

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

Under “L” questions in accordance with Standing Order 15 relating to urgent oral questions, the Bailiff on Friday approved the following question to the Chief Minister by the Deputy of St. Ouen, the Bailiff being satisfied that it was in the interests of the Assembly that this question be asked before the continuation of the debate on the Strategic Plan, and he therefore allowed it under urgent oral questions, and I invite the Deputy of St. Ouen to put the question.

**1.1 Deputy J.G. Reed of St. Ouen (of the Chief Minister):**

There are three questions. The first is, when was the Chief Minister first made aware of the revised financial forecast that was circulated to Members late on Tuesday, 20th June 2006? The second question is, when was the Council of Ministers first made aware of the revised forecast? Thirdly, why was the revised forecast not released to all Members prior to the start of the debate on the Strategic Plan?

**Senator F.H. Walker (the Chief Minister):**

I will answer (a) and (b) together, if I may. The Council of Ministers and I were first made aware of the provisional update to the financial forecast at our meeting on 15th June. It was agreed that discussion on the revised forecast should be deferred to a future meeting when the Council would be considering the annual business plan. The answer to “C” is it should be emphasised that the provisional update was a first draft of the revised forecast of States revenue, and in particular the 2006 trends for impôts duties were still being reviewed. The figures also included a number of rounded estimates which needed to be confirmed, and given that they had not been properly considered by the Council, it was not felt appropriate that they should be released at that stage. On 20th June, the first day of the States’ debate on the Strategic Plan, I was advised that the media had become aware that the provisional forecast indicated an improvement of some £30 million and were preparing to publish this information. In order to ensure that Members were advised officially before they learnt it through the media it was decided to present the forecast immediately to States Members. Although the financial forecast did not form part of the proposition to be debated in relation to the Strategic Plan, the Council of Ministers did not wish to be accused of withholding information from Members. The revised forecast was accordingly checked to establish that it was sufficiently robust, and was circulated by email to Members later that same day.

**1.2 Deputy G.C.L. Baudains of St. Clement:**

Could the Chief Minister tell us the source of that leak to the media, please?

**Senator F.H. Walker:**

I am not prepared to divulge the source because I have no proof, although I believe I am aware that it was an innocent slip in what was considered to be a casual conversation with a member of the media. I am sure it was an innocent slip.

**1.3 The Deputy of St. Ouen:**

Does the Chief Minister agree that the release of the revised financial forecast had a major bearing on the debate regarding the Strategic Plan and also the position taken by the Council of Ministers over the use of the Dwelling Houses Loan Fund?

**Senator F.H. Walker**

I do not know. It is for Members to decide whether it had a major impact on the debate or not. The Council of Ministers' position was altered in terms of the amendment; I think only the amendment of the Corporate Services Scrutiny Panel, for 2 reasons. One was, we learnt a week before the debate that the proposition was to be taken in 5 separate votes rather than being taken as one, and that fundamentally enabled us to review our position because we were totally and implacably opposed to the proposition in its entirety, but we were pleased to be able, when it was broken down, to look at it anew and yes, the fact that the day before we were able to consider our approach to the dwelling house loan fund in the light of improved figures did make a difference to our position.

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

In answer to one of the questions the Chief Minister suggested that these new, revised forecast figures, were certainly provisional and there was no guarantee that an extra £30 million would be reflected over a 5 year period. Could you confirm that this is true?

#### **Senator F.H. Walker:**

When the Council Ministers first looked at the figures, as I said in my answer, they were, without question provisional and there was no question of us introducing them into the debate at that point for that reason. Because we learned that the media were going to publish basic information on them, the Treasury worked overtime, in more ways than one, to assess the robust nature or otherwise of the figures and it was on the back of that work that we were able to release the figures to Members when we did. We could not have released them earlier. They were released as soon as it was appropriate and as soon as it was acceptable, indeed, for us to do so.

#### **1.5 Deputy R.G. Le Hérissier of St. Saviour:**

I wonder if the Chief Minister can elaborate? Can he tell us, in laymen's language, how his Council and his experts made the assumption that a yearly increase could be translated into a steady 5-year increase? What was the thinking to make these robust figures?

#### **Senator F.H. Walker:**

I would have thought that was fairly clear. The position has improved, and as a result of that it has a knock-on effect. Similarly, had the position deteriorated it would also have had a knock-on effect. That is the nature of these figures. That is the nature of forecasting. That is the nature of financial management.

#### **1.6 Deputy S.C. Ferguson of St. Brelade:**

Surely one swallow does not make a summer. Should we be basing a whole load of forecasts and our future on just one 6-month period? This is really quite silly.  
**[Laughter]**

#### **Senator F.H. Walker:**

The Deputy may think it is silly, but the fact is that is what we always do, and that is what governments always do. Governments prepare forecasts. Of whatever frequency they prepare forecasts is a matter for them. The States of Jersey and the Treasury have, for as long as I can remember, prepared forecasts on a 6-monthly basis. How else does one assess the future, and the forecast in the Strategic Plan was a forecast.

The forecast that we now have is a forecast and, of course, we always react, as all governments must react, to forecasts. This House should be welcoming the fact that the position has clearly and significantly improved.

**1.7 Connétable D.J. Murphy of Grouville:**

In view of the fact that the Minister does not feel able to tell us who the leaker was, could they please identify themselves to the House in the interests of open government? Thank you.

**Senator F.H. Walker:**

I think I have the question. Is the Connétable asking me to identify the source of “the leak”?

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

I think he asked you whether the -

**Senator F.H. Walker:**

I said I could not.

**The Connétable of Grouville:**

I can understand why you did not want to tell on your friends, but could that person please make themselves known to the House?

**Senator F.H. Walker:**

Well, Sir, that is a matter for that person.

**1.8 The Deputy of St. Ouen:**

Would the Chief Minister not agree that any improvement in the financial forecast described in the Strategic Plan should be down to the States to determine how and when that money is apportioned and it should not be the role of the Council of Ministers to arrange or make deals with that money? We heard on the Strategic Plan 2 Members of the Council of Ministers stand up and say: “It is all right. We have got new money.” Secondly, the Housing Minister, who is definitely seeking capital funds, one minute was saying he needed the housing dwelling loans fund, and the next minute he said: “It is all right, the Chief Minister has told me I will have the money in another route.” Would he confirm what is the story?

**Senator F.H. Walker:**

This is beginning to sound remarkably like a bit of sour grapes, I have to say. The fact is, the Council of Ministers have made no deals, as the Deputy is well aware. The Council of Ministers do not decide how the money is spent, as I and the Treasury Resources Minister and other Members of the Council of Ministers have repeatedly said, it is for the States to decide how the money is spent. The Council of Ministers make recommendations, and for 2007 the States will decide and only the States will decide. I really do not know how many more times I have to emphasise that point. Only the States will decide how that 2007 money is to be spent and allocated in the business plan debate in September.

**1.9 Deputy R.G. Le Hérissier:**

Given for the last several years the Council, or its predecessor, has been hammering home the message that things are very tight in the public sector, we have to cut back, and we have all, albeit grudgingly, gone along with it and tried to follow it through. Now that the situation has changed, is it now his intention to loosen the purse strings?

**Senator F.H. Walker:**

I find that an astonishing question given the 3-day debate we had last week when the Council Ministers made it abundantly clear what its views were on how much money should be spent and how it should be allocated. We made it abundantly clear that we wished to reinvest the £20 million savings that we are making, principally in central departments, into the core key social services of Jersey. We made that abundantly clear. We made it abundantly clear that on the back of that vision for the future we do recommend that the States spend more than was originally allowed for in the fiscal strategy and in last year's business plan, but the House accepted that. Given the choice between spending more and investing in key social services and continuing to control expenditure down to previous levels the House overwhelmingly supported the Council Ministers.