hope that somebody from the Government will be able to explain why it has taken so long to get this scheme off the ground. I agree with Deputy Warr that it would be sensible to wait until the scheme has been tested before putting more money in. In any event, it seems to me that the £2 million proposed in this amendment is a drop in the ocean. If the scheme is successful, substantial funds should be put in to ensuring that people have access to the housing market. I will not support the amendment but share the frustration that has been expressed on the other side of the Assembly.

**1.2.7 Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter:**

Perhaps the Reform Party have misunderstood how this process works. Yes, we may have a £1.2 billion budget to share across our public service and to deliver public services for all Islanders, but that share becomes very difficult. They will be fully aware of the many debates we have over sometimes very small amounts of money, because this budget, however large, has to deliver an incredibly large amount. They will also be aware of the £287 million that we are proposing to spend on Health and Community Services and the £207 million that we are proposing to spend on Children, Young People, Education and Skills. That, of course, with my maths, takes us to £494 million before we have even started. We, of course, have our fantastic emergency services who equally take up a very important share of our budget. That is £67 million for Justice and Home Affairs and the States of Jersey Police. So it goes on. Who would take any further amounts from those? We are all dealing with inflation. We all have to look at our pay provisions for all of the public service and ensure that we are looking after them all fairly, which is why we were pleased that the majority of them accepted our pay deal of 7.9 per cent for this year, which was criticised by many in the private sector for being

inflationary when they are giving their staff 5 per cent and lower in many circumstances. I think this Government has been doing its level best to, firstly, look after its staff by providing them with the best services and advice that they can and, secondly, in terms of pay and dealing with the rising costs that we are all fully aware of, we have met those by meeting as close as we can to the cost of living and dealing with everybody in a fair way. We have also, through our relentless focus, invested in recruitment and retention, bringing in more people to provide long-term security in many jobs. How many extra teaching assistants have we taken? Over 50. We have set up an accommodation service for people coming in to work in our key services so that they have the best welcome to Jersey because that is what Jersey wants to do. We want to secure our public service, we want to deliver the best possible quality services that we can. That is, of course, the high-level position. Questions have been asked about the Cabinet Office and I am, of course, rightly happy to point Members in the direction of the Cabinet Office, which of course is a new construct but I think Deputy Mézec should well remember, as a former member of the Democratic Accountability Subgroup - I think it was called - that they called for a Cabinet Office to be created. Therefore, we have delivered upon those demands of that previous subgroup and created a Cabinet Office. It pulls together, as the Deputy well knows, many other departments and it is part of the process of moving away from the OneGov that was so disliked by many people in the public service and out in the private community. The Cabinet Office is delivering what the Deputy wanted. It brings together essentially the old Chief Minister's Department, if he recalls that ... I can point Members to the annex of the Government Plan which outlines all of the services that fall underneath the Cabinet Office. We have Modernisation and Digital, the very people who are helping us to invest in our I.T. so that teachers and others across the public service have better capability in I.T. to help us all be more productive, to deliver better value for money for Islanders. People and Corporate Services, they look after our payroll and our systems and our H.R. (human resources) function. The chief executive and the Ministerial office supporting Ministers and senior officials in doing their jobs. Yes, there is the communications team. Actually, they have recently been praised for the excellent way that they supported Islanders and prepared Islanders for the storm which hit us, I think it was last month now. I think they showed their true value and their commitment to public service and we should be proud of them. Statistics, Analytics, Public Policy, Public Health, in an age where we have a diabetes situation and obesity crisis also, we need our Public Health officials, and we have a very talented team of Public Health officials who are helping to deliver important messages to Islanders to encourage them to make the right choices in life to lead longer, healthier and better lives. We also have Strategy and Innovation. Perhaps the Reform Party do not want us to strategise or innovate as an Island. We also have the Delivery Unit and Governance, equally vital parts of our public service. Then support for the arm's length functions who deliver incredible value for Islanders and looking after our wider structure. We have, of course, made savings in the value-for-money programme and I can remind Members of what these are. A £3.3 million saving in pay awards. This was funded by the approved ... excuse me, sorry, I am now going through the increases to the budget and outlining to Members how that increase was provided, as Deputy Farnham asked. So £3.3 million of that was for pay awards. I think Members will understand and appreciate how important it is to support our public servants in keeping up with the cost of living, as I outlined earlier. £1 million for other inflation-linked increases. £3.6 million in increase in growth, which is approved in the Government Plan of last year, including the technology transformation programme and the cybersecurity programme, again meeting a clear and present threat to modern society and ensuring that the Island is meeting its obligations and duties to the public. £4.7 million in new growth. The majority of that is recurring funding for existing posts in Public Health - I have already spoken about the importance of them - that have been funded through one-off means.

[10:30]

Then an offset of £975,000 in value-for-money savings. We are committed to providing value for money. We are committed to providing excellent services. This pie, although big, is diced up in

very small portions, it is carefully nurtured and managed. As the Deputy has outlined in his proposed savings that he would use to contribute to by this housing scheme, it is very difficult to do and to achieve, and it would have serious consequences on the delivery of services to Islanders. We have found a way of unlocking that £10 million; £10 million that, of course, when our roles were slightly reversed and the Deputy was the Minister for Housing and I was chair of the Corporate Services Scrutiny Panel, the Corporate Services Scrutiny Panel at the time told the Minister for Housing that he needed to do more to support Islanders to encourage owner occupation. What did he deliver during that time? Well, that £10 million has sat on the books throughout the entire length of that previous Government and now this Government is picking it up again, holding that baton and meeting our own manifesto commitments. Deputy Bailhache pointed out the J.L.C.'s (Jersey Liberal Conservatives) commitments. I do believe that it was also a manifesto commitment of my own to provide greater owner occupation. The Deputy can smile but also we all know that market conditions are moving and changing. The point that he made in relation to requiring additional funds, sadly, is no longer the case because we are seeing our market changing. That £10 million this year will probably achieve a great deal more than it could have done last year as market conditions change. What will really make the difference for Islanders who want to get on the property ladder will be supply. I do believe that the Reform Party chose to block a lot of sites proposed for housing and particularly affordable housing in the bridging Island Plan, because they said that they did not want to build on sites in the countryside where we could offer the public good quality homes for families in a pleasant environment, where they are near to their families and their long-term roots in the Island. But, no, they said at the time, no, we need to build in town. Oh, and what have we heard since the election? Town is full. I believe that I am just repeating arguments that we have heard in this Assembly.

**The Bailiff:**

If you would pause for a moment, Chief Minister, while I am speaking. Deputy Mézec, I understand that you are, by your body language, profoundly disagreeing with the observations made by the Chief Minister. They are legitimate observations that the Chief Minister is entitled to make. You have the last word, of course, in this debate and you will be able to put your own observations before the Assembly in connection with that.

**Deputy G.P. Southern of St. Helier Central:**

In the meantime, Sir, is the Chief Minister allowed to go so far as to mislead the House accidentally when she is accusing ...

**The Bailiff:**

Well, the answer is I am sure that the Chief Minister would not be misleading the House intentionally, that would be unthinkable. If it is unintentional, then presumably it is because that is what the Chief Minister genuinely thinks when she is making her observations to the Assembly. I, as Presiding Officer, cannot make a ruling on that one way or the other without going through all of the previous votes taken and arguments made to satisfy myself what the position would be. That is outside the scope of the time available to us in this debate. So the answer is, I think, provided the terms used by any speaker are parliamentary and they are not offensive or impute the integrity of individual Members, then there will be a fair leeway. As I said, Deputy Mézec will have the opportunity to respond at the end of this part of the debate.

**Deputy K.L. Moore:**

Thank you. I am grateful for the opportunity to engage with the Assembly and to put forward a different opinion, because the opening speech to this debate was full of rhetoric, full of political narrative but it is not one that I recognise. We all approach things in a different way and there is a better way. I believe that this Government is providing that better way. It is difficult. Of course, we

want to do more and we want to do it quicker. Speed is very often the narrative in Broad Street and we are all focused on delivering better, faster and greater value for money, but supply is an important issue, and I think it is simply a matter of political difference. If they would like to change their policy position on delivering greater supply in the property market then I would be really grateful for their votes when it comes to those opportunities, but I am simply trying to put the record straight. We are in a different market than we were last year. We are moving forward. We are focused on our delivery of homes and increasing owner occupation. It is what we set out to do at the beginning and it is what we are trying to deliver. We would simply ask the Assembly to support us in continuing to do that and spending our money wisely, but also supporting Islanders in accessing much needed homes and opportunities to do that which the Minister for Housing and Communities is doing.

### **1.2.8 Deputy T.A. Coles of St. Helier South:**

I was not going to rise but the last speech has made me really think about what I wanted to say. We are facing a problem with a lot of the departments that the Chief Minister mentioned because we are having to rely on agency staff. In Education, in Health, we are having to spend a lot more money because we are requiring agents to come over to fill the positions. Why? Because the locals are leaving. Why are the locals leaving? Because they cannot afford to live here. They cannot afford to live here because we are still waiting for a residential tenancy law to come in to help secure their tenancies, to help keep the rents under control, but our Government is failing to do this. We are then also in a situation where they are leaving because they cannot afford to buy their own home, because the Government has sat on £10 million 18 months into this term of office and still have not spent it. They are still waiting, trying to find methods. The market is changing; the market is stagnating. The market is not even moving at the moment because they are not using this £10 million to actually get people to buy some property. All we are saying right now is, hang on, here is an opportunity to help more people, to help more people stay in this Island. My sister is a teacher, she qualified as a teacher many years ago. Why did she not come back to Jersey? Because the U.K. Government offered her a shared equity scheme so she could stay in Kent and actually buy her own home and live comfortably. This is why these schemes are important, this is why these schemes need funding and this is why we need to get on and do it. I am sorry, 18 months and I still do not see a better way in sight.

### **1.2.9 Deputy P.F.C. Ozouf of St. Saviour:**

Yesterday maybe some Members saw that I was wearing a tie, and sometimes a picture says a thousand words, with an elephant on. I thought we would be a bit better advanced, I thought it was going to be for this debate. The elephant is the elephant in the room which the Chief Minister has so eloquently spoken about. The elephant in the room is the reality that there is simply not enough supply. If Deputy Mézec in his proposal would be doing anything to give an indication of policies that would increase supply ... Deputy Tadier spoke about a saucisson slicing, that is presumably analogous to the amount of money that the Council of Ministers has at its disposal. An interesting use of words but I want to grow the saucisson by economic growth. I want to grow the opportunity for all tenures of people wishing housing. Deputy Coles spoke about his sister and buying a shared equity property in the U.K. I think I was the first Member of this Assembly many years ago that spoke about shared equity. I still look with great affection at the first shared equity programme that was delivered by Trinity in a very innovative way. That has been incredibly successful in getting Trinity people and others from around the Island, families, into homes that they could not otherwise afford. I commend the work that the Minister for Housing and Communities has done in creating more home ownership with shared equity. I absolutely agree that has a role but we cannot create a market that simply is full of people with shared equity because you create market distortions. We need more rental properties. Deputy Coles and others have said they wanted more properties for teachers. Well, teachers sometimes want to buy properties, sometimes they want shared equity and sometimes they want to own their home if it is - and it should be - affordable in the open market. The

Upton Park development that he referred to in a previous debate was the subject of discussions on Radio 4 this morning I hear. It was Barking and Dagenham where that Labour council has now been found out to be charging extremely high costs for those shared ownership properties that are there and rental properties. Now there is a scandal with Dame Margaret Hodge, who has been well-known to Members, actually advancing the position. She is shocked at what is happening in that Labour run Barking and Dagenham Council. We cannot simply rely upon interventions into market with issues like price control and creating secondary markets, they only tend ... experience shows if you intervene in markets, they bite back, you cannot have a situation ... yes, I understand the arguments about we want to stop buy-to-let properties and that is going to mean that there are more buys available. Actually our buy-to-let market is in a bad situation for a number of reasons. There are less buy-to-let properties. Let us move on from where we were last year. There are not lots of empty properties in Jersey, we know those numbers were wrong. They are not empty, they are probably being rented. But the amount of rental properties that are available is not growing because there is a lack of confidence in people wanting to invest in buy-to-let properties. There is a lack of confidence in Jersey investing in any sort of properties. We need investment.. As Sir Keir Starmer said, we need to get building. If this proposition was designed maybe to give the Minister for Planning more resources to deal with the nightmare that he had for the bridging Island Plan, which meant that there was not the preferred sites for green rezoning. The States were giving quite clear - I listened to it on the radio - numbers about how many units of accommodation were going to be required and the Government and the States Assembly failed to deliver in the bridging Island Plan. That is true. Deputy Mézec opposed a lot of it. He has been a Minister for Housing and I would have thought ... maybe in his summing up he can actually say, what did he do to increase the supply? The supply of all tenures of accommodation, not just rearranging the saucisson, Reform's salami slicing, of simply trying to basically squeeze more people into the same housing stock. What did he do to increase the stock of all tenures? If this proposition was about increasing supply, giving the Minister for Planning more officials that are required to deal with the nightmare of the rezone sites that we have that cannot be built on because there is not the infrastructure instead of the sites that were proposed and the preferred sites - one in St. Saviour - to actually build, we would maybe be getting on and building, but we are not. We are not. I do not respond to comments made. Deputy Bailhache was quite right and he is quite right in wanting to have more home ownership. We all want more home ownership. We want more affordable homes. I want teachers. I have a sister who is a teacher as well and other people know about my other relationships with teachers. I know well the issues about teachers and what was made available to London teachers in terms of costs. But here we have an unaffordable housing market that is now in stagnation and it is now worse than that because we have got a lack of confidence in people actually wanting to invest in properties. That is investing in buy-to-let properties to let to locally-qualified people, including teachers. We have got a lack of investment into a whole range of developers. Developers are just simply not now able to have the confidence to get a planning consent through with the strictures that were put on the bridging Island Plan. If this proposition would be about increasing supply, rather than being like King Canute and trying to stop market forces, I would be in favour of it. But what does this really do for the elephant in the room? The elephant in the room, as the Chief Minister and Minister for Housing and Communities and other people have said ... Dame Kate Barker, who is the chair of our Fiscal Policy Panel, wrote a report *The Barker Review* to Gordon Brown in the U.K., where focusing on supply was the most important thing. Maybe Dame Kate Barker will be, with her massive experience in housing, used for advice to us in this Assembly, but I can predict that it will be the same thing. It will be policy interventions that deliver supply. I can see Members of Reform shaking their head. Well, if they do not have the message that somehow now that we need more supply, I am even more emphatically in favour of Members sending a clear message to Reform and to Deputy Mézec's amendment that it is in the wrong area. We need focused policies on supply, we need to get building and we need to give confidence to the people that are listening to this debate that we are serious in terms of creating more supply of all tenures of dwellings, that is, single homes that are required, as we ventilated in the last

debate about the size issues, that is family homes of a range of tenures and that is homes that are delivered in sites across the Parishes, in rezone sites, in glasshouse sites maybe, and in terms of town and urban development. Barking and Dagenham was supposed to be a leader in terms of urban development but simply that is now falling apart, it seems, from the news stories overnight. This amendment is not going to achieve its objective. I wish that Deputy Mézec would explain why he has not put an amendment which focuses on what the real issue is, which is encouragement of supply and basically more regulation for housing supply. Laying on more regulation is not going to be conducive to sending a confident message to people that want to invest because people can only buy houses, whether they be shared equity or others, they can only rent properties, if there is a private sector capital which includes both private sector lenders and banks that have got the confidence to take the risk of building those properties for those people to buy them. I wish that those house prices would be lower. I wish that margins would be lower but it is the uncertainty. Capital has a risk element to it and when capital is at a high risk you are not going to invest. There is a high risk that you get nos, that you cannot develop, you cannot deliver because the Government's going to change the rules as we go along, which we have in terms of minimum sizes, et cetera. You have to create stability and certainty. Maybe Deputy Mézec could sum up and say what this is going to do if he agrees that the major issue is supply, because this proposition does not do anything of it. If he does not agree with supply, just let him put it on the record and ask why this amendment does not have some sort of intervention which is going to really send the signal out that he and his Reform colleagues are not going to attempt to keep the quantum of houses in Jersey the same and actually want to really grow it, how they would do it and what this amendment is going to do for it. I cannot see a single message supporting this amendment, which will achieve that objective of let us get building.

**Deputy R.J. Ward:**

Sir, can I have a point of clarification? Or perhaps I think the Deputy may have accidentally misled the Assembly.

**The Bailiff:**

Do you give way for a point of clarification, Deputy Ozouf? You do not have to.

**Deputy P.F.C. Ozouf:**

I am happy to give way.

**Deputy R.J. Ward:**

Yes. He mentioned the housing development in Upton Park that Deputy Coles had mentioned and then proceeded to talk about Barking and Dagenham. Upton Park is in the borough of Newham, not in Barking and Dagenham.

**The Bailiff:**

Sorry, is that a point of clarification you are asking for from the ...

**Deputy R.J. Ward:**

Yes, Sir, I think it is very important because he went on to quote how a borough has so misled and it was the wrong borough and nothing to do with what he had said. So it was just a hyperbole.

**The Bailiff:**

I am sorry. Just one moment. A point of clarification. You may ask for a point of clarification of the speaker's speech or you can ask for a point of clarification of your speech if you have said something about it in your speech. The point of clarification you are asking for is could Deputy Ozouf clarify which borough, because you had thought it was the borough of X? Is that the point of clarification you are seeking?

**Deputy R.J. Ward:**

Just whether the Deputy recognises and can clarify that he has got the wrong borough.

**Deputy P.F.C. Ozouf:**

If it is Newham, it is next door to Newham. The Deputy did not say which site that he was looking at when he was talking about in London. The really important point is it is the area of London that has seen the biggest amount of supply which has been putting into the thing. So I apologise if it was not ... if Upton Park is in Newham, that is just next door. But the point underlying it remains is that that that borough is seen to be the biggest supplier of homes and there have been some problems which have emerged in the last 24 hours, which show that that does not work.

**The Bailiff:**

I think that is the clarification. Thank you very much, Deputy.

**1.2.10 Connétable P.B. Le Sueur of Trinity:**

I am prompted to rise following the last speech from Deputy Ozouf. Firstly, I would put on my record the Parish's thanks to him when he was the Minister for Treasury and Resources who helped us with the funding of our first-time homes development. But I would say that it was not a shared equity scheme. Our scheme differed in that we took a second charge on the properties. The properties are owned outright by those people who bought those properties in good faith and the Parish will only see their contribution back when the property is eventually sold. It is not a shared equity scheme. A lot of criticism at the moment about the Planning Committee, the frustrations that people are suffering and seeing it being laid at the door of the Planning Committee. The bridging Island Plan speaks very loud and clearly to us providing and building homes that promote the health and well-being of the eventual occupants. When developers come forward with schemes which do not meet those minimum standards, I am afraid I cannot, in all good conscience, go along with approving them. We are hearing or I am hearing this appeal for more and more built homes, but in actual fact I hear that developers are actually mothballing sites at the moment because the elephant in the room is the question of affordability. So with that, I would also say, while I am on my feet, that property development basically fits into 3 little pots. You have the cost of your land, the cost of doing the development and the profit, and the cost of your fees and everything else, your planning application fees. We were very fortunate in Trinity that we were gifted a field which has made a substantial return eventually for our Parish, for which we are extremely grateful to that benefactor. But I see schemes coming forward from our own arm's length development company, which is squeezing the pips, continuing to provide unnecessary, tight and poorly-designed schemes, whereas we should be leading the way with our own arm's length developer. So I am really struggling with this one, to be perfectly honest, because I really do want to support first-time buyers and people being able to get onto the property ladder but, by the same token, I see that some of our essential services are really suffering, being under-resourced. I hear horror stories of people waiting for ambulances with family members and other people who have been unfortunately injured or damaged themselves, waiting for ages, whereas our ambulance service used to be able to provide a really good service. Ninety-two per cent of the time that they were called on, they would get there within 8 minutes and now we hear stories of people waiting in the precinct for 20 minutes, an hour for an ambulance to turn up. That must be a reflection that we are squeezing some of these essential services too tight. So I find this debate really difficult but I will leave it there and listen to what everyone else has to say.

**The Bailiff:**

Before I move on to the Connétable of St. Saviour, obviously, Connétable of St. Brelade, you will be contributing to the Greffier's fighting fund by way of a fine for that electronic intervention.

**Deputy R.S. Kovacs of St. Saviour:**

Can I just raise the défaut on Deputy Porée, please?

**The Bailiff:**

Yes, the défaut is raised on Deputy Porée.

**1.2.11 Connétable K.C. Lewis of St. Saviour:**

I would just like to echo the comments of the previous speaker and point out that we do have several fields in St. Saviour that have been approved for housing on La Grande Rue de Beauvoir and that will be redeveloped and first-time buyer housing placed there in due course, along with the refurbishment of the Five Oaks area. So St. Saviour is definitely doing its bit.

**1.2.12 Deputy C.S. Alves of St. Helier Central:**

I was pleased to hear some of the comments from the Constable of Trinity because one of the things I wrote during Deputy Ozouf's speech was that the issue here is not about increasing supply because I am not sure how many Members in here have recently looked online and seen what is available out there. The issue is not supply, the issue is the price and the condition. I continuously check online, not just for rental properties, I also look at properties for sale. Most of the time I am looking at rental properties to help out constituents who are looking for homes themselves. There are plenty of rental properties out there, they are just simply unaffordable. It is not that there is a lack of confidence, there is a lack of money. There is a lack of affordable homes for people on this Island; it is as simple as that. I recently had a change in my own personal circumstances, which meant that I had to have my home surveyed and revalued in order to get a mortgage on it. I bought my home 11 years ago and in 11 years, even though, like the Chief Minister said, the market has slowed down, it has not slowed down enough and it has not brought the prices down enough because my home in 11 years has doubled in price and that was a recent evaluation. That was not last year, that was not the year before, literally within the last few months. I can tell you now my income has not doubled. I do not live off a passive income. I do not have any businesses or a share or anything like that. My income has not increased at the same rate. I was lucky enough and this is something I keep hearing, and I keep hearing it from my friends, I keep hearing it from other people, I was lucky enough to buy when I bought. Fortunately, I had the help from my parents at the time but even now with the help from my parents I would not have been able to buy now. I would not have been able to buy the home that I am in right now. When I hear about things being premature, it is too late. I have a friend who is in the gallery and I am sure she will not mind me telling you her story. She purchased her home through the Andium Affordable Gateway in the last 3 years in 2020. She is a teacher, she earns a decent wage. She has a partner who also works full-time and probably a bit more than full-time. That home in 3 years, her neighbours, has gone up by £200,000 in the past 3 years. If she was to try to buy the home that she is in now, she would not be able to. When we are talking about things being premature and waiting to see how things pan out and testing the water and stuff, there are plenty of schemes out there that are already in place and that are working. There is nothing to suggest that another scheme would not work. What Deputy Mézec is trying to do is increase that pool of money because, like many have already said, the prices of homes has significantly increased. Therefore, the number of people we can help is significantly less. I would urge people to really look carefully and maybe have a little look online at the properties that are available. If you can, maybe make reference to the prices that they were before. Unfortunately, we do not really have an equivalent of Zoopla where you can look up how much a property was a few years ago. But I can assure you that the main issue here is affordability and cost. Surely adding a bit more to a fund that will help more people is only going to make things better.

**1.2.13 Connétable M. O'D. Troy of St. Clement:**

I need to bring the Assembly back to an element of reality. There has been a lot of showboating going on for obvious reasons. I have spent some time in various professions and one of those was estate agency. I need to tell everybody that there is only one way that you will reduce the price of housing over here and that is to create a glut in the market; it is the only way. It will not work otherwise. Jersey is a small place with many, many people wanting to move over here and it is competitive. People will pay over the odds to get what they want and it affects everybody.

[11:00]

I think also with respect to whether we have social conscience or not if we do not vote this through, that is rubbish. Everything I do in my Parish and in my working life has a social conscience element. My family suffers from the same thing as everybody else. I have 2 daughters, one 25, who came in and visited a profession over here and did not like the economics, so she went to Bristol. She is 25 years old, she is a qualified physiotherapist and I would love her to be here. I have got a 21 year-old daughter, who wants to buy eventually. This thing has existed ever since the war. My parents had to beg, borrow and steal money and work multiple jobs and people will do that to get what they want. But we are kidding ourselves. We tried desperately to get as many fields passed in the bridging Island Plan. We were scratching our heads and scratching other parts of our body as well because we could not find them. Against our better judgment, people like us Constables who were trying to resist green fields being voted for housing, which is contra to everything we believe in, were talking to each other and saying: "Well, we are going to have to let this one go." I took advice of the various Constables around and went on a planning bus. What did Reform do when we came to the votes? They did not go against them, they abstained *en bloc*. They did not vote against the Island Plan. What they did - and that is the only time I have lost respect for them - they chickened out. They completely chickened out because what it says is I did not vote for them, so I am not guilty of passing these green fields, I am not guilty. But did they vote for them? No, I am not guilty of voting for them, not guilty of voting against them. I am going to leave it to you suckers to decide the fate of these beautiful green fields.

**The Bailiff:**

I think we can avoid words like "suckers".

**The Connétable of St. Clement:**

I beg your pardon, Sir. I am going to leave it to you other Members to vote for these green fields, and we did. Then we found out that a lot of them could not be developed on because they did not have the infrastructure to support the housing. Our infrastructure across the Island is creaking. We cannot afford the basic things we used to afford many, many years ago. We have a very difficult decision to make once again. There is money in the pot, the £10 million in the pot, it is not creating anything at the moment. We need to push that along and jab the Minister for Housing and Communities until that happens. But at the moment if we are nicking stuff from the Infrastructure pots in various parts, we are not going to get anywhere. But we need to build, we need more supply. The only way to create a drop in price, a long-term drop in price, is to create a glut in the market, a much bigger supply than we need. It shows in every economy across the world, that is the only way that will happen and I just want to make that clear. I apologise for my earlier language.

**1.2.14 Deputy A. Curtis of St. Clement:**

I hate to bring the topic back to what we are debating, which is a movement of funds from one department into a fund. Members, many expressing support for this, wanted greater clarity about where the money was going. The Chief Minister highlighted table 2, page 5 of the Government Plan annex that breaks down the increase in the Cabinet Office budget. I am one for data, Members know that, so I thought I would do the vibrant and exciting thing of diving one step further. We can now go through the Modernisation and Digital budget and its increases and changes between 2023 and

2024. Because we are talking here about a choice. We are not talking about a lovely opportunity to increase a fund, we are talking about doing it at the expense of other activities. I will make a greater case in the next debate, the next amendment, about the work of Modernisation and Digital. But the Government Plan shows an increase of the M. and D. (Modernisation and Digital) base budget from £34.2 million to £39.3 million between 2023 and 2024, net revenue expenditure before depreciation. Let us take the easy ones that we know have column breakdowns. Of that £1.35 million is pay awards. Another one would be £0.64 million being inflation. Modernisation and Digital's budget is roughly 50 per cent staff costs and non-staff costs, so that means that for next year, alongside value-for-money targets, alongside further targets now or savings we will have to deliver because of our vote on agriculture, we have 3.2 per cent before those on inflation in a period where suppliers' inflationary targets are far higher than 3.2 per cent on our investments. Where does the rest of the increase come from? Those are not growth bids in Modernisation and Digital this year. This is not something that we have seen from a growing department. These are movements, planned movements and transfers from project budgets into business as usual that were part of business cases, in fact signed way back in the Government Plan 2020 in the technology transformation programme, a programme I have nothing to do with from a budget perspective. Here we are, we have lines landing with us and many of them are really important lines; that programme funded cybersecurity. We now have in our budget a B.A.U. (business as usual) amount for £1.86 million for cybersecurity; that funds roles, I think it funds 8 F.T.E. (full-time equivalent) roles, which I am sure we will touch on F.T.E. count of the department later. It also funds licensing and it funds other elements of ensuring we provide compliant and secure platforms to keep Jersey's Government reputable, secure and safe for Islanders. It also includes £0.7 million of the records transformation programme, another T.T.P. (technology transformation programme). That is an incredibly small amount of money when we look at what the programme aims to do. It aims to digitise records, it aims to ensure Islanders and the operators of services for Islanders get access to their documents that we want to pay them. It means we can run the new office accommodation project far more efficiently. I will talk about the decisions we made to change how that programme runs in 2022 for better value for money. We are running with a very small budget for a changed piece that Islanders want and deserve. We have received £1.92 million in I.T.S. (integrated technology solution), a programme I will touch on again, a project this Assembly did not vote on, of which over half of that covers yearly licensing. I am surprised when I hear Deputy Farnham say: "Where has the money and the increases come from?" Because these are things that his Government voted on and draw it through. We have £0.5 million for service digitisation. You can net those against roughly £2 million of reductions in our budget from value-for-money targets and alignments. I struggle sometimes when I hear about the opacity because I certainly think, and I said yesterday we have a better job to communicate what departments do. I will go through the work of Modernisation and Digital in amendment 20. But if anyone wants to say this is a closed opaque book, I will open up the books. I am sure the Chief Minister will be happy for us to open up the books. We will provide our officers and we will show you the work. Members, if they find ways to improve, alongside the improvements we make day by day, we will most certainly and happily accept them. But on the basis of evidence, knowledge and fact and not what is currently being proposed.

#### **1.2.15 Deputy L.V. Feltham of St. Helier Central:**

First, I will put the record straight on something that the Constable of St. Clement said. Reform Jersey voted in favour of the Island Plan, Reform Jersey did not abstain on that vote. I am sure that the Constable, knowing him well, did not mean to mislead the Assembly, we know that. Unfortunately, a lot of this debate has become quite personal but I did want to rise and talk, I think on behalf of the party as well because we work as a team. A lot has been said about where this £10 million came from, why it has not been spent in this term of office and also assertions about why it was not spent in the last term of office. It was of course Deputy Mézec, our party leader, that secured the £10 million when he was Minister for Children and Housing initially. Other things that he did

achieve in that time - and let us not forget that that was when COVID reared its rather ugly head - were rent freezes, both in the public and the private sector. I think the assertions that the Deputy did not achieve anything when he was Minister for Children and Housing are quite untrue and unfounded. Also, I think it is worth reminding the Assembly that our party has principles and we stick by those principles. When it became apparent that the belonging to a Council of Ministers meant that our principles were being challenged and that that Council of Ministers was ineffectual, we did not choose for our party members to maintain status. We did not support the Government and we stepped away from that because for those very reasons we were frustrated about the lack of action being taken. I do not like this phrase but we are where we are. We have had £10 million that could have been spent in the past 18 months by this Government that has not yet been spent. In that time more and more people are finding housing more and more unaffordable. The £10 million, as Deputy Mézec said in his opening speech, will not go as far and will not help as many people. Also, I was quite surprised when I attended the presentation on the proposed scheme because the majority of people will only be helped if people buy smaller homes. If it is our intention to help people buy family homes that they can stay in as their family grows and stay in for a longer period of time, it will mean we will only be able to help fewer people. That is one of the reasons for me that increasing the amount of money in this particular budget is important. I was quite surprised to hear the Chief Minister suggest that the OneGov project was now seemingly over and that the Cabinet Office was a step back to the former Chief Minister's Department. I had noticed the similarity myself to the Cabinet Office and the former Chief Minister's Department. I did want to address the comment that was made previously and I cannot remember who made it, around the Cabinet Office having been a recommendation of the Democratic Accountability Sub-Committee of the previous term of office; that is true. But when you read the recommendation and the report of that committee, the Cabinet Office within that recommendation was a very different type of department. It was a lot smaller and it certainly was not intended to be a step back to the old Chief Minister's office. The other reason I was quite surprised to hear the Chief Minister assert that the OneGov project was now over - I cannot remember the exact words, so I hope I am not unintentionally misleading the Assembly there - was that a number of the elements of that current Cabinet Office that has been brought together is very much OneGov. It is a centralised H.R. function. It is a centralised I.T. function. It is a centralised procurement function. If OneGov is not now happening, I would question the structure of the Cabinet Office and whether indeed some of those services should be decentralised. Perhaps we may not be in the situation we are with education if they had their own H.R. Department, for example. I did want to, looking at my notes here, something I cannot let go is Deputy Warr's comments about the Reform Jersey manifesto. I am going to choose my words carefully, so I will take a pause; timely, Minister. The Minister may think it is okay to write something on your manifesto with no ifs, no buts commitments and then renege on that because you happen to be a Minister but that is certainly not what my party does. The Minister may well have not had the necessary information when he put his manifesto together to make the right decisions.

[11:15]

But when we put our manifesto together, which included this type of shared equity scheme and a use for the money, which then led to Deputy Mézec making the proposed amendment to the Common Strategic Policy to ask and request the Government to use this money in a timely manner, we did it on the grounding and the knowledge that Deputy Mézec had had in his term as Minister for Children and Housing the knowledge that was derived from the work of the Housing Policy Development Board. When Deputy Warr says that these things, they take time to do, yes, we took that time to do it. We looked at that and our manifesto was not written on the back of a fag packet. Was that unparliamentary, Sir?

**The Bailiff:**

I feel that it could be unparliamentary but it seems to have been used on many occasions within the Assembly. It would be a little unfair of me to object to it on this occasion.

**Deputy L.V. Feltham:**

Thank you. The assertion that when we put that manifesto together and when we brought the original proposition asking for that money to be spent sooner in this term of office in the exact same way that this Government is now proposing to spend it, the assertion that further time needed to be spent and then criticising the mover of that proposition for having taken that time when he was Minister I think is rather duplicitous. I will leave it there. I think it is important that we do help more families on to the housing ladder and I do not like that word “ladder” because, as in the old days, people used to be able to buy their first home and it would remain their home. Yes, I am thinking of people I know who bought in St. Peter, the old first-time buyers’ houses, they remained in their homes. I am hoping that this shared equity scheme will enable people to buy homes that are right-sized for them and their family, that their family can remain and grow up in. But I do recognise the need for further funding and, as the Chief Minister has said, it seems like the OneGov project may have come to an end and perhaps the Cabinet Office in that case is not required to be as large as it is now.

**The Bailiff:**

Deputy, both just now and yesterday you used the word “duplicitous” in your statements in the Assembly. Duplicitous means deceitful and, therefore, if it is applied to an individual, as opposed to, potentially, a policy, it must be unparliamentary. Therefore, as it was applied in this case to the stance taken by I cannot remember who, then I think you must withdraw the word duplicitous.

**Deputy L.V. Feltham:**

Thank you, Sir. I am happy to do that.

**The Bailiff:**

Very well. You have your light on, Connétable of St. Clement, is it?

**The Connétable of St. Clement:**

Just might be a right time to apologise to Reform for my mistaken belief that the Reform had voted against the Island Plan, it was the rezoning. and so I apologise for those comments.

**The Bailiff:**

Very well. We are always prepared to receive an apology appropriately made. Thank you very much, Connétable.

**1.2.16 Deputy I.J. Gorst:**

I do not want to unnecessarily prolong the debate but the last 2 speakers, I think, were important contributions and I am grateful for the Connétable of St. Clement for clarifying the point that he made, which was not that the overall Island Plan was voted against but the individual sites for rezoning to increase supply were either voted against or abstained. I think that is what he was saying. Sometimes I find it a little bit frustrating that we ignore basic economics. We know that the cost of housing is directly related to supply, demand, cost of construction and the cost of money and we cannot untangle that. Simply because we see a number of houses advertised for either purchase or rent does not mean that there is sufficient supply. It cannot ever have been the case surely from a sound economic point of view that an incoming Minister would have said to themselves: “You know what, I am going to put an extra £10 million into an inflated housing market when it is at the highest level it has ever been in order to increase the cost of those houses even more and make the remaining houses unaffordable.” It is just nonsensical. However, the right time is when we are seeing a

stabilisation of the market and a reduction in the cost of housing, that of course we know is connected to the cost of money, which has increased and has been increasing for longer because of high interest rates. That increase in the cost of money is leading developers to mothball developments because of that element of the equation. The right time to come in and spend that £10 million from an economic perspective, which will help Islanders who previously could not afford but not make it unaffordable for all of the other Islanders because it is simply a stabilisation mechanism - potentially, we might still see house prices continue to come down - that is the right time to do it. It is the right time to use it as a pilot programme to see what effect there is on the housing market, so that there are not unintentional consequences. That is why I support the work that the Minister is doing at this time. I will not get into the toing and froing of the political brouhaha and all of that. That is simply why now is the time to spend that money and no arguments, I think, have been made counter to that from a sound economic perspective or understanding of the housing market. Because we intervene in markets carefully and after proper thought and after proper analysis of the current facts of that market, which is exactly what the Minister is doing. I do not think a case has been made to take this £2 million from the Cabinet Office. I do not think a case has been made to do anything other than spend the £10 million on the pilot and then if it works there is still some economic thought that says there may be some unintended consequences. But I think on the balance of the economic advice, now is the time to do that but certainly not to make those on decisions at this point in time to the detriment of those investments in technology and in structure across the public service.

**1.2.17 Deputy M.B. Andrews of St. Helier North:**

I happen to agree with the principle of ring-fencing stamp duty surcharges and the reason quite simply is Jersey's housing market is in a position of partial market failure, nothing that has been exacerbated during the period of the COVID-19 pandemic. What we have really seen is just linearity of house price inflation and then wages remaining stagnant. I think it is only maybe recently where we have seen this tight labour market where we have seen an exodus of workers and maybe wages have been pushed upwards slightly. But I think it is becoming ever more apparent for many people in the labour market that they are not in a position where through their own means that they can enter home ownership, apart from having assistance from the Government, and hence why we have the first-time buyers scheme itself. It is important that there is the continued effort to find funds for future Government Plans. Because we are looking at the surcharge trying to act as a demand site constraint to lessen the effect of house price inflation, we have also got to be a bit more mindful as well that we have to find a balance between home ownership and private rental supply as well. Because if we are not seeing new rental supply being made available on the private housing market and we are relying on our social housing provider and the Jersey Development Company that is going to place pressure on the arm's length entities who are developing housing for the Government. In essence, yes, I do agree with the principle but I will have to give it some thought in terms of ring-fencing funds and also taking into account what the Fiscal Policy Panel had to say as well, where we probably would be lacking flexibility if we look up funds that are ring-fenced.

**The Bailiff:**

Does any other Member wish to speak on the amendment? If no other Member wishes to speak on the amendment, then I close the debate and call upon Deputy Mézec to respond.

**1.2.18 Deputy S.Y. Mézec:**

Thank you to all Members who took part in this debate and, in particular, of course to the Minister for Housing and Communities who kicked it all off by describing this as a Robin Hoodesque debate before giving a speech firmly establishing him as the Sheriff of Nottingham in this particular debate. On your throne and with that very excellent beard you may be Richard the Lionheart in this one as well, Sir. That is a compliment; for the record that is a compliment.

**The Bailiff:**

I am torn between thank you and you probably should not make observations about the Presiding Officer and it will be one of the 2. Deputy, please continue.

**Deputy S.Y. Mézec:**

Yes, definitely meant it as a compliment, Sir. The Minister for Housing and Communities' speech, I do wonder if anyone ever checks over before he stands up to speak and his opening by referring to this as Robin Hoodesque, it is just poetry in motion when he does that because he seems to have forgotten that Robin Hood is the good guy in the story of the legend of Robin Hood. Taking his position puts him squarely in the antagonist's position but I think that is perfectly fair, to be honest. The Minister for Housing and Communities told us that they looked at 19 different potential schemes before concluding that the best one was the one they had rejected a year ago. I do not think that does much for boosting confidence in the competency of this Government if they will spend a year looking at schemes and then concluding that the one they said no to was the right one all along. He also described this as spending taxpayers' money and he is wrong. It is not spending taxpayers' money, this is about the stamp duty uplift of 3 per cent on buy-to-let property purchases, which means this is about spending buy-to-let investors' money. It is not general revenue that ordinary taxpayers are paying, it is a very specific source of funding that most people could only dream of ever qualifying to be part of that. I thought his comments about the assisted purchase scheme waiting list - and accusing me of being misleading - shows his attitude towards those aspiring homeowners who put themselves on a list in good faith with a dream that one day they might own their own home, and he dismisses them as people who should not really appropriately be on that list because they are not in a position to get a mortgage; I think that shows his attitude on this. I have to thank also the Chief Minister in this debate who maintained her usual commitment to standards of accuracy when describing Reform Jersey's position, a standard that is demonstrated in yesterday's advert in the *J.E.P.* making false claims about the teaching union's negotiating position and also the same standard of accuracy they had when they published an advert in the *J.E.P.* earlier this year claiming they had supported a rent freeze, when in fact they had done the precise opposite. That is propaganda paid for from taxpayers' money, for the same taxpayers' money that the Minister for Housing and Communities was concerned about. Let us be absolutely clear, and I was grateful to the clarification from the Constable of St. Clement and I do trust that was genuine and genuinely inadvertent. Reform Jersey voted for the bridging Island Plan. It came after an extremely long debate where we very carefully analysed each amendment. We were the only faction in the States to have a 100 per cent record of voting in a united way across that whole debate, which was no mean feat. We did not block any supply at all because we voted for the bridging Island Plan at the end, including the rezonings in it; we did by voting for that final proposition. The people who have blocked the delivery of supply is this Government who has taken 18 months to come up with Policy H5, which allows the developments on those rezoned sites to go ahead. We have had no part whatsoever in delaying those deliveries of supply. Deputy Ozouf spoke frequently about the lack of building going on here. I know he does not spend that much time in Jersey. But every day I walk from my home in town to the States Assembly and I walk past 4 humongous developments that are going on right now, each of which are delivering hundreds of homes; the Northern Quarter, the Mayfair Hotel, Ann Court, which is finished now and the Le Masurier development on Bath Street. To suggest that there is no building going on right now is, frankly, delusional. There is lots of building going on right now and lots of supply being provided.

[11:30]

He asked what I did as Minister for Children and Housing to provide supply. I broke ranks with my Ministerial colleagues to support the Ann Court development, despite pressure that was put on me to oppose it. In fact I supported this Chief Minister when she was fighting for homes in St. Peter's village because I thought it was the right thing to do and I broke ranks with Ministerial colleagues to

do that. I am in favour of delivering the homes for Jersey people to enjoy and have decent lives in, as long as they can afford them. That is why when it comes to developments in town I brought multiple propositions to this Assembly to ensure that the homes that get built on publicly-owned land are the kinds of homes that we genuinely need. I do not take any responsibility for supporting the States of Jersey Development Company spending over £3 million on the South Hill scheme, which has been rejected because they could not be bothered to put in applications that would be acceptable to the Planning Committee in the first instance and are now appealing against the decisions of the Planning Committee. A committee of this Assembly having its decision appealed by a body set up by this Assembly, which strikes me as a complete waste of money. Imagine how much good that £3 million could have done for the Island if it had been spent in more effective ways. I have also pushed multiple times to get the homes that are proposed to be built on the waterfront to be designated as affordable or first-time buyers. I had the support occasionally on that by the Chief Minister in the previous term of office but in this 18 months of this term of office nothing has been done to direct the States of Jersey Development Company to do more in that regard on our own land. If you want to talk about supply let us get on with it and do it properly. We have the framework in place to do so. It has taken a long time to get Policy H5 in place but there will be no blocking from us, so long as they are genuinely the homes that people in Jersey need. Deputy Gorst spoke about supply and demand. I have to say I am sceptical of the idea that a development industry will provide a surplus of supply to devalue their own products that their livelihood is based from. I am sceptical that that is how free market economics will deal with this. But it is not just supply, it is also demand. You can restrict demand and in fact this scheme will end up doing that. Because if you bring homes into first-time buyer status you substantially reduce the demand for who may want those homes in the future because investors cannot buy them; people who are way further up the income scale cannot buy them. You restrict demand for those and that is one way of making them affordable in perpetuity. Deputy Andrews, I agreed with quite a lot of what he said, apart from one phrase he used, which I totally disagree with, he describes the housing market as facing partial market failure. I think he has downplayed the situation, it is total market failure, being perfectly frank, when we see the impact that the housing crisis is having on Islanders, including the statistics released just a couple of weeks ago, showing that in the previous 2 years around 900 locally-qualified Islanders had left the Island. It does not take a genius to work out some of the pressures that may be convincing those people to do that. The purpose of this amendment is to take a tangible step to increase the amount of people who can be helped by the first step scheme, a scheme which, as it is set out currently, I support and think is a good thing. It is entirely in line with the manifesto that I stood on to support it. We have a funding mechanism through the stamp duty surcharge for buy-to-let investors that was designed to create a more even playing field, which we can use to direct to send to this scheme to help more people. The idea that we can wait a year for a scheme that, as it stands, is projected to help potentially as few as 30 purchasers, to give it a year, how many hundreds of Islanders will leave in that year if the data we have from the previous few years turns out to be a trend? There were quite a few contributions speaking about the Cabinet Office and this taking funding from that. I do think it is fair to say that the Chief Minister has not adequately made the case for the Cabinet Office reform that she has spearheaded. I support the creation of a Cabinet Office because I think it is meant to be a way that you improve accountability and improve the ability for Ministers to be in charge and get their policies accepted and driven into Government. But what she has created is a Cabinet Office in name only. It is simply a reformation of the old Chief Minister's Department. It is not even headed by a Cabinet secretary; that is the clue that it is not a real Cabinet Office and that was one of the recommendations for how that office ought to be determined. There are really unbelievable wastes of money that happen in those Government services and in the Cabinet Office. We have heard even Members of Government be extremely critical of the I.T. spend and how that has been managed, admittedly some of that under the previous Government as well. It is not controversial to say that the communications function is drastically overspending. Part of their problem as well is that when they are instructed by Government to put out misleading adverts they then have to spend money

correcting it in court, which is, again, a complete waste of money. Of course the States of Jersey Development Company wasting millions on failed applications because they have not got things right and they are appealing decisions that the States themselves have given them a very clear verdict on. I make this amendment in the hope that we can provide some extra relief to those that are suffering from this housing crisis and do one thing, to help a few extra people get their foot on the housing ladder. I predict that if this amendment is not supported today, in a year's time will be presented at a Government Plan that asks to put more money in it anyway because the scheme, I am pretty sure, will be a success, even with the £10 million that is proposed to be put in it. I ask for the appel, Sir.

**The Bailiff:**

The appel is called for.

**Deputy P.F.C. Ozouf:**

Sir, may I ask for the Deputy kindly to withdraw the statement about the fact that I have not been in Jersey and I do not live in Jersey very much? I think that there is a line to be crossed and Members will know that I have been absent for some time for personal reasons and for medical reasons. I think that the yarborough of politics needs to not cross the line into personal comments. It is the second time it has happened, Sir, and I would ask the Deputy to respectfully withdraw ...

**The Bailiff:**

You have asked that, I will give the Deputy opportunity to respond to that.

**Deputy S.Y. Mézec:**

No, Sir. I think the Deputy was misrepresenting what I said and what I meant by it.

**The Bailiff:**

Very well. The appel is called for. I invite Members to return to their seats. The vote is on the nineteenth amendment and I ask the Greffier to open the voting. If Members have had the opportunity of casting their vote, then I ask the Greffier to close the voting. The amendment has been defeated: 12 votes pour, 35 votes contre and no abstentions.

<b>POUR: 12</b>		<b>CONTRE: 34</b>		<b>ABSTAIN: 0</b>
Connétable of St. Saviour		Connétable of St. Helier		
Deputy G.P. Southern		Connétable of St. Brelade		
Deputy M. Tadier		Connétable of Trinity		
Deputy R.J. Ward		Connétable of St. Peter		
Deputy C.S. Alves		Connétable of St. Clement		
Deputy S.Y. Mézec		Connétable of Grouville		
Deputy T.A. Coles		Connétable of St. Ouen		
Deputy B.B.S.V.M. Porée		Connétable of St. Mary		
Deputy C.D. Curtis		Deputy C.F. Labey		
Deputy L.V. Feltham		Deputy S.G. Luce		
Deputy R.S. Kovacs		Deputy L.M.C. Doublet		
Deputy M.B. Andrews		Deputy K.F. Morel		
		Deputy M.R. Le Hegarat		
		Deputy S.M. Ahier		
		Deputy I. Gardiner		
		Deputy I.J. Gorst		
		Deputy L.J. Farnham		

	Deputy K.L. Moore		
	Deputy P.F.C. Ozouf		
	Deputy P.M. Bailhache		
	Deputy D.J. Warr		
	Deputy H.M. Miles		
	Deputy M.R. Scott		
	Deputy J. Renouf		
	Deputy R.E. Binet		
	Deputy H.L. Jeune		
	Deputy M.E. Millar		
	Deputy A. Howell		
	Deputy T.J.A. Binet		
	Deputy M.R. Ferey		
	Deputy A.F. Curtis		
	Deputy B. Ward		
	Deputy K.M. Wilson		
	Deputy L.K.F Stephenson		

**The Deputy Greffier of the States:**

Those Members voting pour: the Connétable of St. Saviour and Deputies Southern, Tadier, Rob Ward, Alves, Mézec, Coles, Porée, Catherine Curtis, Feltham, Kovacs and Andrews.

**1.3 Proposed Government Plan 2024-2027 (P.72/2023): twentieth amendment (P/72/2023 Amd.(20)) - Additional funding for education**

**The Bailiff:**

The next amendment to be debated is the twentieth amendment brought by Deputy Catherine Curtis and I ask the Greffier to read the amendment.

**Deputy M.R. Le Hegarat of St. Helier North:**

Sir, can I interrupt in relation to order of business for the next 2 days, if that would be possible? There has been ...

**The Bailiff:**

I think it might be helpful if you interject at this point, Deputy.

**Deputy M.R. Le Hegarat:**

I have discussed it with the other members of P.P.C. and the proposition at this stage is that we would finish at 6.00 p.m. both today and tomorrow and that we would have shortened lunches to one hour tomorrow and Friday. But on the assumption that, please, people will return after an hour because in the past I am aware that we have been inquorate and that means that you have had to step out again. If we do shortened lunches, can people please ensure that they are returning on time, after one hour? We have not suggested it for today because we thought that might put people on a bit of the back foot. I will see what other Members' views are on it.

**The Bailiff:**

Then, Deputy Le Hegarat, are you suggesting we sit until 6.00 p.m. today and 6.00 p.m. tomorrow?

**Deputy M. R. Le Hegarat:**

Yes, Sir.

**The Bailiff:**

There is an hour for lunch tomorrow and the next day.

**Deputy M.R. Le Hegarat:**

Yes, Sir.

**The Bailiff:**

Do you wish to move those as a proposition or would people like to take them in parts? You make that proposition.

**Deputy M.R. Le Hegarat:**

Yes, Sir.

**The Bailiff:**

Is that seconded? **[Seconded]** Does any Member wish to speak on the propositions? Those in favour of adopting, kindly show. Those against? Very well. The Assembly will sit until 6.00 p.m. today and 6.00 p.m. tomorrow and we will have one hour only for lunch. I will call the luncheon adjournment at the usual time at 12.45 p.m. and that means we will return at 1.45 p.m.; tomorrow and the next day. Not today, if I said today I was misspeaking. Very well. I will ask the Greffier to read the amendment.

**The Deputy Greffier of the States:**

Page 2, paragraph (h) - After the words "Appendix 2 - Summary Tables 5(i) and (ii) of the report" insert the words - " , except that, in Summary Table 5(i), in order that additional funds may be allocated to the existing growth bid entitled 'Investment across C.Y.P.E.S. (Children, Young People, Education and Skills) front line services', (i) the Head of Expenditure for the Cabinet Office should be decreased by £2 million through a reduction in the allocation to the Modernisation and Digital Department and (ii) the Head of Expenditure for Children, Young People, Education and Skills should be increased by £2 million".

**1.3.1 Deputy C.D. Curtis of St. Helier Central:**

During the last few years the Government has brought in an education reform and inclusion plan. This is a great improvement, allowing all children to benefit from an education that suits their needs, however, this does mean extra responsibilities and work for teachers. This has been acknowledged by the Government recently in their extra payment to all school leaders, that is heads and deputy heads, for a pay supplement from the education reform programme. Teachers though have not been adequately recognised for the extra workload and bearing in mind their real wage pay has fallen over the years, there is now an unresolved problem over teachers' pay. The effects of COVID and lockdowns have also had a huge impact on children and teachers find themselves having extra work and responsibilities in this area too. There have been strikes and work to rule in place and despite attempts at negotiation, the Government has failed to make progress and this has impacted on families. Therefore, I am bringing this amendment to the Government Plan for an extra £2 million to be taken from the Cabinet Office's budget of £79,200,000 for 2024, specifically from the approximately £41 million the Government plans to spend next year alone on Modernisation and Digital. The education of our children is more important. An extra £2 million would be sufficient to fulfil this required uplift for teacher pay, allowing for normal service to resume in schools. The teachers are asking for a pay rise of 10.1 per cent in total, which includes an amount that recognises the extra workload and responsibilities and £2 million would cover that and can bring the dispute to

an end. Let us be clear, headteachers and deputy heads have recently received their uplift in pay through the C.Y.P.E.S. education reform budget and teachers can also receive this uplift in the same way. As stated in the report to my amendment, one of Jersey's biggest problems currently is recruitment and retention of essential staff. A disrupted education service does nothing to ameliorate this problem and as well as the direct effect on teaching staff and children makes Jersey seem a less attractive place to live, becoming part of a spiral of young person emigration and lower tax revenue. Taking £2 million from the Cabinet Office's Modernisation and Digital budget does not imply a lack of respect for the people working there. It is simply a matter of priorities. Our children's education is more important. Even bearing in mind previous comments by Deputy Alex Curtis, I remain unconvinced that Modernisation and Digital is good value for money. By bringing this amendment to the States Assembly each Member can show their support to the hundreds of teachers in our schools, can show whether they prioritise the thousands of parents and children, can show whether they are willing to bring a long-running dispute to an end. I cannot stress how important this is and it gives each one of us here the ability to make a real difference. I am sure we can all remember a favourite teacher; teachers can make a real difference to a child's life. Do we really want our inspirational teachers to leave Jersey? Despite the best efforts of the Minister for Children and Education, teachers are still leaving.

[11:45]

Currently there are at least 8 temporary teachers employed by a U.K. agency to keep our schools going. The average cost of each agency teacher is more than £82,000 per year, compared to the average cost of a Jersey-based teacher at £56,000. They do not even pay tax in the Island. If we want to retain our resident teachers we will have to start listening to them. Teacher strikes have been going on for too long. I ask Members to recognise the extra workload and responsibilities of teachers and to show due respect to this profession and bring teachers' pay back towards real wage pay increases by accepting this amendment. By supporting this amendment States Members will bring a pragmatic and timely end to the dispute.

#### **The Bailiff:**

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?

#### **1.3.2 Deputy E. Millar of St. John, St. Lawrence and Trinity:**

While the States Employment Board recognises the intention of Deputy Curtis' amendment, we cannot support the allocation of an extra £2 million of funding and its withdrawal from M. and D. in this way. Ministers and the States Employment Board want to resolve the dispute. We all want to see children in school and we do respect and are grateful for the work of teachers, which we understand is challenging and complex. However, the States Employment Board has made a reasonable offer and has been trying to resolve the situation for many months now. Teachers have already been given a 7.9 per cent pay rise for 2023 and it has been backdated to January 2023. They have already received this backdated pay. Teachers have also been offered an 8 per cent pay increase in 2024 and R.P.I. (retail price index) rises in 2025 and 2026, plus a £1,000 payment in January 2024 in exchange for providing 14 days' notice of strike action, as opposed to the current 7 days. The 7.9 per cent pay rise for 2023 was accepted by every other group in the public service, including those in the emergency services. What message would accepting this amendment send to those pay groups? The teaching unions requested a 15.4 per cent for 2023 and the N.E.U. (National Education Union) have asked for a 17.6 per cent rise in 2024. Deputy Curtis has just said 10.1 per cent, so let me just - if you could bear with me - let you have details of the claim. The N.E.U. submitted a pay claim for 2024, this was a one-year 2024 consolidated pay claim for main professional scale teachers of R.P.I. at September 2023 of 10.1 per cent, plus 7.5 per cent, hence 17.6 per cent. It was not just 10.1 per cent; that was the claim. They have confirmed in their claim that if the pay claim is to be spread over several years it must be linked to addressing that figure. For example, in 2024 they would want R.P.I.

plus 4 per cent, in 2025 R.P.I. plus 2.5 per cent and in 2026 R.P.I. plus 1 per cent; that is a claim that has been made to our negotiators. In comparison, average earnings in the Island were 7.7 per cent in the last year, that suggested many Islanders have received pay increases of much less than 7.7 per cent and that the public sector offer of 7.9 per cent is generous in the circumstances. We have heard quite a bit in the last day about the cost of living and how it impacts on teachers. We have all been talking about the cost of living since last summer and it is not isolated to teachers. The cost of living affects police officers, it affects firefighters, it affects nurses and paramedics. It affects those people that I talked about yesterday who come round and drain septic tanks and spend their days, literally, up to their knees in ... surely I do not have to go on. It affects people in agriculture and hospitality. It affects people in retail; we do not hear much about them. It affects pensioners and it affects all of us because we also, as I recall, got 7.7 per cent. The Deputy's amendment references struggles with recruitment. The Government has worked with teachers to put more staff into schools, including teaching assistants. At the end of November there were no vacancies for teachers in primary schools and limited vacancies in senior schools. We do not accept there is a recruitment crisis. As we have seen from the recent F.O.I. (freedom of information) request, which was circulated to all Members last night, there are 8 agency staff. Out of a total teaching headcount of almost 1,000, that is less than 1 per cent of posts being covered in this way. Agency staff are principally used to cover parental leave, which is part of the Government's offer to encourage parents into recruitment in Government. There are of course shortages in specialist skills, such as physics, chemistry and maths, and we are competing in those areas with the U.K. We are of course dealing with the terms and conditions review which we hope will assist in those areas by offering additional allowances to teachers in those particular skillsets. We have also seen something about the agency cost. We have been told that an agency member of staff can cost over £80,000. A full-time permanent teacher without agency fees being brought into account can earn over £80,000; 54 per cent of teachers earn the top end of the pay scale at £62,000. Supplemental allowances on top of that can be £18,000. Agency staff is simply a red herring. The Council of Ministers are acutely aware of the impact that the current disruption is having on children and young people's education, as well as parents, grandparents and carers who have had to find childcare at short notice. But this amendment is not a solution. Accepting this amendment would put public finances into the red. I am sorry, £2 million will not come close. The current offer of 7.9 per cent has cost the Government, with pensions and social security contributions, well over £6 million, so £2 million will not fill any gap. If we did it would send a very difficult message to the rest of our public servants. Accepting this amendment would result in the Government being unable to deliver effective and resilient I.T. services to front line departments and unable to improve public services by using digital to make services more efficient, effective and better for Islanders. Members seem to have a very complex and confused attitude to I.T. in Government. Deputy Alves yesterday expressed surprise that we could not say how many students there were, that is because of our data systems and also because we do not collect data unnecessarily. Deputy Ward consistently has a go at I.T. and devalues it. We need good I.T. to develop ... well, you do not like it. Sorry, Sir, apologies. We must have good I.T., we need good I.T. in Health, we need good I.T. in C.L.S. (Customer and Local Services), we need good I.T. in Revenue Jersey, to provide government services. It is essential that we have that funding to enable us to do so. The States Employment Board have taken every reasonable step to resolve this dispute and to address the concerns raised by teachers. We have given teachers a pay rise and we have backdated it. We have recruited additional staff to ensure that there are very few vacancies. We have opened discussions about terms and conditions. We have offered additional monies. We have looked at ways of restructuring the pot, which was rejected, and we have been to Jersey Advisory and Conciliation Service at the request of the teachers to discuss further. We have offered an unusual multiyear deal after several negotiation meetings that offers 8 per cent next year, when we all expect inflation to fall and increases that will match R.P.I. in 2025 and 2026. No other public servant has received that offer. We welcome the commitment and constructive approach of the N.A.S.U.W.T. (National Association of Schoolmasters/Union of Women Teachers), which it has shown by withdrawing their

shorter strike action while we await the outcome of the ballot. Unfortunately, the N.E.U. have not taken the same approach. On the second day of the latest round of strikes we once again call on the unions to accept arbitration talks, that way their demands and our offer can be assessed independently. I ask Members to reject this amendment.

### **1.3.3 Deputy C.S. Alves:**

I was hoping to speak later on. But I just want to draw people's attention to some calculations. I have just looked on the gov.je website and had a look where everybody working within our public sector can look up the pay scales. I have looked at the pay scales and I can see this has not been updated, well, it says "2022 Annual Rates" but I cannot see anywhere on here where any teacher would be earning £60,000 without taking on any extra responsibility, so I am not sure where the Minister for Social Security has got her figures from. In addition to that, I think we also forget that we have an income tax system. Now, I am not 100 per cent sure on this, and I may be wrong, maybe the Minister for Treasury and Resources can correct me, but I think that most teachers are probably on the marginal tax rate. Probably. If they are not, either way, the very minimum that the Government will get back in tax, the very minimum, so that is those that are on the standard tax rate, is 20 per cent tax. That is £400,000 minimum, so investing in teachers also brings money back into the system. That is not to mention as well the G.S.T. (goods and services tax) that will be being paid out on things that they spend locally. I think we have to really look at the bigger picture. This is not a recent thing, this is years and years of real terms pay cuts. We spoke earlier about investing in shared equity homes and I said that one of my friends in the gallery fortunately benefited from the scheme that is currently in Andium. I am so grateful that she did because I am losing a lot of friends at the minute, and a lot of ex-colleagues who were in teaching with me, because they simply cannot afford to live here anymore. Teaching used to be attractive and it used to attract a really good wage and you could still buy your own home comfortably and live comfortably but that is not what happens anymore. One of the other things as well that the Minister for Social Security mentioned was that we are in competition with a shortage of core subject teachers. I am not sure if the Minister for Social Security is aware but in the U.K. headteachers are able to negotiate this to a certain extent and they are able to give some incentives, which is not happening here. I think Members need to think very carefully what we want for the Island and what message we want to give out to how we value education as a whole because this is not just about paying people their worth, it is also showing students that we value education. Because if we want students to go on and be educated and specialise in core subjects so that we do not have shortages in the future, they also have to know that they are going to be remunerated appropriately.

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

It is amazing that no other Member wishes to speak, not even somebody from the Education Department. Well, give them time, wait until after the Bailiff has called for the last speaker and no one puts their light on. I think in order to speak you need to put your light on. It is remarkable that we have got a protracted, I think it is the only pay group, is it not, that has not resolved yet after a year, and the Minister for Children and Education and the Assistant Ministers have nothing to say on the issue. I would expect better from my Government, even if it is just to repeat or parrot what the S.E.B. (States Employment Board) has said, but in a different way so they do not fall foul of Standing Orders of course. They must be able to talk to the teachers who I think have made an effort to communicate with us. It is not of course just teachers, we have had lots of correspondence on this issue. The thing I find difficult to believe is that teachers are being so unreasonable to the point that the Government has been trying to portray them. I will leave the correspondence in the way that teachers have been portrayed by this Government to perhaps another Member - it will probably have to be a Reform Jersey member, sorry about that, but of course other Members are available - and really just focus on some of the things that have been said already.

[12:00]

But before I get to that point, my experience of the teaching profession, whether it is from my time at school or from friends and family that I know, or constituents who I know in the profession or who have family and friends in the profession, is that they are remarkably reasonable people. They are not seen as radical, I do not think. They do not come out for strike action or for industrial action, whether that is work-to-rule, et cetera, easily, but I also know that the education system and what teachers are having to deal with on a day-to-day basis, and that includes headteachers ... and some of this of course may be under the radar. They are dealing with difficult behaviours in classrooms, they are dealing with demographics and sociological and economic conditions which I have to say have not really been helped by subsequent successive Governments where we have seen the economic divide in Jersey deepen and there will be, therefore, sociological consequences for that. Our teachers are very much at the front line dealing with those from day to day, they are educating our collective children and, to another extent, they are also providing a remarkable service to the economy because this is not their core function, and I am sure sometimes they must feel like this, though. They are effectively babysitting people's children while they are out to work - often both parents trying to make ends meet - but in addition to that they are training them how to be effective citizens and to be well-rounded, educated individuals, so that is the job. When I hear comments that are trotted out and, sorry, I have got them on my phone. I do not usually use my phone but I have got some notes there that I made earlier. One point is that it is not fair to compare teachers with average earnings. So we are saying that, well, average earnings in Jersey have gone up by this amount. First of all, that does not mean that the amount that average earnings have gone up by is fair. If average earnings in the economy are not going up by inflation then that is a problem for everyone, but the point is that teaching is not an average job, is it? Teaching is a very specialised job in very specialised circumstances and we have seen an assault on the teaching profession over a period of time. Some of it I think has been created, some of it is perhaps just organic but nonetheless is very relevant, and so it is not fair to compare teaching to other average jobs or average earnings. If the £80,000 that we heard about that a teacher could possibly earn is correct, I would say: "Wow, that sounds like a lot of money." I do not think it is a lot of money in today's market. How does that £80,000 compare to what a lawyer or an accountant might earn or indeed somebody working at the top of one of our arm's-length organisations, or somebody in the Comms Unit, because we are talking about Comms here as well, and that is where the money is going to be coming from. The last point is to say, we have already given them a 7.9 per cent pay increase. Well, no, it has not been given, it has been imposed on a profession against their will retrospectively, so this speech is probably somewhat shorter than it might have been. I will give the opportunity to any of our elected Members who have constituents in their own right in St. Helier North and in the Parish of St. Saviour to maybe say why they are voting for or against this proposition, whether they think that having £2 million on the table in addition to the money that is already being made available might help negotiations going forward because that means there will be extra money. Of course, it helps if there is extra money on the table to negotiate around because you have got something tangible additional to have a conversation about. I believe there is a period of goodwill here, an opportunity that could be seized by the Assembly, and I do not think it is right that Ministers or the S.E.B. have the final say on this. I think this is a matter which the Assembly can give a steer to. The Assembly can show its sovereignty by saying to Ministers: "Look, we are also fed up with this protracted deadlock that has happened here. Here is an opportunity for money to be released. Go away and please make sure that negotiations are successful this time."

### **1.3.5 Deputy R.J. Ward:**

I will speak. I can see from the body language that there are people lining up later to have their speech but let us speak early because it is too important to be left, although Ministers have left the room, but never mind. This is a very, very difficult speech to make. Often in this role we take criticism and sit through opposing comments that can be difficult and leave a mark but we brush ourselves off, we brush ourselves down and we move on, and I suppose that is the job. But I have to

say that the approach from Government of Jersey towards teachers in the current dispute has been one of the most damaging experiences that I have had and, yes, that is because I spent 25 years in the profession. Any attempt to undermine, blame or demonise this group of dedicated professionals hurts and the actions of Government in suggesting that teachers are damaging children is exactly that. I spoke to my colleague yesterday and said: "I do not know if I can speak on this because I get too involved." She said: "There is nothing wrong with showing emotion, stop being such a bloke" and I probably needed to hear that, to be quite frank. I do feel emotional about this. I know the toll that teaching took on me. I do not think I would still be in teaching because I think I would have folded under the pressure. It was not about the financial recompense but I still needed to live. I had children at university, I have a mortgage, I do not have a rental property to rent out for extra income, I do not have inheritance, I do not have any of those things. Like so many teachers, I live on the money that I am paid each month. I pay my taxes and I pay my National Insurance and I pay my pension. When I pay that pension it means that when I retire I will probably have enough not to require income support and not to take more money from the state. So before we start criticising teachers for having a pension, which has also been done in this Assembly, think it through carefully, because 6 per cent of their wage each month goes on that. It means that they have future-proofed their profession and an entire section of our community, which is quite an important thing to do. Let us look at the costs of where we are now. I have got 2 technical devices in front of me and I usually do not even use one, so forgive me if I pick this up. I do not like doing things this way but I could not print anything, to be honest. In Written Question 313 and 418/2023 we uncover a spend of £436,945 on U.K. teaching agencies to ship in staff for schools and short-term contracts. That is a quarter of the funding that we are asking for now, and it does not include December. Those are figures obtained from the Education Department; you are welcome to go and look at those 2 questions. We do not know how much will be spent in December, how much will be spent next year, so that will be more. The Minister for Children and Education seems to be fine with the idea that there is £286,000 of cuts to be redirected to another government project voted on today. That is now £750,000 from the Education budget that has been directed elsewhere. We are getting to nearly half of what Deputy Curtis is asking for on misspends and misappropriation of money in terms of where it should be spent, and this is a product of a problem with recruitment and retention. We are filling gaps. That is damaging to children, that is what damages children's education. No matter how committed those individuals are in coming over, and I am sure they are, they do not have the long-term relationships, long-term understanding, they are taken through an entire curriculum, the nuances of the skilled job that teaching involves in order that you can bring a young person forward and develop them, often at times when they really do not want to be developed, but that is what teachers do every day. One of the other arguments used is that other groups will want the same uplift. It was telling, by the way, that in the statement, the false statement, I believe, and used taxpayers' money in the *J.E.P.*, it talked about 8 per cent in the coming year which other public groups will not get. Well it seems you have already made your decisions on other public sector groups. It would be interesting to talk to them about that first. This notion that other groups will want the same amount, this is called "betterment" and we have had this argument within this Assembly: "We cannot do this because that would be betterment." In written question 353, this is why I put in so many questions, sometimes they become very useful, I quote: "S.E.B. do not enter into betterment clauses as it undermines the integrity of negotiations between pay groups." Therefore, betterment clauses are not an argument that can be used in this debate. Solving a solution with one group who identify a specific problem is absolutely possible. Now I had a conversation on Saturday, I went to Springfield, saw the Bulls, great win, missed the goal, but we will not go into that, and there was a gentleman there saying: "What about the teachers, what is going on here?" and I said: "Well you are a public sector worker, you settled, you wanted that." He said: "Well I did not vote for that but we were given it." I said: "Well, that is the way it is. I am afraid that the teachers have stood up and said: 'We really do not want to do this'." By the end of that conversation, after they had read the propaganda from S.E.B. and Government, they were on one side of the conversation, but after our discussion they recognised that is not the point. They realised that

this is a very important point in our being in terms of relationship with a professional on the Island and indeed with unions that represent that. Indeed, and I am talking about betterment, headteachers did get an extra pay rise and money was found from this magical education reform programme. I often criticise about speeches being written, and I have got one that is written, but I wrote it myself and it is available because I write a blog. This blog was like therapy for me because I was angry, I was disappointed and let down by the attitude towards such an important profession on this Island, so I want to read a bit of it: “The demonising of a workforce is damaging beyond the intended psychological pressure on teachers who take action. Teachers always have a huge dilemma when deciding on strike action. They know that they will be making up the gaps in the delivery of curriculum for their students following strike days but they are driven to strike by a consistent cut to the value of their work and profession. Every time the current Government narrative is expounded it chips away at the relationship between the Minister for Children and Education, S.E.B. and Chief Minister and this vital profession. What is the Government’s end game in this? To break the unions? To break the workforce? To limit spending long term in an area of our public service that is over 90 per cent staff costs? Should they be successful in breaking this profession, what then? Perhaps in the corridors of power in Broad Street there are Ministers and officers who have a plan for teachers. With the assistance of a well-funded Communications Unit they can lead the assault on the profession, undermine the professionals and having full control of a future pay and conditions would weaken unions and demoralise workforce. But as with so much else with this Government, once control is gained, what happens next? Teachers have many transferable skills, they are highly qualified and skilled, they fit well into so many other industries and areas of our economy. At a time when businesses across our Island are struggling to recruit and young people are struggling to afford to stay in Jersey, we are risking the collapse of a profession. What really damages children’s chances is the long-term underfunding and unequal funding of a child’s educational experience. We too often rely on non-specialist staff to deliver the curriculum. We must understand that education builds through the years to culminate in our exam system. Gaps in specialist teaching at any stage would have a long-term effect on that long-term achievement. What really damages children’s chances is a transient workforce that is not around long enough to form the vital relationships that drive good outcomes. However good a teacher is, and I have said this before, you cannot form those vital relationships with a child and that is what it is about, so what really damages children’s chances is the micromanagement and political interference in the education system. The current narrative is there to try and demonstrate some form of public spending prudence from a Government that is facing criticism from all angles regarding the effectiveness of its spending. Teachers have become the scapegoats for that issue. So what really damages children’s education is an education reform programme that does not really have focus. It talks about good things, and that is great, and money has been taken out to fund and divide the profession.” I will not read the next bit. These are the same teachers who worked throughout COVID, the pandemic, that end every term exhausted and giving everything to children in schools they commit to every day, way beyond just a delivery of a curriculum, from buying equipment, to buying food, to checking on their well-being, to being a social worker, to being a carer, to being that friend, to being that role model in their lives that says: “You can do more.” To suggest that teachers damage children simply displays a lack of understanding of a workforce and the role that is undertaken by teachers every day and the importance to our society of education and those who deliver that education within a framework that we give them.

[12:15]

To be sat here and say they are simply not worth that value, and to compare, as the Minister did, with somebody ... it is great, we need everybody. I always talk to the bin men and say: “Thanks for doing a good job because I need my bins cleared.” But to talk about clearing sewage at the same time and in the same breath as talking about the teaching profession, that is not acceptable, and it shows and demonstrates a lack of understanding. I think there is an opportunity today to solve this longstanding issue with teachers, to put money aside to end the dispute today, and to give a clear message to our

teaching profession which is this: “We genuinely value you, it is not just empty words. Our relentless focus is not just on producing the right comms to undermine you in the face of the people on this Island, to divide you, to divide you from the parents that you support every day, and the children that you support every day.” This is an opportunity to say to teachers: “We will pay you what we think is right because you need an uplift and we understand because you are the educators in our society and we will listen to you.” This is an opportunity to say to other jurisdictions: “If you come to Jersey and teach, you will be respected, you will be paid well, you will be supported in the classroom and we can build a consistent and reliable staff framework to deliver education to our children in a form which makes us the best education system in the world and gives every one of our children the best opportunity.” We are playing fast and loose with a profession here and the long-term impacts will not be us sat here. It will be others who will be picking up the pieces of a generation that will leave the Island, of a transient workforce that cannot deliver in the way we want them to, and a problem for any Minister for Children and Education that comes forward into the future of trying to pick up the pieces. This is a simple solution. Deputy Curtis has found a simple solution for now. Let us reset the button. Okay, there is this year’s inflation. Let us talk about inflation, I have got a couple of minutes left. Inflation this year of 10-point-whatever per cent, if it is lower next year that does not mean that inflation this year has not had an impact. That 10 per cent is still there. You would need deflation. We are not going to get that. The 10 per cent rise stays there plus whatever happens next year, so any drop in this year’s income will be compounded in the years to come. That is the argument that is being made by the teaching profession. It is clear, it is accurate, it is economically right and it is mathematically right and we need to listen to it. So you have a choice today: you vote to genuinely support the teaching profession or you vote to ... I do not know what the outcome will be if we continue strikes. We may get to a point where the Government will collapse the unions, will demoralise the workforce, will break it, will force it back to work. That is no way to work with a workforce. That is no way to support people. That is lip service to the importance of something for this small Island and the young people that are on it. We talked about a favourite teacher and my favourite teacher was Mr. Smithes, my chemistry teacher. I do not know if he is still alive. He managed to get this ill-mannered youth through an A-level and get the opportunity to go to university that I would never have had, and I was the first person in my family to do that, and I thank him. I think we need to take the time to thank teachers, not with some empty statement standing outside during COVID like we did with nurses, and clapping and banging our saucepans, but materially today by voting for this proposition, giving the opportunity to make the difference, end this dispute, and let us move forward. If we do not do that today we have failed, collectively, and I will be part of that failure because I have not been able to convince you. I urge Members to support this proposition and let us end this dispute in a proper way, in a positive way, and let us give teachers the opportunity to go back, perform their roles, and show the importance they have to this Island and to all of our children. Thank you.

### **1.3.6 Deputy B. Ward of St. Clement:**

I am deeply saddened that we find ourselves, especially the parents, the families, and our children, in this situation of discontent, with teachers taking further strike action. As a member of the States Employment Board we have listened and taken action from the start earlier this year - in fact, it was late last year - listening to the teachers and their leaders about helping schools and the teachers by spending hundreds of thousands of pounds in recruiting up to over 115 employees. That is teachers, teaching assistants, admin staff, even a caretaker, I believe. It is about listening and doing things and that is what the S.E.B. did straight away because we understood that they were under pressure and needed that support. No question. There are some areas of difficulty to recruit, for example, in specialist subjects, as we have been told before: chemistry, physics and special needs, but this difficulty is not just here in Jersey, but it is a U.K.-wide situation. Thankfully we do have agency staff that have been engaged to cover some of the posts while recruitment work is still ongoing to assist schools in attaining staffing levels with some measures of success. During 2023 the States

Employment Board, as we have heard earlier, had a 7.9 per cent pay envelope from the Government; that was for all employees. The Assembly is aware that all pay groups have settled, with the teachers remaining outstanding, but in around June/July-time the teachers' union representatives remained adamant that the teachers wanted a 15.4 per cent pay rise for 2023 which the S.E.B. were unable to oblige; however, the S.E.B. made a commitment to commence working with the teachers during 2023 to look at their terms of conditions. At that time the teachers were then paid their backdated pay of 7.9 per cent and were offered binding arbitration as a professional solution to the impasse which remains open today as a way forward to bring a solution but has been repeatedly declined by the unions for some reason. We still do not know why. An arbitration process offers independent, impartial review of both the employer and the employees' side statement of cases. All the evidence stated at a hearing ensures that both sides have time to present all the evidence, ask and answer questions in a respectful, fair, open and transparent way. The arbitrator would decide and respond to both parties at the same time in 21 days with the award. For 25 years I was the lead negotiator for the Royal College of Nursing and the chairman of the Nurse and Midwives Joint Executive where we negotiated on pay and conditions of service. In 2003 we had a very similar impasse, that is the nurses with the employer, very similar to what is happening with the teachers today. This was addressed by a full arbitration hearing process led by the chair of A.C.A.S. (Advisory, Conciliation and Arbitration Service), so it was a real arbitration situation which not many people in this Island have ever sat on one of those hearings which, I have to say, was one of the most difficult 2-day processes in delivering the evidence. Because it is not a case of just standing there, you had to do all the preparation, and our statement of case was 10,000 words long. It is not a mean feat at all, but going through page by page, which needed to be done, with the conclusion that we achieved a reasonable result, which was a small betterment than all of the pay groups at that time, but it was a fair, open, transparent and respected process at that time, and it still stands today with A.C.A.S. I am uncomfortable with the amendment as it purports to shifting monies to the Minister and the Education Department and to then in turn negotiate on pay and conditions directly with their staff, which is not in their recognised role. The transferring of money by reducing services in an area for pay purposes to another area creates an imbalance with other pay groups who I am sure would wish to be treated similarly by their Ministers and departments. This action would lead to so much disruption, disharmony, confusion and chaos. The S.E.B. is the recognised negotiating body on behalf of the States to settle pay and conditions of service within an agreed pay policy. It has many other aspects but that is its main responsibility. The S.E.B. remains open and committed to binding arbitration, an independent binding arbitration hearing, so that we can resolve this impasse, bring some stability back to schools, parents, families and especially our children's educational needs. We invite the unions to please, please reconsider. Therefore, I cannot support this twentieth amendment as presented by Deputy Curtis today. Thank you, Sir, and the Assembly for listening.

### **1.3.7 Deputy P.M. Bailhache:**

As a member of the States Employment Board I am very pleased to follow Deputy Barbara Ward because I think she and, indeed, Deputy Millar, put the case extremely well for the board. I would like to begin by underlining that the S.E.B. is very appreciative of the work that many teachers do, **[Approbation]** of the voluntary work that they do without being obliged to do so, going way beyond what their contracts require them to do in many respects. Many, perhaps even most, teachers do that because they love the job, and they are right to love the job, because shaping the minds of young people is a huge privilege. Members of the N.E.U. I think need to ask themselves whether what is happening now is really in the interests of the children whose futures they hold in their hands. Engaging in strike action is not damaging the teachers, so far as I am aware, because they are being paid by the union, but they certainly are damaging the thousands of parents and other members of parents' families who are being inconvenienced and put in extremely difficult positions very often by the requirement to compensate for the striking action of the teachers. The S.E.B. has to look at matters and the issue of teachers' pay not in isolation, but as part of the whole problem of dealing

with the pay of public sector workers. If there was compelling evidence that teachers are a special case, I have no doubt that the S.E.B. would be willing to listen, but speaking for myself I have not heard that evidence yet. Retention and recruitment are not an issue, contrary to what Deputy Robert Ward has said. I value teachers and I think they do an absolutely vital job and I am sure that every Member of this Assembly would agree with those statements.

[12:30]

I want to do what is right for the teachers. I deplore the language that has been used by some members of the Reform Party in this debate. What the S.E.B. cannot do is to negotiate sensibly with a gun held to its head. Strikes should be halted so that sensible discussion can take place in a civilised atmosphere and I do not think that this amendment does anything to bring forward that situation.

### **1.3.8 Deputy A. Curtis:**

I will get in before lunch if we get that far. It is interesting to hear, albeit, some brief arguments put forward that suggests it is appropriate and sensible to reduce the Modernisation and Digital budget by £2 million per year, and this is the area I want to touch on with Members of this Assembly. In a previous speech in this Government Plan we heard from the proposer a quote saying: “Departmental base budgets should be maintained in real terms unless where savings are identified and agreed.” I do not see evidence presented before us that £2 million of savings have been identified in Modernisation and Digital. That is not to say that they could not have been found, if they do exist indeed, so quickly by the Deputy. She did not alert me to the incoming proposition and, as I said earlier, I am more than happy to treat Modernisation and Digital as an open book to Members of this Assembly, to sit Members down with our financial officer who is incredibly on the ball with her understanding of our finances, with our C.I.O. (chief information officer) to understand our scope and with any member of the team to understand what we do and to understand what we do not do. It has also been highlighted in previous debates that looked to cut the budget of Modernisation and Digital indirectly through the Cabinet Office that digital spending has increased over the years. Yes, it has and there are multiple reasons for this. Firstly, some of that, potentially too much of that, has come from, we may say, perhaps less imprudent decisions by previous Assemblies. I am sure I.T.S. comes to mind to Members. Perhaps I have been too diplomatic in my description of the programme in the past, but delivering digital and change programmes by signing on the dotted line for all services is not prudent and does not build capability within your organisation. For example, contracted firms will likely not adjust to your speed of change and they may not have your best interests at heart even if you ask them to. When you outsource programme management, the scoping, the change function and then backfill further resources in your own organisation, you reach the position that we entered this Government finding, not one we have created. Have we learnt lessons from that? Yes, in 2022 when I saw the same mistakes about to be made in the enterprise document management capital programme I stopped the procurement process. I requested the team build capacity and understand the problem in-house, lead the change function and run at a pace that department could work with. As such, we do not see large requests for capital in that area in 2024 as we are able to work within our means. It should be noted when talking about spending in I.T. that the I.T.S. programme has never lived or been run from Modernisation and Digital as a department. It is, however, the teams in M. and D. that have delivered the hardest work for that, such as the integrations, and they have been overlooked and, frankly, overworked. It was mentioned in speeches Members are unhappy with this digital spend but I would like to highlight most of that criticism, as stated, falls on capital programmes, yet this amendment affects the revenue budget. There is still a problem remaining that £20 million of capital digital spend is sought in next year’s Government Plan, only £8 million of which lives in Modernisation and Digital, and Ministers know I will be hot on their heels to make sure we find a better solution to that. Secondly, there is another reason for an increase in digital spending and that is because our use of digital and our delivery of services through digital has increased over the years. Previously it would have been sufficient to wire your desks with the

ethernet and the use of software was limited to line-of-business applications for those who need it. Citizens did not perform interactions with their Government digitally. Now, for example, we have an expectation to provide wireless and wired network activity. Over 200 different areas of our state in Government, from an office to every school, to the Howard Davis Billiards Hall, those functions are provided by Modernisation and Digital. Then that service is insufficient. We find that the delivery of education digitally requires greater bandwidth in schools and we find we are not keeping up there and we need to work faster. We find that we need to support greater remote access for flexible working for both the attractiveness of our workforce and for productivity. We need to satisfy F.O.I.s and S.A.R.s (suspicious activity reports), we need to have more resilience against increasing cyber threats at a time when more and more citizen data is stored digitally on our systems. It was mentioned by the Deputy, I believe, on the radio that the Government Plan annex shows an increase of 63 full-time employees in Modernisation and Digital between 2023 and 2024, and I want to address what those numbers are and make some corrections. Firstly, the 2023 number stated is in fact the 2022 number. This is a mistake and oversight that I trust Government will accept and apologise for. In 2023, 28 roles were planned transfers from projects from previous Government Plans, predominantly the GP20, in which the technology transformation programme allocated roles through capital with a planned transfer to revenue; that leaves us 35 roles. Now those are not full-time employee roles. Those are temporary roles within a capital programme and the reason they appear there is a change in accounting practices and measurement practices by Strategic Finance. It certainly does not make an easy debate for me to argue but I can tell you those are not 35 F.T.E.s. So what new growth is there between 2023 and 2024 in this rapidly-expanding department? I think you will find a handful at most, and Members will be interested to know we too carry 40 vacancies. Recruitment and retention challenges are exactly those we face and we rely on agency or contractor work which decreases our productivity and our ability to deliver services and improve standards of digital in schools, in other areas and other departments. That is not to say I have not been firm with Modernisation and Digital, that they need to optimise and we need to live within our means. That is why in 2023's Government Plan their requests for funding in growth were pared back significantly and Ministers will remember my eagerness to be able to cut the expectation despite some of that being to support other departments. In this year's Government Plan we went further, despite numerous identified requirements to support the wider government, we did not pursue any growth bid in revenue beyond the early submissions. These did include, and have not been progressed, data centre redesign - that is a great topic, is it not? - to ensure that we can host applications and deliver services for departments; application life cycle support, to ensure that we have an adequate team to support the wide range of applications we have, while also consolidating to simplify processes for Government. Crucially, one that was shared between myself and the Minister for Children and Education, server and networking upgrades, vital capital infrastructure for schools in particular as we know the networking systems are inadequate. Indeed, if you ask the department and the chief officer what my number one priority is for the department, it is to see it run like clockwork, like a tightly-run ship, continually improving, improving application and process documentation demonstrating a reduction in repeated tasks and quicker knowledge retrieval. This may sound boring but it is the only way we move the data from a department that functions in B.A.U.) to one that functions in change and supports departments even better, so you can see my surprise when I am told we are not being prudent with our money. But let us move on, let us ask ourselves what happens if the Modernisation and Digital budget is cut by £2 million, remembering, as I said, in an earlier debate that it is a 50:50 split between staff and non-staff pay. Well it will certainly result in a poorer service for departments, including Education. We are already working to an increased demand from departments, supplier inflation above our allocated inflation, value-for-money target is an extra target. Well we currently do not charge departments for the licences they use, for the hardware we install in their premises. We do not charge them for the use of the service desk as this is a central function, so we might do, we might cut service desk. We may go down a self-service-only model making it longer for certain people as they change to access the tools required to make them productive in their workplace again.

We may look at how we switch off applications or do not upgrade systems and, importantly, this will hamper our ability to move to be the organisation that delivers efficiencies in the public sector to help prioritise front line roles into the long term. You have to invest to deliver the change Islanders ask for and our changing demographic demands we do that through digital. It is my responsibility with the Chief Minister to ensure that Modernisation and Digital spend their money prudently and to best effect. That is what I work to achieve, that is a legacy I want to leave, it is what I stake my reputation on, and so I ask Members to enable us to continue doing that.

### **1.3.9 Deputy T.A. Coles:**

I timed my speech to come after Deputy Curtis on this method because there is a question that keeps coming up within my role within P.A.C. (Public Accounts Committee) about an overarching I.T. strategy. It was first proposed that there would be one brought in 2019. In my first meeting with the now previous C.E.O. (chief executive officer) she came in on the promise there would be one delivered in 2022. Unfortunately, by the time we had a hearing with the previous C.E.O. that still had not come through. So in early 2023 we asked the soon-to-be acting C.E.O. when the next I.T. strategy was going to be, which was going to be sort of September 2023. Finally, in that meeting on 27th September he admitted that this was going to be by the end of 2023, so possibly being finally released in January 2024. The problem is, is that we are allocating funds for I.T. projects without an overarching I.T. strategy of what all our I.T. projects are going to come to do and come to do together, which is quite worrying when we look in the annex of the Government Plan for this year for the extra budget of £20-plus million on information technology, all coming through without an overarching I.T. strategy. I will pick up slightly that the Deputy said that there was £8 million of that coming through the Cabinet Office, whether Modernisation and Digital, but on the funding here it looks like £10.7 million is coming through the Cabinet Office. Now some Members may know that the information technology section of this is for additional capital funding, so this is not sitting outside of the budget for the Cabinet Office itself, just where the department has then allocated it through from there afterwards. However, we know that with the allocation process that there is a little bit of a, and I will use quotation marks, “cash grab”. Book yourself in to try and achieve projects that you may or may not have the facility to deliver within the year because if you do have the spare capacity to do it, it is better to have the funding, but if you do not have it, well, then you have not spent any money. That kind of worries me in the sense that we are asking for £2 million from a budget that we can then resolve a dispute that we know that there is a problem ongoing and where we may have overcommitted ourselves on other information technology plans, and we are not going to deliver them, and at the end of the year there is going to be a transfer head of expenditure that we have saved money because we have not spent it. By the end of next year we might be then spending even more money on agency staff because the teachers will have all left because it is not viable for them anymore, and that is worrying for me. I am going to just share a couple of quotes that got shared with me previously while this debate has been ongoing because I thought they were very, very good. One quote from Benjamin Franklin: “An investment in education always pays the best interest.” I thought that was quite nice. One from Bill Gates because we are now talking about technology: “Technology is just a tool. In terms of getting kids to work together and motivating them, the teacher is the most important.” So, I feel this dispute has gone on long enough. There has been erosion in teachers’ pay because they have not kept up with the cost of living, the cost of inflation and, as Deputy Ward mentioned earlier, we have never had deflation, so when you do not receive a cost-of-living increase, the value of your wage decreases and it has done since 2008. That is 15 years of eroded pay. Now, I am sorry, they may say: “Oh, it is not fair on other sectors and other entities” and I encourage all of these sectors: unionise. You are stronger together. People look at us in Reform and think well how do we cover so many areas in so much depth? Well it is simple: because we all work together. We all take our special interest in areas and we just put it forward like that. So I urge all Members to support this amendment, lets us get the proper negotiations going, let us save our children’s future by providing the best education as possible.

[12:45]

I also found it quite damning with the part about a teacher can earn a really, really high salary when they would have to take on extra functions to get the salary mentioned by the Minister for Social Security but not all teachers have that time. In fact, when you take the actual work the teachers do that they do not get paid for, their day does not end when the classroom leaves, their day ends ... some of us will say their day never ends because they have to lesson plan, they have to mark, they use their own money sometimes to go out and buy things to make education more of an experience rather than just reading things from a book. Then we have, unfortunately, with the way our society is going, the pressure is put so much on parents to do their day-to-day jobs, to find the money to put food on the table, that they are no longer able to do things that maybe our parents were able to do for us. That 5, 10 minutes of an evening to read a story just disappears because they are working 2 or 3 jobs means a child will enter school with a lower ability to read than maybe when we were. That then has to be picked up as extra work by the teacher. Of course, this is not balanced across every single child, this is not every child enters with a level playing field. So you have a year one student who may be able to do maths really, really well but you will have some who maybe cannot even count to 10 at that point because parents just do not have the same amount of time, they do not have the same amount of skills. There are parts that teachers are no longer just educators: they are referees, they are social workers, they are security guards. They are forced to do so much. Like I said before, my sister and my sister-in-law are both teachers and the stories that they have to say of the confrontation they have to take because ... and there is just such a burden put on the staff that I am not surprised when their pay gets eroded year on year that they just think: "Well, I am very well-educated, I could get a job in finance where, do you know what, I turn up at 9.00 a.m. I finish at 5.00 p.m. and my weekend is mine. Why would I not do that? I can get paid better for that. I have the skills that makes me viable to do that." But of course they love the passion for teaching so you end up losing very good members of staff because they decide to go to other places in the world where they will be appreciated, where they will be paid more and the cost of living may be less. They may be able to afford their own home. Can this Island really support our education system to collapse? Because then what happens? That is where I will leave it.

**Deputy E. Millar:**

Sorry, I do not know if I am being overly pedantic but I know a couple of Members have referred to me in this debate as Minister for Social Security and I just wonder whether that should be recorded as vice-chair of S.E.B. I may just be overly pedantic.

**The Bailiff:**

I think within Standing Orders people are entitled to refer to any Member by their correct title, either as Deputy or as Minister or indeed any other office they hold under the States.

**LUNCHEON ADJOURNMENT PROPOSED**

**The Bailiff:**

Before we adjourn there are 2 matters I would like to deal with. The first is, in terms of the timings for tomorrow, I had forgotten when I said we would stop at 12:45 p.m. and start again at 1:45 p.m. that there is the photograph to be dealt with at 12:45 p.m. I therefore propose that we deal with the photograph at 12:45 p.m. and the adjournment of an hour only will be between 1:00 p.m. and 2.00 p.m. Secondly, earlier an issue arose between Deputy Ozouf and Deputy Mézec concerning the statements made by Deputy Mézec relating to Deputy Ozouf's presence within the Island. When I indicated what I did and asked for observations, I did not have in my mind the contents of Standing Order 104(2)(d) which is a Member of the States in the contents of the speech must not refer to the private affairs of any Member of the States, unless they are of direct relevance to the business being discussed. If it is the case that Deputy Mézec's observations about the presence of Deputy Ozouf

related to his absences in his capacity as Minister for External Relations, then it seems to me that could be within Standing Orders. If, however, it was an observation that for personal reasons he may not have been present in the Island, that was contrary to Standing Orders, and I did not afford Deputy Mézec the opportunity to make that clarification. So would you like to make that clarification, Deputy?

**Deputy S.Y. Mézec:**

Indeed, and that is the reason why I did not withdraw it when he asked me to, I was referring to his role as Minister for External Relations.

**The Bailiff:**

Yes. I notice, Deputy, you have returned. Hopefully you have heard what I have said and that the clarification given was that the absence is referred to your absences in your capacity officially as Minister for External Relations.

**Deputy P.F.C. Ozouf:**

I am grateful for your clarification, Sir.

**The Bailiff:**

Very well. There is also another potential matter, Deputy Morel, but I would prefer to discuss that with you to determine whether I allow it or not, so it will be immediately after the adjournment, if it is to be allowed. Very well, the Assembly stands adjourned until 2.15 p.m.

[12:50]

## **LUNCHEON ADJOURNMENT**

[14:16]

**The Bailiff:**

Before we continue, Deputy Morel, you have a correction that you wish to make of something that you said before the Assembly.

**Deputy K.F. Morel of St. John, St. Lawrence and Trinity:**

That is correct, Sir. Thank you, Sir, for giving me the opportunity. I have 2 corrections that I would like to make from statements I made on Monday. The first was in regard to a statement in a speech about amendments lodged by the Economic and International Affairs Scrutiny Panel. I believe in one of them, I said that I believe that amendment 28 had been lodged by Deputy Scott in her name. Looking back, that was not the case. It was lodged by the Economic and International Affairs Scrutiny Panel so I would like to make that correction, please, Sir. The second one is on an entirely different matter. On Monday in questions without notice, I was asked whether I had been made aware of freight price rises by Condor Ferries. At the time, Sir, I said that I had not and that was because I had received a letter regarding freight price rises, but, in the moment, had thought that letter was about passenger price rises. That letter was not. It was about freight price rises and they had sent that letter on I believe 16th November, so I would like to correct that for the public record that I had been made aware and I have responded to that letter as well. Thank you, Sir.

**The Bailiff:**

Thank you very much, Deputy. We continue now with the debate on the twentieth amendment and next to speak is Deputy Renouf.

**Deputy J. Renouf of St. Brelade:**

I indicated in the chat that I wish to speak before the end of the debate, but I did not wish to speak at that particular moment.

**The Bailiff:**

Sorry, it may have been missed in translation. The note I had was: “Deputy Renouf would like to speak, but, ideally, after lunch as he will be in the Chamber.” That was the note I got.

**Deputy J. Renouf:**

Yes, Sir, that is an abbreviation of the longer note that I sent which said that I did wish to speak and I simply wanted to make sure that I did not miss speaking if the debate closed before lunch. However, I can try and do so. It is just I have sat down having cycled in. I do not have my computer ready yet. I am happy to try and do so if nobody else wishes to speak.

**The Bailiff:**

I will take you after the next speaker to give you a chance to catch your breath in the circumstances, Deputy Renouf, but does any other Member wish to speak?

**Deputy K.F. Morel:**

Sir, just very briefly, on the matters that I just mentioned, I would also like to apologise to States Members for having made those mistakes and, obviously, any inconvenience caused to anybody outside the Assembly as well.

**1.3.10 Deputy S.G. Luce:**

I look around the Chamber and I look at individuals and I see specialisms. I see specialist subjects that States Members specialise in, and I would not be so bold as to tell people that I have specialist subjects myself, but over my career I have run my own businesses and I feel that if I have an interest, it could well be in economic development and the economy. I have always, over the years, agreed with the famous phrase: “It is the economy, stupid”. As I say, for many years, I have thought that and, quite recently I suppose in the last couple of years thinking about manifestos for recent elections, I thought hard on that subject and came to the conclusion that economies cannot work without people in them. Those people in economies need to be educated, and in order to educate them, we need teachers and we need an Education Department. I just say this. I know many teachers and the ones I know get up early in the morning, go off to work quite often before I do, they get home late at night, they spend their weekends working, they spend their week trying to find time to teach their children, to mark the work they need to mark and to plan ahead. I think it is clear to me that teachers very obviously go above and beyond what their contract might say. However, there is a “but” in this, as you may well know. It is a bit like bringing planning applications to the States Assembly. We elect a Planning Committee in this Assembly and trust in them to go off and do their job properly and, for me, we elect a States Employment Board to go out and negotiate with various people on our behalf. I want teachers to be paid properly. I do not want them to feel that they are being taken advantage of. The amount of work they do outside of hours is very clear to me and I want them to be properly rewarded for that, but I do not feel that negotiating the way we are in this States Assembly today is the right way forward. All I would say in closing is that both sides need to come back to the table and both sides need to try that little bit harder to get this over the line. I know teachers who are bitterly disappointed they are not back teaching. I know teachers who want to stick it out for a better deal. There must be a way forward here and I appeal to both sides to start talking and working together.

**1.3.11 Deputy J. Renouf:**

I thank the Assembly for their patience. I am friends with teachers and I know teachers. It is therefore quite hard to make this speech because I know that they will be disappointed in what I have to say. I respect enormously the work that teachers do. I know my sons, who are at Les Quennevais and Hautlieu, are being taught by exceptionally good teachers. I myself was able to benefit from teaching of exceptional quality at La Moye, Les Quennevais and Hautlieu and I am lucky enough, coming

back to the Island, to have been able to find one or 2 of the teachers who taught me and have been able to tell them how grateful I am for their work in teaching me. That is something you kind of forget to do when you are a callow 18 year-old so I am glad to have had that opportunity. We have to consider here where we are and the situation we are in is that the teachers have been offered a series of offers, all of which have attempted to find within the envelope available to the S.E.B. a reasonable offer and it has been incrementally improved. The thing that has not yet been pointed out that needs to be pointed out is that there are other elements to take into account and not just the pay offer from the States Employment Board in terms of what this Government has done. We have increased tax allowances above inflation, we have increased child allowances, we have increased childcare allowances and these things are also part of what this Government has done for the teaching profession. I think we should also bear in mind the pension situation. The pension contribution from the employer for teachers is, I think, 6 per cent into that pension scheme. It is, as I understand it, a very good scheme, and it may be considered not particularly relevant, but I would say it is in the context of all the discussions that we have been having about, for example, retention within the industry and so on. I was in a vaguely similar situation when I worked for the BBC, a *quasi*-public sector organisation, where we had a relatively generous pension scheme which happened to be closed down partly when I was there. In fact, when I considered it, as I did several times in my career, leaving the BBC to work in the private sector because we were all aware that, working for the BBC, we were working for 20 to 40 per cent less than producers doing the same job in the private sector, you factored many things into that. One of the things of course was the pride of working for the BBC, but there was also the fact that, while your salary was lower, with the salary that you earned in the private sector, you had to buy a pension and that would be an expensive business. That was a factor when you considered whether or not to leave the public service or not, so I do think that we should also consider in this the teachers' pension arrangements which offer an additional part of the remuneration package and a significant one and, as I say, also those additional tax measures, other measures and so on that the Government has done. I think what we come down to in the end is a situation where there is no doubt that we would like to pay teachers more. Who would not? We would probably like to pay nurses more as well and so on. The question is what can be reasonably afforded? Governments have to take that view. The unions, it seems to me, have decided to make this the year when an attempt is made to claw back losses over many years. I guess that is their right to do that, but it is also the right of the Government and this Assembly to take account of the bigger picture, and the bigger picture was very eloquently explained by Deputy Millar in terms of what has been offered to other public sector workers and the extraordinary lengths I think to which the States Employment Board has gone to meet the teachers at least halfway. I find it quite telling that the union does not want to engage in binding arbitration. Deputy Barbara Ward was perplexed by that. I remember reading something at the time when that last came up which said that, basically, the union commented that they did not want to do that because of the experience in Guernsey where the union did accept binding arbitration and did not get what it wanted. I found that quite telling. Yes, binding arbitration may not give you what you want. It may not. That is the nature of arbitration. The employer is prepared to take the risk. The union is not and I think that is a huge shame. I think there is, at the moment, a very generous offer. I think in terms of the multiyear nature of the offer, if I had been the union in the room, I would have bitten off the hand of the employer given what we know about potential inflation or as much as what we can say about potential inflation in the future. Of course it is a risk. There are no guarantees but it is a very generous offer and it is a huge shame that, of the 2 things that are available - I think it is about the third improvement in the offer now all binding arbitration - the union is not prepared to accept either and wants to go for broke. I think it is not a surprise to me that the union voted not to accept the offer in a way because of this debate coming up. There was perhaps the hope that the Assembly would step in. I think it is more likely, I hope, that the Assembly will reject that, and I agree to some extent with members of Reform Jersey who said this Assembly could bring this to a close. I think it could bring this to a close by making it clear that there is no extra money. To hold out for anything else is false hope and I think the view that I hope

will be taken in this Assembly is the view that I think is shared more widely among the public which is, yes, we would love to give more pay to the teachers, but we have to bear in mind the wider context. We have to bear in mind the fact that, already, there have been several improvements in the offer and we have to bear in mind that the employer has gone the extra mile offering binding arbitration. Given all those things and taken in the round, I think that that would suggest that we should reject this suggestion, accept that the offer is not perfect but a good one in the circumstances and that we should move on on that basis. I ask the Assembly to reject the amendment and support the States Employment Board.

[14:30]

### **1.3.12 Deputy L.V. Feltham:**

I thought it was important that I speak after the previous speaker because there were some comments made about the union and the reflections of the speaker on the actions of the union. Having been a union leader myself for civil servants, I know all too well that unions are member-led. If anything is put forward from the States Employment Board, there would have been decisions taken by members and there would have been votes taken by members. People who are sitting in this Assembly today saying teachers will not leave and we are not putting our schools at risk by rejecting this amendment I think should be reminded that it is union members and the teachers themselves that have been rejecting these offers. They are saying these offers are not good enough and it is the skilled people that can get jobs, let us face it, anywhere in the world that we should be fighting to retain because they are training our workforce of the future. If we think about the impact of the strikes and the inconvenience that it has caused, it proves how important our teachers are and how much they are valued within our society. I am not just talking about how people might value them as free childminders, because they are very much more than that. This is more than where your children happen to be during the day while you are work. This is about providing good well-rounded quality education for the families living on the Island. We know that we are losing people, we know that we are losing skilled people and we know that our young people are not returning to the Island or those that do return leave. One of the things that you are likely to consider if you are a working professional and maybe somebody in the finance industry is where you might want to work and live and the education provisions that are there for your children. It is incredibly important that we have a skilled workforce of professional educators. Coming back to the negotiations, it has been said many times during the past year by members of the S.E.B. and the Chief Minister that all other pay groups have accepted previous offers. Now that may be true. They have also referenced teaching assistants. However, teaching assistants are part of quite a different pay group. Due to decisions having been made in the past, teaching assistants are in a very broad pay group called the civil service. That pay group includes all of the people that work in the offices, the people that we might see in and out of Broad Street, and the people that may well see more flexible working as being something that they are willing to have as a benefit. That might be why they might accept a pay offer that potentially somebody working in a school would not because they do not have the ability to have the types of flexible working arrangements that might be available to people working in offices. I would suggest that, had teaching assistants been balloted separately in their own pay negotiations, perhaps we might have seen a different result in relation to teaching assistants and perhaps that is something that the S.E.B. should look at as to how they realign pay groups into the future so that they are aligned within certain kinds of job families. I do think that the assertion that teaching assistants have been happy to accept this offer could well be ill-founded because we do not know that. I am going to leave it there because the principles of my party have been well put by my party colleagues, and I am conscious to keep this short, but I do want people to remember that, when you use the faceless words “the union”, there are many faces behind those words. Those faces are the working people that form part of that union. It is not just somebody coming in from the U.K. making decisions. It is people representing the workers, representing the taxpayers at the end of the day and representing our employees.

### **1.3.13 Deputy S.Y. Mézec:**

I think one of the things that is disappointing about this debate is, firstly, the lack of humility that comes from Members of the Government when they talk about this, and I do not think we saw any of that from the Minister for the Environment when he spoke before about a fact that few seem to be prepared to say which is that the offer that has been made to teachers is a real-term pay cut. I do not believe anybody ought to be guilt-tripped into feeling grateful for seeing their economic standard of living reduced and I do not think it is any consolation to them to hear Members of Government explain: "This is so necessary given the bigger picture" when there are some pretty nasty things in that bigger picture when it comes to priorities of Government spending elsewhere. We can see not just in this Government or this Assembly but over the last 10 years that we have spent over £100 million to not get a new hospital. I think teachers are absolutely within their rights to feel angry at seeing such a massive waste of spending in public money and then told: "By the way, there is no money to ensure that your standard of living does not get worse" not only for this year but all the years that came before where they have had real-term cuts to their salaries. The question that has to be asked is when does this end? Does that trend of real-term pay cuts for teachers carry on for ever? If it does, we know where that leads. It leads to oblivion because you will have no teaching profession if that is the way we go and we will have no education system in Jersey. We will then have no economy and I am sure lots of people will want to leave at that point. At some point, something has to change and we have to invest in our education system and those who work in that system to ensure its future survival. The Government has offered R.P.I. pay increases in future years. I find that lacks so much credibility when we do not know what the economic situation will be like in those years, and if I remember rightly, I think one of those years is not even in this term of office so future Governments of course can do whatever they like there. I do not blame anyone for not wanting to have faith in that kind of offer, but even if it were to happen, it still would lead, over several years, to no real improvement in teachers' economic standard of living from where they were in years gone by. It means flatlining for a few years. They are telling us that the problem is not R.P.I. costs this year, next year or the year after. The problem is the years that got us to this point where their salaries in real terms have gone down, so it is about fixing years of underinvestment in our workforce in the teaching profession. I think Deputy Bailhache used a very interesting phrase in this. He spoke very highly of teachers and expressed his appreciation of them and the work they do, including going beyond what their contracts say, and he spoke of the privilege that they have in being able to help shape the minds of our young people, words that I hope everybody agrees with, but he spoke about wanting to address this issue. I made a note of his words. He said "in a civilised atmosphere" which I find a very interesting phrase because civilisation in this context means a pay cut. "How very civilised. We are going to cut your pay but do not worry. It is civilised. You are struggling to afford a roof above your head, you are losing hope of ever buying a home of your own and struggling with inflationary rent increases. Do not worry. We are doing this in a civilised way." I think that shows signs of just being out of touch with what people's real lives are like. It is not about the language we use. It is about people's material conditions and you can tell people: "Be grateful. You are lucky. Think about what you have" as much as you like, but if they feel their earnings are having less and less value as each year goes on, there are no amount of words you can offer them to make up for that. The only thing you can offer to make up for that is more money. Deputy Luce said in his speech that we should not be negotiating in this Assembly. He is completely right of course. We should not do that and I, as a staunch trade unionist, would not want to do that in this Assembly. I want to leave it to the teachers' unions and the teachers' union members themselves to decide ultimately what they will accept, and they will have my support for that as a trade unionist and as a democrat. This Assembly should not be negotiating but that is not what this proposition does. This proposition itself or this amendment rather does not impose a new pay offer for teachers. It simply frees up money so a more meaningful negotiation can take place. Some Members spoke before about their perplexion at the teachers not accepting the offer of binding arbitration but if you say: "There is no more money

but you should have binding arbitration” of course they are not going to have faith in that process because you have already decided what the outcome is before they go into the room for that by saying there is no more money. Well, if there is no more money, then there is not going to be a better offer. So that simply makes no sense and I do not blame anyone for not wanting to take part in such a process. This amendment to free up funding for Education will enable the Government to get around a table with those union representatives and thrash out some new negotiation, new offer hopefully, one which will be more palatable for that part of our workforce and make them feel like, to at least some degree, the concerns that they have been expressing to us have been listened to and they can have faith that there is a bit more security for their profession for what they do for the young people of Jersey. Who knows what their position at the end of that will be, but it will certainly be a better process if we can provide funding to enable that to happen. I will certainly respect whatever they choose to do as a result of that. But if the amendment is to be defeated, I want to hear from Ministers. I will make this point, we have not heard from the Minister for Children and Education, this is an extremely important subject and we want to know what they think. When I was Assistant Minister for Children and Education I defied the lines of the Government at the time so I could support our teachers because I had listened to them and understood how important they thought it was to get a decent pay offer at that time. I will say I attended marches with the person who is now Chief Minister, whose position has changed on that. But mine certainly has not. So we do need to hear from that because if the answer is not to be an improved pay offer for teachers now to try to undo some of the harm that has been done to the effective value of their salaries over recent years, they then need to provide an answer as to what the alternative is. Because, if the alternative is pay freezes, real-term pay freezes for the next few years, which is what they are indicating it will be, then that will not solve the problem. Because that flatlining will see no improvement in the conditions that the teachers are telling us need to be improved because of the years of underinvestment up until that point. So the language that ought to be used from this point should be about real-terms pay cuts and not hide it in any other term because that is what we are talking about. I would not think badly of anyone for wanting to say no to a real-terms pay cut and I think we ought to respect the teachers a lot more than just giving them measly words that do not pay the bills.

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

I too want to ask that the Minister for Children and Education and her Assistant Ministers, as we have, do come and talk to us about why their position is as it is. Because certainly, very simplistically, if I were running a department and I got £2 million extra, I would say thank you. That would help us provide a proper education system, a service for our people. Why would you turn that down?

[14:45]

Why you might turn it down is because this Government, this set of Ministers, are in favour of a small Government. They want the public sector to be as small as possible and let the market run. That is the philosophy behind most of the people in this room. Certainly, this is an example of exactly that. Small Government, we do not like Government, and a free market. The offers that have been made, as my predecessor, my leader said, was that what we have here is a real-terms pay cut. 2024, 8 per cent consolidated. 2025, a guarantee of September R.P.I. 2026, a guarantee of September R.P.I. consolidated. Does that in any way meet what the teachers are saying, the members of the union are saying: “We want to finally have a proper pay rise so we do not feel as we do, that our money goes less and less far because of inflation, because of the cuts.” Then finally a one-off payment of £1,000, unconsolidated, so it drops out after one year. One year you get it, you spend it in that year if you wish, but then it drops off your wages, you are back on your heels as it were. Alternatively, perhaps we might return to the gain share process, which was taking place in the previous Ministerial Government and appears to be identically applied now, which says: “Take your school budget, you can have a pay rise, all you teachers, but it must come out of the school budget, the overall budget. So basically you get a pay rise at the expense of the quality of teaching that goes

on in your school. So you sacrifice something in order that you have a pay rise, gain share. That, as I say it, is a disgusting way to divide up a budget. That is a disgusting way to provide an educational service, which inevitably is built on the backs of you teachers taking a pay cut. Alternatively, you might want to go into, and I believe that is on offer, discussion of your terms and conditions in general, rather than just pay, and you discuss and debate: "If I get this benefit, then it helps me put up with a pay cut." I have some experience of negotiating terms and conditions on top or alongside a pay award. The experience comes from my wife. For example, it is an example that she often quotes at me, one change to alleviate difficulties, the problems of being a teacher, is to take your terms and conditions and improve them. For example, putting a limit on the number of meetings you have after school to discuss endlessly educational issues or practical matters, put a cap on that. So instead of every week, a weekly staff meeting - it does happen in some schools - it goes to no more than 2 meetings a term where your time is given for a couple of hours between 4.00 p.m. and 6.00 p.m. having a meeting about policy or about what is effective. She was quite pleased, having signed a contract or an agreement that said: "Yes, we will remove this along with other things that make the burden of teaching lighter on you." The reality was that, within a year, those heads who were previously having weekly meetings after school were back having meetings after school. Did anyone enforce that? No. They do not need to enforce it in a small school. Can you challenge your headteacher and say: "You should not be doing this"? It is quite a difficult task, especially when you are small numbers in a primary school. Secondary is perhaps a bit easier. But certainly in primary you are directly confronting the head who makes most of the decisions, including whether you are employed or not. Going in and arguing the toss about your terms and conditions and saying: "You are breaking the rules" is a difficult thing to do and does not always happen, especially when teachers are so reasonable. Time and time again, we will go the extra mile, we will do the extra duty and not argue about it because they are reasonable people. That is a normal way in which they approach pay awards, as reasonable people, which in turn is why they have seen their pay cut over the years, because they are so flipping reasonable. That is how it happens. So I am afraid I have been here before. I think it was 2019 I brought a proposition to the States to pay teachers more. It failed then. I do not know if it is going to fail now, but certainly it should, it is about time we broke this cycle which says teachers will do the job for a pay cut. That should not be happening. We should be paying proper respect to our teachers along with our nurses and our bin men over the COVID outbreak and what happened there. We should be valuing them. This is the way to say: "And we value you."

### **1.3.15 Connétable D. Johnson of St. Mary:**

For the benefit of those who do not know, I am neither a member of Reform nor am I with the Government. I speak as an impartial Member of this Assembly who is somewhat distressed to hear the dispute has got this far. I align myself to the comments made by Deputy Luce that we have a States Employment Board who are charged with negotiating the fairest deal available for the teaching profession. I do not dispute some of the claims made that they have suffered a drop in standards over the years and that is something that probably needs to be addressed. But it so happens that over lunch I came across 2 friends of mine, they brought up the subject. They were just 2 members of the public and there would be as many views as there are members of the public, but their view was, yes, they were sympathetic to many of the claims, but felt that it was unreasonable to expect all that to be given in one lump, in one go. One of the gentlemen I was speaking to said that he himself had been party to an arbitration proceeding some years ago and maintained that in fact the arbitration result gave him and his union more than they were asking for, which brings me on to the point made by Deputy Mézec. I apologise if I misunderstood this. I do not believe the arbitration process limits the amount awarded to that which is a final offer from S.E.B. at the present time. If the arbitration were to go above that and recommend and say in fact that: "Yes, you have been deprived of cost-of-living index rises for so long, we believe X is appropriate", then I would expect them to say so and, further, I would expect Government to produce the funds to produce it. In fact they would be obliged to do so

because they would have given an unconditional commitment. So all that leads me to the conclusion is that, as sympathetic as members of the public are to the teachers' situation, and we all are, why is it that the union will not submit to arbitration, which could give them a better deal than that which is now on the table? With that, I conclude my comments.

### **1.3.16 Deputy I. Gardiner of St. Helier North:**

I will ask Members to restart the timer please. It is one of the most difficult speeches that I probably have made and going to make in the Assembly. Deputy Ward talked about feelings. I am really, really, really upset. This is where I am as Minister for Children and Education. I have 4 different unions representing employees, my employees, at each and every school. It is a community and the community has been disturbed. It is not a good atmosphere and it is right, I look at the unions, when I met with the unions they mentioned 4 very specific items that they wanted to raise with me: recruitment, retention, workload, well-being and morale. It is really difficult. Emotionally ... there are lots of speeches implied that we are heartless, we do not value teachers. I do not think that I ever said it in any of my speeches because I personally think that it is our teachers who educate and inspire in our children, my child. Their work and dedication is enormous. So it is emotionally really, really, really difficult. Now, where we are, and this is very difficult even more, because we have emotions but we are also debating budget. How we connect our emotions to facts. It is tough for everyone. I am sure that everyone feels the same at this Assembly, for any Member can reflect where their emotion and where their heart and how it is turning around. This is probably happening to each and one of us because I do not believe any Member of the Assembly does not respect teachers and not value teachers. Saying this, as everyone knows, the S.E.B. is responsible for paying with the States and of course I take an interest and liaised with S.E.B. and worked with S.E.B. We are facing strikes, 3 days, and as a Minister for Children and Education and a mother, deeply concerned of impact on children and families faced throughout this year with action short of strike and strike actions. Our attendance, supporters are telling that every day matters, that is what we are expecting from parents. Therefore, every day missed because of the industrial action will be harming children's education. But this is the facts, I cannot tell something different about it. Now, as the vice-chair of S.E.B. said that this is the offer, we all know the offer, I will not go back to the offer, you can read, and they said that other groups will not be getting the same. Let us think about it. I am looking across the Government. I am Minister in charge of the department, Children, Education, Young People, and Skills. We employ and pay many different groups. We have nurses and C.A.M.H.S. (Child and Adolescent Mental Health Service). I have nurses and C.A.M.H.S. We have psychiatrists, we have educational psychologists, we have social workers and Children's Services. It has been mentioned other pay group, but if you are talking about the pay groups within the C.Y.P.E.S., I have 4 different unions that do not work together, do not co-ordinate together. If we are saying that, from 2,744 employees that I have within my department, only one group would receive 17.6 per cent demand for 2024 and others not. What is the message I am saying for others? Oh, 17.6 per cent spread over 3 years, what is the message I am sending to all my other employees as the Minister? Because I am the Minister for whole department for 2,744 employees.

[15:00]

Now, recently, when I spoke with ... I had met with N.E.U. and I was a bit disappointed that it took them 3 months to respond to me. We had finally meeting and when they raised with me recruitment and retention ... and I would like the Members to please listen and the public to listen because here is a narrative that will likely be driven from the past or from the U.K. So let us start with recruitment. I would like to go back and repeat what the vice-chair of S.E.B. said. I do not have a single vacancy at primary schools. I had more than 30 when I was elected a year ago. I did not have a single vacancy for September. I do not have a single vacancy now going into the spring terms in the primary schools. I do have single, and I am talking about 8, vacancies at secondary schools. So, if I am looking at 917 teachers that are employed, I am talking about less than 1.5 per cent vacancy. If I would have the

same numbers of vacancies within the social work, Children's Services ... again I know that it is difficult, but about the particular path, recruitment; we are recruiting. Also we are not having qualified teachers. We do have qualified teachers, but the quality of these teachers, I think it is a bit insulting to the teachers who are teaching. I think we do have qualified teachers and all of them passed through the interview and they have been recruited and they are working. By the way, I have received an update, because the agency that has been mentioned, it was 8, to be honest up to date, we have only 5 left on the Island because 3 agencies covered for parental leave and the agency contract finished and now we have 5 on the Island. Again, these agencies are important that we will deliver specialists and we do have difficulty in recruitment. I have checked where the agency is coming from. I have 2 maths, design, and the instruction, I think. Now, parental leave, I am fully supporting of the parental leave policy. I voted for this. What has happened with the parental leave, and this is my conversation with the unions last time was, I think on this, that ... it was last year, it was first year the parental leave ran. What has happened, teachers were taking part term and taking rightly the parental leave. So we found ourselves, and headteachers found themselves, that we have 3 or more teachers on leave at the same time. So we needed to recruit. So we created a new policy and people are taking parental leave when they need, so up to today with all work, I do not have any recruitment, I had 108 teachers on parental leave from January 2023 until 11th November 2023, 108 that we needed to cover, find the cover. We found it. And average depends on the month, I had between 23 to 53 teachers on parental leave, well-deserved, but it means that we found the cover and we paid for the cover. We found the specialist teachers and we did employ 5 agencies to cover the parental leave. But I think it is important to say. So I finished the first point about the recruitment. Second, retention. In the past 12 months from 1st December 2022 to 30th November this year, 34 teachers have left the organisation. Some have been retired, some of them moved to other schools, and some of them left the Island and profession; 34 out of 917 vacancies. Again, it might be different in the U.K. I completely appreciate that the loss of one teacher in school has a huge impact and when more than one teacher leaves, it has a huge impact. It is challenging to the headteachers and it is challenging for all staff that need to cover. But we do have gaps and, to be honest, if I am looking at attrition rates, and maybe this is where it is coming from, I do not know, I am trying to find where the narrative comes in. In 2020, when Deputy Mézec was also the Assistant Minister, we have 9.2 per cent attrition rate. We have a higher percentage. This year we had 3.7 per cent, and I think any organisation knows how it works. So the first 2 points that are raised by U.K. reps in negotiation did not meet a reality check about recruitment and retention. Where I do agree with unions, and I do agree with Deputy Catherine Curtis because she lodged this amendment with the good intention to find a way forward, and in her open speech she mentioned inclusion and extra responsibilities of teachers and recognition for extra responsibilities and extra burden for the teachers. I completely recognise this. This is why we have currently a review for the terms and conditions. It was last year review for the emergency services and we did have some finding. The review of the terms and conditions are extremely important and follow Deputy Feltham's point about teaching assistants. I do believe they are in the wrong union. I believe that we need to work different in the teaching assistants, and this is the reason that I do have 3, at least on the table, different terms and conditions review. One for the headteachers, one for the teaching assistants, which are progressing very well, and there is a terms and conditions review for the teachers. What does it mean? If I am saying terms and conditions, what is in your mind, what are we reviewing? Think about it. We have 5 workstreams and I will not give you 2 pages of the terms of reference. First workstream: core hours of work, workload, and in set days. Second: supplementary allowance point. Third: no disparate workforce stability, mobility, flexibility. Fourth: pay and remuneration. Fifth: C.P.D. (continuing professional development), career paths for early career teachers and also re-employment after retirement. All this has been discussed with unions and led by the officers allocated. This is what is important. If you go with the terms and conditions review, which we are committed to do. I am personally committed to do it because I do believe current education demand on teachers is different compared to what it was years ago. And the terms and conditions review would help. The outcome of this review as well will likely

require more funds and we will need to find them once we will know how much will be required as previous Minister when we found the funds to meet the deficit. Unfortunately, and I really appreciate, I would like to have £2 million, but the problem is, from my conversation with unions, it is very clear that the demand of 15.4 per cent last year or the 17.6 per cent this year, this is the demand and £2 million will not sort out this demand, it is not enough. It is something that will maybe put a plaster and we would have more strikes going forward. Because it will not, I wish it would, but when unions were sitting there and I was looking at them, because we were sitting in November and I explain. By the way, the headteachers was raised here. The headteachers have received 7.9 per cent consolidated. They did not receive more and they have received between 2,000 to 3,000 from October 2023 to October 2024, extra 10 to 15 days out-of-term time to allow terms and conditions review to be completed to update their pay as an outcome of the terms and conditions review. This is the conversation with unions that can you find something to support us? I have found a £1.1 million from Education Budget to give extra £1,000 to make sure that we have enough time for terms and conditions review. But I cannot continue with terms and conditions review when we are on strikes. So it is something that where the real change would come and will address the concern of the workload, it is through terms and conditions review that we are ready to do. It will not be addressed through something else. Now, just a small, it is about Alex Curtis, he is not here, it is about where the money is coming from. I visited 30 schools since coming into the office and it was clear for me that schools highly rely on I.T. systems. Our I.T. systems in schools are really, really poor. We need high upgrade to the I.T. system. But this is for the Members' consideration. I want to finish by stressing my support to all teachers. I know it is empty words ... it is not empty words, I really, really, from bottom of my heart, think that they are incredible. We are not talking about teachers. We are talking about how we make the teaching, the school community back, because what we really want, the whole pay groups that we do have within the schools, within C.Y.P.E.S., we will come together and we will find a way forward. This is why it is so important that all pay groups going through the pay conditions at the same time, that we will be able to address concerns of the workload, pay, of extra demands. Of course I want to end the dispute and the impact. So binding arbitration with S.E.B., I would really urge unions to come back, to reconsider, and we can progress with the terms and conditions that could address the major concerns around the workload and the well-being of the teachers. I think morale, we are all responsible for this, all of us; all States Members, all teaching communities and unions, and Government and S.E.B. I cannot tell that it is only one behind this; we all need to get together to try to find the way forward.

### **1.3.17 Deputy K.L. Moore:**

There have been many excellent speeches but as chair of the States Employment Board I did feel it important to contribute briefly, although I will truncate my speech. I am grateful to all who have spoken so far and, yes, I have in the past marched for the teachers. I have stood on the platform in the Royal Square and spoken with teachers. More recently I have tried to do the same, however, I found that I was heckled and shouted down during that time, which was quite a disappointing experience for me, because I did march with them during the last Government. I did not feel that teachers were properly listened to or engaged with during that period of Government. The unions met more regularly with the Corporate Services Scrutiny Panel than they did with the previous S.E.B. and this is exactly why the States Employment Board has taken it upon themselves to meet with all the unions on a regular basis to listen to them, to take on particular pieces of work that each of the unions finds important to their members, because we are prepared to listen to their members and to act upon that. Which is why, as Deputy Gardiner just set out, we are dealing with the terms and conditions; we have excellent feedback on the progress that is being made. We also have, through our recruitment and retention work, helped to deliver more permanent members of staff in all of our critical services. That is more nurses, fewer agency staff, over 50 teaching assistants, improved access to accommodation and so much more because we care about all of our public sector employees and we want to do our best, and we want to work with them to do that, which is why teachers have

been offered a fair pay increase for 2023, along with the rest of the public service. But we have gone better with the help from the Minister for Education by offering a £1,000 non-consolidated lump sum to teachers. I hope that that shows the importance that we place upon our roles.

[15:15]

They are - as Deputy Bailhache was saying - leaders for our children to receive the very best education that we, as an Island, want to deliver for them. I know some union leaders also agree with me that this Island has the opportunity and the ability to deliver a world-leading education. That should be what we are focused on. But we also have to offer the very best of services that we can in all areas. So I think the frustration with ongoing strikes and industrial action is felt by many people. Indeed I attended briefly the Chamber of Commerce lunch today where they had been conducting a survey on a number of different matters, and the majority of their members surveyed wanted to see teachers getting back to their classrooms and carrying on with their work. As Deputy Rob Ward stated, gaps in education do impact upon each child's access to education and their development, and so any further gaps will erode that progress by creating further gaps in the ongoing curriculum and their access to it. So we need to focus on moving forwards, but we do that in the modern context of ... it is not simply teachers who have experienced erosion in real-terms pay, but since 2008 - I am sure Members are aware of this - there has been a decline in average earnings across the board. This is something - and particularly in these difficult economic times - that we need to address. We need to address that as a community, which means standing up and helping to bring down inflation, acknowledging the fact that we are all experiencing a different quality of life and we all want to see an improvement of that. But that will take time. It takes collective action, it takes careful husbandry of our public finances, it takes care of everybody in our community. But in doing so - and I think we can do so - we can deliver a continued strong set of balanced books which we should be proud to be able to deliver, and we can build upon the path that we have, as Deputy Renouf reminded us, of supporting families through income tax allowances, through childcare allowances, and all the other good things that we have done to support members of our community, to support families, and to ensure as an Assembly that we support Islanders and create a community where everyone can thrive.

### **1.3.18 Deputy L.J. Farnham:**

We have got into a bit of a mess with this but we never stop learning in politics. I have been in politics a long time, longer than most in here, and never stop learning and you tend to learn and things tend to evolve. One of the mistakes I think we make is we do not allow our thinking to evolve with the real world, with the hard challenges faced in the real world. We tend to stick to doing what we have always done for longer than we should. We have got to be a bit more, I think, agile on our feet. Being on the Back Benches and not being in the Government for the first time since I was elected on an Island-wide mandate in 2011 has been a bit of a revelation and enabled me to look at things from a different perspective. I think that is a positive thing. Some of the existing Ministers should try the same thing. I am not suggesting they move immediately to the Back Benches but I think it allowed me to look at things through a different perspective, although when I was in previous Governments I tended to focus on economic matters, which of course are important insofar as they drive the world, but generally the economy drives the world, ultimately the world being everything that we do over here. But I think where we have got into a bit of a mess now, because we have not evolved our thinking, is on the financial prioritisation of our spending. When we look at the Government Plan we are going to be asked to approve a Government Plan which costs Islanders £1.3 billion. Not all Members may agree but I think the key to a safe, stable, financially secure, more content society revolves around 3 key areas and that is health, education, law and order. Following that is of course infrastructure and public realm, and those I think are the key areas where we need to prioritise funding. We have got challenges in all of them. We are having challenges with health and we are saying health is overspending all the time, but the question is are we providing enough funding for health to achieve what they need to achieve in the modern world, having to deal with all of the new

challenges that are faced. The pay pressures also apply to the front line staff in that area such as doctors and nurses, and the real people that have to fight for us on the front line of course. I think the Minister for Health and Social Services has a far bigger challenge in relation to bringing staff in because of the general shortages of medical professionals from nurses all the way to specialists. We have seen challenges the Minister for Home Affairs has had with her budget, which could lead to a reduction in front line policing, and that extends to other emergency services, and of course now we have the challenges with our teachers. I do declare an interest because my daughter and my son-in-law are both teachers and I was with them for a while in the Royal Square at lunchtime. I know the challenges because I am told first-hand, and these are challenges that are being experienced by teachers for the first time, because we are in different economic circumstances. The previous Government, of which I was a part of, was not perfect and we did have challenges with the teachers, but those challenges and those disagreements were ultimately settled at the time. But we did not have to deal with the inflationary pressures, cost of living and other issues that are prevalent today. So it is no longer an attractive prospect for people to come into teaching as it was simply because of the cost of moving to Jersey and living here and how the salary has not kept pace with the cost of living. But of course in the real world it is very difficult for everything in the private or public sector to keep pace with full inflation. So, as I think the Minister for Education alluded to, there are other areas that have to be addressed and they have to be addressed as a matter of urgency. Every Member of this Assembly I think holds teaching staff and our other professionals in the highest regard; that is not the debate and it has sort of sunken into that a little bit, that we seem to be critical of teachers and the rhetoric deployed I am afraid by the Government has not helped. They have tried to win the public opinion, they have gone into that now to try and sway public opinion behind the teachers, which I think has been immensely unhelpful when they should have been looking to go just that extra step to try and find a solution. But the problem is we are putting the priority of paying our teaching staff a more realistic salary for what the cost of living is over here now with so many other financial commitments that I do not think rank as high as health, education, law and order, but have found their way into the headline budgeting of all the other departments. Who would have thought we would be spending £40 million on I.T.? Who would have thought we would have been wanting to put £11 million into financial services, notwithstanding the massive return we get for that. Deputy Ozouf will remember when we started in the States before the financial services commissions were established, when tourism was getting a £7 million budget in those days and financial services were getting nothing. You look across the arm's length organisations and the £40 million or £50 million we put in there and I am likely to perhaps fall out of favour with some of my friends in the arm's length organisations who all do an excellent job, but you could argue how much would economy miss some of the work that is done there, how important it is to developing the economy. I think it is probably keep it, we just do not know, but the point I am trying to make is we have lots of things that were considered in the past nice to have; we have made that a core part of our budget and spending now and we find that we cannot touch them because we are concerned about what may happen. So I think the lesson for all of us here is to press the restart button on how we prioritise financial spending, get our priorities right. Health, education, law and order, infrastructure, public realm; try and rank those and make sure we pay our health staff, our teaching staff and our police officers appropriately because I think that is the key to a successful economy. Incidentally, I think one of the Ministers said there were no vacancies in teaching staff at the moment among the schools, or very low, but I would like to see a breakdown. I would like to see if we have a shortage of maths teachers or science teachers or language teachers. I do not know, because I think we are losing the specialised teaching here because we are having to bring in supply teachers and other forms of teachers, but that is perhaps a different workstream. So I would urge the Government to go a step further, given the unique circumstances we find ourselves in. The rhetoric, the attempts to move public opinion against the teaching staff is not helpful, and I would urge the unions to do the same and try extra hard on the run-up to Christmas or early in the new year just to find some middle ground on the understanding that we as an Assembly and the Government must find a better way of

prioritising the essential budgets for the essential staff for the essential people that keep our Island running. I shall be supporting this amendment.

**1.3.19 Deputy R.S. Kovacs:**

I have listened in the morning on the radio to Deputy Millar saying on the teachers' dispute issue that teachers are not a special category to receive a further increase, and we heard a bit earlier the same from Deputy Bailhache. Nobody negates the contribution of other civil servants categories, if we are looking into for remuneration for teachers, and each category should be looked at through the lens of their own needs and particularities. Each union and its members are different and able to decide what works for them and what is needed for them, so there is nothing wrong with different offers for different groups as they are not all the same. On the other hand, other categories of civil servants also benefit of the extra perks to salary that Deputy Renouf has mentioned a bit earlier. I want to have this highlighted: teachers are a special category of employees as teaching is the profession that teaches all the other professions. Most of the teachers are putting in double time for the same pay, they put their own money in materials for class as many are not supplied; they are the ones that every minute of their job are responsible not just for teaching but for the well-being of the children, so on constant watch. Their learning process never ends as they have to keep up to date in their subjects. Their jobs almost never end when they get home as lots of preparation goes into every lesson for the next day, next week, or the breakfast, after clubs, shows, trips, and other activities they do on the same money. Then going into work they have to do the job of one, 2, 3 people at times, not to mention that many time they act like counsellors or cleaners as well, and the list can go on. I want to remind Members of when the Chief Minister was supporting increasing pay for civil servants on a similar proposition from Deputy Southern, P.20 in 2019, worried that our children will not benefit from the right level of education: "One of the factors that has underpinned the Island's success to date has been the good quality, in fact the excellent quality, of public services that are available here. May I suggest to any person who doubts what the reaction of private sector taxpayers may be if we support Deputy Southern today to please consider what might be the reaction of businesses if they lose confidence in our ability to educate the children of their staff."

[15:30]

I also understand the statistic that the Minister for Education is giving about retention but many teachers are currently talking about wanting to leave the Island as they cannot afford it anymore, and we do revert to teachers who are brought on contracts through agencies as well, which does not offer continuity or consistency. To refer to the importance of I.T. has been mentioned; no doubt that it has its importance, but as my colleague, Deputy Cole, has highlighted in the quote from Bill Gates, technology is just a tool. Teachers are the most important on getting kids to work together and motivate them. If we can offer over £82,000 per agency teacher to be brought over why can we not offer the same to local teachers to retain the skills on the Island and avoid unnecessary rotation of staff, which is breaking the learning process and creates additional cost with training costs? Claus Moser said: "Education costs money, but then so does ignorance." If we ignore the problem it is not going to go away. Investing in education now pays off now and later. Treat teachers and pay them right if you want to have ongoing quality learning for well-educated and skilled future generations and vote for this amendment.

**The Bailiff:**

Does any other Member wish to speak on this amendment? If no other Member wishes to speak then I close the debate and I call upon Deputy Catherine Curtis to respond.

**1.3.20 Deputy C.D. Curtis:**

I thank Members for their contributions and will address the concerns raised. Firstly though, Ministers and the S.E.B. say they have offered a fair pay deal. They say it is a very generous offer.

But they can say this until they are blue in the face, they can use taxpayers' money on full page adverts in the local newspaper to say so, the fact remains teachers have not accepted it; 75 per cent of the teachers balloted rejected the latest offer and it is time to face reality. We have even heard today that the S.E.B. are not up to date with the demands of the unions, as Deputy Millar's speech was based on out-of-date information, which presumably means that the S.E.B. are not being briefed. I could not draw any hope from the Deputy's speech and it did appear defensive and showed an entrenched position. The 15.4 per cent pay rise that was mentioned was an opening position from some time ago. The correct and up-to-date figure is 10.1 per cent. As for arbitration, teachers have not wanted to go to arbitration as they have lost all trust in the Government which sets the pay parameters for arbitration. Deputy Barbara Ward also raised concerns about whether payment could be made through the C.Y.P.E.S. budget. This has already been done just recently for headteachers and deputy heads. It was done without any difficulties. Deputy Bailhache began his speech by stating his support for the teachers but we need actions, not words. He talked of the difficulties imposed on parents by strikes. This is why we need to sort this problem now and sadly the S.E.B. have failed to do so. Deputy Luce said that the negotiations should be left to the S.E.B. I would have agreed with him in the first few months but not now. This has been going on for such a long time, I really think there will be no progress. If we are going to be responsible we need to all act on this now and not leave it to the S.E.B. Unfortunately if Members do not accept this amendment I cannot see this situation improving. The Connétable of St. Mary mentioned arbitration. Voting for this amendment would not preclude arbitration, it is just that the extra funds would be in place to provide a larger envelope for education. Deputy Gardiner stated that we have the focus on budgets; I will remind Members that we are talking about the sum of £2 million from a budget of £41 million which would have a huge positive impact on families. Deputy Gardiner also gave us details of teacher vacancies to show that there was not a problem with teacher recruitment and retention. But walking out into the Royal Square at lunchtime today I was confronted by a teacher holding a placard on which was written: "Who will teach your kids when I am forced to leave?" This teacher was supported by many other teachers and they cannot make their feelings clearer, can they? We need to listen to them. We can offer a review on terms and conditions which is great, but it does not solve the problem right now of pay. The amendment I am bringing will move £2 million from the Modernisation and Digital office budget of £41 million to resolve the teacher strikes. The £2 million is calculated on the total teacher wage spend and is accurate and includes matters such as social security payments. Deputy Alex Curtis understandably makes the case to defend Modernisation and Digital and wish him luck with all the improvements that he intends to implement. Members should bear in mind that as well as Modernisation and Digital's spend of £41 million there is also £20 million spend on I.T. through capital projects funding. Perhaps some of this crosses over into the M. and D. budget but we do not have that information. However, it is a very large amount and it does seem that this should be more than enough to pay for our Modernisation and Digital service, including I.T. I do not need to outline the many concerns there are with I.T. We will have all heard from Islanders and in the media of the many problems and overspends. I am still not convinced that it is good value for money. £2 Million is a very small amount in proportion and will make a huge difference to families as well as our teachers. The S.E.B. has been trying to sort this out for many months, unsuccessfully, and positions have become entrenched. The teachers have rejected the latest pay offer and the S.E.B. is not offering more. Now States Members have the opportunity to step in and resolve this issue. Children and parents are being affected now by this ongoing dispute. Let us bring it to an end. I urge Members to really think carefully and to vote for this amendment. I call for the appel.

### **The Bailiff:**

The appel is called for. I invite Members to return to their seats. The vote is on the twentieth amendment. If Members have returned to their seats then I ask the Greffier to open the voting and Members to vote. If Members have had the opportunity of casting their votes then I ask the Greffier to close the voting. The amendment has been rejected: 13 votes pour, 32 votes contre, no abstentions.

<b>POUR: 13</b>		<b>CONTRE: 32</b>		<b>ABSTAIN: 0</b>
Connétable of St. Saviour		Connétable of St. Helier		
Deputy G..P. Southern		Connétable of St. Brelade		
Deputy M. Tadier		Connétable of Trinity		
Deputy M.R. Le Hegarat		Connétable of St. Peter		
Deputy R.J. Ward		Connétable of St. Clement		
Deputy C.S. Alves		Connétable of Grouville		
Deputy L.J Farnham		Connétable of St. Ouen		
Deputy S.Y. Mézec		Connétable of St. Mary		
Deputy T.A. Coles		Deputy C.F. Labey		
Deputy B.B.S.V.M. Porée		Deputy S.G. Luce		
Deputy C.D. Curtis		Deputy K.F. Morel		
Deputy L.V. Feltham		Deputy S.M. Ahier		
Deputy R.S. Kovacs		Deputy I. Gardiner		
		Deputy I.J. Gorst		
		Deputy K.L. Moore		
		Deputy P.F.C. Ozouf		
		Deputy P.M. Bailhache		
		Deputy D.J. Warr		
		Deputy H.M. Miles		
		Deputy M.R. Scott		
		Deputy J. Renouf		
		Deputy R.E. Binet		
		Deputy H.L. Jeune		
		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy A.F. Curtis		
		Deputy B. Ward		
		Deputy K.M. Wilson		
		Deputy L.K.F Stephenson		
		Deputy M.B. Andrews		

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

Those voting pour: the Connétable of St. Saviour; and Deputies Southern, Tadier, Le Hegarat, Rob Ward, Alves, Farnham, Mézec, Coles, Porée, Curtis, Feltham, Kovacs. Those voting contre: the Connétables of St. Brelade, Trinity, St. Peter, St. Clement, Grouville, St. Ouen and St. Mary; and Deputies Labey, Luce, Morel, Ahier, Gardiner, Gorst, Moore, Ozouf, Bailhache, Warr, Miles, Scott, Renouf, Rose Binet, Tom Binet, Millar, Howell, Ferey, Curtis, Ward, Wilson, Stephenson, Andrews, and Deputy Juene.

**Deputy I.J. Gorst:**

There has been an ongoing conversation between the Minister for Social Security who is responsible for the Health Insurance Fund and the Minister for Health and Social Services, who is responsible for the Health Department, and Deputy Howell about the next amendment. I am hopeful that agreement has been reached, understanding the principle of what Deputy Howell wants which is the vaccinations in this instance will be provided by G.P.s and pharmacies and, therefore, will be funded out of the Health Insurance Fund. On that undertaking I understand that Deputy Howell will withdraw her amendment and the Minister will withdraw her P.88, which would have transferred money from the Health Insurance Fund to the Health Department. So the situation will be without the amendment and without P.88 that vaccinations will be funded from the Health Insurance Fund and provided by G.P.s and pharmacists. That I think is what has been agreed and, therefore, I hope that the next amendment is withdrawn and the Minister for Social Security is withdrawing P.88.

**The Bailiff:**

Thank you very much, Minister. Deputy Howell, is that ...

**Deputy A. Howell of St. John, St. Lawrence and Trinity:**

Yes, that is agreeable to me as long as this can be done as soon as possible.

**The Bailiff:**

Well, it is entirely within your gift if you withdraw the amendment and indeed your own amendment to the amendment and, therefore, that is withdrawn.

**Deputy E. Millar:**

Yes, I also confirm withdrawal of P.88, and while I am on my feet I will also confirm the withdrawal of P.89 which was the amendment for the Social Security grant, and that will just revert to the normal formula calculation.

**Deputy A. Howell:**

If it could be done by the end of January please.

**The Bailiff:**

I am not sure it is a position that can be debated on the floor of the Assembly. You have withdrawn and the Minister has withdrawn P.88 and P.89.

**1.4 Proposed Government Plan 2024-2027 (P.72/2023): twenty-eighth amendment (P.72/2023 Amd.(28)) - Economy Strategy implementation revenue expenditure**

**The Bailiff:**

In which case the next amendment is amendment number 28 brought by the Economic and International Affairs Scrutiny Panel, and I ask the Greffier to read the amendment.

**The Greffier of the States:**

Paragraph (h) - After the words “set out in Appendix 2 - Summary Tables 5(i) and (ii) of the Report” insert the words - “, except that, in Summary Table 5(i), the Head of Expenditure for Economic Development, Tourism, Sport & Culture should be reduced by £650,000 and the Central Reserve should be increased by £650,000”. Paragraph (l) - After the words “as set out at Appendix 3 to the Report” insert the words - “, except that the revenue expenditure growth item “I-DFE-GP24-001 Implementation of Digital, Visitor Economy and Elite Sport Strategies”, identified in Appendix 3: Supplementary Financial Table, should be reduced by £650,000 for each year with these funds being held in the Central Reserve until a business case for this growth is agreed by the States Assembly”.

### **1.4.1 Deputy M.R. Scott of St. Brelade:**

I thank the Council of Ministers for their comments on this proposition in view of the remarks made in those comments, and comments by the Minister for Sustainable Development during the debate of the panel's proposed amendment to freeze alcohol duty yesterday. I regret that I need to stress that this is not a defunding proposition. Careful reading of the proposition would have revealed this to the Minister and the Council of Ministers. I also strongly refute the claims made by the Minister that this Scrutiny Panel had any political motivation in bringing this amendment, including an endgame of not wanting to invest in the Island's economy. So let us come back to what this amendment actually seeks and let me explain why we feel we have to do this. If adopted the proposed revenue expenditure of £650,000 for each year of the Government Plan 2024-2027 for the implementation of digital visitor economy and elite sport strategies of the Economic Development, Tourism, Sport and Culture would be held within the Central Reserve until a business case for growth is agreed by the States Assembly. In order to explain why the panel has brought this proposition I will clarify the panel's role and methodology in scrutinising the proposed expenditure, which I hope the Minister will relay to his officers to avoid future misunderstandings. The panel has had a non-political task to perform on behalf of the States Assembly. This task is not to rubberstamp proposals by the Minister that require funding and which he insists will help the economy, but to satisfy itself on behalf of the Assembly from the evidence provided to the panel that public funds are being used productively and in furtherance of public policy agreed by the States Assembly.

[15:45]

The panel's position is that care should be given before increasing departmental heads of expenditure, noting the difficulty in reducing these once agreed. As such, in-depth analysis should be undertaken by Government to provide adequate evidence to support the case for growth and revenue expenditure and allow proper consideration prior to a decision being made. The terms of reference for the panel's review of the Government Plan are in the public domain. They include consideration of whether the Minister's spending proposals will ensure productive service delivery that meets departmental and Ministerial objectives in the context of the Common Strategic Policy that was approved by the States Assembly, including those concerning increasing economic productivity in real terms. Those terms of review also extended to considering whether the resources allocated to revenue expenditure growth ensure value for money, demonstrate best use of public funds and include sufficient performer indicators to measure economic growth and progress. During its review of the Government Plan the panel identified this area of proposed revenue expenditure had not been evidenced adequately to merit its support at this stage. The business case for the funding combined bid to implement 3 Ministerial strategies, 2 of which the panel has not seen yet and one of which needs more work in order to be sufficiently meaningful, as indicated by the Jersey Sports Council in its communication to States Members that extended to the elite sport strategy. The funding request is not for the development of the strategies and the panel simply has not been equipped with the evidence it needs. Similarly, performance measures also are lacking. It would be irresponsible of the panel to say: "Never mind then, we will support you having the money, Minister." The Council of Ministers' comments on the panel's amendment appears to have completely overlooked that the panel is not seeking to deprive the Economic Department of funding to be used for the implementation of the 3 key strategies, but to have that funding held in the Central Reserve Fund until such time that robust case for growth evidence is produced for approval by the States Assembly. Producing that information is within Ministers' control. There are some States Members and members of the public who regard scrutiny as a waste of time. The work of the Economic and International Affairs Panel is time-consuming. Much of it can seem to be taken up chasing for meaningful evidence as well as meaningful policies, with the help of our incredibly professional officers whose persistence and expertise I can only applaud. At this stage of time the Economic and International Affairs Panel does not have meaningful evidence to support the funding. Our hearings on the Government Plan were not attended by the Assistant Minister for Sport, questions were not adequately answered by the

Minister and his officers, the panel sought to follow up unanswered questions by letter. Our written exchanges with the Minister are published on the Scrutiny website. The panel is not going to rely on undelivered promises or accept plans to make plans or wish lists as having the same value as meaningful strategies with clear content regarding delivery and costing methodology and performance measures. I can understand why the Minister may wish us to have a different approach to Scrutiny. This proposition presents the States Assembly with an opportunity to override Scrutiny if it chooses to do so, which is clearly what the Minister and the Council of Ministers wishes the States Assembly to do. However, I would ask States Members to be mindful of the implications. For that reason I request Members to support this proposition so that all the strategies for which funding is sought are first delivered, along with the business cases, that can be approved by States Members once available. The panel remains willing to offer to States Members its comments on such business case once produced.

**The Greffier of the States (in the Chair):**

Is the amendment seconded? **[Seconded]**

**1.4.2 Deputy K.F. Morel:**

I strongly urge Members to reject this amendment, which ultimately would hold back vital investment in 3 key strategies within the economic portfolio. I think it is really important that Members think to the comments they often hear in the media or from members of the public: “Oh, another Government strategy, it just gets there, it sits on the shelf.” Sadly they also say similar things about Scrutiny reports and I remember when I chaired this Scrutiny Panel - the same panel as the chair now chairs - I was robustly defending that, no, Scrutiny reports are taken account of. We spend a lot of time diligently researching them, bringing them to fruition, consulting, and then putting out reports which matter to the States Assembly and which matter to the Government. Certainly we have seen many of those reports matter. It is similar for strategies from different government departments. While I cannot speak for all government departments, I can only speak for the Economic Department, it is clear to me that we have a really strong record of not only creating strategies in collaboration with the sectors that they affect, but in creating strategies that then deliver on everything that they say they are going to deliver. We do see that in the rural and marine economy strategy, we do see that in the arts, culture and heritage strategies - they are 2 separate strategies - and we will see that in the visitor economy strategy, we will see that in the digital economy strategy, and we will see that in a performance sport strategy. There is no question that the track record that the department has under my Ministership is a really strong one in delivering on those strategies. Since I became Minister I set aside for the visitor economy strategy, which the industry is crying out for and which I do not believe there has been one for years. I believe for more than a decade there has not been a visitor economy strategy, as I understand it. The industry has asked for one. We have sat down; one officer has been corralling this strategy, coming up with this strategy, working with the industry, an industry which often finds it difficult to sit down together at the same time, not for any particular reason other than because they are very busy and because they work in different areas of the visitor economy. We have sat down with them and we have worked with them throughout this year, as well as those necessary States-owned entities such as Visit Jersey and Ports of Jersey that have a direct impact on the visitor economy. We have drafted a Visitor Economy Strategy; it will be published at the end of this month. That sits within the delivery framework that I set and if it has slipped I have kept the panel up to date with that, because it is also difficult to know at the outset exactly how much work will be needed to go into it. The visitor economy strategy will be published very shortly. The digital economy strategy, which Deputy Curtis will speak a little more to, is in a very similar position. In that case we did not have the necessary officer support to be able to start writing that strategy until midway through the year. That of course puts back the actual publication of that strategy. It is similar with the performance sport strategy, which I know Deputy Stephenson will speak to in a bit as well, which is a vital part of Deputy Stephenson’s vision for sport in this Island, and it is a vision that I

fundamentally support. So there is no question in my mind, and I hope States Members agree, that we as a department have a really strong track record of drawing up strategies that have an impact that creates a direction for various sectors of our local economy, and which then are put into action. If anyone doubts that please speak to people in the creative industries or the rural and marine economies who we are working with today. This amendment would ultimately prevent the immediate delivery of support to those industries, and it would also prevent the ability to undertake proof of concept projects to go ahead with seeking funding in future years. The modest - and I mean that in relative terms - the relatively modest amount requested in this revenue bid has been identified to address significant areas of priority for the Island and kickstart the implementation of short and medium-term objectives and actions. As the Scrutiny Panel has noted, at the time of writing the business justification case for strategy implementation, which was back in June, all 3 strategies were at the time being developed in close co-ordination with the relevant businesses, sporting clubs and stakeholders. We have since published the performance sport strategy and will, as I said, be shortly presenting the visitor economy strategy. The digital economy strategy I believe will be early next year. But because of the way the Government Plan is prepared it is necessary to agree funding in the Government Plan process at an early stage. We were having those discussions back in the summer, meaning that strategies have a choice; they either go unfunded or they seek to secure funding in advance of publication. We have chosen the latter approach and sought to identify a modest amount to at least begin the delivery of actions and pilot projects in these 3 areas next year. This is a similar approach to that taken with the agriculture sector, as I have discussed, because that funding was initially secured in the Government Plan 2022, which was lodged in September 2021, ahead of the economic framework for the rural economy being published in May 2022. So this is a perfectly normal method. Because of the lack of synchronisation, which is no one in particular's fault, about the Government Plan and then the work going on in departments, they do not always synchronise. Each of the sectors covered by these strategies have important benefits to our economy and to Island life more broadly. Members will be well aware of the direct correlation between the success of our tourism offering and the availability of airlinks, or the strength of our hospitality sector and the vibrancy of our town centre. There is no question in our mind that the strength of our finance industry is partly borne on the strength of the visitor economy. Everything in this Island the visitor economy has an impact on. We, as Islanders, benefit from the restaurants, from the shops, from the cafés, from the hotels, as much as any visitor does, but we know that it is an area of the economy that has really been struggling and that they have been asking us for a strategy, which I am delivering in literally the next few weeks, before the end of this month. But to then deliver that and say: "By the way, there is more bureaucracy to go through before we can get the funding" I think would speak volumes about people's perception of the Government and the States Assembly and bureaucracy, and the idea that there is for ever increasing bureaucracy that stops businesses performing in this Island. We have been working with the Tourism Strategy Steering Group, which is made up of representatives from the industry to develop this strategy, and the issue of confidence has come up again and again. The industry is keen to know that if - and it is a big "if" - they are able to invest in their product, they need direction and they need support that direction is being delivered by us, with the Island's first full visitor economy strategy for publication this month. Like I said, I believe that is the first full strategy in more than a decade. But a strategy alone cannot convey support. Building back confidence in this sector requires an effort across Government, this Assembly, and the wider community and that also takes funding. I believe that there would be no quicker way to drain confidence than to say: "Here is a strategy, by the way there is more bureaucracy to go before you can access any funding for the strategy that you all believe in as a sector." So my department is set to find an additional £1 million in value-for-money savings next year alone to help fund the extra support for agriculture. That is why I am feeling very protective of the budgets that I have because there are many sectors to the Island's economy and back when we were doing the Government Plan the extra £1 million that is coming out of my department to fund the extra £3 million that the States Assembly voted for is coming straight from the Economy Department. That has put immense

pressure on the budgets for next year. The panel's amendments would result in a further £1.5 million in cuts to the department's budget. This is equivalent to 8 per cent of the funding for local and digital economy next year. Put simply, there is not much money available. The modest amount being proposed in this revenue bid is, therefore, intended to trial pilot schemes, prove concepts, and enable targeted support in these key areas so that we can address the immediate challenges facing the hospitality and digital sectors as well as local performance athletes and their families.

[16:00]

Possible actions and deliverables for each strategy were set out in the business case which the panel has had visibility of, but until the strategies have been made public and their actions and funding requirements have been agreed for stakeholders we are unable to provide specific, exact examples. However, in the case of the visitor economy, this funding will support the digitisation of visitor information and booking experiences, initiatives relating to the need to stimulate investment in new hotel bed stock, and funding for marketing to develop new markets. As we did with agriculture, it is hoped that these short-term actions will themselves prove to be a foundation from which we can evidence small successes as we seek funding in future years. I think there it is worth me taking a minute just to say about Visit Jersey, which is absolutely vital for the marketing of our Island. Visit Jersey has not had any increase in its funding for a number of years. I am really pleased that I have spoken with both the chair and the new chief executive of Visit Jersey and they are, if I could say, at peace with the funding levels we have this year which are effectively, in real terms, below where they were last year. They understand, as I have put it to them, the need for us in all our areas and in all the A.L.O.s (arm's length organisations) to make every pound go further. They have to stretch their budget. In the case of Visit Jersey, they will be looking at new and innovative ways of marketing the Island, they will be looking at moving away from the traditional approach that they have had, and so I really am excited about what we will see from Visit Jersey in the coming months. My Assistant Ministers, Deputies Curtis and Stephenson, have led on the digital economy and performance sport strategies. I will let them speak to the importance of these pieces of work in their own words, but I would like to say my own word about the performance sport strategy. During the recent debate on support for the Jersey Reds we heard a lot about the ability of elite athletes to inspire. We heard about the need for additional funding for local sport and the positive effect this has had on the wider community. I have watched Deputy Stephenson over the last year identify a clear gap in Government support for local performance athletes who struggle to take the next step in developing their careers because they happen to have been born on an Island. I have watched the Deputy develop her policy with officers, consult closely with clubs, coaches, athletes and their families and now publish a complete strategy with a really clear goal. That strategy seeks to spend £40,000 to £50,000 next year to recruit a performance manager and improve the standard of training for local coaches; something that will benefit all of those who engage in sport. The further £100,000 to £110,000 will directly help athletes and their families meet the costs of engaging in their sport. This will ensure that background family circumstance and geography are no longer barriers to success for our most successful athletes. The strategy is published and we are ready to begin recruitment and the standing up of this support from next year, making a real difference to local athletes and their families. However, this amendment would unnecessarily delay the implementation of this support. It would further cut into the Economy Department's budget and it would undermine that very confidence we are trying to build in all the sectors we have. I, therefore, urge Members to reject this amendment to enable the Government to get on with supporting the hospitality industry, the digital sector, and local athletes during 2024, and show the confidence that the economy wants to see from this Assembly.

#### **1.4.3 Deputy L. Stephenson of St. Mary, St. Ouen and St. Peter:**

I am pleased to follow my Ministerial colleague, not just because he said nice things about the piece of work that I have been working on but because it gave me a moment to take a breath after the proposer of this amendment stood up, and I am sure she did not mean to inadvertently mislead the

Assembly but if I heard it correctly I think she suggested that somehow we - and me particularly - had been evasive and not wanted to appear or answer questions on this subject. I would just like to share that we were due to have a hearing on 20th November with the panel which unfortunately had to be cancelled as the Minister and Deputy Curtis were both ill. We did offer to reschedule but the panel did not have availability before their deadline. The panel instead sent their question plan as a letter and we answered it in full in 2 days. It is worth noting that since the launch of the panel's Government Plan review on 10th October I believe, we have responded to 8 letters with around 140 questions, many of which were not focused on the Government Plan. Of these 140 questions none were explicitly on the performance sport strategy. There were 8 questions which covered the broader economic strategies implementation bid which includes the funding for this strategy. So if the proposer of this amendment would like to maybe in her closing speech elaborate on her comments at the beginning about how I was somehow evasive and not wanting to appear or answer questions then I really would appreciate that. Because I think really if we are going to speak very openly, and that is what I always committed to do when I stood for election, let us get to the point here, the panel which has brought this amendment does not really value any kind of investment in sport. The Deputy who proposed this may disagree but the report, as I read it, which accompanies the amendment makes it clear that they did not support the creation of a sport policy officer role last year, and it does not support the performance sport strategy funding as set out, so I really do question the idea that this is somehow not about defunding and is about due process and doing things properly. Because really it should come as no surprise that performance sport features within this Government Plan. The development of the strategy was set out as a Ministerial priority for 2023, over a year ago. It has been raised at Scrutiny hearings since then and, as we have heard already, last month the strategy was published. That follows consultation with many key stakeholders as well. This is all normal process, as we have heard from the Minister already. There have been no surprises from my end and from the team who have worked on this, and the Economic and International Affairs Scrutiny Panel as the critical friend that we so often hear Scrutiny referred to as, has had various opportunities to engage on the matter, and I have set out some of those most recently as well. Approving this amendment today, as we have just heard from the Minister, would significantly delay getting what is important funding to Jersey's top athletes, and it would mean that those inequalities that again we have heard Deputy Morel begin to refer to there around access and opportunity would continue. It would waste opportunities to raise further funds for athletes from charitable and private sources and it would send out the wrong message, that we do not value our sportsmen and women and recognise their potential to put Jersey on the map. I just want to explain a little bit more for those Members who may feel that they do need some more detail. Performance athletes are role models for our community. They inspire others to succeed and lead to positive national and international exposure for Jersey. We rightly recognise sporting excellence among Islanders but we often forget that in many cases our local athletes really do face an uphill battle to compete on an equal level with their U.K. or European and beyond counterparts. Living on an Island does present challenges in terms of travel costs, availability of skilled coaches and access to sponsorship and support networks. These issues was particularly highlighted during the 2018 Commonwealth Games where travel, hotel and entry fees for qualifying for one athlete cost around £5,000. That did not include any of the coaching costs, equipment, fuel and other travel expenses, and obviously all of the work to get to that point and that level as well. While the fee was refunded to them 2 years later, for low-income families this does present a significant barrier to even qualifying. A clear message taken away from the recent review of sport is the feeling that sport has been overlooked and undervalued, leaving many talented Islanders feeling that a career in sport is not a viable option. National and international reviews have highlighted the importance of ensuring a safe, fair and inclusive environment for all athletes and coaches. If we want to continue to enable high performances we need to support our athletes. The performance sport strategy seeks to enable all performance pathway athletes to thrive and achieve success by removing some of those barriers to performance sport and work towards levelling the playing field. We have placed the needs of the athletes at the heart of the strategy to ensure that being

an Islander is not a barrier to success, nor should a person's background or family circumstances prevent someone with the talent potential from being able to thrive as a performance athlete. There is a modest sum allocated to this strategy but it is an important base from which to build, and that is not necessarily just using government money in the future. It will be deployed to raise the standard of coaching and that is something that will again, as Deputy Morel pointed out, benefit Islanders across sporting disciplines regardless of their level. It will also be used to help families with the costs associated with performance sport and off-Island travel. As identified in the strategy, it is set out in there, this will be achieved with the recruitment of a performance manager, potentially that role could be part time, and again we have heard the Minister refer to some of the figures there. They will have the expertise in developing the performance measures for athletes access and remain on the performance pathway. We cannot do that work without that person in place. We simply do not have the resources or, dare I say it, the expertise to go into that detail at that stage. We have one sport policy officer. That post was created by this Government in the last Government Plan, because in my view previous Governments had washed their hands of sport. They had created Jersey Sport and left them to it. Personally, I do not think that is good enough. We have built back the resource of one single individual who is working really hard on those relationships starting to rebuild government policy around sport and the kind of systems that we in this room would all expect us to have when we are holding those bodies to account around public spending and delivering on those K.P.I.s (key performance indicator) that I know the panel are always so keen to see. That is one individual. They cannot do everything, which is why it is so important that we have this funding at this stage, to build in some of the finer detail. I say the finer detail, because there is a very clear simple ... and simple was always my intention, that was one of my clear instructions to the officer involved. It needs to be simple and it needs to be effective. We know that sport and physical activity can have hugely beneficial and positive impacts on people's lives and the communities in which they live. Sport helps to deliver many of the Government's strategic priorities, which is why it is so important to me that Government really starts to get back involved in this key area. I share many of the Minister's frustrations. We did hear some of those start to come out yesterday, because there is this amendment, there is another one, and there was one yesterday which talked to it. These amendments target the Economic Department's budgets. They are not, in my view, proposals from a critical friend, as I interpret that role to be. I certainly do not see them supporting the economy or the parts of it which we as a Ministerial team are working hard to champion and to enable. It is ironic that a week or so after we have had the publication of the *Barriers to Business* report from an A.L.O., which is the subject of another amendment from this panel coming up shortly, that we are here seeking to create some more barriers to exactly the businesses trying to work ... whether they are sport businesses, whether they are digital ones, whether they are the organisation seeking to support the businesses in our community. I, therefore, ask Members to reject this amendment and enable the vital support to our sports' organisations, clubs, athletes, and their families to go ahead. I also ask that the panel, whatever the decision today, really does seek to work with Ministers as we go forward on this. We do appreciate the role of Scrutiny. We do value Scrutiny. We want to work together.

[16:15]

#### **1.4.4 Deputy A. Curtis:**

This is quite easy now. I have 2 Ministerial colleagues giving excellent examples as to why this is going to be well-needed and well-allocated funding. I feel on those 2 arguments alone we have done the piece and we have only covered two-thirds of the topics. In my area of responsibility that the Minister has delegated I oversee the digital economy team. That covers both policy and strategy. The truth is we have seen, and we have seen from strategies from the entire Economic Development Department that the digital economy has to be a key source of growth and a key source of enabling other industries and verticals if we are to achieve the vision and aim we have for a future economy that is resilient, advanced, sustainable in 2040. We do face significant challenges. We have heard from very tough debates already this week that the money Islanders have in their purse from the

productivity this Island functions at decreases. Whether that be one individual, one section of the civil service, or the entire Island, our quality of life is already not necessarily the same as we have had before. Yet we all recognise that the digitisation of many roles, when done properly, when done with a culture of enablement of creativity and innovation will help deliver the much-needed change to ensure that we are resilient. In writing a digital economy strategy, we have consulted widely. We have taken our time. I have chaired countless meetings across industries. It has not been about consulting the digital industry per se. All businesses are digital businesses. It has been exciting having members of all industries from hospitality to start-ups to logistics in the same meetings and sharing ideas from the Parishes to our A.L.O.s to Government to the regulators, all in the same room. The message is clear, we need a more strategic direction and we need leadership from Government in that. It has, as I say, taken longer than I would have liked for us to get to where we are. We are not in the position of publishing. It is my view, and it is the view, I believe, of the Minister, that it is better to get this one right than it is to rush it. The Minister has highlighted that this is indeed a chicken and egg in some cases. The risk of writing an unfunded strategy means you cannot work towards the goals you set out and you may lose traction, you may lose pace and, as dust gathers, the cleaning takes longer to make it deliverable. I do want to reflect where I personally feel on this, which I thought about with something Deputy Renouf said earlier in one of the debates we had, which was talking about incentives. It was a difference between what we might want the Island to do and the realities and facts of what we find the Island doing. It is very easy to take, for example, the digital economy or the visitor economy and say this is a private sector. I believe innovators can innovate. I believe businesses can digitise. I will go off and let them do that. To do so is, in essence, to live or die by their success and to ultimately say should they not succeed, should they not adapt, we are on a poor course. I would love to have been optimistic to say we could have that view, but I am coming to the view of perhaps a realist to say that sometimes one does need to intervene in industry. We know that when Governments and communities rally behind their industries, when they support them, when they have the right culture of change, that delivers for the public purse and that delivers for the resources that a Government needs to provide services to citizens. We see across all areas of the industry the need for key things like data collection, data sharing and data analysis. We hear that from States Members. We need a cohesive approach to doing that. What I would say is we will be prudent. It is not in my nature to see us, for example, hand out money, where what we need to do is support and enable alongside a business or alongside our arm's-length organisations. We have had in discussions of policy questions as to how one incentivises. We will find and are finding a nuanced path that works to deliver culture change, not hand out money. The Assembly have enough arguments in front of them to make this decision. I fall on the side, reluctantly, that it is our job in Economic Development to create the economy of the future and optimism alone will not do that. A strategy and then delivery will.

#### **1.4.5 Deputy L.V. Feltham:**

When I read this amendment, I do share a number of the frustrations that I know the chair of the panel has and the panel have sought to try and alleviate via this amendment. However, this is not the right way to do it. I fear it would set a precedent of agreeing specific business cases within this Assembly, and the Assembly is not the place to do that on the basis that there are Treasury processes. I would also expect that departments will be following the processes set out by the Corporate Portfolio Management Office in relation to managing these particular strategies and when they made business case approvals. I share the chair of the panel's frustrations that that is not always apparent and that K.P.I.s are not always as we might like them to be. I will not be supporting the amendment today on the basis that we need to deal with those issues outside of this Chamber and outside of this debate. It is very important that the Scrutiny Panel is involved as those strategies come into fruition. It is also important that the Public Accounts Committee is also involved. I will put the accountable officers on notice that this is the type of thing that interests me. I will certainly be cross-checking and cross-referencing in my role as chair of P.A.C. (Public Accounts Committee) that the correct processes and

procedures are being followed. If this were to be a policy debate ... and it is not a policy debate, it is not even about removing money at this particular point, it is around whether or not we should approve business cases within the States Assembly, which is something, as I have said, I have disagreed with. If it was a policy debate around the specific strategies that should be a very different amendment based on policies and certainly not come via a Scrutiny Panel. I do not think that the Scrutiny Panel has sought to be particularly political here. They are trying to solve a problem that potentially exists around the lack of information that is available to Members during the Government Plan process. That, again, is something that I would be keen to work with, with my other Scrutiny Liaison Committee members and the chair of this panel to try and alleviate and resolve for future years. In this case, this is not the correct way to go about this, so I will not be supporting this particular amendment.

**The Bailiff:**

Does any other Member wish to speak on the amendment? If no other Member wishes to speak then I close the debate and call on Deputy Scott to respond.

**1.4.6 Deputy M.R. Scott:**

I thank the Minister and the 2 Assistant Ministers for their contributions as well as the chair of the P.A.C. Members have heard lots of positive things about what we can expect from the visitor economy strategy and the digital economy strategy. The panel are looking forward to their publication. Basically this is very much a timing issue. These strategies have been in the pipeline but they have not arrived in time for them to be developed enough to have actual business cases that explain enough about the costing. It is unfortunate ... this was the recommendation of the panel during the last Government Plan, that the business cases themselves are provided in confidence, so it is not even as if we can say to the States Assembly: "Just have a look. If you are happy with them, fine." However, we cannot do that. They have been supplied in confidence. That has been the decision of the Minister on the basis of saying that these contain sensitive commercial information which, again, we have sought as a panel to say: "Seriously, are these numbers that sensitive?" There has not been that kind of meeting of minds there. Ultimately, Deputy Stephenson, the Assistant Minister for Sports, I apologise if she thinks that I was suggesting that she was evasive in terms of her questioning; we have just not had the opportunity to meet with her in a hearing. She has explained it seems to have been when we have time, she has not been available and vice-versa. It is as it is. At the end of the day, we did have a business plan for the elite sports strategy with information in it, which we sought to supplement through questioning. We also had had a briefing with sports officers in terms of the overall sports review as well. It is not really clear even how this is to be delivered, by what body, an officer - okay - to develop it a bit more, but that is not implementation. It has been incredibly difficult. I am sorry, I do not want to be in this situation. I am sure that the department does not either. The panel has a responsibility. Funding to top athletes in what areas, how are they identified, how is it costed? Just in order to be able to say to the States Assembly: "Okay, we have looked at this business case. We know that you cannot see it, but we are satisfied." We just could not do that. It was not through being awkward. It was basically, as has been presented, at least in the case of 2 out of 3 of these strategies, that they have not been published. The Public Accounts Committee, I thank her for appreciating what the panel wish to do and for appreciating that what we have tried to do is come up with a solution. We have not said: "Do not have your funding." We have said: "Sorry, we are not in a position to approve this. We do not feel comfortable, given the state of play of these things." Basically, it does not seem like you are ready to give us this information at the time that you then produce it to the States Assembly. It has just come too late in terms of our Government Plan review. Again, I am going to continue to refute statements like the one that the Assistant Minister for Sports has just said now, which is that the panel does not value sports. Yes, it is true that there were questions that the panel asked last year about the sports policy officer role, but I personally do not have recollection of the panel saying there should not be one. It is perfectly

entitled to ask questions. Its role is to say: "Is this necessary?" I accept that the Deputy has not herself been on Scrutiny and perhaps has not quite appreciated what we try to do at Scrutiny, which is to assure the public as well as the Assembly that money is not being asked for and thrown down a bottomless pit. I have to say, I found it a little rich when the chair of P.A.C. was saying that the States Assembly should not be doing the job of the Scrutiny Panel. I agree and I do not think the States Assembly should be trying to do the job of the S.E.B. either. What we have had have been rough estimates and our role is to scrutinise. It is within the Council of Ministers' power to provide information to the States Assembly. We were not in control of delivery plans. We did not design them. We just respond and work with what we have, which is produced by the Department of Economy. As for this point that has been made that because the panel had sought to fund what we did believe was something that was productive and we had had submissions in terms of the visitor economy, in terms of having a freeze of alcohol, because we had sought for that funding, how dare we, from the Deputy of Economy itself, absent things like more work on the visitor economy strategy and these sorts of things that we basically are not seeking to support the economy.

[16:30]

That is incredibly unfair. I regret that that attitude is being taken. It is within the Council of Ministers' power to provide information to us, to the States Assembly that can justify additional funds being sought in terms of meaningful contribution towards increasing the economic productivity and value for money. If it cannot do this then generally the grant should not be given or should not be given at the time. We came up with a solution, hold on to the money then give this information. The panel is not a political body. The States Assembly has the right to approve the funding in the absence of the evidence that has been sought by the panel regarding delivery of the Common Strategic Policy and value for money. You have had promises and you are entitled as a States Assembly to rely on those promises. We are not. We are 2 people doing a panel. We cannot do that. The £650,000 a year, again, you might as say: "Well, it is only £650,00. Go for it." That is fine. That is your decision. It is not the panel's decision. We have come to the States Assembly. The Minister's made a case. The Assistant Ministers have made their cases. If you wish to basically say: "That is okay, we will approve that on the basis of those promises" then that is your decision. We do a job with Scrutiny. We try and do that. If you want to override it on this occasion or on any other occasion then that is within your power and what we are coming here basically saying you can do. The one thing I still think, and wish the Minister had explained a bit more clearly to States Members, was that he had described our proposal as a cut. He said that this delay would be catastrophic. He had the opportunity to explain why. Why would it be that if the funds are sent to reserve and these strategies are published and then we get the information about quite how the assessments have been worked out on that basis, how many days are we talking about? How many weeks? Again, it is with his department's control. We have not had that explanation. I am sorry, on that basis I would say in the absence of that I would be ... I was hoping he would explain that. In the absence of that, I would be saying: "Well, States Members, in my role as Scrutiny, I would still be saying, okay, I would like you to do that." On the other hand, I do accept that the States Assembly may say: "Oh, never mind, £650,000, whatever." It is up to you.

**The Bailiff:**

Do you maintain the amendment?

**Deputy M.R. Scott:**

Yes, I am maintaining the amendment, Sir.

**The Bailiff:**

Do you call for the appel?

**Deputy M.R. Scott:**

I call for the appel, Sir.

**The Bailiff:**

The appel is called for. I invite Members to return to their seats. The vote is on the twenty-eighth amendment. If Members have had the opportunity of returning to their seats then I ask the Greffier to open the voting. If Members have had the opportunity of casting their votes then I ask the Greffier to close the voting. The amendment has been defeated: 4 votes pour, 41 votes contre, no abstentions.

<b>POUR: 4</b>		<b>CONTRE: 42</b>		<b>ABSTAIN: 0</b>
Connétable of St. Brelade		Connétable of St. Helier		
Connétable of St. Ouen		Connétable of Trinity		
Deputy M.R. Scott		Connétable of St. Peter		
Deputy R.E. Binet		Connétable of St. Clement		
		Connétable of Grouville		
		Connétable of St. Mary		
		Connétable of St. Saviour		
		Deputy G..P. Southern		
		Deputy C.F. Labey		
		Deputy M. Tadier		
		Deputy S.G. Luce		
		Deputy L.M.C. Doublet		
		Deputy K.F. Morel		
		Deputy M.R. Le Hegarat		
		Deputy S.M. Ahier		
		Deputy R.J. Ward		
		Deputy C.S. Alves		
		Deputy I. Gardiner		
		Deputy I.J. Gorst		
		Deputy L.J Farnham		
		Deputy K.L. Moore		
		Deputy S.Y. Mézec		
		Deputy P.F.C. Ozouf		
		Deputy P.M. Bailhache		
		Deputy T.A. Coles		
		Deputy B.B.S.V.M. Porée		
		Deputy D.J. Warr		
		Deputy H.M. Miles		
		Deputy J. Renouf		
		Deputy C.D. Curtis		
		Deputy L.V. Feltham		
		Deputy H.L. Jeune		
		Deputy M.E. Millar		
		Deputy A. Howell		

		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy R.S. Kovacs		
		Deputy A.F. Curtis		
		Deputy B. Ward		
		Deputy K.M. Wilson		
		Deputy L.K.F Stephenson		
		Deputy M.B. Andrews		

**The Greffier of the States:**

Those voting pour: the Connétables of St. Brelade and St. Ouen, Deputies Scott and Rose Binet.

**1.5 Proposed Government Plan 2024-2027 (P.72/2023): twenty-seventh amendment (P.72/2023 Amd.(27)) - Jersey Business review expenditure**

**The Bailiff:**

The next amendment is the twenty-seventh amendment proposed by the Economic and International Affairs Scrutiny Panel. I ask the Greffier to read that amendment.

**The Greffier of the States:**

After the words “set out in Appendix 2 - Summary Tables 5(i) and (ii) of the Report” insert the words - “, except that, in Summary Table 5(i), the Head of Expenditure for Economic Development, Tourism, Sport and Culture should be reduced by £150,000 and the Central Reserve should be increased by £150,000”. In paragraph (1) - After the words “as set out at Appendix 3 to the Report” insert the words - “, except that the revenue expenditure growth item ‘I-DFE-GP24-003 Jersey Business - Core Grant Funding’, identified in Appendix 3: Supplementary Financial Table, should be reduced by £150,000 for each year with these funds being held in the Central Reserve until a business case for this growth is agreed by the States Assembly”.

**1.5.1 Deputy M.R. Scott:**

States Members may have a sense of déjà vu regarding the funding request for Jersey Business and so did I as chair of the Economics and International Panel. I, again, need to explain why the evidence was such that the panel did not feel able to approve this funding. I am incredibly sorry that the Minister is not in the Chamber even to hear this explanation. Members will recall that I brought a proposition before the States Assembly as an independent Member last year challenging an increase in annual core grant funding to Jersey Business to £1.56 million. At the time, I voiced concern regarding a poorly constructed business case within the context of the Common Strategic Policy, but the States Assembly nevertheless approved the requested increased funding. In this proposed Government Plan a further £150,000 funding is being sought to further increase the core grant to Jersey Business. The panel has brought this proposition following the review of the evidence provided to support the bid for additional funding. The States Assembly remains entitled to approve the funding regardless of the reservations expressed in the panel’s comments on the Government Plan and in the report accompanying this proposition. If this proposition is adopted, again, and the Government Plan is approved the additional £150,000 will be transferred to Central Reserve to be held until a business case with a further increase of funding is agreed by the States Assembly. Basically, there are 2 hurdles for increased funding to be overcome for the funds to be released from the Central Reserve. That would be the supply of a business case for States Members and the majority of States Members approving the funding on the basis of it. Again, in an ideal world, States business would have access to the business case that has been provided in confidence to the panel and so

would the public perhaps, but the Minister has said it has been provided in confidence. The panel can only examine the evidence in the terms of its review, which has been in the context of the Council of Ministers Common Strategic Policy and approved by the States Assembly. What I need to say here is that this could well be a recurring problem. It is not perhaps one that is the fault of Jersey Business. I am not sure whose fault it is. Much comes down to the fact that, firstly, the panel has this job to look at value for money. The department had promised a value-for-money review by the end of the year. That was not delivered. It has only been delivered in the case of Jersey Sport. The value-for-money aspect does cause a problem for the panel and could well do for all the arm's-length organisations. The second thing is that the panel has to consider the funding in the context of the Common Strategic Policy. The main element of that here is saying that the Common Strategic Policy wants to develop an enterprise and to identify opportunities to cut red tape, incentivise start-ups, and help establish businesses to grow and thrive. All well and good, but the review also talks about measures. We have asked about the measures in the Council of Ministers and how they work. The K.P.I.s for Jersey Finance were not reviewed. They have not been aligned in accordance with the Common Strategic Policy. That was a recommendation of the Comptroller and Auditor General, that the K.P.I.s of the arm's-length organisations would be aligned with the Common Strategic Policy. Whose responsibility was that? The Scrutiny Liaison Committee have seen the tracker on someone who has been assigned that responsibility, but let us say I do not even believe that that is Jersey Business. Nevertheless, I do want to assure Members I did not want to be in this position. Very shortly after the current C.E.O. of Jersey Business was appointed, I met with him and explained where I could see this difficulty in terms of the Common Strategic Policy and the K.P.I.s of Jersey Business and the evidence that the panel received last time. I believed it was an opportunity for Jersey Business to provide some different evidence for the panel, which would have made its ability to approve the funding on the basis of evidence easier. I do also wish to assure the States Assembly that it is not as if we would not even accept that information in confidence. We did also look at the funding case for Jersey Finance, for example. We did have some concerns there. We did ask Jersey Finance for further information. That is in our comments too. It was supplied on a confidential basis. Again, it is £150,000. It is not for the panel to say: "Well, that is okay then." It is the States Assembly who can say: "Well, okay, on the basis of whatever this argument is, in the absence of ...". We have explained why we cannot connect increasing economic productivity with the information that we have been given, in terms of what has been produced by Jersey Business. It is fine to be saying, okay, there have been some cases where businesses have cut costs, but if you do not know if those businesses survived, if you do not know whether those businesses made profits, you cannot say that this is furthering the Common Strategic Policy. In conclusion, I believe that this is the Council of Ministers' call. I would request that they get on and address that particular recommendation of the Comptroller and Auditor General, review those K.P.I.s, get them aligned with the Common Strategic Policy. The panel members, the Minister, Assistant Ministers and I can have a much more productive time that is much more focused on strategies and funding that we can see are directed towards the objectives of the Common Strategic Policy. I leave it for the States Assembly to vote on this matter. It is a political issue for the States Assembly. The panel rests its case.

**The Bailiff:**

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?

[16:45]

**1.5.2 Deputy K.F. Morel:**

I urge Members to reject this amendment which would hold important funding issues for Jersey Business and would ultimately necessitate redundancies or significant reduction in support for local business. This would have both an immediate effect on the organisation's provision of expert advice and support for business in 2024, as well as long-term effects on its ability to adequately resource support to support its services. This investment ensures that Jersey Business can continue to support

the Common Strategic Policy's 2023 to 2026 priority to develop a more sustainable, innovative, outward-facing and prosperous economy. The work that Jersey Business does is very much focused around that Common Strategic Policy. As the arm's-length organisation responsible for providing support to local companies, particularly small and medium-sized businesses, Jersey Business is playing a vital role in helping Jersey's economy to stabilise and grow. This follows the sustained economic shocks of COVID-19, Brexit, the Ukraine conflict, the cost-of-living crisis and ongoing recruitment pressures in the Island. The combination of these impacts means that to ensure businesses are future-proofed and ready to adapt to further change, able to remain competitive and embrace new ways of working, such as automation, it is essential they are supported. This will allow them to build back better, become more resilient and able to shape their business model for growth, to become more productive or to exit safely where that is the best course of action. Jersey Business' priorities in 2024 focus on people, productivity and data insights. Their work will include piloting support for start-ups, programmes of support for financial illiteracy, custom acquisition and retention, and developing high-performing teams, as well as support for the implementation of the 4 key strategies for export, retail and the digital and visitor economies. There is no question in my mind that Jersey Business very much is aligned both with the Common Strategic Policy and Ministerial policies. We are an Island of small businesses. Many businesses are facing long-term and complex challenges, which are ultimately shaping our economic environment. I know from my own experience how difficult it is to find the time to think about how you could improve productivity or resilience of your business when you are running and working full-time in that business. It can also be hard for entrepreneurs to find the expertise to navigate the process of entering the market. I have recently had meetings with a young entrepreneur who spoke to these difficulties in helping to launch her business. She was definitely grateful for the help that Jersey Business gave her. The business that she has created is incredibly innovative and will be very successful over the coming decade. This is why Jersey Business' work is so important and why its advice is vital in helping local companies succeed. Significant additional information has been provided to the panel by both the department and Jersey Business following extensive questions. It was disappointing to see the information largely ignored or given a negative focus. For example, as quoted in the panel's report to this amendment: "Since the incorporation of Jersey Business Limited, it said that there has at best been stagnation of the Island's economic activity." I would counter that statement by pointing out to Members that before the formation of Jersey Business, productivity was in the significantly negative free-fall. While it needs to improve, it has stabilised over the period of Jersey Business' existence. While it is a difficult task to directly connect the 2, Jersey Business has not overseen a stagnation of the economy as the panel suggests, moreover it has played a role in supporting the Island's economy to stabilise, despite the impacts of Brexit, COVID-19, high inflation and so on, through their work directly with local businesses. In terms of reporting, Jersey Business uses a N.P.S. (net promoter score) to measure how well it is doing. It speaks to how many businesses would recommend Jersey Business to their peers. The net promoted score remains graded as excellent for 2022. That is the customers of Jersey Business grading Jersey Business support as excellent. It should be recognised that there was a clear difference in the type of support being provided over the last 2 years, with 2021 support schemes and crisis support featuring heavily, while 2022 support moved back to business as usual with the more challenging areas that businesses must address, such as productivity, business improvement, and leadership. Importantly, Jersey Business carries out the N.P.S. work on all programmes it rolls out and uses it alongside customer satisfaction scores. Consistently the Jersey Business programme scored a net promoter score of over 70 and a customer satisfaction rating of 8.3 out of 10 in 2022. It is also important to recognise that the increase in Jersey Business' core grant does not represent an increase in overall grant funding received from Government when compared to 2022. The total grant in 2024, including the additional £150,000 is 10 per cent less than the total funding received in 2022 and 12.5 per cent less than the total funding received in 2021. Jersey Business has undertaken an organisational redesign and prioritisation of services in 2023 to ensure best value for money, continued alignment with the Common Strategic Policy and a strategy for

sustainable economic development. Its forecast expenditure for 2024 has already been reduced by just over 5 per cent from expenditure in 2023. If this amendment was accepted, it would seriously threaten Jersey Business' ability to maintain its current staff and undermine its ability to support local businesses and future businesses, potentially reduction of both productivity and leadership support to businesses by 50 per cent or the equivalent of 5,742 hours of support for the 2,500 business that Jersey Business works with or influences. Let me elucidate my argument with some facts about Jersey Business. The average saving per business that Jersey Business works with is between £25,000 and £50,000. Jersey Business wants to target 1,000 in all. If they succeed in this, it would have an impact of £25 million to £50 million. The business improvement programme that Jersey Business runs has so far seen 170 participants from 62 businesses take part and £400,000 saved. There have been 40 Lean Six Sigma accreditations as a result of that. The customer satisfaction score of the business improvement programme has been 4.45 out of 5, which is excellent. In case there are Members who question the effect of the work that Jersey Business does, I have attended their productivity circle events and have not only seen the benefits these bring to small businesses, but have spoken to business owners about the positive impact the workshops have had on their own business processes and productivity. Even if funding was eventually found or approved, the loss of staff due to funding not being available on 1st January would present serious damage to the organisation as recruiting back to these roles will require time, resources, a loss of institutional memory and relationships with businesses. This amendment, in my view, goes against all efforts to increase the Island's productivity by impacting the very areas of support designed to improve it and resulting in a potential loss of over £500,000 in savings made through business improvement processes. I fear the amendment has not taken into consideration the wider implications that it could have on our economy. The organisation has seen a 10 per cent increase in general business inquiries, compared to last year. I urge, therefore, the Assembly to consider the hundreds of Islanders who rely on Jersey Business and what economic impact a reduction in Jersey Business support would have for the sake of the £150,000.

### **1.5.3 Connétable A.S. Crowcroft of St. Helier:**

The Minister has said almost all that needs to be said before we move to a vote on this. I did not want the debate to go by without adding my support for the work that Jersey Business does, particularly in respect of St. Helier. The Island's capital has withstood some severe storms in terms of its profitability and its vibrancy. In spite of those Jeremiahs who complain sometimes that it is a ghost town and say they never go to St. Helier, which is perhaps a clue to their views, it is doing incredibly well. There cannot be many other towns in Europe in the current economic situation that can boast of bidding wars for commercial premises that become empty because U.K. chains have collapsed. There is an incredible spirit of optimism and entrepreneurship in our Island, particularly in our capital. Jersey Business has a lot to do with fostering that. I have been introduced to people who want to start up a business in St. Helier by Jersey Business who have asked me to talk to them about the kind of opportunities that I see for their business, whether it is retail or hospitality in St. Helier. As far as St. Helier goes, it would be a disaster if we sent the message out this evening that we do not value what Jersey Business does and that we want to see a cut in their operation. Now is the time when we should be encouraging them to grow our economy and to continue to provide the kind of advice they provide to entrepreneurs who wish to start up a business in our Island.

### **1.5.4 Deputy L.V. Feltham:**

I will keep this short, because my comments are fairly similar to my comments on the previous amendment, which are that while I have a lot of sympathy for where the panel is coming from in respect to the management of grants funding and needing to ensure that grants are managed appropriately, I do not believe that it is the role of the Assembly to be approving specific business cases for specific grants. That said, there are improvements that should be being made to our grants management processes. That would give the Assembly some comfort. It is something that I do

intend to be following up as chair of the Public Accounts Committee. I would like to put on record a request to Ministers to ensure that in accordance with the Public Finances Manual any organisation that receives more than £75,000 of public funding their accounts should be published as a report to this Assembly. I do not believe that that is happening in all instances. It should be. If that was happening then this Assembly would have far more comfort as to where the public funding is going when it is being handled by third parties. I will not be supporting this amendment, although I do agree with the panel that there is certainly some work to be done in this respect.

**The Bailiff:**

Does any other Member wish to speak on the amendment? If no other Member wishes to speak then I close the debate and call upon Deputy Scott to respond.

**1.5.4 Deputy M.R. Scott:**

Despite what people might suggest, I do acknowledge that there has been good work done by Jersey Business. I have had positive feedback in certain areas as well. This is not about personally attacking anybody in Jersey Business. This is about doing the work of scrutiny. I totally agree with the chair of the Public Accounts Committee that in an ideal world this would not be coming to the States Assembly. I am somewhat sorry again that yet again the Minister has not addressed the particular problems that the panel has identified. It would be nice to have some assurance that they could be addressed so we will not be here next year. We do need to have a clear alignment in terms of the K.P.I.s and the Common Strategic Policy. We need that work. Another thing that also concerns me, yet again the panel has not proposed that the funding be cut. It proposes that the funding is held in reserve until more and better information in terms of a business case is given or that the States Assembly is satisfied, even with the business case that we have had. When you get the Minister saying: "If we do not have this money now, this is going to be a problem," I need to point out a couple of things. In the comments there was something saying: "If it is not given right now, Jersey Business would face the necessity of downsizing its workforce by 3 employees or would need to reduce productivity and leadership support of businesses by 50 per cent." These are the things to say about this. This is an amount of £150,000 out of a proposed total increased core grant of £1.7 million a year. The amount in discussion is less than 10 per cent of the proposed budget for next year. That is before taking into account the reserves of Jersey Business. Jersey Business reported a surplus of £457,530 at the end of last year, which became retained earnings in the Strategic Reserve. That is close to a third of its existing grant. That in total is close to £2 million. It is concerning if what we are being told is: "We have to have this right now, rather than give you this information, because otherwise it is all going to collapse."

[17:00]

This is what the panel has to do. The proposition was about the production of evidence. If the Minister believes the business case is sufficient then why would he just not allow States Members to have sight of it and how long would he expect that to take. I thought the threat of the loss of 3 staff was disturbing on a number of accounts. Partly because that was the number of staff that the Minister told the Assembly would be lost if it did not approve the core funding last year. Despite that information, what is in the Council of Ministers' comments they refer to a reduced headcount in any event. I do not know how many staff got lost. I do not know why. We were told that if the funding was not given there would be a loss of staff and there was a reduced headcount. That is the sort of thing that the panel could well want to pursue. That is why we do not just accept statements at face value. We tend to look a bit more into quite what is going on. Coming back again, when we questioned the Minister, when we said: "These performance indicators, how are they meant to show delivery of productivity here?" I explained to the States Assembly saying: "Well, you save costs", is not the end of the story. The Minister referred us to Government's statistical evidence. The recent Government of Jersey's blog identified minus 4 per cent growth in the Island's productivity outside

that attributable to rising interest rates in the finance sector. It has been highlighted that the increase in Jersey's core grant is not an increase in grant funding received from Government compared to 2022. That is correct. However, the further funding will increase the core grant provided with the annual financial statements of Jersey Business indicating a doubling of funding a 3-year period. All that has been set out in the comments that have been submitted by the Economics and International Affairs Panel to the States Assembly. Again, we look at these performance indicators. We see that the funding has trebled over 3 years. We see that in real terms a government blog saying that the productivity in these areas Jersey Business does not do too much in the way of finance. It has shrunk by minus 4 per cent. In addition to that, we looked at the net promoter scores. Yes, they are pretty good, but they have gone down. I do not know why that is. It could be related to some of the concerns that people are aware of about the COVID-19 payroll scheme and some advice given there, but they did go down. Again, the panel has to say: "Are you sure that this is the best way to go about things? On the basis of this information alone, we need to question this use of public money." As I said, the purpose of our job is to give the public assurance, give States Members assurance that money is not being thrown down a bottomless pit. It is within the Council of Ministers' power to give the additional information. I do, again, stress this thing about the K.P.I.s and the Common Strategic Policy and the incrementing this particular Comptroller and Auditor General's recommendation. In that respect, the Minister might look at the extent to which there are outstanding recommendations that apply to the Economic and International Affairs Department. Again, in terms of saying: "This is going to affect our funding", the Comptroller and Auditor herself has said: "If you do not implement these recommendations then you are not going to get value for money." Some of these have not been implemented. It has been surprising that when it comes to looking at the K.P.I.s of arm's-length organisations there has even been a suggestion that that might not even be in the areas of the Department of Economy, in which case that really does pose a problem in terms of the Department of Economy giving directions to bodies such as Jersey Business and others. Visit Jersey has also been mentioned. In terms of delivering policy and what it is asking to get in return on behalf of the public and how that informs or aligns with the common strategic strategy. The panel is not a political body and the States Assembly has the right to approve the funding in the absence of the evidence sought regarding delivery of the Common Strategic Policy and value for money. Again, I have mentioned that part of the Minister's delivery plan was the value-for-money review of arm's-length organisations, which did not take place this year. It has been confined to a deep-dive review of Jersey Sport. The panel would be suggesting that what we would have is a business case with full costing and anticipated economic reserve. In the meantime, the real prioritisation of Jersey Business' existing budget might it not be used to meet the aims that you could demonstrate are most beneficial to the economy with the organisation exploring additional avenues for supplemental funding outside its Government grant? Again, this was an area of questioning. In this respect, the Minister might look to the *Barriers of Business* report that was recently published by Jersey Business with its message that a key barrier to business and economic productivity may be the Government's own processes. I leave it to the States Assembly to decide whether enough of a case has been made by the Minister or not to approve this funding. I have explained why the panel has not felt it can be in that position and has had to bring this matter to the States Assembly. I still would say, based on the responses we have had, that if the States Assembly wishes for this Common Strategic Policy, along with Scrutiny itself, to be meaningful, if it wishes for the Council of Ministers to start getting serious about delivering value for money and not just keep kicking that down the road, and the Common Strategic Policy approved by the States Assembly and about setting meaningful K.P.I.s for its delivery arms in the context of that Common Strategic Policy and aligned with it, I would urge States Members to support the amendment, so that maybe Government would just get on with it. I leave it to the States Assembly to make that decision, and I call for the appeal.

**The Bailiff:**

The appel is called for and I invite Members to return to their seats. The vote is on the twenty-seventh amendment. I ask the Greffier to open the voting and Member to vote. If Members have had the opportunity of casting their vote, then I ask the Greffier to close the voting. The amendment has been defeated: 3 votes pour, 43 votes contre, no abstentions.

<b>POUR: 3</b>		<b>CONTRE: 43</b>		<b>ABSTAIN: 0</b>
Connétable of St. Brelade		Connétable of St. Helier		
Connétable of St. Ouen		Connétable of Trinity		
Deputy M.R. Scott		Connétable of St. Peter		
		Connétable of St. Clement		
		Connétable of Grouville		
		Connétable of St. Mary		
		Connétable of St. Saviour		
		Deputy G..P. Southern		
		Deputy C.F. Labey		
		Deputy M. Tadier		
		Deputy S.G. Luce		
		Deputy L.M.C. Doublet		
		Deputy K.F. Morel		
		Deputy M.R. Le Hegarat		
		Deputy S.M. Ahier		
		Deputy R.J. Ward		
		Deputy C.S. Alves		
		Deputy I. Gardiner		
		Deputy I.J. Gorst		
		Deputy L.J. Farnham		
		Deputy K.L. Moore		
		Deputy S.Y. Mézec		
		Deputy P.F.C. Ozouf		
		Deputy P.M. Bailhache		
		Deputy T.A. Coles		
		Deputy B.B.S.V.M. Porée		
		Deputy D.J. Warr		
		Deputy H.M. Miles		
		Deputy J. Renouf		
		Deputy C.D. Curtis		
		Deputy L.V. Feltham		
		Deputy R.E. Binet		
		Deputy H.L. Jeune		
		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		

		Deputy R.S. Kovacs		
		Deputy A.F. Curtis		
		Deputy B. Ward		
		Deputy K.M. Wilson		
		Deputy L.K.F Stephenson		
		Deputy M.B. Andrews		

**The Greffier of the States:**

Those voting pour: the Connétables of St. Brelade and St. Ouen and Deputy Scott.

**1.6 Proposed Government Plan 2024-2027 (P.72/2023): seventh amendment (P.72/2023 Amd.(7)) - Extension of marginal relief**

**The Bailiff:**

The following amendment to be debated is the seventh lodged by Deputy Mézec. I ask the Greffier to read the amendment.

**The Greffier of the States:**

Paragraph (l) - After paragraph (k) insert the following new paragraph - “(l) to agree in principle that from the year of assessment 2025 the 20 per cent personal income tax rate should no longer be available (except for High Value Residents, for whom no change is proposed), and personal income tax should instead be charged at a rate of 25 per cent (with all personal income taxpayers being entitled to the allowances and reliefs which are available to marginal rate taxpayers when calculating the amount of income taxable at the rate of 25 per cent), and to direct the Minister for Treasury and Resources to bring forward the necessary legislative changes for debate by the Assembly during 2024; and” and redesignate the existing paragraph (l) as paragraph (m).

**1.6.1 Deputy S.Y. Mézec:**

At this hour, it is extremely tempting to simply say to Members I refer them to my previous speeches on the matter and then sit down. **[Approbation]** I am sure we can still squeeze some fun out of it. If the Government wants to just accept it then of course I would do that, but I see that as unlikely. Ultimately I make no apologies for bringing this amendment, because it is very clearly in line with the clear manifesto commitment that I and my colleagues stood on to see an income tax system which is fairer and simpler, and which raises revenue which we can use to fund our public services. Putting it as simply as I possibly can for what this change will do, this change would abolish the 20 Means 20 income tax calculation system and instead put every Islander, except high-value residents, on the marginal relief system. Then we would reduce the marginal rates from 26 per cent to 25 per cent. This would mean drastically simplifying our income tax system. By putting so many taxpayers on the same rules we will be able to reduce income tax for a substantial majority of the taxpaying population of the Island, while asking those with the highest incomes to pay a small amount more. In the comments to this amendment that have been lodged by the Government, there is a very line. It is at the top of the final page of it where it says: “Nobody in Jersey pays more than 20 per cent income tax on their total income in any year.” Then there is a little reference that you have got to follow to the bottom, and when you read that it says: “I.T.I.S. (income tax instalment scheme) effective rates may exceed 20 per cent, for example, because a person has tax arrears or because L.T.C. (long-term care) is collected through the income tax system.” Or to put it another way, the headline rate of tax in Jersey is not 20 per cent, and it does not matter how much Members of the Government try to say it is. It simply is not, because to fund some of our vital public services they have had to introduce extra taxes and extra charges on top of that, and have done so in such a way so that it does not affect what they can advertise as our headline rate of 20 per cent income tax. But the

reality is that we do not have a 20 per cent income tax rate anymore, to all intents and purposes. The Government also speaks in comments to my next amendment, which of course we will come on to, about the work that they are doing to look at other revenue-raising measures, such as the waste charge, which we recently debated, and the potential mechanism for funding healthcare, which is surely an acknowledgement that the revenue-raising measures that we have right now are inadequate. Because if they were adequate, those conversations would not need to take place. We would not need to have a conversation about how we raise extra revenue for waste disposal. We would not need to have extra conversations about how we raise revenue for healthcare because the taxes we already have would be doing the job. But they are not. That is a simple fact that nobody can deny. The question then becomes, since we are not raising the revenue we need for our vital public services, what can we do to try to get that revenue and to do so in as progressive and fair a way as possible, without hurting Islanders who we would not want to ask to shoulder the burden any further from that? That is where this amendment comes from. By putting all taxpayers on the same system - that is the same system, so it is not a discriminatory system. It is about treating Islanders as equals - we can raise enough revenue from the top earners in Jersey, those whose economic conditions have not been the same as the rest of Islanders for the last decade in terms of suffering from real-term wage cuts or real-term wage freezes. That section of our society in the last 10 years has done better and better, while the rest of us have either been doing worse off or staying the same. To ask them to contribute just a little bit more.

[17:15]

For many of those people that will be extremely small amounts. If you are earning millions and millions, at the very least ... sorry, at the very most, it would be almost a 5 per cent increase in income tax above that 20 per cent rate. If we do that, we can afford to reduce the marginal rate for the vast majority of taxpayers, and we would still raise £11.5 million to fund our public services. The distributional impact of this tax policy is that if you are somebody who is currently issued a 0 per cent effective tax rate, you would still get a 0 per cent effective tax rate. If you are somebody who is issued a rate between 1 per cent and 19 per cent, so the vast majority of taxpayers, almost all of you would see the rate applied to your taxable income, i.e. your remaining income once tax allowances have been applied would reduce by 1 per cent. That is more money in the pockets of the vast majority of Islanders. In fact, some people who are paying 20 per cent now would see their income tax liability reduce because they would see themselves eligible for tax allowances that, under the current 2-tier system, they are not eligible for. Some of those would see themselves better off. But the highest earners in Jersey who Treasury informs me they estimate to be around 2,050 taxpayers would see themselves paying ... no, sorry, that is 4,750 taxpayers would see their tax liability increase. If Members look at the appendices to the report for this amendment, I have put at the back of it a snapshot of a few households situations to indicate who would be better off and who would be worse off. If you are looking at, for example, a married pensioner couple, they would be no worse off under this policy until they were earning around about £200,000. It is a pretty generous system. I certainly would not be asking those who are struggling to pay more. For a single person you are looking at around about £100,000 before they would be in that situation of seeing their effective rate increase. That is the data that has been given to me by Treasury, who are, I think, best placed to do that kind of modelling. This policy in making our system a single tier income tax system, in my view, meets all of the tax principles that the Government allegedly signs up to. Those are the principles of low, broad, simple and fair. A 25 per cent income tax rate on taxable income is still a low tax rate, certainly when compared to many nearby jurisdictions. It is broad because it applies across the board to everyone except high-value residents. Just for the record, the only reason that they are excluded is because they come under another law. I think that ought to be dealt with on another day. It is simple. That is obvious because one system is clearly more simple than 2 systems. And it is fair because it applies to everyone under the same rules, irrespective of what level their income is, and allows everybody to claim tax allowances rather than just a portion of the population. I stand by this policy

as a transparent policy about what we want to do with tax. Unlike the policies of the Government, where the Chief Minister, I remind you all, said in her opening speech that they do not want to raise tax, but when you look at the fine print, that is exactly what they are planning to do in the shape of some form of waste disposal tax and, I presume, a health tax. Concepts on which they can give us no detail whatsoever and will not give us any guarantees that they will not implement those in a regressive way, hurting the lower income Islanders proportionately more. But with this policy, we can tell you exactly who is affected by it, to what degree they are affected by it and we can tell you that it leads to most Islanders being better off overall with the highest earners the ones who would be focused on contributing more. But by contributing more, they would be contributing under the same rules and the same system, not excluded from that and given their own tax system for that. As I said, if implemented not for next year but the year after, it is estimated that that could start raising £11.5 million and hopefully mitigate the need to start discussing other kinds of taxes, like waste taxes or health taxes, to fund the stuff that we are meant to be funding from income tax anyway, as we have done for as long as anybody can remember. I make the amendment.

**The Bailiff:**

This is the amendment? **[Seconded]** Does any Member wish to speak on the amendment?

**1.6.2 Deputy P.M. Bailhache:**

This amendment does have the advantage of demonstrating how much, relatively speaking, the Island's tax revenues derive from a minority of taxpayers and, accordingly, how potentially fragile the Island's economic base is. I am not sure if Deputy Mézec's heart is really in this proposition. I think few policies could be so destructive to the aspirations of the Reform Party to form a Government than this one. The 20 per cent income tax rate is the foundation of Jersey's economic success. It connotes stability. It has been in place for decades, going back to, I think, the 1920s. Around the world, people know that in Jersey the income tax rate ... Deputy Mézec is quite right that L.T.C. puts it a bit above that. The income tax rate is 20 per cent. Many people think that that is a fair rate and because it is a fair rate they are prepared to pay it. How would we know what would happen if a change to 25 per cent were to take place without consultation, without any impact assessment as to the likelihood of people changing their financial arrangements so as to reduce the income which they have, which is liable to tax. The purpose of a tax system is to raise revenue. That is what it is there for. We need tax revenue in order to fund the services which the Government provides. Many people will be aware that discussion in the United Kingdom over the highest rate of income tax leviable there, whether it should be 40 per cent or 45 per cent or 50 per cent, has often focused upon the amount of revenue which is actually raised by these different rates of tax. It is the case that when tax was reduced by one of the Governments from 45 per cent to 40 per cent, the rate of revenue that was actually received increased rather than diminished. The Council of Ministers is absolutely right in its comments. This is a thoughtless and irresponsible amendment, and I shall certainly vote against it.

**1.6.3 Deputy T.A. Coles:**

I rise early in this debate because this is only my second time of hearing this debate, and I am already starting to hear the same arguments which make no sense to me. In response to Deputy Bailhache, I was under the impression that it was our Zero/Ten corporate tax regime which kept our economy afloat, complying with O.E.C.D. (Organisation for Economic Co-operation and Development) and helping being a transparent and heavily-regulated finance industry, rather than the personal income tax rate that people pay. I am going to put out a request to all Members who are going to speak against this and are going to make the assertion that if we increase the tax on the wealthiest earners in our Island that they will leave. My request is, if you are going to say they are going to leave, please can you tell me where they are going to go? Because if we talk that the people might move to another finance centre, finance industry place where they can ply their trade, saying that they might want to

go to the streets of London. Well, London has an upper rate of tax, which has been frozen at the level that it has for so long that teachers are now paying the upper rate of tax. That means that they pay the base rate to a certain level, then when they reach that level they pay more of a percentage of earnings above that, and so on and so forth. We are not proposing reform, and Deputy Mézec is not proposing this. We are proposing just to level the playing field so we are all paying the same. I think that is quite fair. It is quite simple. I am looking at the charts and his appendices that he supplied, and with independent taxation on the way and single people with no longer having the right to claim mortgage relief, you are looking at the first table more of how the tax claim is going to be. So you are looking at an individual who is going to earn more than £100,000 a year before they will be paying more tax. Sorry, if you are a single person over here earning £100,000 a year, you are probably not going to notice the really small amount that it actually increases by. I go again about where are people going to go? I sit in Jersey and I think: "We are really lucky where we live, we are no more than 5, 10 minutes from home, unless you get stuck in traffic you might be pushed to half an hour. You are about an hour away from London by plane. Good connections to Switzerland as well. Good connections to Europe. Where are you going to go that you can have all of this, live in a beautiful place, a safe place, as well as still having a tax regime that only charges you 25 per cent? Please, ladies and gentlemen, if you can tell me where this golden place is, please let me know. Thank you.

**The Bailiff:**

Does any other Member wish to speak on this amendment?

**Deputy L.J. Farnham:**

Can I propose the adjournment, Sir?

**The Bailiff:**

No, we are sitting until 6:00 today. I think there is a reasonable chance you might be defeated if you propose it at this point.

**1.6.4 Deputy K.L. Moore:**

Just recently a book written by the late Colin Powell was published. I am particularly grateful to Dr. John Kelleher, advocate, who edited and brought Colin's words back to life. It looks back at our success over the last 60 years, how we got to where we are today and how our economy progressed from one that was based upon agriculture and tourism, and of course a successful one it was. About how it developed and a new economy flourished. Colin, of course, helped to steer Government through that time, through his excellent, incisive and intelligent advice to many politicians who sat around Policy and Resources or Council of Ministers tables, and we all owe him a debt of gratitude. But one of the words he would have used in a situation like this would have been the simple word "stability". Stability is key to our success, and stability is something that I am sure this Assembly understands remains an important part of our ongoing success and prosperity. Sometimes, of course, it is difficult to live within our means, and it is very tempting to look to other ways of paying for even more stuff. But that is not the Jersey way. We are a resourceful Island. We are an Island that can embrace productivity, finding new ways of doing things and looking to the future while remaining a stable jurisdiction and one that would not take a step like this without some considerable consultation with the public, with the business world, and some very careful thought indeed.

[17:30]

Of course, so-called simple changes often come with unintended consequences. While I hear the arguments of the Deputy, I think it is also important to remind Members that this change, if it was implemented, and I am sure that the Assembly will assist me and the Council of Ministers in maintaining our reputation for being a strong and stable jurisdiction by voting against this amendment. But it is, of course, important to state, for the record, that standard rate taxpayers, who

are the top 10 per cent of earners, would, of course, under this amendment if it were to pass, face a 5 per cent increase in their taxation. Those top 10 per cent of earners contribute 45 per cent of our income tax revenue, and many of them are internationally mobile. The amendment, therefore, would ask them to pay an additional £23.5 million. We have talked earlier today about the importance of tackling inflation, the importance of finding a way through these difficult economic times, and taking money out of the pockets of people who are investing and spending in our local economy is not the right time to be doing that. I would ask Members to remember the important word of “stability”, stick to long-held values as an Island, and reject this amendment.

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

It seems we are playing games at the end of the evening as to who can get the last word in before we take a break. But nonetheless I am in the ring. What I would like to do, first of all, is just concentrate on 2 statements in the comments paper submitted by the Ministers. The first comes on page one. Convenient. This proposal is part of the Reform Jersey manifesto and it is similar to amendments that have been unsuccessful in recent years. For a number of years, I think this is the third time we brought something like this, our tax policy, to this body. There has been plenty of time to have a look at it in depth to see what the economic and fiscal consequences might be. There has been plenty of time because we have had this for at least 3 times. You have had years of knowing what our policy is to analyse it. Yet it says in the conclusion on page 2: “It would be simply irresponsible to impose these changes without careful consideration of the longer-term economic impacts.” You have had plenty of time to study this. We could tell you exactly what the impact is, but we have not done it. It would be totally irresponsible to bring it without us having done it. Why has it not been done? Our policy is not going to change. It is principled. It obeys the 4 statements of being fair and equal. It works, we believe. It is up to the Ministers, I think, to prove and let us see it here and now what are the predicted economic or fiscal consequences of adopting this policy? You have had 6 years to study it. Tell us. Do tell us and that way we will be going somewhere. We are reminded by the Chief Minister equally to concentrate on the word “stability”. She then went on to quote how productive our economy is. The fact is, however, that our productivity rate has shown zero growth over the past 20 years. It has flat-lined, flat-lined, flat-lined, and even flatter-lined, over 20 years. That is a pretty significant absence of any productivity. That does recommend our economy now, it does quite the opposite. Because whatever we are doing, it is not working properly. I ask the challenge to somebody, the Minister for Treasury and Resources it is bound to be, to tell us what these horrible financial implications might be from adopting this tax and, while he is up on his feet, to say why in the last 6 years he has not investigated it so he can definitely say one way or the other. It is only speculation now.

#### **1.6.6 Deputy M.B. Andrews:**

Of course, Members are fully aware that I am a social democrat, so I am centre left politically. Probably more New Labour, so I am a bit different compared to Reform Jersey. However, I do agree with the principle of increasing personal income tax and hence the reason why I will be supporting this proposition. It has always been very much something that I have been aware of looking at jurisdictions between 1945 all the way through to about 1980. We saw this social democratic model and we saw the tax model change. We saw Governments invest. We saw investment in human capital, and we saw economies enhance their productivity levels. Now the opposite to that is with jurisdictions that have low taxation, they do not tend to invest in human capital. Therefore, as a consequence, we do not really see high levels of economic productivity. Because we have got this supply side model in the US, for instance, where we saw Ronald Reagan come into power and he was very much liberal. He decreased the top personal income tax rate from about 70 per cent down to 28 per cent and now you just need to look at the state of the U.S.’s (United States) affairs and look at the middle classes in the U.S. as well. We can also say the same with the U.K. as well and Margaret Thatcher, when she took office. We saw the middle classes and the lower classes really be impacted

due to the austerity measures that were in place. We really have to come back to Jersey here, because I think that is really where the amendment is relevant, A low tax rate of 20 per cent, what it will do is it will allow surpluses to accumulate. Really, the incentive to invest when wealth growth is seen is going to be discouraged because people are going to be seeing a positive net wealth position. That is going to be further increased in Jersey compared to the U.K., where the top personal income tax rate is about 45 per cent. If somebody was to take a decision, do they live in Jersey or do they live in the U.K.? It would be preferable for them to live here because they would be better off from a positive net wealth position, and they could allow themselves to have their investment returns to accumulate, and they would get richer and richer and richer. But I think all Deputy Mézec is asking here is for the Assembly to say: “Well, look, let us just try and increase personal income tax on those who are the high earners from 20 per cent up to 25 per cent.” Also he is saying as well, with the 90 per cent of marginal income tax payers they will see a slight reduction in their tax because it will be going down to 25 per cent on the marginal income tax rate instead of it being applied at 26 per cent. What this means is essentially people will have slightly more money in their pockets. It will give them more disposable income or even to increase their level of savings as well. I think that also has to be something we need to consider. It could maybe be countered, is it maybe an appropriate time where we say: “Well, let us just maybe reduce the marginal income tax rate to 25 per cent.” Is that maybe going to have inflationary impacts within the economy? I do not really see how there would be much difference. I think there might be subtler effects on prices, but not much. That is why I think it would be certainly a very worthwhile amendment to be supporting. Now, I would just like to turn Members’ attention to a quote that featured in the Skills Development Fund proposition that is very much relative to this debate, because it goes on about wealthy individuals and the desire to invest in economies. The quote goes: “If in a potentially wealth community, the inducement to invest is weak then, in spite of its potential wealth, the working of the principle of effective demand will compel it to reduce its actual output until, in spite of its personal wealth, it has become so poor that its surplus over its consumption is sufficiently diminished to correspond to the weakness of the inducement to invest. But worst still, not only is the marginal propensity to consume weaker in a wealthy community, but owing to its accumulation of capital being already larger, the opportunities for further investment are less attractive unless the rate of interest falls at a sufficiently rapid rate.” Now, I think that is a very pertinent point, because I think what is being made here is there will be low levels of investment in economies where there is a low level of taxation. But where you see there is a balance between higher tax rates being applied, and also the Government will be in a position where they are most likely to be spending more in the economy, they are more likely to be spending on people as well. What that will then induce is more demand overall in the economy and that would also benefit in terms of the Island’s economic productivity levels. But I think what we are seeing here is the same argument about it is all about Jersey’s financial stability. Well, yes, okay, fine. We are a stable jurisdiction, but we just need to look at the state of our economy and that low taxation has been applied here for decades. Are we in a good position? Perhaps, yes, our reserves are but the economy is not performing that well at all. I think we have to be very honest about that. The reason partly is due to the Government not investing in people. In order to invest in people, you need to be generating as much revenue as you can. Unfortunately, I think the Government has missed out on several opportunities where they could have been applying taxes on those who have broader shoulders in our community, and that has not happened. As a consequence, I think we have been one of the standout jurisdictions that comes to mind when it comes down to political scientists who look at Jersey and can say: “Well, you know, the economy might have strong reserves but in terms of its economic performance it is not performing as well as it could.” It has been demonstrated when you look at Scandinavian countries, they have higher taxes but the Government is investing in the economy. You just need to look at the performance of their economy. I think there is definitely a relationship between low taxation and low levels of economic productivity. So I think I have made my point clearly enough and I hope Members will support this amendment.

### **1.6.7 Deputy M.R. Scott:**

I was just looking at some of the figures in this proposition and one of the things it says is only 4,750 taxpayers would see their tax liability increase. How many taxpayers are there in Jersey? I was doing some work with the Income Tax Department not so long ago and it is 14,100. So if you put that as a percentage of the population of 110,000, basically 12.7 per cent of the population pay tax or you could put it another way - I am just using the figures that I have been given - 87.3 per cent of the population do not pay tax. An awful lot of people are carrying other people who are not paying tax. Just think about those figures because I think it really is good to look at these figures. So, basically, now they have got 14,100 taxpayers and if 4,750 are going to see tax liability, that is a third of them. Basically 87.3 per cent of the population do not pay tax and then of the remaining 12.7 per cent, a third of them you are going to get to pay more tax. We have had some discussion about economies and things and you think: "Well, who are the people perhaps trying to reduce money here?" I suspect it could well be among that remaining percentage.

[17:45]

I am all in favour of pushing up tax allowances to some extent to cover things like rent, but I cannot see that this system is targeting in the right way while the people ... the real point is that marginal relief itself. In terms of 2020, it kicks in at quite a high level already. It is a really enormous amount of people who do not pay the 20 per cent. At the end of the day ... I do not know, I would have liked to have been able to see a better-worked model in order to be able to feel confident that this will help some of the people who I would like to see helped, particularly those on who are paying income tax at a marginal rate and a very high pay amount of rent as well.

### **1.6.8 Deputy R.J. Ward:**

I think this might be the first time I have spoken on this, even from the previous ones, because I have learned a lot about tax in the last few years, thanks to the coaching from Deputy Alves who seems to know her way around the tax system. In fact, if you want your tax done, she is really good at it. She explains it so well. She should have been a maths teacher, she really should. She is not sat here so I know she is not looking at me. I think the issue around this is, first of all, the immediate dismissal from some who cannot even contemplate any changes for these reasons, it has been a long, long time and somebody came up with an idea a long time ago, which is a good idea at the time, et cetera. I get that. We have heard that so many times. But society changes and this Island has changed, and what we are starting to see are some real societal problems now. This massive inequality that is growing and growing and growing. If we do not do something about it, we have got a real existential problem for our society in the longer term. Young people are leaving, people are not staying here when they should be or as economically productive as they could be. We talk about productivity all the time, although I have to say I would like to see a clearer definition of productivity in a number of different industries. We talk about productivity in the public service and sometimes I do not think people are really sure as to what they are discussing when we talk about that. We need to start to think about what we want as a society and what we want people to contribute. Now, let us look at the figures, and I urge people to look just for once at the actual report that goes with this piece of work rather than dismissing it out of hand. Look at the graphs, and they are graphs because they are labelled and there is a line and they are line graphs because there is a value between each of the values. That is very good. Well done, Deputy Mézec, marvellous graph. I do like a graph. The reason I said a good graph is because I could interpret them and write down numbers from them, which is great. If you are a single person, you have to, as was mentioned ... I have heard it starting at around £98,000, probably around £100,000. Yes, the scale could be better. £100,000 before you see a minimal 0.01 per cent increase in your tax. My screen has just gone off. I was going to just go through more, but never mind. There we go. It is only when you get up to, and then the graph stops, £273,000 that your tax is increasing by 0.03 per cent. Let us look at the actual numbers here. Let us not talk about this mythological exodus from the Island of the wealthiest who pay tax: "Well, I do

not want to live here anymore because I am paying an extra 1 per cent or 2 per cent or 3 per cent tax. Forget all the safety, forget the access, forget my contribution to the Island, because I feel part of something, no, I am going to leave all of that and I am going to re-establish my family and my background somewhere else in the world”, which we cannot name. We cannot name where it will be. An island somewhere that does not have the infrastructure that we do or access to Europe or a health system that we are trying to do. One day, we might be able to offer a new hospital for people. Imagine that. Imagine, what a wonderful world that will be. We might have a whole new facility for people. It is those societal issues, those societal features, which are so important in attracting and keeping people on this Island. If you are wealthy you think: “Actually, there was a payoff here. My family is safe. The schools are good. The healthcare is good. Access is good. I can go skiing. I can get my private jet here. I can drive my car. I am not going to be mugged in the street. There have been good places to eat.” I have got to say, every time I go off to England, for example, the restaurants and so on here, we are so spoiled, and we really are. That is a genuine comment. It is not a facetious comment, I mean it. It is those subtle features of what this Island is about that makes it so attractive to people. We must not forget those in this debate. As for this doing damage to Reform Jersey. I would say the opposite because when you look at the actual numbers ... and let us look at some more. A married couple with 2 children would have to earn up to £259,000 with still no increase. I would suggest that my colleagues and my party have a connection with those people, not just the ones who are hugely above that. We would have a connection with those people too and I would be quite happy to sit and explain to them why I think you can afford to contribute a little bit more to our society because of the benefits you get from being here. Taxation is the deal that we have of a civilised society. We rely so much on so many things. A police force to keep us safe, a hospital to keep us well, to protect us, our education system, the roads to work, our bins to be collected, sewage system to work, all of these things that comes through taxation and we need to pay for it. What we do have are an increasing number of stealth taxes, G.S.T., a regressive tax, a waste charge. I stand here and put on Hansard a prediction that we will have a regressive tax on our waste within 5 or 10 years on this Island, perhaps even sooner if some people get their way. Those taxes affect everybody but they are obviously designed to not affect the wealthiest as much as those at the bottom because, perhaps - and I hope not - they are more important to us. I am not so sure about whether our society is that important. I see Deputy Ferey nodding. Actually, the people in my constituency are really important to me, not just the wealthiest. If we judged our society on the way that we protected everybody in our society and how the standard of living from those at the lowest income was and how protected and safe and supported they felt, that would be a much better society. Let us look at some more. Married people with pensions, £196,000 before you pay any more tax. Then, and this is a really important point - and perhaps I will criticise Deputy Mézec here that he has not made it well enough before - look at his face - which is it is a graduated scale from there. It is not a sudden massive increase. This is what we are getting in this argument every single time. It is Chicken Licken politics, the sky will fall in if we do this. Suddenly everyone will be playing so much tax they will disappear off to, I do not know where, London? Probably not. Guernsey? I have to be careful what I say, I do not want to start diplomatic incidents. Will they? I do not know who their Chief Minister is at the moment, well we actually do. But anyway, where? That is such a good question from Deputy Coles, because if you are going to dismiss, which is what some are doing, you have to have very good reasons to, not just this mythological: “We have done it this way. We have always done it this way and it works.” But it is not working as well as perhaps it did one day. With the changes in the world economy, with Brexit, with our place in the world changing, with changes to the finance industry, with the shift from taxation from companies to individuals, particularly those who are middle and lower incomes, it has changed the experience of living in Jersey. I actually think that a majority of people on this Island, if they really looked at this and what this change would mean would say: “Yes, it is about time we evened up our tax system.” I would suggest that the Tax Office themselves would find it a lot easier to have one system to regulate. Well, that and the 1(1)(k). By the way, the really wealthy people that you do want to attract, I know, I can tell you there is a real

passion within the Council of Ministers to get the wealthiest people to buy the most expensive places, they still have the 1(1)(k) system going or whatever it is called now, 2(1)(e) system? I have never quite understood why that name changed. You are better off with this system. You are better off from paying less tax between £42,000 and a £196,000 for a married couple on a pension. You are better off. You are better off with a married couple with 2 children from £56,000 up to £259,000. You are better off. You are paying less tax. Surely, the conservatives in the Island would like to say: "Let us pay less tax. It is a good thing, is it not, for you?" Finally, if you are single between £21,000 and £98,000, you are better off with this system of taxation. I ask Members as they go home tonight to have a bit of bedtime reading and read the report. Read the actual impact of this, not the myth that we keep getting every time we debate it. I stood on a platform with this tax system because I believe it is a real step forward to even up what people are paying, make a lot more people that bit better off so they get more money in their pocket to spend in our economy. This is the other feature and the reality is those at the lower incomes tend to spend more locally. They spend more proportion of their incomes locally in our local economy. So every tiny step we take to give a little bit more money there works. That mobility we talk about at the very highest end of our income streams, that may well not be spent here. There were arguments about prices being pushed up of homes, prices being pushed up with all sorts of things there. You are right, let us have a look it. Deputy Southern was right, you have had plenty of time. I think the real, real shame is that this is not being considered properly. This is not being looked at for the actual impact of what we want to try to do here. Instead, we are getting the same old, tired, dated and out-of-place argument that everyone will leave the Island with their money, go somewhere else and we will have nothing left. I am afraid that is not a valid - and I mean valid in the real term of the word "validity" in any piece of study - it is not realistic and there is no actual explanation of where people would go. I say to people, let us say it publicly - I know we cannot listen on the radio anymore, which is a shame, but we might be able to listen back - if you are single between £21,000 and £98,000, you will be better off with our tax system. If you are a married couple with up to 2 children, with our tax system you will be better off between £56,000 and £259,000. If you are a married pensioner, you will be better off with our system between £42,000 and a £196,000. That, I think, is a way forward for this Assembly. An intelligent, thoughtful, considered way for the main population of Jersey of taxpayers. I urge people to really think this through before you dismiss it.

**The Bailiff:**

Is the adjournment proposed? A chorus. Yes, Deputy Le Hegarat.

**Deputy M.R. Le Hegarat:**

Obviously Members agreed that we would shorten our lunch hours tomorrow and Friday and that we would stay until 6.00 p.m. tomorrow. I would just like to feed into people's minds that potentially, depending on how tomorrow goes, we could stay until 7.30 p.m., 8.00 p.m. I will just leave that with Members overnight so they can at least consider this.

**The Bailiff:**

You mean you may make a proposition for us to sit even later than 6.00 p.m. tomorrow?

**Deputy M.R. Le Hegarat:**

Yes, if people would consider that and think about it so we could do that in the morning. Thank you.

**The Bailiff:**

Perhaps you could take a poll of Members in the morning. Also I will just remind Members that at 12:45 there is the photograph. I do not know how much time Members wish to spend having their makeup put on and hair done. Very well, the Assembly stands adjourned until 9.30 a.m. tomorrow.

**ADJOURNMENT**

[17:59]