

# STATES OF JERSEY

## OFFICIAL REPORT

**TUESDAY, 6th JULY 2010**

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

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

### **1. Appointment of the Chairman of the Health, Social Security and Housing Scrutiny Panel.**

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

We have the need to appoint a chairman to the Health and Social Security and Housing Scrutiny Panel and I invite nominations.

#### **Senator A. Breckon:**

I nominate Deputy Southern.

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

Is that seconded? **[Seconded]** Are there any other nominations? I declare Deputy Southern is appointed as Chairman of the Health and Social Security and Housing Scrutiny Panel. **[Approbation]**

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

May I just briefly thank Members for their faith in the Scrutiny system and myself.

## **QUESTIONS**

### **2. Written Questions**

#### **2.1. THE DEPUTY OF ST. JOHN OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING SERVICES TO HELP THE SUFFERERS OF COMBAT STRESS RELATED ILLNESSES:**

##### **Question**

Given that the military and government in the United Kingdom have established a special service run by General Practitioners to deal with cases of combat stress illness, will a similar service be available in Jersey, to make sure all our ex-service and serving personnel can benefit from any help that is required, given many Island residents have been or are in the Armed Services and the Island has a defence budget for our Territorial Army?

Would the Minister give details of what action if any, the Health and Social Services Department is taking in this area and, if none please explain why?

##### **Answer**

Individuals who work or who have worked in a military setting can present with a variety of psychological difficulties ranging from clinical depression and adjustment disorders through to anxiety states, obsessive compulsive disorder, as well as post traumatic stress disorder (PTSD). Staff within the Psychological Assessment and Therapy Service have experience of dealing with this wide range of difficulty. With regard to PTSD, we employ trauma focused treatments, namely EMDR (eye movement desensitisation reprocessing) and trauma focused CBT (cognitive behaviour therapy). These are recommended as the gold standard by NICE (National Institute for Clinical Excellence).

In an Island the size of Jersey, it would be difficult to see a separate service for military or ex military personnel being fully occupied or being able to offer such a wide range of potential

interventions. Currently, any individual who is in difficulty can attend their GP and be referred into our service where we will try and tailor treatment according to need.

As yet an increase in referral rates from the military sector has not been noted locally, but it is something we should remain mindful of.

## **2.2 SENATOR J.L. PERCHARD OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE COMMON INVESTMENT FUND:**

### **Question**

Following the Assembly's decision on 11th May 2010 to adopt P.35/2010 and create a States of Jersey Common Investment Fund, whereby the majority of States funds will be pooled for investment purposes, will the Minister outline his plans for reporting the performance of the said Fund?

### **Answer**

States Report R84/2010 "States Investment Strategies" was presented to the States on 22nd June 2010. Section 2.16 (page 8) advises that the Minister for Treasury and Resources will now be following an enhanced reporting on the performance of the States main funds via the Annual Accounts and once during the year as at the six months to June.

The States main funds are made up of the Strategic Reserve Fund, Stabilisation Fund, Social security (Reserve) Fund, Health Insurance Fund and the Consolidated Fund. Once the Common Investment Fund (CIF) is operational, these main funds will carry out their Individual Investment Strategies by investing in the CIF's different individual pools.

## **2.3 SENATOR B.E. SHENTON OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING PLANNING DECISIONS MADE UNDER ARTICLE 19(3) OF THE PLANNING AND BUILDING (JERSEY) LAW 2002:**

### **Question**

Can the Minister list all planning decisions specifically made under Article 19(3) of the Planning and Building (Jersey) Law 2002 during the past 2 years and publish the justification for doing so in each case, which is required under the Law?

Furthermore can he cross-reference these decisions with Article 12(1) and list all incidences where public inquiries were held and, if they were not held, explain the reasoning for deciding this Article of the Law was not applicable?

### **Answer**

Preparing a wholly complete answer to this question is impossible in the timescale available as our computer systems are not designed to search on such criteria. The analysis presented in this answer, in itself, has taken over two and a half days of senior officer time. Additional information is of course available on the individual Planning files and these are publicly available.

I have however gained an estimate of the number of applications that have been approved and may potentially be regarded as exceptions to the Island Plan, and calculate that out of the total number of over 3500 applications determined between July 2008 and June 2010 approximately 30 decisions could be regarded as incorporating exceptions to the Island Plan. As such less than 1% of planning applications considered have been approved as insubstantial departures from the Island Plan.

The Scheme of Delegation for the determination of applications normally ensures that applications that do not accord with the Island Plan are determined by the Minister or the Planning Applications Panel.

An important requirement in considering planning applications is that each one is considered on its own merits. Indeed I am required by the Planning and Building (Jersey) Law at Article 19(1), and by case law, to take into account all material considerations in determining an application for planning permission. This is the strength of the planning applications process, because it allows all the relevant circumstances of a particular proposal to be properly considered and for a reasoned and logical conclusion to be reached.

As I have stated on previous occasions planning is an art form and not a box ticking exercise. It involves the assessment of many elements including the aesthetics of any proposal and each application needs to be considered within the principles of the policy framework, but with the ability if necessary to apply a certain element of discretion.

I have made it clear that my priority is delivering exceptional buildings designed to the highest standards and constructed with the best materials. We are achieving this objective and I direct the questioner to 50 Colomberie, El Tico, Chateau Valeuse, St Cecilia and Wayside as examples of the hugely increased standards. Interestingly all of these schemes have been designed by local architects. Other schemes such as Zephyrus, Westwater and Castle Quays II promise to deliver much needed high quality to the Waterfront. It may be that insubstantial departures from the Island Plan will in the future be required to ensure that we maintain the delivery of buildings of the highest standard.

In order to establish a context within which to consider applications the Law requires that an Island Plan is prepared to provide for the orderly, comprehensive and sustainable development of land in a manner that best serves the interests of the community. The Island Plan is not a rigid set of rules designed to deliver an outcome in every case rather it is a set of principles and built into the process is the ability to make to accommodate exceptions and when it was written it was never considered that its guidelines should be absolute. There is a general presumption in favour of granting planning permission if a proposal is in accordance with the Island Plan (Article 19(2)). However, there will always be a small number of situations where the material circumstances of a proposal are such that a proposal should be supported even though it does not wholly accord with the provisions of the Island Plan. Consequently Article 19 (3) of the Law allows the determination of these exceptions provided the Minister is satisfied that there is sufficient justification to do so and that the reasons for departing from the Policies of the Plan are clearly recorded in each case.

- I now turn to the second part of the question regarding Article 12(1) of the Law which deals with Public Inquiries.
- Article 12(1) of the Law requires that a Public Inquiry is convened when (a) a development would be likely to have a significant effect on the interests of the whole or a substantial part of the population of the Island; or (b) the development would be a departure (other than an insubstantial one) from the Island Plan. The question suggests that the Senator's particular interest is with the departure requirements of Article 12 (1)(b).

I should point out that when the Draft Planning and Building (Jersey) Law was lodged in 2001 (P.50/2001) the report accompanying the Proposition made it clear that it was the intention that the process “*will only be invoked in exceptional cases, and relates to large-scale developments such as a new reclamation site or an extension to the Airport runway.*” To this extent, it indicates where the line is drawn between substantial and insubstantial departures from the Island Plan.

- All the applications identified over the past two years as being inconsistent with the Island Plan are insubstantial departures and therefore would not warrant a Public Inquiry. Indeed since I took office in 2005 there have been no planning applications approved for developments that are more than an insubstantial departure from the plan. Consequently there has been no need to convene a Public Inquiry.
- The Esplanade Quarter application was for a significant development that would be likely to have an effect on the interests of the whole or a substantial part of the population of the Island. Consideration of that planning application was made through the mechanism of a Public Inquiry, under Article 12(1)(a).
- A list of applications possibly involving exceptions to the Island Plan is provided below. As I have pointed out above this may not be entirely complete given that our computer systems are not designed to search in this manner.

These are the applications identified in the time available but this may not be a comprehensive list

P/2009/0944	Clarkson House St Helier - extension of Hospice in Fields 146a & 146b St Helier <b>MINISTER</b>
P/2009/1567	South Hill Switching Station St Helier – to secure the Island’s electricity supply <b>PAP</b>
P/2009/1026	Sous L’Eglise St Brelade – relocation of Registered Building demolished in connection with airport operations <b>PAP</b>
P/2009/1436	Field 578, Hospice Car Park, St. Ouen – car park for Hospice shop to support the hospice and prevent overcrowding on surrounding roads <b>PAP</b>
P/2008/0023	La Fontaine St. Mary – reinstatement of ruin/dwelling destroyed during the Occupation <b>MINISTER</b>
PP/2009/1819	La Rue au Tchian, Grouville – outline for single dwelling La Rocque Chapel enabling development <b>MINISTER</b>
P/2008/2506	St Peter’s Garden Centre – additional overflow parking <b>PAP</b>
P/2009/1895	La Vallette, St. Mary – improved access/highway safety <b>PAP</b>
P/2009/2343	Castle Green Apartments St. Martin – 1m incursion into Zone of Outstanding Character to accommodate dwelling of architectural quality. <b>PAP</b>
P/2009/0620	Eden Farm St Saviour – previous approval and this proposal vastly improves the architectural quality of the scheme <b>PAP&amp; MINISTER</b>

P/2009/1170	Littleyard, St Brelade, Stables/Commercial redeveloped as part of a tight group of buildings and improve environment <b>PAP</b>
P/2009/0973	Motor Mall St Helier – within an area of many buildings and extension to an established commercial enterprise <b>PAP</b>
P/2009/0810	St. Clement’s Golf Club St Clements – Improvement on a previous permission <b>PAP</b>
P/2009/0829	La Braye Café St Peter – slight enlargement of existing footprint of café for quality architecture and to accommodate public toilet facilities <b>PAP</b>
P/2009/0333	Rue de la Pulente, St. Lawrence – additional parking and improved access for swim school operation <b>PAP</b>
P/2009/0570	Field 778, St. John – improved access curtilage extension <b>PAP</b>
P/2009/0340	Field 724, St. Saviour – following tipping the land was to be returned to agriculture <b>PAP</b>
P/2009/0756	Field 712, St. Martin – formalisation of works required in connection with previously approved changes of use of buildings to dwellings <b>PAP</b>
RP/2007/2840	Val Poucin St Saviour – finalisation of the redevelopment of a group of farm buildings including the replacement of a modern agricultural building <b>PAP</b>
PP/2008/0219	Woodside Farm St Peter - enabling development with proceeds re-invested in agricultural industry <b>PAP</b>
P/2007/1315	La Houge Bie Nurseries St Saviour - previous approval and this proposal vastly improves the architectural quality of the scheme <b>MINISTER</b>
P/2007/2847	Field 1094 St. Ouen curtilage extension not considered harmful to the area or aims of the Plan <b>MINISTER</b>
RP/2007/3145	Dawn Villa St Peter – previous approval and this proposal improves the architectural quality of the scheme <b>MINISTER</b>
P/2008/2180	Lakeside Care Home St Peter – following the previous approval of a large hotel building and a significant improvement on the architectural quality of the scheme <b>MINISTER</b>
P/2008/1552	Adjacent La Place Hotel, St. Brelade – to support the tourism industry <b>MINISTER</b>
PP/2007/1799	Cowley Farm St Saviour – Enabling Development for Agriculture <b>MINISTER</b>
P/2007/2055	Le Chalet Hotel site, St Brelade – 5 dwellings in place of previously approved self-catering apartment block <b>MINISTER</b>

P/2008/0120	La Bonne Aubain Nurseries, St Helier – 2 dwellings in place of significant areas of glasshouses on this site and on a nearby site <b>MINISTER</b>
P/2008/1778	Westmount Quarry – loss of a small area of Important Open Space so as to enable the wider development <b>MINISTER</b>
RC/2009/1226	Blampied Farm St Lawrence – retention of access drive to allow suitable and appropriate access <b>MINISTER</b>
PP/2009/1198	Field 621 St Brelade – single dwelling in land zoned as Green Zone <b>MINISTER</b>

#### **2.4 THE DEPUTY OF ST. JOHN OF THE CHIEF MINISTER REGARDING THE MAGISTRATE’S CONTRACT:**

##### **Question**

Given the Police Court Magistrate is not undertaking Court duties, will the Minister consider terminating his contract and at the same time put in place a claim for wages paid to be returned?

##### **Answer**

Neither as Chief Minister nor as Chairman of the States Employment Board do I have authority to terminate the contract of the Police Court Magistrate. He is appointed by the Bailiff and can only be discharged from office by virtue of an Order of Her Majesty in Council.

The sentiments which lie behind the second part of the question strike at the very heart of the policy that suspension/exclusion is a neutral act and are therefore ones which I cannot support.

#### **2.5 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR SOCIAL SECURITY REGARDING ‘COLD CALLING’ BY HEALTH AND SAFETY OFFICERS:**

##### **Question**

Can the Minister outline the practice used by Health and Safety officers in obtaining information; is it usual practice to cold call/telephone businesses and ask how many electrical sockets are in use within the premises and, if so, is this information then passed on to a third party in order that a survey of the electrical system can be undertaken, with a view to carrying out works?

##### **Answer**

The Health and Safety Inspectorate obtain information in a number of ways including as a result of claims made for social security benefit, being contacted by individuals, businesses and representative groups, and as a result of carrying out visits to workplaces.

I can confirm that the Inspectorate have not been involved in making cold call telephone calls to businesses requesting information on electrical sockets. If the Deputy has any knowledge that individuals are misrepresenting themselves as members of the Inspectorate, I would request that he provide me with this information in order that appropriate steps can be taken as it is an offence to falsely pretend to be an Inspector.

Inspectors are restricted by law from passing on any information that they obtain during the course of their work. Such restrictions prevent them passing on any information to third parties for commercial purposes.

## **2.6 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING STAFFING MATTERS AT THE AIRPORT:**

### **Question**

Would the Minister advise whether an internal job vacancy was filled for a Strategic Planning Manager at the Airport in 2009, at a salary of between £60,000 and £85,000, and if so, why was it found necessary to employ this person, given that the job description appears to overlap with that of the Airport Director, and why was the job only advertised internally and not to a wider audience?

### **Answer**

A Strategic Planning Manager was appointed in March 2010 at Grade 12. Since February 2009 the individual had been providing these services under a secondment agreement with Capita Symonds, a local project management company. Following an unsuccessful States internal recruitment process in December 2008 this company had been engaged to provide the services of an individual who had experience of Jersey Airport and the States procedures and systems to undertake the role on an interim basis. The recruitment had been made on an internal basis due to the level of specialist knowledge, skills and experience required.

This job provides project planning and support to Jersey Airport's Executive Management Team, in particular relation to the significant and continuing capital investment programme, operational and commercial master plans as well as the airport's contribution to CSR. These are major issues with significant financial impact, which Jersey Airport has recognised and believes that strengthening management support in this area is a critical component in ensuring and delivering value for money. Furthermore, the value of the position has been recognised in independent audits of the airport's governance processes supporting capital management and planning.

### **Question**

Would the Minister advise whether a Baggage Consultant from Airfield Quality Assurance Ltd on a 2 year contract of £65,000 per annum is employed to advise at the Airport, and, if so, could this work not have been done from within the existing workforce?

### **Answer**

An external resource has been appointed as there is no-one within the existing airport workforce that could provide the necessary level of experience required to support the proposed changes to the baggage system and changes to the ground handling arrangements, which seek to improve customer service. In addition, consistent with the airport's contribution to CSR and our own business plan, the resource is advising on additional revenue streams. This is a fixed term contract for one year and thereafter terminated by either party, not giving less than six months notice. The position has already delivered tangible savings on major investments as well as improvements to operational efficiency.

### **Question**

Will the Minister advise whether a 1(1)(j) category employee in the Air Traffic Control Department has been signed off work until November 2010, as a result of that employee not passing necessary tests, and, if so, would he confirm the length of the remainder of this person's contract?

**Answer**

There is not a 1(1)(j) category employee in Air Traffic Services signed off sick until November 2010.

**Question**

Will the Minister advise whether the Airport Personnel Officer is employed on a part time basis, and, if so, at what grade?"

**Answer**

Following maternity leave the Human Resources Manager has returned to work and is employed for 32.5 hours a week on a Grade 11.

**2.7 SENATOR A. BRECKON OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE OFFICE STRATEGY:**

**Question**

Following the answer given by his Assistant Minister on 20th April 2010 concerning the States Office Strategy, would the Minister provide Members with details of what progress, if any, has been made?

**Answer**

As the Assistant Minister stated in his response on 20th April 2010, the high-level plan for the development of core office accommodation is progressing and it is still the intention that it will be completed before the States summer recess.

The report will set out a summary of the background research which has been conducted, the conclusions reached on the condition and efficiency of the current office portfolio and the options considered for delivering a fit for purpose and sustainable office estate.

It will review the sites that have been considered as potential locations and provides a brief overview of each. The report will also discuss the organisational changes that are needed to successfully implement the Office Strategy.

The document will include commentary on the following issues:

- Structure and tenure of the States estate;
- Spatial usage and standards;
- Location and condition of the existing office portfolio;
- Comparative studies with other public and private sector organisations;



- Option analysis of the potential solutions;
- Assessment of the financial and non-financial benefits of restructuring the office estate.

A key objective of the report will be to secure sufficient funding to progress the Office Strategy within a Change Management Programme to establish a more accurate assessment of potential savings that can be achieved through property efficiencies and proposed changes in working practices.

## **2.8 SENATOR A. BRECKON OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING SALARIES FOR JERSEY POST AND JERSEY TELECOM SENIOR MANAGEMENT STAFF:**

### **Question**

Can the Minister provide details of salaries above £70,000 that have been paid to existing and former employees of Jersey Post and Jersey Telecom in the two years prior to (and each of the years following) incorporation up to 2009?

Can the Minister provide details of any bonus payments and incentive payments that have been paid to existing and former employees of Jersey Post and Jersey Telecom in the two years prior to and each of the years following incorporation up to 2009?

Can the Minister provide details of the cost any severance or redundancy packages that have been paid to existing and former employees of Jersey Post and Jersey Telecom in the two years prior to and each of the years following incorporation up to 2009?

Can the Minister provide details of salaries above £70,000 that have been paid to existing and former executive or non-executive directors of Jersey Post and Jersey Telecom in the two years prior to and each of the years following incorporation up to 2009?

### **Answer**

The States of Jersey is the sole shareholder in Jersey Post and Jersey Telecom and the Board's shareholder relationship is set up under a Memorandum of Understanding. The Minister for Treasury and Resources does not directly control employee remuneration.

Under the terms of the Memorandum of Understanding, in accordance with UK best practice, the annual Remuneration Report of the companies is voted on by the shareholder (i.e. the States of Jersey representatives) at the Annual General meeting. Any changes in remuneration for non-executive directors should be agreed in advance by the Minister for Treasury & Resources.

The Minister presents all the four Utility Company's Annual Accounts to the States. The accounts include disclosure of Directors' remuneration, which includes disclosure of Directors salary/fees and their bonuses.

On 21st June Utility Accounts for 2009 for Jersey Post International Limited; the Jersey New Waterworks Company Limited and Jersey Electricity Company were presented to the States. (R.C.78/2010, 79/2010 and 80/2010). The accounts for JT Group Limited will be presented shortly following their Annual General Meeting being held on 30th June 2010.

**2.9 DEPUTY T.M. PITMAN OF ST. HELIER OF THE MINISTER FOR HOME AFFAIRS REGARDING INFORMATION RELATING TO THE SUSPENSION OF THE CHIEF OFFICER OF THE STATES OF JERSEY POLICE:**

**Question**

Under questioning about the lengthy suspension process of the Chief Officer of the States of Jersey Police on the 22nd June 2010, the Minister asked for patience, advising Members that all would be revealed in July, will the Minister now give assurances that when referring to July he meant that information, including access to the so called 'Metropolitan Police Interim Report' and information as to whether the former Chief Minister and current States Chief Executive Officer received briefings on other States Members as a consequence of 'Operation Blast', will be provided to members before, or during the last States sitting prior to the summer recess; or will the Minister be seeking to delay the release of such information until the summer recess has begun, thus preventing the opportunity for Members to ask questions?

**Answer**

It is very likely that I will provide considerable information to Members of the Assembly prior to 19th July 2010 and will make statements to the Assembly on 19th or 20th July 2010, so that I can be questioned on this area and on other related matters prior to the summer recess. If that occurs, then Members will receive notification of a number of briefings on a number of occasions prior to 19th July 2010.

**2.10 DEPUTY T.M. PITMAN OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING ANTI-SOCIAL BEHAVIOUR AT THE ALBERT QUAY:**

**Question**

Will the Minister advise what action, if any, the Harbours Department has taken to address the long-standing anti-social behaviour problems suffered by residents at Albert Quay Apartments; specifically whether the promised speed bumps are yet in place; what, if any, impact the new speed cameras have had and, if no action has been taken when will these matters be progressed?

**Answer**

1. Two 'smiley' SID cameras were fitted on the Albert Quay the week commencing 24th May 2010. We download the information on a weekly basis and share the information with the States of Jersey Police community officer to agree and define trends so that the police can increase their presence on the Albert Quay at peak periods.
2. The speed indicators have highlighted specific problems. Speeding is an issue, whilst generally confined to a very small minority generally during the day with a few evening hot spots. These hot spots have been discussed with the police and they will be increasing their presence in the area at these times during this summer.
3. The speed cushions have recently been delivered and TTS carried out the work on Monday 5th July.

4. At the same time as the speed cushions are fitted, the speed limit for the Albert Pier will be reduced to 15 miles per hour.
5. We are currently working with States Procurement to develop expressions of interest with the tender document to enhance Jersey Harbours' security systems, further integrating Harbours and Police CCTV systems. Consideration with the Police is being given to licence plate and driver face recording cameras. The tender document will go live mid July for four weeks, with installations of the upgraded system planned for Q4 this year.
6. The residents have been updated regularly by e-mail on the progress with the last updated being on 21st June 2010.

On a final note I would like to point out that the main issue the residents have is anti social behaviour and the noise level from a small number of cars.

## **2.11 DEPUTY T.M. PITMAN OF ST. HELIER OF THE MINISTER FOR EDUCATION, SPORT AND CULTURE REGARDING LIFEGUARDS AT HAVRE DES PAS BATHING POOL:**

### **Question**

Is the Minister able to identify any alternative efficiency savings, other than cutting the three life guards at Havre des Pas swimming pool, which would have less front-line impact on services, and, if so, what might these be?

### **Answer**

Work is ongoing to identify a range of savings as part of the Comprehensive Spending Review process, of which a lifeguard service at Havre des Pas was part. It has never been my intention to compromise health and safety at Havre des Pas, and following concerns raised by Deputies Le Claire, Lewis and de Sousa, I will be making a statement on this subject under Item K on the Order Paper.

## **2.12 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE CHIEF MINISTER TABLED AN ANSWER TO A QUESTION ASKED BY REGARDING CONSULTATIONS ON POTENTIAL JOB LOSSES IN THE PUBLIC SECTOR:**

### **Question**

Will the Chief Minister state what formal consultation, if any, has taken place with representatives of States employees over the potential job losses contained in the proposals put forward by Ministers in the Comprehensive Spending Review and, if none, will he state when he expects consultation to start?

Will the Chief Minister indicate the timescale over which he envisages any redundancies will take place and the extent to which these will be covered by Voluntary Redundancy (VR) or Voluntary Early Retirement schemes already in place or will there be a need for compulsory redundancies?

Will he further detail for members any proposals he has for changes to the VR scheme to be applied from 2011, and state whether (and when) he expects to consult with employee representatives over any changes, or does he intend to impose it unilaterally as with the pay freeze?

What estimates, if any, does he have for the cost in redundancy or other payments of the 67.6 job losses already proposed?"

### **Answer**

There have been at least two meetings between senior officers of the Chief Minister's Department and senior staff representatives of all trade unions and staff associations recognised in the public sector to consider the economic and financial circumstances which lie behind the Comprehensive Spending Review and how the consequences of that review will be managed. Further, senior officers have met with the Regional Industrial Organiser of Unite – the largest union in the public sector- and some of his convenors to discuss proposed job losses in more detail. In addition, it has been proposed to Unite that they, and other union representatives, join Management in working through the proposals in yet more detail. This last proposal has yet to be accepted by the staff representatives

The timescales for the job losses which are forecast in terms of the 2% budget saving will be the remainder of 2010 and through into 2011. Job losses connected with the later stages of the Comprehensive Spending Review can be expected to occur from 2011 to 2013. We will be aiming in the first instance to achieve the necessary job losses through natural turnover, redeployment, retraining, voluntary redundancy or voluntary early retirement. Compulsory redundancy will occur only as a last resort if all these other processes have failed

The States Employment Board has not yet considered changes to the voluntary redundancy policy, although it is expected to do so shortly. Voluntary redundancies agreed before 31<sup>st</sup> December 2010 will be paid in accordance with the current terms. I have recently undertaken to the Deputy in an answer to a written States question, that there will indeed be consultation with employee representatives on any changes proposed and expect that the consultation will commence in September.

It is not possible for me to provide an estimate of the cost of redundancies at this stage. This will depend on how successful we are in managing the proposed job losses through natural turnover, redeployment and retraining, and age and length of service of those who volunteer for redundancy and early retirement.

## **2.13 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE CONSULTATION ON PERSONAL TAXATION:**

### **Question**

Will the Minister inform members why, in the Fiscal Strategy Review consultation documents on personal and business taxation, he has proposed a figure of £30 million for additional personal tax but has set no such figure for any additional contribution from the business sector to fund essential public services?

Can he further explain why over the period 2004 to 2008 Income Tax receipts from salary and wage earners have increased by 66% (from £136m to £225m) whilst Company tax has only risen by 23% over the same period (from £189m to £233m)?

Will the Minister also give members his estimates of what the overall tax take (including GST, the 0/10 regime and Income Tax) between these two revenue generating sectors will be for the current tax year?

### **Answer**

The Fiscal Strategy Review looks at four different tax options that could be combined to raise the £50-60m that the States is likely to need to maintain recent investments in health care, education and children's services, strengthen financial planning and close the expected deficit in States finances from 2012.

The Minister issued a Business Tax Consultation at the same time as the Personal Tax Consultation and at that time it was made clear that this review will aim to maximise the revenue from businesses but should not jeopardise competitiveness. The Minister is looking at whether it is possible to increase revenues from those companies with Jersey based business activities which effectively ceased to pay corporate tax in Jersey when 0/10 was introduced.

Tax receipts between 2004 and 2008 as both revenue streams are affected by a wide range of factors. For example, the period was one of strong economic growth in the Island which meant that between 2004 and 2008 average earnings increased by 20% and employment increased by 7%. In addition, over this period additional personal tax revenue was generated by the introduction of ITIS and 20 means 20.

The latest estimates are published on page 40 of the Budget 2010 report in Summary Table A.

## **2.14 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR ECONOMIC DEVELOPMENT REGARDING THE IMPACT OF COMPETITION IN THE POSTAL MARKET:**

### **Question**

Following the Minister's undertaking last month to initiate a wide-ranging public consultation over the potential impact of the introduction of further competition into the postal market on the finances of Jersey Post and the maintenance of the USO; would the Minister update members on progress and state when we can expect the public and other stakeholders to be consulted?

Does the Minister accept that proper regulation and not competition may be the way forward in the delivery of efficient postal services for all postal users?

### **Answer**

I released a consultation paper on the Universal Service Obligation for Postal Services in Jersey on Tuesday 29th June and it will run for eight weeks. The outcome of that consultation will help to frame policy in this area, but it is safe to say that efficiencies need to be made and the USO reconsidered. To that end the issue of more competition versus better regulation is not relevant.

## 2.15 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING PERSONAL TAXATION:

### Question

Does the Minister consider the description of GST as “mildly regressive” as a fair and balanced statement to use in the consultation on personal taxation, when the Minister’s figures show that it has more than twice the impact on the income of the lowest earners than it does on the highest?

Will he also explain to members why in the consultation on personal tax, almost half of the questions concern business, but he describes the Business tax review as a “technical exercise” aimed solely at business and taxation experts? Why has he not consulted the public on what they believe to be the correct balance to be struck between Business and Personal taxation?

Will the Minister state why he has chosen to consult on a cap of Social Security contributions at £115,000? Is it simply to be competitive with Guernsey’s £117,468? What would the effect be of removing the ceiling altogether?

### Answer

#### GST

The description of GST as “mildly regressive” is very fair and balanced. The figures actually show that for the bottom income quintile in Jersey GST amounts to 2.9% of their expenditure while for the top quintile it amounts to 2.4% of expenditure. This difference can most accurately be described as a mildly regressive impact.

The analysis by the highly regarded and independent Institute for Fiscal Studies (IFS) in the UK of the distributional impact of VAT shows that the Minister’s assessment is fair and balanced. In their Green Budget of January 2009 under the section titled “Myth 2: VAT is a regressive form of taxation” they point out that the percentage of income paid as VAT “varies relatively little across most of the income distribution, with the biggest exception being that the bottom decile group does pay a higher fraction of its net income on VAT than do other income groups”. They go on to explain:

*“However, looking at a snapshot of the patterns of spending, VAT paid and income in the population at any given moment is misleading, because incomes are volatile and spending can be smoothed through borrowing and saving. Consider a student or a retiree: their current income is likely to be quite low but their lifetime earnings could be relatively high. The student may borrow to fund spending, whilst the retiree may be running down savings. ....Because their spending is higher than their current income, these people will be paying a high fraction of their current income in VAT. Similarly, those with high current incomes tend to have high saving, and so appear to escape the tax, but they will face it when they come to spend the accumulated savings. Because of this ‘consumption smoothing’, expenditure is probably a better measure of living standards (and households’ perceptions of the level of spending they can sustain).”*

The IFS go on to conclude that “it is sensible to express gains and losses from VAT as a proportion of expenditure, and doing this the current VAT system is seen to be mildly progressive”.

#### Tax consultations

The personal tax review contains questions on the impact on business because some of the options can, at least in the short-term, impact on business either directly through increasing employment

costs or indirectly through their ability to attract and retain highly skilled staff. Both consultations are full public consultations and we welcome responses from all interested parties. The business tax consultation paper relates solely to corporate income tax and there are issues in addition to the fiscal deficit which are driving that review. It is more technical because we are looking at different ways of taxing business on their profits and maintaining tax neutrality which is an important feature of our business tax regime. The potential solutions are therefore by their nature technical.

The Business Tax Review makes it clear that we have to try and maximise the revenue from corporate tax but also retain our competitiveness. It would be misleading to imply that we can simply choose what the balance of corporate and personal tax should be.

The business tax consultation specifically asks for any other comments and ideas for changes to the business tax and so there is full opportunity for all interested parties to comment.

### Social security ceilings

The option in the personal tax review that looks at raising the social security ceiling to £115,000 has been chosen because it would raise £30 million extra in social security contributions and would not put us out of line with the position in Guernsey. Completely removing the ceiling would raise about £45 million in social security contributions but would also further increase the cost of employing highly skilled people who earn above £115,000. Raising the ceiling would potentially make it less attractive for highly skilled, high earning people to work in Jersey and increase the cost of employing them, putting jobs and tax revenue at risk.

## **2.16 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING THE COMPREHENSIVE SPENDING REVIEW PROPOSALS:**

### **Question**

Will the Minister inform members of the decision-making process relating to her Comprehensive Spending Review proposals, to include the timeline of meetings at which these decisions were made and who was making these decisions?

Where services are to be reduced, will the Minister produce any risk or cost/benefit analysis carried out on the change?

Will the Minister state which, if any, services are to be outsourced along with the estimated costs of such moves?

Where there are to be job losses, will the Minister give details of the terms and conditions being offered to staff under any Voluntary Redundancy or Voluntary Early Retirement scheme which is in place, and state what timescale is envisioned for any such processes given that these proposals will not receive sanction from the States until September 2010?

Will the Minister also give details of what consultation, if any, with employee representatives has taken place or will take place?

### **Answer**

In early March 2010, each directorate, within the Health & Social Services (H&SS) Department, was tasked with identifying initial savings of 2, 3, and 5% for the next three years as part of the

States-wide Comprehensive Spending Review (CSR). These proposals were submitted to the H&SS Senior Management Team in mid March 2010. The Corporate Directors subsequently identified the most suitable schemes to take forward for 2011. These were judged to have the lowest impact upon front line services and were also the most likely to release cash within the shortest time frame. Following discussions with their clinical teams, Directorate Managers submitted more detail of the proposed schemes. These proposals identified potential impacts upon the level of service, the risks associated with the scheme and the financial savings likely to be realised over the timeframe. These proposals, identifying initial views on the risk and cost/benefit analysis were completed in a short timeframe and are currently being further revised as the proposals are considered in greater detail. This information is available from the Department upon request.

On the 9th April 2010, the Minister and Assistant Ministers were briefed in relation to the proposals and rejected schemes that they considered unsuitable. On the 12th April 2010, those schemes that had been approved in principle by the Minister were submitted to the Treasury Department. On the 26th April, the Ministerial team considered the proposals in more detail and they were then peer-reviewed by a Minister of another Department on the 28th April 2010. These proposals were considered by the Council of Ministers at workshops on 6th and 19th May 2010. Following the decision of the Council of Ministers to agree the Departmental CSR schemes for 2% savings in 2011, the Directorate Managers were updated with regard to these decisions on the 25th May 2010.

The proposals for cost savings under consideration for 2011 are predominantly related to reductions or redesign of existing services. There are two schemes that involve potential outsourcing. Firstly, the closure of the sewing room which, amongst other things, makes theatre greens, alters uniforms for staff and marks up H&SS linen. The proposal is that theatres will purchase disposable garments whilst uniforms and pre marked linen will be purchased direct from suppliers. This proposal results in the reduction of five posts and potential recurrent savings of an estimated £100, 000 per year. Secondly, the proposal to close the hydrotherapy pool at the General Hospital may include outsourcing this facility to other hydrotherapy pools in the Island. These proposals are under development at this time.

In total, the 2011 schemes result in an estimated recurrent annual saving of £3.7 million and a reduction of thirty two posts across the H&SS Department. In all cases, options to redeploy staff will be the Minister's first consideration for those affected by these proposals. Where appropriate, a staff member may be considered for Voluntary Redundancy or Voluntary Early Retirement. This will be considered for implementation at the beginning of 2011 and in accordance with the existing States-wide scheme at that time. In all such cases, employee representatives have been involved to date. Employee representatives have received four detailed briefings since March 2010, in relation to the 2011 proposals and ongoing dialogue with staff and their representatives is planned as part of the CSR process. Front line staff have submitted sixty proposals to save money in the Department via the interactive H&SS CSR website. These suggestions are being investigated for inclusion in the saving plans for 2011-2013.

## **2.17 DEPUTY M. TADIER OF ST. BRELADE OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING RESPITE FACILITIES AND THE FOUR SEASONS HEALTH CARE GROUP:**

### **Question**



Would the Minister confirm that the respite facilities currently being promoted in conjunction with the Four Seasons Health Care Group in Jersey have been fully inspected and approved by her department and that adequate, qualified and competent staff are being employed?

Can the Minister advise how many States funded bed spaces are currently provided by the Four Seasons Health Care Group in Jersey and what is the public cost?

Can the Minister state whether there are plans to introduce a Regulation of Care Law in Jersey and if so, when?

Can the Minister confirm that all staff in private care homes, including the Four Seasons Group, have been properly vetted and Police checked?

Following the Four Seasons Group's recent financial problems, can the Minister confirm that she is satisfied that all their Care Homes in Jersey are properly managed and that residents enjoy a safe, secure and proper standard of care?"

### **Answer**

A thorough process of procurement was followed in support of the recent selection of respite facilities. This included robust evaluation and a range of checks and references including rigorous financial checks. This facility has been providing good quality care to adults with complex needs, placed by HSS, for some time and is supported by qualified and competent staff.

I can confirm that older person's services currently have 30 contracted beds at Silver Springs and a 'spot purchased' bed at La Haule. For reasons of commercial sensitivity I cannot disclose the cost of these beds.

The Minister for Health and Social Services has a joint role in being both the commissioner and regulator of care home services. This potential conflict of interest will be addressed in new legislation, the Regulation of Care (Jersey) Law 201- which is being developed by the Department with full support of the Ministerial team.

This legislation will include the independent regulation of all public and independent sector care homes, acute hospital services including minor surgery in general practice, social services and domiciliary care. This is a complex piece of legislation and, at a conservative estimate, will take about three years to take through the drafting stage. It is my intention to bring a proposition at a later date to the States setting out the 'in principle' policy of how this Law will operate.

There is no provision within the current Nursing and Residential Homes Law to require or enable the police vetting of staff. However, in the particular case of respite care, I can confirm that appropriate vetting and barring procedures are in place. Each of the providers contracted to supply the new adult respite services currently undertake full police checks for all employees, and are equally committed, as a part of the contract, to ensuring that staff receive adequate training and support.

The issue of vetting and barring has been raised before and I believe that the vetting department at the States of Jersey Police are unable to carry out criminal record checks due to the current Rehabilitation of Offenders (exceptions) Regulations. This is a matter that will be addressed in the aforementioned Regulation of Care Law. We do however, have specific standards on the recruitment and employment of staff in the sector to ensure the provision of suitably qualified and competent staff.

In December 2009 the parent company made a statement with regard to its financial position which is a matter of public record. Through the statutory inspection processes that apply to all care homes and involves routine inspection twice a year, I remain satisfied that all care homes operated by Four Seasons Health Care are appropriately managed to a proper standard.

**2.18 DEPUTY M. TADIER OF ST. BRELADE OF THE CHAIRMAN OF THE COMITÉ DES CONNÉTABLES REGARDING THE ISSUE OF WARRANT CARDS:**

**Question**

Following on from his statement on 17th November 2009 regarding the number of Connétables holding warrant cards, would the Chairman advise whether any other States Members, other than Connétables, have warrant cards; and whether he considers such policing powers by politicians are compliant with Jersey's international human rights obligations, and specifically the UN covenant on civil and political rights?

**Answer**

In my statement on 17th November 2009, I replied to a question from Deputy J.A. Martin of St. Helier asking which Connétables still held warrant cards and if any had served time in the Honorary Police in another capacity. I advised that six Connétables held a 'warrant card'; that the cards were issued to these Connétables as a proof of identity should it be required and of these Connétables only two had served in the Honorary Police in another capacity. In view of the fact that only serving members of the Honorary Police would hold a 'warrant card' no other States Member would be entitled to do so.

In relation to whether the holding of policing powers by politicians is compliant with Jersey's international human rights obligations, Deputy Tadier has tabled an oral question to HM Attorney General and I concur that he is the correct person to address this issue.

**2.19 DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR OF THE MINISTER FOR EDUCATION, SPORT AND CULTURE REGARDING ANNUAL GRANTS TO PRIVATE SCHOOLS:**

**Question**

What annual grants, if any, have been made to schools in the private sector in each of the last 3 years? Would the Minister specify by school and advise what the purpose is of these grants?

**Answer**

The following grants have been provided to private schools over the past three years.

<b>School</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Beaulieu	1,639,496.00	1,828,833.00	1,773,649.00
De La Salle	1,784,841.00	1,859,951.00	1,936,262.00

Convent FCJ	439,436.00	463,267.00	472,493.00
St George's	171,551.00	189,447.00	192,320.00
St Michael's	382,256.00	402,896.00	388,962.00

It has been the Department's policy for many years to provide financial assistance to private schools to support the delivery of the curriculum to pupils attending those schools.

Funding has been provided on the basis of pupil numbers. Generally, secondary schools are allocated the equivalent of 50 percent of the cost of educating a pupil in a States school and primary schools are allocated 25 percent of the cost.

Providing financial assistance to these schools was considered to be cost effective as it enabled them to keep their fees at an accessible level thereby reducing the demand for places in the States provided sector.

This policy is currently under review.

**2.20 DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING THE COST OF PROCESSING A PLANNING APPLICATION:**

**Question**

What is the cost of processing an application such as P2010/0900(Extension to serving hatch)?

Why are such applications subject to the full force of the Planning process?

**Answer**

This application relates to the former public toilets in Broad Street, which were converted into a café some years ago.

The building is currently designated as a Building of Local Interest on the Minister's Register of Buildings and Sites of Architectural, Archaeological and Historical Importance.

The current application is to remove the entire northern wall in which the existing serving hatch is located, and replace it with opening bi-fold doors.

The cost of handling an application of this type will be approximately £125, comprising administration (registration and issuing decision), consideration by a planning officer, and in this case by an historic buildings officer, and advertising in the Jersey Evening Post.

As Members may know, the Minister is undertaking a substantial review of the Planning and Building (General Development) (Jersey) Order 2008, which will significantly increase the types of development for which planning permission will not be required. This type of proposal, on non-Registered Buildings, will almost certainly be added to the list of permitted development, and therefore will no longer require planning permission.

However, permitted development rights are unlikely to be extended to Sites of Special Interest, Buildings of Local Interest and Archaeological Sites where even minor alterations can damage the particular interest for which the site is registered.

**2.21 DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR OF THE MINISTER FOR HOME AFFAIRS REGARDING RATES OF CONVICTIONS FOR RAPE OFFENCES:**

**Question**

With reference to his answer to my written question on 22nd June 2010, would the Minister advise whether he is satisfied with the recent rates of convictions for rape offences and, if not, what steps, if any, does he intend to take to increase that rate?

**Answer**

Rape is a particularly nasty and repugnant offence and in an ideal world I would like to see all those who have committed rape convicted.

The main responsibilities of the States of Jersey Police are to investigate the allegation and to produce a report and supporting evidence for the consideration of the Law Officers' Department who will then decide whether a prosecution should commence and will conduct any prosecution.

As rape is a common law offence in Jersey any trial will be before a jury who will determine guilt or innocence.

It follows from the above that successful prosecutions are dependant upon a number of factors. However, I am very pleased with the progress which has been made in recent years in relation to the staffing and efficiency of the Public Protection Unit which works in this area. Their excellent work will have significantly contributed to the conviction rate for rape cases in Jersey (approximately 22.45% over the last 5 years) which is relatively high when compared with the UK and I am confident that the States of Jersey Police deal with all allegations of rape in an appropriate and professional manner.

**2.22 DEPUTY R.G. LE HÉRISSIER OF ST. SAVIOUR OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES REGARDING HOSPITAL CONSULTANTS AND PRIVATE PRACTICE:**

**Question**

Under what circumstances, if any, do medical consultants pursue private practice in publicly funded time? Assuming this occurs, what proportion of time is devoted to such practice and is the Minister satisfied that the situation is effectively managed on behalf of the public sector?

**Answer**

The arrangements for the management of public and private medicine in the hospital are governed by a Code of Practice which clearly specifies how, and under what circumstances, private practice activities can be undertaken. This code was negotiated with the British Medical Association and is based upon arrangements which exist in the National Health Service in England.

My department employs a range of consultants, some of whom work full time and some of whom work part time. Full time consultants are required to fulfil a minimum schedule of activities in accordance with their Job Plans. These activities are measured in units of four hours duration and are termed 'programmed activities' and are contractually underpinned within the consultants'

contract. The standard working week for a full time consultant is 40 hours – and therefore it can be seen that 10 programmed activities comprise this weekly working period.

Consultants are also required to participate in on-call arrangements and may be required to attend the hospital to minister to a very sick or injured patient. This period of on-call covers evenings, night time, weekends and Bank Holidays. Within the terms of service outlined in their contracts allowance is made, in respect of these on call commitments, for consultants to take some time off to undertake private work, including limited sessions for consultations in their private rooms.

A consultant is entitled to time off in lieu that is determined by the frequency and intensity of their on-call rotas. In this context, consultants can undertake private practice within the working week - as it is accepted that they often work beyond their 10 programmed activities – and the proportion of their time allocated in this way may therefore vary depending upon the frequency and intensity of their on-call duties.

I believe that the co-existence of public and private patient care can work well and continues to be a factor in attracting high calibre clinicians to live and work in a small community like Jersey. Unlike the mainland the General Hospital has the only facilities suitable for surgical private practice and the service is reimbursed by charges made for the use of these facilities. My department has just completed a detailed review of the accommodation charges made for the private use of hospital facilities and a similar review is now underway in regard to the procedure charges made to ensure that this situation is effectively managed in the interests of the public service.

## **2.23 THE DEPUTY OF ST. JOHN OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING ROAD WORKS:**

### **Question 1a**

Could members be told when Queen's Road was last resurfaced, the cost and which asphalt contractor undertook the work and what guarantee, if any, exists on workmanship and materials?

### **Answer**

Queen's Road and sections of La Grande Route de St Jean were resurfaced from mid-2006 to early 2007 by Brenwal Ltd and A. Le Sech (Asphalt) Ltd. The extent of the schemes was from the Rouge Bouillon roundabout to La Rue des Maupertuis. The Contract Cost was £510,000 and carried out under the New Engineering Contract (NEC3) Engineering and Construction Short Contract that allows a one year period for the notification of defects, i.e. any defects that appeared within one year from the completion of Contract, if the responsibility of the Contractor, would have to be repaired at their cost.

### **Question 1b**

Given standing water on foot paths at times of heavy rain, can Members be told the cost of the resurfacing of Victoria Avenue, including resurfacing footpaths and which asphalt company is undertaking the work; what redress, if any, exists on any claim for poor workmanship and will the Minister be calling on external surveyors to inspect the works, if so will this be done before final payments are made to contractors?

### **Answer**

The costs associated with Phase 2 and Phase 3 of Victoria Avenue are as follows:

<b>Item</b>	<b>Amount</b>
Original Contracts	£4.14m
Resurfacing elements	£1.30m
Footpaths	£0.24m

The Main Contractor for the project is Trant (Jersey) Ltd; the asphalt surfacing work was subcontracted to Pallot Tarmac Ltd.

The works are being carried out under the New Engineering Contract (NEC3) Engineering and Construction Contract Option B. The ponding on the footpaths during times of heavy rain constitutes a defect under this Contract and consequently the procedures laid down by the Contract have been followed to notify the Contractor. He and consequently his asphalt subcontractor have to correct the defect at their cost. This remedial work will be undertaken by 16 July 2010.

### **Question 1c**

As major Civil engineering works have been undertaken on Victoria Avenue under the fiscal stimulus, does the Minister not consider it would have been more productive to resurface many of the hundreds of miles of States roads across the Island which are in very poor condition and will he now put a proper programme in place to resurface all Island roads?"

### **Answer**

The Highways Maintenance Section carries out three yearly condition surveys of the island roads. This information feeds into the Jersey Pavement Management System (JPMS) that identifies the roads in worst condition and consequently, in most need of repair. Victoria Avenue has long been on the top of this list and so when the fiscal stimulus bids were announced, a successful application was made for this project. The use of these funds to resurface a road that was in a very poor condition and used by more than 30,000 vehicles a day must be considered to be a positive outcome for the island.

Whilst Victoria Avenue was ranked at the top of the list, JPMS identified a further 11km of highway as a high priority for maintenance. The Highways Maintenance department will continue to work through this list of projects, dependent on available budget and the infrastructure maintenance works of the utility companies.

## **2.24 THE DEPUTY OF ST. MARY OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING THE APPOINTMENT OF A LANDSCAPE ARCHITECT TO DESIGN AND DELIVER THE TOWN PARK:**

### **Question**

Following the Minister's confirmation on 22nd June 2010 that his Department in consultation with Planning and Environment, have appointed a landscape architect to design and deliver the Town Park, can he tell the Assembly when the project was put to tender, how it was advertised, and provide full details of the tendering and selection process?

Can he further tell members what consultation, if any, took place before and/or during the tender process?

**Answer**

Successful delivery of the Town Park project needs the design skills of remediation experts, and engineers, as well as landscape architects in one team, so a multidisciplinary consultant able to advise on both the remediation and park design was needed. A select list of five recommended consultants with remediation expertise, engineering ability and landscape design skills, were invited in 2008 to provide technical and fee proposals. Their written submissions, presentations and interview performance were assessed within a structured skills/cost scoring system to select the best team. Following written submissions, and interviews on 12th May 2008, the Parsons Brinkerhoff team were appointed. The team includes Burns and Nice as Park landscape architects who have extensive park and urban real experience. Local cost consultants Colin Smith Partnership are also part of the team and Carlo Riva has been selected to provide local architectural advice.

Landscape architects, EDAW prepared the park brief for Planning in January 2007, prior to TTS being assigned the project delivery and this was part of the consultancy services invitation package.

Community consultation on the proposed landscaped park has not been carried out to date as the North of Town Masterplan outcome has been pending. Consultation to understand the aspirations of the local community for facilities within the space available is envisioned. This would allow a park facilities brief to be finalised and the preparation of a park layout masterplan. The masterplan would then be published for consultation, in advance of preparing a detailed planning application to allow the construction of the park to start.

TTS has been allocated responsibility to deliver the park, but this must be to design that is endorsed by the community, Planning and Environment, and the Parish of St Helier. Utilising the team that has been established and involved in evaluating the site and tendering a remediation and park contract package, will enable the park to be delivered in 2011. Any change in approach would delay delivery.

**2.25 THE DEPUTY OF ST. MARY OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING A REPORT ON PEAK OIL AND CLIMATE CHANGE:**

**Question**

Given that following the Strategic Plan debate in 2009, the Council of Ministers undertook to report on peak oil and climate change once a year, will Minister advise when the first such report will be published and advise whether it will include the latest research/findings/consensus on peak oil and its likely social and economic effects and will it give references to the documents and reports it cites?

**Answer**

The Deputy of St Mary lodged a successful amendment (P.52/2009) to Priority 1 of the States Strategic Plan 2009 – 2014 which asked the Council of Ministers to *'evaluate on an ongoing basis Peak Oil and Climate Change and report to the States once a year on their impacts on policy for Jersey.'* The first of these annual reports was due in June 2010.

Elsewhere in the Strategic plan there is a commitment to provide an annual Report to the States by the Director of the Environment (Priority 13). It has always been my intention to bring these two commitments together as the issues for peak oil and climate change will be included in what I intend to be a state of the environment report. However there has been some delay in providing this report for two related reasons.

Firstly there have been resource issues, not least of which was the vacant Director of Environment post which has only recently been filled with the duties commencing on 1 July. The second reason for delay has been the delays in progressing the Energy White Paper which is at the heart of the State's intentions on addressing energy and climate change concerns. The Energy White Paper will provide a vehicle for setting carbon reduction targets and providing a policy framework and timescales within which to deliver the reductions. Part of this delay is a result of the vacant Director of Environment post but also the ongoing discussions with the energy providers on the Island over the issue of Carbon Intensity calculations. The targets for carbon reductions are expected to be in line with European Union targets of an 80% reduction on 1990 baseline levels by 2050. The draft White Paper is now expected to be out for consultation in Q3 2010.

Whilst I acknowledge my commitment to the States regarding the annual report I feel that at the moment it is best to concentrate resources in producing the framework and solutions required to address the issues of peak oil and climate change. I do however intend to report later this year on the tangible progress that I anticipate will be made.

When the report is produced it will be fit for purpose and include only information that can be supported by appropriate evidence. Through the Kyoto Protocol Jersey is expected to introduce, where possible, and having taken into account local circumstances, policies in line with the objectives of the UK Climate Change Programme. As such the guiding information from the UK Climate Change Programme will be that which informs any report. The report will not be an academic study of the issues as it is not the position of my Department to undertake such studies but it is my responsibility to ensure all the latest relevant and applicable information feeds any of our actions.

In the meantime progress is being made in relation to the extremely successful ECO-ACTIVE Energy Efficiency Service which provides grants to improve the energy efficiency of low-income and vulnerable islanders and work led by my esteemed colleague the Connetable of Grouville's Tidal Power Commission. I believe these potential long term projects will make a major contribution to a low-carbon future and be a major plank of the Climate Change Adaptation Strategy that will begin to be developed later this year.

## **2.26 THE DEPUTY OF ST. MARY OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING THE DISCHARGE PERMIT FOR THE WATER OUTFLOW FROM THE JERSEY ELECTRICITY COMPANY'S POWER STATION:**

### **Question**

Will the Minister confirm the exact date of the discharge permit for the water outflow from the JEC power station, and any renewals and alterations to the permit?

Will the Minister give exact details of this permit:

- What substances were permitted to be used and discharged?



- In what quantities?
- What the maximum permissible levels of each chemical in the discharge were?
- How any possible damage to the marine environment was assessed when the permit was granted, and whether that assessment has been revised in the light of more recent knowledge?
- Whether the marine environment was treated as one entity or whether the effects of the chemicals on ecosystem components were assessed?
- What monitoring methods are used?
- Who monitors the discharge, at what intervals, and is this monitoring independently verified?

### **Answer**

According to Article 21 of the Water Pollution (Jersey) Law 2000 (The Law) any person other than the Minister who wishes to make an introduction into controlled waters that would otherwise be in contravention of Article 17 (1), shall first apply to the Minister for a discharge permit.

The JEC Power Station discharged treated cooling water prior to the implementation of the Law. Jersey Electric therefore applied for and were granted permission to discharge under a deemed permit. The deemed permit was issued on 14th December 2000 in accordance with the transitional arrangements of the Law.

The deemed permit was determined and became a fully conditioned discharge permit on 18th May 2010. Prior to the determination, considerable work was undertaken to quantify the exact constituents of the discharge and where possible to remove them from the discharge. Only after this process, could an effective (and enforceable) discharge permit be drafted which accurately identified and conditioned each constituent of the discharge/activity.

The permit specifies that the discharge shall consist of solely:

- a. sea water that has been used for cooling purposes and may have been treated with necessary biocides to prevent fouling.
- b. sea water that has been used for cooling auxiliary oil or lubrication systems.
- c. surface water run-off that is likely to be contaminated with oil.
- d. surface water run-off that is not likely to be contaminated with oil.

The discharge permit specifies that the discharge:

- i. shall not exceed 6,820 litres per second.
- ii. be no more than 19<sup>0</sup>C higher than the temperature of the sea water at the point of intake
- iii. contain no more than 0.05 milligrammes per litre of total amines and 0.05 milligrammes per litre of residual halogens.

The discharge permit allows for the regulator, Environmental Protection, to specify strict conditions for monitoring and reporting protocols of the discharge. These include the keeping and inspection of such sampling records and the reporting of maintenance or planned work to the power plant.

The discharge permit for the JEC follows latest UK best practise by requiring self-monitoring by the operator (JEC), with the regulator carrying out audit sampling and inspection of records by the regulator to ensure that the self-monitoring is robust and that the discharge complies with the relevant conditions as laid down within the permit.

According to the permit the JEC must maintain a record of the composition and quantity of chemicals used to treat the discharge. The Permit states that any proposed changes to the chemicals used in the discharge (for example the type of biocide used) must be notified in advance to the Regulator (Environmental Protection). As such, any change in the nature of the discharge may require a variation to the permit and be subject to full consultation.

To answer the Deputies question relating to possible marine damage, officers from Environmental Protection with support from UK consultant carefully considered several points when granting the permit, these include:

1. The conditions detailed within Discharge Permits need to take into account the maximum flow volumes, temperatures and chemicals. For example, the specification of 19°C temperature uplift and the flow rates given would probably only occur during a total failure of all interconnectors with France and the Power Station had to run at full generation output. Under normal operation conditions the flow rate and temperature uplift would be far lower, especially during periods of non-generation.
2. Since the date of issue of the deemed permit, the output and operation of the power station has markedly reduced following the installation of interconnectors with the French network. The average flow rate of cooling water and the temperature uplift, required by the plant, which is mainly operating below capacity has therefore much reduced.
3. Biocides are designed to be toxic. Biocide is needed to kill marine growth that would otherwise attach itself to internal pipework and ultimately cause disruption of the Island's power supply. Biocides work by coating surfaces of pipes etc over which it flows. The dosing rate at the intake is kept to the absolute minimum and is governed by the fact that when the discharge leaves the end of the cooling pipe, the biocide has effectively been 'coated out'. This is evidenced by the fact that marine life still exists close to the discharge point. The discharge permit has conditioned the final concentration to be just above the detection point (it can therefore be measured and any exceedences actioned against).
4. The biocide is added to the inflowing cooling water at a rate of approximately 0.57 litres every 12 hours. In this time period up to 147,300 cubic meters of sea water (representing the maximum flow rate) will have pumped into the power plant. During non- generation this pumped rate will be reduced to approximately 6,000 cubic meters (over the 12-hour period). The large tidal flow adjacent to the pipe will further dilute this small concentration. It can be seen that the dilution factor of the biocide is large.
5. The discharge permit is designed to safeguard against pollution of controlled waters (in this case being coastal water around Jersey). It would do this irrespective of the presence of the Ramsar site.
6. A walkover survey of the discharge area showed the ecology of rock pools at the end of the discharge pipe having no visible difference to that found in rock pools in adjacent areas.

There is therefore no visible impact to intertidal marine life immediately adjacent to the discharge pipe. Indeed, young sea urchins that would be susceptible to biocides were seen actively feeding directly outside the outfall grating.

7. The foreshore communities have evolved to withstand large and sudden fluctuations (such as temperature) demanded by their habitats. For example, when the cold incoming tide covers warmed rock pools.
8. The permit contains numerous and specific conditions which Jersey Electric must comply or face enforcement action under the Water Pollution (Jersey) Law 2000. These conditions allow for effective monitoring of the discharge thus ensuring that no detrimental impact to the adjacent marine area occurs.

## **2.27 THE DEPUTY OF ST. MARY OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING STATES INVESTMENT FUNDS AND BP:**

### **Question**

What is the nature and scale of exposure to BP of each of the States investment funds and what was this exposure two months ago, and what loss, if any has been sustained this year, fund by fund?

### **Answer**

The Strategic Reserve Fund was the only Fund to hold investments in BP. Please note that the States of Jersey do not pick individual stocks, instead the holding in BP is as a result of a discretionary mandate held with Investment Manager.

As at 30th April BP represented 1.3% of the total Market Value of the Strategic Reserve Fund and as at 30th June this had reduced to 0.9% of the total value of the Strategic Reserve Fund. Since the peak in the stock market to the trough, over the last two months, the market value of the BP holding has declined by £2.2m.

Actual performance is regularly monitored against target by the Investments Sub-Committee. Investment managers are subject to challenge by the Investments Sub-Committee; who require explanations of any shortfalls against target together with Investment managers' plans to return to target.

Pension Funds are excluded as the Minister for Treasury and Resources approves the Strategy for these Funds however the assessment of Fund's Performance for Public Employees Contributory Retirement Scheme and Jersey Teachers' Superannuation Fund is the responsibility of their individual Investment Sub-Committees, set up by the Pension funds Management Committee/Board.

The Minister believes it would be unwise to review the performance of a single stock in isolation.

## **2.28 THE DEPUTY OF ST. MARY OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE COMPREHENSIVE SPENDING REVIEW PROPOSALS:**

### **Question**

In the light of the Minister's statement on 20th April 2010 that "2% is not a large figure" can he advise members what percentage of the Comprehensive Spending Review 2% proposals equate to cuts, what percentage are savings and what percentage are 'user pays'?

**Answer**

Of the CSR proposals being put forward for the 2011 Business Plan totalling £12.1 million, Education Sport and Culture has yet to identify £1.3 million pending the outcome of their reviews. Of the remaining £10.8 million, 64% (£6.9 million) are efficiency savings whilst 36% are service reductions. User pays charges of £430,000, which are not permissible as part of the 2% savings have been separately proposed.

**2.29 SENATOR F. DuH. LE GRESLEY, M.B.E. OF THE MINISTER FOR HOME AFFAIRS REGARDING THE COST OF THE SUSPENSION OF THE CHIEF OFFICER OF THE STATES OF JERSEY POLICE:**

**Question**

Given that in his reply to a written question on 22nd June 2010, the Minister advised that the cost of salaries and subsistence, totalling £234,854 up to 20th July 2010, to cover the absence of the suspended Chief Officer of the States of Jersey Police "is not being funded from the core Police budget, but is included in the Historical Abuse Enquiry additional costs", will the Minister inform members who made this decision and whether the Minister for Treasury and Resources was consulted?

Can the Minister explain why he considers that this ongoing expenditure can be attributed to being a cost of the Historical Abuse Enquiry?

**Answer**

The written question from the Deputy of St Martin asked a number of questions about the costs of the suspension of the Chief Officer of the States of Jersey Police and from whose budget these costs are being funded.

It would appear that my answer was not totally correct and I apologise for this. The correct answer is set out below.

The costs of the Wiltshire Constabulary Investigations in 2009 were charged to the Home Affairs Department and were funded by way of a budget transfer from other Departments' underspends (the Economic Development and Social Security Departments) to help address overspends within the Home Affairs Department as a result of these investigations and Court and Case Costs. (Ministerial Decisions: MD-HA-2009-0108, MD-S-2009-0070, MD-E-2009-0215, MD-TR-2009-0201, MD-TR-2009-0197).

The costs of the continuing Wiltshire Constabulary Investigation into Operation Blast in 2010 forms part of paragraph (a) of P.64/2010 - Public Finances (Jersey) Law 2005 : Funding Requests Under Article 11(8) due for debate on 6th July 2010.

With regard to the cost of salaries to cover the Chief Officer of the States of Jersey Police's absence, they are being funded directly from the Police budget with the exception of backfilling the post of Deputy Chief Officer of Police which is met within the costs of the Historical Child Abuse

Enquiry (HCAE). The first suspension of the Chief Officer directly relates to the oversight of the HCAE.

All expenditure relating to the HCAE is being monitored by the Acting Chief Officer States of Jersey Police and the Accounting Officer, Chief Officer Home Affairs and is reimbursed to the Department from the allocation to the Treasury and Resources Department by public Ministerial Decision of the Minister for Treasury and Resources based on documented evidence of actual additional costs incurred as a result of the Historic Child Abuse Enquiry, as agreed in P91/2008 (Historic Child Abuse Enquiry) and P83/2009 (Public Finances (Jersey) Law 2005 : Funding Requests Under Article 11 (8) which included the 2009 funding requirements for the HCAE.

It should be remembered that the funding for the Police budget, the Wiltshire Constabulary Investigations, P91/2008, P83/2009 and P64/2010 are all ultimately met from the Consolidated Fund. (The majority of the States income and expenditure is managed through the Consolidated Fund. General Revenue Income and Departments' expenditure on public services is all accounted for through this fund).

I am grateful to the Senator for the opportunity to clarify the funding arrangements for the Wiltshire Constabulary Investigations and the HCAE.

Where monies came from other Departments' underspends the decision will have been made jointly between the Minister for Treasury and Resources and the Home Affairs Minister with the approval of the Council of Ministers.

The decision on P.64/2010 is before the States.

The decision on the funding of the Acting Deputy Chief Officer will have been made jointly between the Minister for Treasury and Resources and the Home Affairs Minister.

### **3. Oral Questions**

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

The first is an oral question which is brought forward from 22nd June at the request of the Attorney General and is additional to the 2 questions which the Deputy of St. Mary has submitted for this meeting.

#### **3.1 Deputy D.J.A. Wimberley of St. Mary of the Attorney General regarding the influence of the prosecution process by members:**

Following cases of politicians attempting to influence the prosecution process, could Her Majesty's Attorney General explain why it is considered inappropriate for Members to attempt to influence the decision whether or not to prosecute given that the normal process of politics is to try to influence events, policies and outcomes.

[09:45]

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

I thank the Deputy for deferring this question so that I could answer it. I will start by quoting from the leading text on the subject, the book *The Law Officers of the Crown* by J. Edwards which itself quotes the following statement by the then Prime Minister, Harold Macmillan, made to the House of Commons in 1959. He said: "It is an established principle of government in this country and a tradition long supported by all political parties that the decision as to whether any citizen should be prosecuted should be a matter for the prosecution authorities to decide on the merits of the case

without political or other pressure. It will be a most dangerous deviation from this sound principle if a prosecution were to be instituted or abandoned as a result of political pressure or popular clamour.” The decision whether or not to prosecute or continue a prosecution is a matter for the Attorney General or those acting on his authority and the Attorney General alone. It is not unlawful for any person, including a politician, to bring to the Attorney General’s attention any material relevant to the prosecution decision but it may be inappropriate to take steps which have an impact on the prosecution, especially where there has been a contact with a defendant directly by a politician with political responsibility for the law which provides the basis for the prosecution or which goes beyond a statement to the Attorney General of factors which the politician thinks the Attorney ought to take into account in exercising the discretion, he alone has, as to whether there is a prosecution. Of course, any attempt to influence or interfere with my decision for political or personal ends would, obviously, be wrong.

### **3.1.1 The Deputy of St. Mary:**

I thank the Attorney General for that clarification. That made matters a lot clearer and the Attorney General made a distinction between it being lawful for a citizen or any of us, indeed, to bring material that is relevant to a prosecution which the A.G. (Attorney General) might have missed or whatever to the A.G.’s attention. That seems to be the position; but if we are to try and influence the decision directly then that is wrong. I hope that is more ... and so my supplementary question would be that in this Chamber we often debate questions surrounding prosecutions, for instance the Haut de la Garenne affair and I just wanted to be clear where that is legitimate and, obviously, what is in my mind with this question, the whole questioning, is Senator Le Main’s approach. What was wrong with that? Because it seems to me that if I knew that there was some daft thing that the A.G. seemed to be doing, it would be right for me to say: “Look, this does not seem to make sense.” So I just want a sort of re-statement, a clarification, of where the boundary lies because it is not quite clear to me.

### **The Attorney General:**

There is no bright line boundary where I can say to the Deputy: “On one side there is an improper interference, on the other side there is not”, in terms of a simple definition. It will all entirely depend upon the facts of the individual situation. Any observations made in the Assembly about general prosecution matters, it seems to me, are perfectly all right and I take them into account or I ignore them as I see fit in making any individual prosecution decision. Any statement in the Assembly which seeks to put pressure or persuade me to exercise an individual decision in one direction or another would, in my view, have quite firmly crossed the line and would be wrong. In terms of the position of the former Minister for Housing, I do not wish to be drawn into the specifics of that case. It seems to me that factors that can bear upon whether or not any kind of intervention is proper or not can relate to the relationship an individual politician has to the laws that are being dealt with in the prosecution, the connection between an individual politician to the person who may be prosecuted or may not be prosecuted depending upon my decision and various other factors. In identifying those general factors, I make no specific reference to the situation involving the former Minister for Housing.

### **3.1.2 Senator B.I. Le Marquand:**

I wanted to ask a question of the Attorney General as to whether he thinks that Members of this House could benefit by some training or some guidance notes, particularly new Members who have not had experience in this kind of area, and whether he might consider producing some guidance notes for the assistance, particularly, of new Members.

### **The Attorney General:**

I am most grateful to the Senator for that suggestion which I am very happy to take on board. It seems to me that from time to time these kind of questions do come about and people do touch on

these issues and questions in the Assembly, and the fact that there may be some form of generalised guidance - I would emphasise it would not be capable of drawing a bright line - but generalised guidance might well be of assistance and I will certainly give that my attention.

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

In that guidance, I wish to ask if Her Majesty's Attorney General could provide us with a clear understanding as to what areas *sub judice* relate to when we are talking about debates in general. We are always told that we cannot enter into discussions upon matters because they are before the courts and, in some instances, that is quite clear and it is quite obvious but there certainly have been circumstances where *sub judice* has been raised as a bit of a red herring in some debates, I would put to Her Majesty's Attorney General, and I would appreciate some clear guidance on that if it is possible, please.

### **The Deputy Bailiff:**

Before the Attorney General replies to you, I disallow the question. The question must relate to the original subject matter of the first question and this is about prosecution decisions. Any other questions? Very well, we now come on to the oral questions from the Order Paper. For the benefit of Members, can I say that we have 18 questions to get through in 2 hours and so I am going to ask in relation to the questions of the Minister for Education, Sport and Culture and the Minister for Health and Social Services, both of whom face questions without notice, I will be giving the questioner most of the opportunity to ask the questions and then cut off questions reasonably swiftly after that. The first question is from Senator Perchard who has a question for the Minister for Education, Sport and Culture.

## **3.2 Senator J.L. Perchard of the Minister for Education, Sport and Culture regarding the provision of Physical Education in primary and secondary schools:**

Very appropriate that we should be racing through the questions. How many hours a week are head teachers required to provide physical education and genuinely competitive sporting opportunities to primary and secondary schools and will the Minister agree to adjust the school curriculum to provide more compulsory P.E. (physical education) and more opportunities for pupils to engage in genuinely competitive sports and, if not, why not?

### **Deputy J.G. Reed of St. Ouen (The Minister for Education, Sport and Culture):**

The Jersey curriculum ... pupils will receive a minimum of one and a half hours of compulsory physical education each week. In a recent survey carried out by a physical education working party and led by a professional adviser, it was determined that a large number of our schools deliver 2 hours each week during the school hours. In primary schools, competitive sports are provided between schools in football, netball, cricket, tag rugby, cross country and athletics. In secondary schools, the same opportunities exist but with the addition of hockey, badminton, table tennis, tennis, squash and rugby. Sporting opportunities are also available outside of the school curriculum time. The work and contribution of the Sports Development Officers, governing bodies, volunteers, and the community sports team allow for a large number of sporting activities at lunchtime, after school, weekends and during holiday time. Therefore, the Jersey curriculum offers a balanced learning programme for all of our young people. It is broad and balanced in its design to give every young person the best deal possible. Therefore, it is not planned to adjust the time allocation with the Jersey curriculum for any one subject area.

### **3.2.1 Senator J.L. Perchard:**

Does the Minister consider one and a half hours of compulsory physical education provided to school children each week to be sufficient?

**The Deputy of St. Ouen:**

With regard to providing a full learning experience for all children, I do.

**3.2.2 Senator J.L. Perchard:**

Is the Minister aware that some of the Island schools who actively provide and promote competitive sports, some of them provide and promote competitive sports and others who believe that competition on sports fields is to be discouraged, presumably because they consider it may be divisive. Will the Minister, then, clear up this confusion by undertaking to contact all head teachers to advise them of the minimum levels of P.E. and competitive sporting opportunities that they are expected to provide their students?

**The Deputy of St. Ouen:**

I think I said in my first answer that the schools are required to provide at least one and a half hours of physical education each week. This is well known by the head teachers and it is, as I say, provided by them. With regards to competition, it is my knowledge that all primary and secondary schools engage in inter-school sporting activities and as such there is an encouragement for us to develop the competitiveness within our individuals.

**3.2.3 Senator J.L. Perchard:**

If I may? The Minister is satisfied there is a standard across all schools and that standard is being maintained and that there are not some schools that are out-performing others in this respect?

**The Deputy of St. Ouen:**

That is correct.

**3.2.4 Deputy J.A. Martin of St. Helier:**

I am presuming the Minister has contacted schools because, unfortunately, an hour P.E. lesson turns into 35 minutes of physical activity and a half hour P.E. lesson or football is around 15 to 20 minutes, especially in senior schools. So will the Minister please check or look again. There is not one and a half hours being done in all of our senior schools and that is because of the changing times and the showering. So 35 and 15 minutes is under one hour a week. Does the Minister think this is enough physical education?

**The Deputy of St. Ouen:**

As I said before, we need to balance the curriculum and the learning experience that our young people are required to be provided with and, as such, I fully agree that it would be nice to have additional lessons in physical education. However, we also have to provide and develop the academic skills of our young people and, therefore, there is this balance to be struck. I would hasten to add that there are outside of the school hours many opportunities - and I underline the point, many opportunities - for young people to engage in physical activity of many sorts and I would encourage all children and parents of those children to engage in that.

**3.2.5 The Deputy of St. Mary:**

I would like the Minister to confirm that while competitive sports have their place he also agrees that schools should encourage co-operation as a key value in human behaviour.

**The Deputy of St. Ouen:**

Team activities are extremely good and useful to participate in and that is part of the reason why we based a selection of sports to encourage those team building and team type activities, which will help a young person develop and fulfil its role in society.



### **3.3 Deputy T.M. Pitman of St. Helier of the Minister for Home Affairs regarding alleged anomalies in the construction of the Metropolitan Police Interim report:**

I should say I received a note a few minutes ago from the States Greffe apologising for re-wording my question and getting the order wrong. So, hopefully I can read it out correctly. Will the Minister advise whether the alleged author of the Metropolitan Police Interim Report is himself under investigation by the Met. regarding alleged anomalies in the report's construction and whether the author neglected to interview crucial witnesses who could have refuted allegations made by the former Senior Investigating Officer against the former Deputy Chief Officer and suspended Chief Officer of the States of Jersey Police?

#### **Senator B.I. Le Marquand (The Minister for Home Affairs):**

In my view this question clearly relates to an issue in relation to disciplinary matters concerning another police force for which I do not have responsibility. It is therefore, in my view, clearly outside of my official responsibilities and even if I had tried to find this information it would be a confidential matter to that force.

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

The question has been accepted, so I hope I can continue. Given that the Minister is also a former Magistrate and Chief Officer, I believe, with a great deal of experience, could he advise the Assembly whether it is normal practice or indeed congruent to natural justice to suspend a person for a year and a half on the basis of reports where the author has allegedly refused to interview key witnesses or to include evidence that conflicts with the report's findings and thus paint a very different picture?

#### **Senator B.I. Le Marquand:**

I am not going to comment in relation to an issue of suspension of the Chief Officer of Police because that is a matter of an independent report, but I am able to confirm that decisions made by myself were properly made after due process.

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

Would the Minister advise the States when they will receive a timetable for the briefings that he refers to in his answer to one of the written questions in respect of the investigation into the initial suspension so that we can be properly prepared for the debate in 2 weeks' time on the appointment of the Chief of Police?

[10:00]

#### **Senator B.I. Le Marquand:**

I thought the question was going to be about briefings that I was contemplating giving and then it shot off in a different direction in relation to the original suspension decision, which is not a matter within my remit. If it had been, as I initially thought it was going to be, then I will very shortly make decisions on that.

#### **3.3.3 The Deputy of St. Mary:**

To go back to the question and the skilful evasion by the Minister, the question does say ... it simply asks whether the alleged author of the Met. interim report... whether there is some issue with that within the Met. and whether there is some inquiry going on into the production of that report. That does not involve us meddling in the affairs of the Met., it is a simple statement of fact. It is a question of fact. Is that report under questioning? Is it being investigated within the Met.? That is a question of fact and it would be nice to have a simple answer.

#### **Senator B.I. Le Marquand:**

I am amazed that Members cannot understand that I do not have responsibilities in relation to overseas and U.K. (United Kingdom) police forces. This simply is not within my area of responsibility.

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

I am sure the Minister will agree that the police interim report played a specific role in the suspension of the Chief Officer, because it was used in support of the Acting Chief Officer's report. So, is the Minister in a position that he can agree that the person under investigation is not the author of the report, but he took that report without the consent of the author, submitted it to the Acting Chief Police Officer, and it was sent to the Police Chief Officer at 15.27 on Monday, 10th November? So, in other words the author of the report ... that report was sent without the consent of the author and the complaint is now about that person who took that report without the consent of the author.

**The Deputy Bailiff:**

Deputy, I do not think that relates to the subject matter of the question which the Minister has already dealt with.

**3.3.5 Deputy M.R. Higgins of St. Helier:**

I just wonder if the Minister is concerned at some of the questions he is being asked that if there are irregularities or supposed irregularities regarding the information that was put forward which led to the suspension of the Chief Officer of Police; is he not concerned? Does it not cast doubt on the whole process that was undertaken and the suspension that has gone on for this period of time and the cost to the taxpayer?

**Senator B.I. Le Marquand:**

The matter is purely relevant to the initial suspension proceedings, because as I have made clear to the Members of this Assembly on very many occasions I did not take into account the contents of the Met. report when making my decisions.

**3.3.6 Deputy T.M. Pitman:**

Following on from Deputy Higgins really; I appreciate the U.K. officers or police forces might not be the responsibility of the Minister but surely ensuring that an innocent until proven guilty Jersey employed officer is not suspended for a year and a half on a document that is deeply flawed because evidence that paints a contrary picture is not included, witnesses are deliberately not interviewed... Surely that should be his responsibility and he should have great concern because this is a man's life and a family that we are considering here.

**Senator B.I. Le Marquand:**

I remind the Members of this Assembly that the Chief Officer of Police is currently suspended for 2 reasons. These questions relate to the first reason, but I held a second suspension hearing on 31st July and suspended him in relation to another matter. He has therefore not been suspended on this first matter alone for this period of time because he was suspended for a second reason as well.

**3.3.7 Deputy T.M. Pitman:**

Could I just seek clarification of that from the Minister, because it seems to be saying ... I believe what he is saying is: "Well, it does not really matter if this is a complete travesty on the first case because he is going to be suspended on a second case?" Surely that is not acceptable?

**Senator B.I. Le Marquand:**

I have already said very clearly that the procedure followed by myself in relation to the suspension was correct and proper. It was fully upheld by the Royal Court on a judicial review hearing. I have

already said that and my comments are saying, and plus that there was a second ground for suspension.

**3.4 Deputy G.P. Southern of the Minister for Treasury and Resources regarding measures to ensure that non-locally-owned non-finance businesses that conduct business in the Island pay tax in Jersey:**

Will the Minister explain to Members what he means by the statement on page 7 of the Business Tax Review Green Paper that: “Tax neutrality is also important to non-financial services businesses and can influence developments in other parts of the economy” and state what short-term measures, if any, he has under consideration to ensure that non-locally owned non-finance businesses that conduct business in this Island pay tax in Jersey?

**The Deputy Bailiff:**

In the absence of the Minister, the Assistant Minister.

**Deputy E.J. Noel of St. Lawrence (Assistant Minister for Treasury and Resources - rapporteur):**

Non-financial service businesses benefit indirectly from the success of the financial services industry which is based on the existence of tax neutrality. They benefit indirectly through the spending power of the employees of the finance industry and indeed the spending of the financial services companies themselves. Also, benefit is derived from the high levels of tax that they generate and the public services that they fund. As stated in the Business Tax Review Green Paper, consideration is being given to whether, and indeed how, additional revenues can be achieved from non-locally owned non-finance businesses under any replacement regime. Given that there is a review of the whole business tax regime and given that our Zero/Ten regime is being assessed by the code group, it would be inappropriate to make any short-term changes which would undermine the review or the potentiality effect of the outcome of the Zero/Ten assessment.

**3.4.1 Deputy G.P. Southern:**

So, the Minister is not going to tell us what measures he has under consideration to tax non-locally owned, non-finance businesses that do business in the Island. Can he at least confirm that the so-called Blampied proposal is no longer being considered; in fact it is dead in the water?

**Deputy E.J. Noel:**

With regards to the so-called Blampied proposal, parts of that proposal have been adopted in terms of removing the 115(g) and (ga), I believe, exemptions.

**3.4.2 Deputy G.P. Southern:**

Can the Minister confirm that the principle underlying the Blampied proposal which was to tax non-local businesses on their deemed rent is dead in the water, and no longer under consideration?

**Deputy E.J. Noel:**

That is correct, because it is a deemed based tax and not an actual based tax and has some significant flaws in it and, indeed, from the industry they were quite adamant that avoidance of such a tax would be a relatively straightforward matter.

**3.4.3 Deputy G.P. Southern:**

Earlier in the document on page 4 the Minister talks about tax neutrality and transparency and poor regulation being the facilitators for tax evasion and avoidance; what measures in the Business Tax Review does the Assistant Minister have to increase transparency on the Island and, indeed, does he consider that business on the Island is indeed transparent?

**Deputy E.J. Noel:**

The business that is conducted throughout our financial services industry is tax neutral. We have been put under the microscope many, many times by such eminent bodies as the I.M.F. (International Monetary Fund). We have been put on the white list of the O.E.C.D. (Organisation for Economic Co-operation and Development) and Jersey has a strong, well-regulated finance industry.

**3.4.4 Senator A. Breckon:**

Is the Assistant Minister aware that the existing Minister for Treasury and Resources and the previous Minister said that they would examine ways of companies especially operating in the High Street would make a contribution to the local economy and not get off without paying any tax at all?

**Deputy E.J. Noel:**

That is correct, and we within Treasury are actively looking into that but unfortunately it is a nice thing to try and achieve but it is a very difficult thing to achieve.

**3.4.5 Senator A. Breckon:**

Is the Assistant Minister aware that if the public are being asked to pay extra charges and taxes then they do not look kindly on the inaction that is currently within the Treasury Department?

**Deputy E.J. Noel:**

I am sure that the public do not like the fact that non-locally owned businesses trading in the Island are no longer subject to Jersey income tax. However, we are looking at ways of obtaining some financial benefit out of such businesses.

**3.4.6 Senator A. Breckon:**

I wonder if I may ask the Minister for Treasury and Resources to give some idea of the timescale that this is being looked at and when there will be something emerging?

**Deputy E.J. Noel:**

I am unable to give a timescale at this moment.

**3.4.7 Deputy D.J. De Sousa of St. Helier:**

Does the Assistant Minister consider that there is really a level playing field for all businesses under the tax regime for business tax?

**Deputy E.J. Noel:**

In terms of the overall tax that businesses pay, yes there is a level playing field, because those that are non-locally owned may not be paying tax in Jersey but they are paying tax in their host jurisdictions. So, if you look at the whole then there is a level playing field, if you look at it in isolation then there could be an argument to say that there is not.

**3.4.8 Deputy R.G. Le Hérissier of St. Saviour:**

Would the Assistant Minister not concede that all sorts of financial acrobatics had to be performed in order to avoid the application of a level playing field? Are these new proposals going to again involve incredible financial acrobatics which will be seen through in a very short order of time?

**Deputy E.J. Noel:**

Our Zero/Ten proposals are yet to be reviewed by the code group. I am confident that they will find to have passed the test both in spirit and comply with the legislation. Any replacement regime will have to be carefully considered because fundamentally we have to remain competitive in a worldwide market.

### **3.4.9 Deputy R.G. Le Hérisier:**

Would the Minister not concede that the issues of tax competition that prevailed at the time no longer prevail and it is no longer his responsibility to make the illogical logical?

### **Deputy E.J. Noel:**

I believe the circumstances that were in existence 4 or 5 years ago are still in existence now. The economic climate is not what it was 5 years ago, which makes it even more important that we support and hold our finance industry.

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

Given that we are working with Guernsey and given that Guernsey have issued a *Billet* talking of a 10 per cent overall corporation tax rate, are we working with Guernsey and will such a rate not satisfy the inequity of the current system?

### **Deputy E.J. Noel:**

The Guernsey system is based on a territorial form of tax with many exemptions. I do not really want to comment further on their tax system, but at the present our zero/ten regime works and I am confident that under the code review it will continue to be in operation.

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

I return to the question of transparency. On page 4 it says: "Lack of transparency and poor regulation do facilitate tax evasion." Is the Assistant Minister content that financial services in Jersey are sufficiently transparent and what moves will he take to increase transparency on the Island?

### **Deputy E.J. Noel:**

I believe that Jersey has a very robust and transparent financial services system. I do not believe it needs to be enhanced any further to the detriment of our competitiveness.

## **3.5 The Deputy of St. Martin of the Minister for Health and Social Services regarding the maintenance of clinical and operative skills of a surgeon during his suspension:**

Following the responses given on 22nd June 2010, when the Minister undertook to inform Members how the suspended surgeon's skills were maintained when the terms of suspension denied him access to the hospital, will she advise who was responsible for his continuous professional development and give detailed account of how his clinical and operative skills were maintained both during the suspension and since the suspension was lifted?

### **Deputy A.E. Pryke of Trinity (The Minister for Health and Social Services):**

I am pleased to be able to report last month that the most recent review resulted in a decision to lift the exclusion of this clinician. During the period of exclusion both the Directorate Manager and the head of medical staffing were in regular contact with this individual. Support through the provision of study leave has continued, and I am pleased to be able to confirm that this clinician has attended 5 courses during this period.

[10:15]

Further support has also been offered through the identification of a mentor from within the senior clinical work force but this opportunity at present has been declined. With the confines of an exclusion which is designed to protect patient safety, I believe all that could be reasonably done is being done to maintain skills.

**The Deputy Bailiff:**

Can I just remind Members of the courtesy that should be shown both to the questioner and to the person speaking in relation to moving out of the Assembly at the time of the speech being made. Deputy St. Martin.

**3.5.1 The Deputy of St. Martin:**

I thank you for that observation, Sir. It was very difficult to hear the answer. I did ask if she would give a detailed account of how the clinician's clinical and operative skills were maintained, both during the suspension and afterwards. I did not receive that in the answer. Is the Minister able to give me the full answer now?

**The Deputy of Trinity:**

As I explained, the study leave was continued and there was a further 5 periods of study leave which was approved with the head of the medical staffing committee. I have not seen the detailed account of exactly which study courses that he has been on because I did not think it was appropriate. I was offered to see it but I thought that it is not appropriate for me to look at.

**3.5.2 The Deputy of St. Martin:**

I am afraid that the Minister has not really given an answer again. Those courses were just courses where one attended, like a conference, but is the Minister able to confirm then that during the course of those 5 courses that the clinician attended that the clinician was given an opportunity to practice his operative skills during the course of those 5 conferences he attended?

**The Deputy of Trinity:**

As I said, I have not seen the details of the 5 study courses other than to say that I saw the paperwork, but from my point of view I do not think it was appropriate for me. So, I do not know if the operational skills were included. As I said before, it is up to every individual, whether they are nurses, teachers, doctors or whatever, to continue their continuous professional development. Most of that is set down by their regulatory body and it applies to everyone.

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

What role was the mentor meant to provide? What were they meant to achieve, and who was paying for this service if it had been taken up?

**The Deputy of Trinity:**

As I understand, the role of a mentor is within Health and Social Services, so there was not going to be any extra costs. The role of any mentor is one I see that is sitting down with any individual in whatever area they work and working out where they want to be and going from there.

**3.5.4 Senator S.C. Ferguson:**

Surgery is a very practical profession and in view of the fact that the surgeons were suspended it is unlikely that they would have been able to find bodies on which to practise. Does the Minister not think that in view of the publicity over the suspension of surgeons and the Verita report that she should perhaps have taken a more direct interest in how these suspended surgeons were being treated?

**The Deputy of Trinity:**

The whole role of suspensions is unfortunately a long and difficult one. As we know with this one it had involved the Health and Safety Inspectorate and the Law Officers, and it has taken time, and with the States of Jersey Police. As I have said on many times, and I will continue to say, that patient safety has to be my paramount concern and until all the issues are raised and concerned and sorted out patient safety is my number one priority.

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

In view of the fact that there is no Medical Director at the hospital at the moment and therefore the suspensions will have been handled by lay people, does the Minister not think that she should have taken more interest?

#### **The Deputy of Trinity:**

That role of Medical Director at present is being very well covered by 3 leading medical clinicians who have been working out the role of Medical Director between them in different areas, so all areas are covered, and I can say that they are doing an extremely good job and they are doing the role very, very well indeed.

### **3.5.6 The Deputy of St. Martin:**

I think we all agree that patient safety is important but it is important to ensure that the doctors who are able to carry out their responsibilities are given the proper training for it. Can I ask the Minister, is the doctor back to duty and up to full duties now, and also do those full duties include the carrying out of operations? So, in other words, his skills had been maintained and he is now back operating with patients. Is that a fact? If not, why not?

#### **The Deputy of Trinity:**

The surgeon is back to work, but that does not include from the clinical side because the investigation still needs to be completed. I understand that I said about the study leave but there is also other work that he is doing. I understand that is research and audit work.

### **3.6 Deputy M. Tadier of St. Brelade of the Minister for Home Affairs regarding an independent inquiry into the financial probity of the Haut de la Garenne Inquiry:**

Will the Minister inform Members why and when he commissioned an independent inquiry into the financial probity of the Haut de la Garenne inquiry, how much it has cost, where the funding has come from and when the report will be presented to the States?

#### **Senator B.I. Le Marquand (The Minister for Home Affairs):**

A report was first approved by my predecessor and I reaffirmed the decision that such a report was necessary because there was some evidence of serious financial mismanagement. It is desirable that such matters be looked at by accountants in addition to being looked at, as they have been, as part of certain disciplinary matters. The ambit of the matters are also wider than purely disciplinary matters because they also look at the role of the Home Affairs Department as well as the role of the police in relation to financial management of Operation Rectangle. It has cost £64,000 and has been paid, so I am told, out of P.91/2008 historical abuse inquiry and P.83/2009 which was in Article 11(8). These are matters which clearly arise out of the historical abuse inquiry because they are matters of inquiry in relation to serious financial mismanagement relating to those inquiries. The redacted report will go to the P.A.C. (Public Accounts Committee) as soon as I can get a redacted version of the report, and I hope to include it in briefings on disciplinary matters which I hope to hold shortly.

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

The Minister seems to have answered the £64,000 question. Could he explain what he means by the redacted version, what the redaction will entail and will the P.A.C. be able to see the unredacted and redacted versions if necessary?

#### **Senator B.I. Le Marquand:**

The purpose of redaction in relation to reports is to remove information relating to the names of individuals, they might be individual witnesses, they might be individuals who are implicated in

some way and who are not public facing. This is a standard process. I am led to believe the normal process in relation to such matters is to first provide a redacted version and then to seek undertakings of confidentiality from a committee when they can then have the full version.

### **3.6.2 The Deputy of St. Martin:**

I would be interested to know really why it has taken so long for this particular report ... I know of course £64,000, but can the Minister explain why it has taken so long for that report to be produced and indeed go to P.A.C. because quite clearly once it has gone to P.A.C. there will be an understandable delay in their scrutiny of it, so could the Minister say why? Also really is it not a fact that it is the Chief Officer of the Home Affairs Department that has responsibility for the overall financing of the police budget and not the Police Chief Officer, so maybe the wrong person has been suspended?

### **Senator B.I. Le Marquand:**

I do not know why it has taken so long. I received a draft version of this quite a long time ago. The final document is a shorter document, more punchy, more direct, with less detail. I simply do not know. These reports do seem to take a very long time to produce. I am able to confirm that the Accounting Officer, both for the States of Jersey Police and for other aspects of Home Affairs matters, is the Chief Officer of Home Affairs and not the Chief Officer of Police. There are comments made in various reports as to whether that is appropriate but that is the current position.

### **3.7 Senator B.E. Shenton of the Minister for Planning and Environment regarding the influence of the Parish Connétables in respect of planning matters:**

Why does the Constable of the Parish carry more weight in respect of planning matters than the Parish Deputy, and what legal authority, if any, does the Minister have to base planning decisions on the sole personal opinion of the Parish Constable?

### **Senator F.E. Cohen (The Minister for Planning and Environment):**

Over 2 years ago, while preparing the retirement housing proposition, I stated to the Connétables that other than in exceptional circumstances I was not predisposed to recommend any significant sites for housing without their support. This primarily related to rezoning sites. I do not rank the Connétables views higher than any other Member but as father of the Parish the Connétables have a specific role in representing the views of their Parish through the mechanism usually of a Parish Assembly. My duty is to consider all material factors relating to applications before making my decisions. Furthermore, due process must be followed in preparing the Island Plan. The Connétables' views are significant but they do not amount to a veto. The inspectorate part of the examination and public process will expect demand for all types of housing to be delivered in the new Island Plan but I must stress that the main thrust of the delivery of affordable housing in the new Island Plan is through the affordable housing mechanism that will apply to the majority of development sites, not just on rezoned sites as in the past. It is a decision designed to ensure the protection of the Green Zone. Regrettably, I did not include the appropriate caveats when I responded to Connétable Norman's question in the last States sitting. I was unprepared for the question and consequently was imprecise and I apologise to the House for this error.

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

I am a little bit confused. The Minister for Planning and Environment says that it does not amount to a veto and yet he has clearly stated that he will not pass any new developments without the support of the Parish Constable. Surely that is a veto by all intents and purposes. I am a little bit concerned that we should have a planning process that is fair to both the people wanting to develop and the people that wish to object to the developers and also one that fulfils all human rights



requirements. I cannot see that this bias towards the Constable has any merit in law or in human rights.

**Senator F.E. Cohen:**

I have described it as a predisposition to having regard to the Connétable's view and I think that Members understand what I mean by that. We do have a fair process; we have an open process. The Island Plan process could not be more open and for the first time includes an examination in public by a qualified inspector.

**3.7.2 The Connétable of St. Helier:**

Could the Minister for Planning and Environment explain why this predisposition did not apply to his support for housing on the site of the Millennium Town Park which had been reserved for open space?

**Senator F.E. Cohen:**

I have made it clear that I have withdrawn the suggestion for housing on the Millennium Town Park area and, as the Connétable himself will remember, he was invited to become a member of the North of Town Masterplan group and indeed for a time I believe was a member of that group when the plans were formulated.

**3.7.3 Deputy R.G. Le Hérisier:**

Would the Minister not concede that an equally deficient part of the system is the procedure whereby cases are divided between himself and the Planning Application Panel on the basis of criteria which are very hard to define other than the emergence of the white smoke from the Minister's office?

**Senator F.E. Cohen:**

If the Deputy has a better idea I look forward to hearing it.

**3.7.4 Deputy M. Tadier:**

There does still seem to be some confusion as to whether or not the undertaking the Minister gave was in fact a veto or not a veto, so could the Minister perhaps clarify the exact words he used to the Constable of St. Clement, I think, in that case? We can decide ourselves whether it constitutes a veto.

**The Deputy Bailiff:**

Deputy, it would be in Hansard. Minister, do you want to ...?

**Senator F.E. Cohen:**

I do not have the exact words but whatever was said I have already apologised to the House for being imprecise. The position is that I am effectively correcting what was said at the last States sitting and that is the Connétables do not have a veto albeit that I have a predisposition to consider carefully any views presented to me by the Connétables, particularly through the vehicle of a Parish Assembly.

[10:30]

**3.7.5 The Deputy of St. Mary:**

When he was talking about the Constables and their position as father of the Parish - or mother of the Parish, I should say - the Minister referred to the mechanism of the Parish Assembly. Is the Minister aware of the percentage of residents of each Parish who go to Parish Assemblies as was stated in the answer to my written question some time ago?

**Senator F.E. Cohen:**

It is up to members of a Parish to decide themselves whether or not they wish to attend a Parish Assembly. It is not for me to dictate to them that they must do so. The reality is that the Constables have open to them the mechanism of a Parish Assembly. It is an ancient mechanism and long may it continue. It enables the Connétable to represent the parishioners.

**3.7.6 The Deputy of Grouville:**

Is the Minister satisfied that this is the view of the Constable or the Parish Assembly? Is he sure that there are Parish Assemblies that are held before the Constables give their views and votes taken? Is he also satisfied that the Constables were asked to bring forward a criteria for the rezoned land? This States Assembly agreed to that in April 2008 and we still do not have a criteria for the people occupying the homes on rezoned land.

**Senator F.E. Cohen:**

I believe that we do have criteria for some of the sites and some of the sites are indeed progressing but as I made clear at the time, the timescale from the Assembly approving the principle to homes being delivered on the ground, that can, in many cases, be many years. I am afraid that is just the process of bringing sites forward for development.

**3.7.7 Senator B.E. Shenton:**

It is my understanding that anyone could call a Parish Assembly, including the Parish Deputies, so there is nothing special about the Constable in that respect. Can the Minister give an undertaking that he will run his department in accordance with the Planning Law and the human rights of the individuals of the Island and not start giving bias towards individuals such as the Parish Constables?

**The Deputy Bailiff:**

Will you act lawfully, Minister?

**Senator F.E. Cohen:**

I will, Sir.

**3.8 Deputy P.J. Rondel of St. John of the Minister for Economic Development regarding the recent events aboard the Commodore Clipper ferry:**

Would the Minister advise whether he has requested and received a detailed outline of the events of 16th June 2010 when a fire broke out aboard the Commodore Clipper ferry; and, if so, would he explain why it took close to 24 hours for passengers to disembark the ferry and why neither he nor the Harbour Master have replied to my email on this subject?

**Senator A.J.H. Maclean (The Minister for Economic Development):**

The Commodore Clipper is a Bohemian-registered vessel and was, at the time of the incident in question, not in Channel Island territorial waters. The incident is therefore not in any way within our jurisdiction. As the incident is part of a preliminary investigation by the U.K. M.A.I.B. (Marine Accident Investigation Branch) we are not fully aware and would not expect to be made aware of the full cause or circumstance at this time until the report and its findings are made public. Regarding the retention of passengers on board, we have been informed by Condor the passengers were kept on board for their own safety. The decision was made by agencies responsible at the scene which included the U.K. emergency services. Finally, regarding the Deputy's email, I understood that he had received a reply but if indeed that was not the case then I offer him my sincere apologies.

### **3.8.1 The Deputy of St. John:**

In response to the reply; I have some concerns given that I was under the impression that Commodore Shipping was a local company. But, that said, the vessel itself brings food supplies to the Island daily along with another vessel. At times of this type of scenario our food supplies in fact are restricted. Given that the Island no longer holds 3 months' supply of food within the Island and as the Minister is a member of the Emergencies Council, will he tell us please how much food is held on-Island at any one time so that we may ...

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

I am sorry, Deputy, this is nowhere near passengers disembarking from a ferry. **[Laughter]**

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

No, but it is to do with the shipping company and the wellbeing of this Island, as well as the wellbeing of those passengers. Therefore, I believe it has something to do with it and I ask the Chair to allow the question.

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

If you can remember it, Minister.

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

I can understand, of course, the concerns that the Deputy raises about food supplies should problems occur with the ship in question, or other supply ships. What I can say that I hope will give some comfort to the Member is that Condor have always, where there have been issues with regard to their supply vessels, arranged alternative vessels in order to provide and ensure the continuance of supplies to the Island. I am confident that they will continue to do that and I do not therefore think that the Deputy should have undue concerns in this regard.

### **3.8.2 The Deputy of St. John:**

Given the response made by the Minister and given that many supermarkets in fact were short of fresh food within them following this incident, does the Minister stand by his comments given that on this particular occasion the vessel has only been out of action for some weeks but in the event of a total loss or otherwise, what is in place, please?

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

The Deputy is aware that the supply chain, not only to Jersey but to many other places, is a just-in-time supply chain. As such, disruption by weather, for example, can cause supplies within supermarkets to run low. That is not unusual; it has happened in the past. I will repeat, I am confident that Condor will ensure that we have suitable supplies; they provide backup vessels should there be a severe problem to the one that supplies the Island. I think that to give even more confidence to the Deputy, I will undertake a discussion with Condor on this matter to get even further comfort which I will feed back to him but I do not think he has to be too concerned.

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

I am just seeking clarification because I think 2 or 3 of us on this side of the Chamber may have misheard but we understood that the Minister said the boat was Bohemian-registered **[Members: Oh!]** and I did not think that the Czech Republic in that area of Europe had a coastline. So could he confirm where the boat is registered? I thought it was Nassau.

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

Bahamas-registered, yes. **[Laughter]**

### **3.8.4 Deputy J.B. Fox of St. Helier:**

The Minister has given an assurance that he will seek reassurance from Condor but bearing in mind that the economics of the Island is an essential route, can he also do a review and check with the other operating companies to ensure that we have the same safeguards or reassurances as a result of this incident?

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

Yes. Of course, the Deputy does raise an important point that there are other supply sources to the Island and, yes, I will give that equal undertaking.

**3.8.5 The Deputy of St. John:**

Given that we have our own registry in Jersey, will the Minister undertake to ask Condor to have their vessels registered on-Island?

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

A very good question again from the Deputy. Yes, and, in fact, that conversation has already been had. As it happens, we have a category 2 registry; we would need to move to category 1. Nevertheless, there is an exception where the primary route is occupied by the particular vessel and, as I say, we have had initial discussions with Condor in this regard.

**3.9 Deputy M.R. Higgins of the Minister for Economic Development regarding appointments made at Jersey Airport over the last 3 years:**

Will the Minister advise whether all appointments made by Jersey Airport over the last 3 years have been advertised both internally throughout the civil service and externally in the local and national media; that all appointments have been made in accordance with civil service practice and procedures; and that those appointed have all been subject to competitive interviews and, if not, will he explain which positions were not and why?

**Senator A.J.H. Maclean (The Minister for Economic Development):**

I can confirm that all appointments at Jersey Airport over the last 3 years have been advertised, either internally, locally or off-Island. Furthermore, all appointments have been made within the Civil Service terms and conditions of service policies and procedures or the relevant A Group terms and conditions. I should add that some posts have become available as a result of internal promotion or as part of an internal restructure. With the full agreement of Central H.R. (Human Resources) these posts did not need to be advertised. Finally, for clarity the post of Strategic Planning Manager was advertised both internally and in the local media. However, no candidates with the correct skills were identified. The eventual appointee was already working at the airport under a secondment agreement from a local private company. His skill and experience was therefore well known and so he did not undergo a formal interview process. The exception to the open recruitment process was approved by the Appointments Commission.

**3.9.1 Deputy M.R. Higgins:**

Although there are a number of positions I could raise, I will just go back to one of the ones that he has mentioned and one other. In his written answer to the Deputy of St. John he mentions the baggage consultant. Just going back first of all to this particular one of the Strategic Planning Manager, will the Minister just clarify the position, first of all? Although it was advertised for someone for this post in December 2008, Capita were employed as consultants in February 2009 and this particular individual was working for Capita. Therefore, he was not an internal candidate to the airport but an external candidate. If he was then appointed in March 2010, was the job then advertised at that point? That is one point. Secondly ...

**The Deputy Bailiff:**

The question is getting very long and convoluted. Minister?

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

Yes, the Deputy is absolutely right. The candidate was working for Capita Symonds on a secondment basis and from that the role was advertised. No suitable candidates with skills were found and he was appointed in March 2010.

**3.9.2 Deputy M.R. Higgins:**

In the case of the baggage consultant, the Minister replied in his answer to the Deputy of St. John first of all that there was no one else within the existing airport workforce that had the necessary level of experience required to support the proposed changes. Yet, 2 of the existing employees of the airport were involved with the original baggage facility that was there and therefore did have the expertise. Was that job advertised externally or was it again just simply the fact that the person was made redundant from Aviance and then taken on by the airport staff?

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

I really do not know what the Deputy is trying to drive at here. The appointment of this particular individual contractually has met all the necessary standards that are set out clearly. It is a question that I am being asked very shortly by the Deputy of St. John and I think rather than create further duplication, I do not wish to add anything further to it.

**3.9.3 Deputy R.G. Le Hérisier:**

Who advised the Minister about the strategic planning position that it was necessary to proceed to interview?

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

That was a decision that was taken by the management at the airport for all the reasons stated. It was not necessary because the individual in question had been well known to the airport, his skills were well known, he had been working on major projects like the runway refurbishment and the management team were perfectly satisfied with his capability and there were no other candidates.

**3.9.4 Deputy T.A. Vallois of St. Saviour:**

As the Minister is both a member of the Skills Executive and Minister with responsibility for the airport, does he believe the current training programmes in place are appropriate and, if not, will he undertake to review this?

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

Historically, I would accept that I do not think they have been and I think this applies across the States as a whole with regard to succession planning. Indeed, there is a drive at the airport, and has been for some time, in order to try and improve succession planning, particularly in more technical areas like air traffic control assistants which historically have been brought in from the U.K. because the expertise has not existed locally. We can do more from a training perspective there and I believe there are great improvements in that direction.

**3.9.5 Deputy M.R. Higgins:**

If the Minister is absolutely confident that all posts have been correctly filled using the correct procedures, would he provide Members with a written account of the appointments that have been made over the last 3 years, giving full details of the advertising that took place and the number of people interviewed for those posts?

[10:45]

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

I have no problem supplying information to Members with regard to that. To ensure that the question is fully understood, can I ask the Deputy to put it in writing?

**3.10 The Deputy of St. Mary of the Minister for Treasury and Resources regarding the consultation process for personal and business taxation:**

Given that the Minister has presented options for personal and business taxation to the public for consultation, will he advise whether any additional options were considered as part of the taxation review and, if so, why were they not included for consultation?

**Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):**

Before I answer the question I would just like to apologise to the Deputy of St. Martin and to the House for having to leave rather abruptly before but I did have a coughing fit and I thought it was best to have that outside the Chamber than in the Chamber. If I may return to the question. The personal tax consultation sets out the most realistic options for raising significant amounts of tax based on the 3 criteria set out in the Green Paper. The options that have been considered but discounted have also been included in the consultations with explanations as to why they have been discounted. For example, in the personal tax consultation the Minister for Treasury and Resources and Resources explained why capital gains and inheritance taxes are not an option and I therefore refer the Deputy of St. Mary to the Green Paper. There was also a question asked about some smaller measures: impôts duties, stamp duty, land development tax and mortgage interest relief and, again, these are included in the Green Paper. The business tax consultation sets out corporation tax regimes which exist within other jurisdictions and so are likely to have some element of international respectability. No other regimes have been identified in the extensive research that has been carried out. Indeed, if there are other options that are out there that have not been discussed in the consultation papers, then the Minister for Treasury and Resources and myself would want to hear about them so they can be considered.

**3.10.1 The Deputy of St. Mary:**

Thank you for that reply. The 2 taxes, 1(1)(k)s - the whole situation around 1(1)(k)s - and capital gains tax were included only to be excluded and literally a couple of lines saying, in the one case, "review being done" and in the other "would damage our finance industry" so I would like a comment on why these are waved in the direction of the public and then withdrawn as: "We are not going to talk about that and nor are you." So can he confirm that the public are not invited really seriously to contribute on those 2 taxes?

**Deputy E.J. Noel:**

The public have every right to reply on any aspect of the consultation papers.

**3.10.2 The Deputy of St. Mary:**

The criteria for taxes exclude the social and political considerations which are very large in the case of land development tax and mortgage relief and I wonder if the Assistant Minister would like to comment on why those have been excluded from the not very detailed presentations of the additional tax measures.

**Deputy E.J. Noel:**

Firstly, I would like to say that of the 3 criteria the first is fairness, the second being competitiveness, in my view, and economic efficiency is the third. With regards to land development tax, I believe that we should be working more closely with our colleagues in the Planning and Environment Department to ensure that we extract through planning obligations the gain that developers have on rezoning of lands. In my view, it is a better mechanism than having to

write a specific law concerning that area for what is a relatively short number of sites that are likely to be rezoned in the near or medium future.

**3.10.3 Deputy M. Tadier:**

First of all, if I could ask the Assistant Minister for an undertaking to give all States Members the background information which I know some Members already have which is very valuable, which goes into all the deliberations. I think it is vital, so if he could do that first. Secondly, I would point out that there is this leaflet which has been going out. I would like to ask the Assistant Minister about the apparent contradiction where, on the one hand, as he has said previously, capital gains and inheritance taxes have been discounted even before the consultation process has started on the basis that they could be damaging to the finance industry; could cause job losses. However, income tax increase to 30 per cent for higher earners has been included in the consultation but it does say that it could also impact negatively on jobs and on the finance industry and there is no positive reasons given there. So why has one been included and not the other?

**Deputy E.J. Noel:**

Capital gains taxes have been not excluded from the consultation paper. We are more than welcome to have comments and replies from the public on that. We have taken the view that the amount of tax they would raise would not be of sufficient value to counteract the damage that they will do to our finance industry.

**3.10.4 Deputy M. Tadier:**

We are getting into the grounds of sophistry here. Quite clearly, there are 4 options which have been presented as the preferred options - or maybe not the preferred options - but those are the 4 which are on the table, those are the 4 options around which the public consultation will crystallise. So, quite clearly, does the Assistant Minister not acknowledge by not putting those capital gains tax, inheritance tax but also other initiatives like taxes on flipping of houses if they are sold within 3 or 4 years they have not been included? The public need to know why they have not been included and that simply 2 or 3 lines in a very small leaflet is not satisfactory.

**Deputy E.J. Noel:**

I disagree with Deputy Tadier; they have been agreed. They are not one of the suggested ways forward to raise each suggested tax measure going forward. It has been designed to raise some £30 million worth of tax annually. Capital gains tax would not come anywhere near those figures based on the research that has been carried out. So it is simply that we need to raise a significant amount of tax and these small measures just are not cost-effective.

**3.10.5 Senator F. du H. Le Gresley:**

Could I ask the Assistant Minister to circulate to all Members the fiscal strategy review supporting research documents which I have obtained, which will avoid in future some Members asking questions that are possibly unnecessary because the detail is in that document? I also think that the other options which we are talking about, we have only been given 4, some of those are discussed in quite detail in that paper and it may be that some Members would want to bring those options forward to the House rather than rely on the 4 that we have been given in the Green Paper.

**The Deputy Bailiff:**

The question related to: will you circulate the document?

**Deputy E.J. Noel:**

Yes, I will endeavour to get our department to circulate that information to all States Members.

**3.10.6 Deputy G.P. Southern:**

Yes, this question concerns the nature of the description contained on page 3 where it says G.S.T. (Goods and Services Tax) is “mildly regressive” when figure 3 shows that as a percentage of income it is more than twice the impact on the lowest earners than on the most wealthy on the Island. It also goes on to describe it as positive ...

**The Deputy Bailiff:**

What is the question then, please, Deputy?

**Deputy G.P. Southern:**

The question I am coming to ... and also describes G.S.T. as positive in economic efficiency terms and in competitive terms. Does the Minister accept that these descriptions are in fact incorrect? If G.S.T. goes up the whole cost of living on the Island goes up and that cannot be good for economic efficiency or competitive.

**Deputy E.J. Noel:**

I do not believe that Deputy Southern and myself will ever agree on G.S.T. G.S.T. has been described in the paper as “mildly regressive” if looked at as a percentage of income. If it is looked at as a percentage of spend it becomes proportion.

**3.10.7 The Deputy of St. Mary:**

On page 7 of the personal tax document, the basis of the consultation, the package of smaller measures is outlined with a paragraph or 2 in each possible tax: impôts, stamp duty, mortgage interest relief and land development tax and yet that section is headed: “There are a number of other options which would raise smaller amounts. They remain under consideration for the future, but would not raise enough to solve the current problem” although, in fact, as a package they would raise £15 million. Does the Minister agree that by writing that at the beginning of that section: “They remain under consideration for the future” they are, in effect, being excluded from the consultation?

**Deputy E.J. Noel:**

No, I would not agree.

**The Deputy Bailiff:**

We are going to come on next to question 10. Can I just remind all Members of the contents of Standing Order 10(2): “A question addressed to a Member of the States upon a public matter for which the Member has an official responsibility must either seek information on the matter or ask for official action with regard to it.” Questions and answers from Ministers should be short and punchy dealing with those particular issues which are under question. Deputy Martin has a question of the Minister for Transport and Technical Services.

**3.11 Deputy J.A. Martin of the Minister for Transport and Technical Services regarding monitoring the current usage of the Route 18 bus:**

Would the Minister advise whether he has requested that Connex monitor the current usage of the Route 18 bus, which currently runs on a circular route 3 times an hour between 9.30 a.m. and 4.00 p.m. daily, in order to assess the potential to extend this bus once an hour to the top of Mount Bingham and, if not, would he give an undertaking to do so?

**Connétable M.K. Jackson of St. Brelade (The Minister for Transport and Technical Services):**

This has not been done as, during my preliminary investigations, I was advised by the operator that it would not be physically possible to use their buses to run to Mount Bingham because the



underside of the bus would scrape the road as it turned from Pier Road up on to the steep incline of South Hill, thus damaging the vehicle and the road.

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

I observe, and I am sure being the Minister for Transport and Technical Services he observes as well, that there are many small white buses that do the school run every day and they are quite capable of going up Mount Bingham. Now, I, Senator Le Main and other Deputies have been trying to get a bus up to this area for 10 years and every operator has come up with an excuse. This route is running 3 buses an hour on a 20-minute loop and it is earlier than 9.00 a.m. - the time I want monitored is 9.00 a.m. to 4.00 p.m. - but there is not enough pressure and it is a waste of money. I watch these buses in that time of day with about 3 or 4 people on them. One an hour is not rocket science to get up that hill, they need the smaller bus, and they have the smaller bus. So will the Minister undertake to go back and tell Connex they are talking out of the back of the bus? **[Laughter]**

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

While the vehicles mentioned by the Deputy are considered unsuitable for this and they are not wheelchair accessible, the Route 88 operated by operators in 2000 did so in this area using smaller vehicles and I am led to believe that there was low passenger demand from this area. This is a view supported by the fact that T.T.S. (Transport and Technical Services) have no records of any requests from the residents for services to South Hill over the last few years. However, even if it were possible to run the Route 18 bus up to South Hill to provide an irregular service, a 30-minute round journey via Le Marais to town is unlikely to prove an attractive option given that there is an existing bus stop just 250 metres away on Green Street which is served every 20 minutes in both directions providing a 5-minute journey to town. While I am sceptical about diverting the popular Route 18 buses delaying one in 3 of the clock face journeys which 850 weekday passengers use and disrupting its regular “turn up and go” timetable, this is something I would wish the rest of the Island timetable to emulate. I would, however, agree that this is the type of area which might be served by a smaller vehicle on a town hopper-type service or other transport options which I plan to introduce from 2013. Notwithstanding that, I am prepared to discuss with the bus operator a trial based on an outbound journey via commercial buildings in South Hill or an inbound journey via Havre des Pas and Mount Bingham. I am happy to involve the Deputy with those discussions to further her concerns.

### **3.11.2 Deputy R.G. Le Hérissier:**

Would the Minister not accept that if he had read the *History of Jersey Double Deckers Part 2* he would be aware that in the late 1960s double deckers operated up Mount Bingham when the tunnel was not available to them and that therefore his reasons do not amount to an awful lot?

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

Briefly, the double decker did not go up South Hill; it certainly went round the corner but the argument is that those living at Mount Bingham will not want to do a long journey around Le Marais to get to town. It will be a downhill walk for them which will be much easier. The concern I think is probably getting back up the hill with their shopping.

[11:00]

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

I think if the Minister cared to work out: 800 passengers use this popular route 3 times an hour, 7 or 8 hours a day, it is popular between 7.00 a.m. and 9.00 a.m. and it is popular between 4.00 p.m. to 6.00 p.m. for people getting home. It is the middle of the day you have 3 to 4 people on the bus, and the Minister has not given me enough assurance and he has not done his homework. We are

paying a lot of taxpayers' money to this company who keep pulling the wool over consecutive Ministers for Transport and Technical Services' eyes.

**The Deputy Bailiff:**

Are we coming to the question, Deputy?

**Deputy J.A. Martin:**

Yes. I really want him to stand on Connex and get this bus operating as soon as possible and give me a date when I can expect a bus to come up Mount Bingham ... and down Mount Bingham.  
[Laughter]

**The Connétable of St. Brelade:**

As I suggested before, I think there will be value in the Deputy joining in discussions with my officers to decide on a practical solution to this. I do not think it will be practical to run it both ways to satisfy this one area but I would be keen to involve the Deputy in discussions.

**3.11.4 Senator T.J. Le Main:**

I was pleased to hear the Minister just make the last comments because I totally agree as a user of number 18 bus daily that further discussions should take place. I urge the Minister and would ask the Minister will he seriously take into consideration the representations made by Deputy Martin, the Deputy of St. Helier No. 1, in view of the extreme amount of elderly people that are now living up on the top end of that road?

**The Connétable of St. Brelade:**

Yes.

**3.12 Deputy S. Pitman of St. Helier of the Minister for Treasury and Resources regarding the Central Market Post Office:**

Would the Minister inform Members whether the 2 members of staff of the former Central Market Post Office, who had not found alternative jobs by 30th June 2010, have been asked to remain at the Market Post Office until 30th October 2010, and, if not, would the Minister advise who will be staffing the sub-post office until it closes and why?

**Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):**

I must point out that the States of Jersey is a shareholder in Jersey Post and under the Memorandum of Understanding the States does not directly control internal resourcing decisions of this nature and nor should it. However, Jersey Post have advised the Minister that the closure of the Central Market Post Office impacted on 2 members of their staff. Both these staff members were employed under fixed-term contracts. These contracts expired on 30th June and they are no longer employed by Jersey Post. In the interim, until Jersey Post ends its lease, the Central Market Post Office will almost likely continue to be resourced by staff from the Broad Street Post Office.

**3.12.1 Deputy S. Pitman:**

Would the Minister inform Members when he found out that the lease for the sub-post office was up on 30th October?

**Deputy E.J. Noel:**

I personally found out about that at a meeting I held with Jersey Post and my fellow Assistant Minister Deputy John Le Fondré some 2 weeks ago now.

**3.12.2 Deputy S. Pitman:**

There were 2 members of staff who had found work and 2 members who had not. Why could Jersey Post not offer jobs to those members of staff who were still there? Also, does he not think it inappropriate that this decision to extend the lease, or the finding out that the lease was over on the 30th, and informing the public that this should have been 2 members already working in the post office as soon as possible, because they had found alternative jobs at the very last minute?

**Deputy E.J. Noel:**

I do not believe that it is this House's position to incur its might to interfere with a State-owned business. Jersey Post has to be the ruler of its own day-to-day destiny. With regard to the terms that the former post office staff were under, they were under fixed-term contracts that were due to expire at the end of June and have done so.

**3.12.3 Deputy M. Tadier:**

Will the Minister confirm that 2 of the members of staff, one of whom had been working there for 20 years and there had been another working there for 9 years, both received only the equivalent of 2 weeks' pay when their contracts terminated? Secondly, would the Assistant Minister give an undertaking to talk to Jersey Post and ask why redundancies were made when the post was still carrying on and to ask if this is best practice and then report back to the House?

**Deputy E.J. Noel:**

I believe that Jersey Post made their decisions based on inaccurate information. They believe that they could close the post office on 30th June which coincided with the dates that the contracts of their staff expired. I believe Jersey Post made an error there because they should have understood what was in their lease that they had signed which meant that they had to keep the post office open until October.

**3.12.4 Deputy J.M. Maçon of St. Saviour:**

The Assistant Minister commented that as a shareholder it is not appropriate for the States to get involved in operational matters of a company. However, would the Assistant Minister help the same company if the business goes into a nosedive and will the Assistant Minister acknowledge that from time to time it might be appropriate for the shareholders to get involved if the operations were not being as successful as they should be or the company was not being well managed?

**Deputy E.J. Noel:**

The shareholders have certain obligations and one of those obligations is to consider its investment. If it becomes appropriate that there is a deficit in management then it is up to the shareholder to exert pressure on the board to change that management. I do not believe that that is relevant in this case.

**3.12.5 Deputy J.A. Martin:**

Now this follows on exactly from Deputy Tadier and Deputy Maçon. I have the ear of lots of people who work in Jersey Post and I think Treasury, and if not careful, Economic Development are trying to get rid of Jersey Post by stealth [**Approbation**] and if some serious talking does not go on, they can bury their heads in the sand, they are in trouble. The Assistant Minister will not admit this but would he ensure that he talks to the Minister for Treasury and Resources, who has promised me that he will make further investigations, because this is exactly what is happening?

**Deputy E.J. Noel:**

I do not believe that the Minister for Treasury and Resources, nor indeed the Minister for Economic Development, are actively or inactively seeking to terminate the services of the Jersey Post Office; far from it. The truth of the matter is exactly the opposite is going on. Postal services throughout the world are changing and are under immense pressure. The old models are not necessarily sustainable for the future given the current financing of such services. We are, within Treasury,

and I know the Economic Development Department, are actively working with the post office to ensure that we have a service that the public want and that it is sustainable going forward.

**3.12.6 Deputy S. Pitman:**

In fact, I believe that the closure of the sub-post office has been conducive to the opening of one in the Co-op which is taking over all the sub-post offices and it does seem to be a policy of Jersey Post. Does the Minister think it appropriate still, given the level, the years of service and the fact that this post office won awards for its customer service, and also the fact that it has made a profit? Despite what the Minister for Treasury and Resources has said twice in the House, this sub-post office is one of 2 out of 22 in the Island that is making a profit, so why its closure?

**Deputy E.J. Noel:**

The closure of the Central Market Post Office is part of Jersey Post restructuring to ensure that they have a sustainable future in providing postal services to the public of the Island. They are looking at many ways of replacing the historical post office network which is including liaisons with the Parish Halls and, indeed, the Town Hall to provide postal services at those locations to give Islanders a greater choice. As I mentioned before, postal services throughout the world are having to re-evaluate how they deliver their services.

**3.13 The Deputy of St. Mary of the Minister for Planning and Environment regarding the management of the expectations of planning applicants:**

Can the Minister advise how many times over the last 10 years a developer, large or small, has been given a “reasonable” or “justifiable” expectation by officers or politicians that a planning permission will be given in the future, even as the application under consideration was being turned down?

**Senator F.E. Cohen (The Minister for Planning and Environment):**

It is impossible to advise on the number of times that a reasonable expectation has arisen in the last 10 years. Well over 20,000 applications have been determined in that time and many more requests for advice have been processed. Furthermore, our computer system is not designed to retrieve this kind of information, however, I can say we do not usually offer commitment at officer level. Any advice now given by officers is on the clear understanding that it does not bind the Minister. Indeed, I introduced a requirement that all officers below Assistant Director level must append a footnote to this effect on all correspondence. Often when a proposal is refused, advice will be given on alternatives that may potentially be appropriate. This advice is always on the basis that it cannot compromise the application process and thus may fail at the consultation or determination phase. Procedures have been further tightened since the new Planning Law came into force and since I introduced third party appeals. Clearly, the possibility of a third party appeal prevents any certainty being offered on applications against which certain objections have been submitted.

**3.13.1 The Deputy of St. Mary:**

I thank the Minister for the clarification about officers and the advice they give to prospective applicants and the rider that now goes on all letters; that is good to know. But my question was really aimed at teasing out the issues around when the Minister - because it does seem to be the Minister - gives an applicant, gives a developer this reasonable and justifiable expectation and the balloon goes up. There are 2 examples in very recent times: one is Field 530A and the other is Mr. Shepherd on Field 621; it was not him but a previous Minister. I just wonder whether the Minister has any comments on how the public feel about this and whether he is going to do anything about it.

**Senator F.E. Cohen:**

All I can say is, as the Deputy has clarified, I did not have anything to do with the original decision on Field 621 and as far as 530A is concerned, this comment was made at the time of an open public hearing. Since that time, I understand the developers are now revising the scheme to contain the development within the built-up area anyway.

**3.13.2 Senator B.E. Shenton:**

The Minister's concession on Field 621 is surprising. The Royal Court specifically decided in 2007 in the case of *McCarthy v Planning and Environment Minister* that the Minister was not bound by a favourable indication given without due process and that is to say without formal application or consulting with relevant persons. Indeed, the Royal Court said: "... in a crowded Island, it is now recognised that there are a number of stakeholders in the planning process. Unless there has been due process and the Minister has reached a considered decision, he should not be held to indications by officials or other informal promises or hints that planning permission will be granted." The Planning and Building (Jersey) Law 2006 marks a watershed in the development of this Island. Is the Minister aware of the case of *McCarthy v Planning and Environment Minister* and would he be willing to publish the advice given to him by law officers to the relevant scrutiny panel given that he has conceded, even though the advice looks strongly the other way?

[11:15]

**Senator F.E. Cohen:**

The Senator continues his efforts to undermine everything I try to deliver at the Planning Department. I find his question quite extraordinary. He purposely manipulates the McCarthy decision. The reality in the case of Field 621 was that the Planning Committee of the day considered the matter as part of open and proper process and decided that one house would be appropriate on the site. That has never been in question. All that I have done in conceding the appeal is confirm the decision of the committee in 2004. Thank you.

**3.13.3 Deputy J.M. Maçon:**

Could the Minister please advise who the President of the Committee was on the day?

**Senator F.E. Cohen:**

I am not entirely sure. I think it may have been Senator Ozouf or it could have been his predecessor.

**3.13.4 The Deputy of St. Mary:**

To clarify, I think it was Senator Ozouf. I seem to remember reading that. Yes, I just want to ask the Minister again, I suppose, whether he understands the public concern in this area about what I would call in shorthand the "nods and winks" system and what constraints he puts on himself giving nods and winks?

**The Deputy Bailiff:**

You have the nod, Minister.

**Senator F.E. Cohen:**

Nods and winks are not given. What are given is indications of what may be appropriate but we now have a system where third party appeals apply and therefore it is a matter of course that no absolute commitment can be given. The whole objective of improving the process of planning and improving the buildings, which, of course, is what I have set out to do, is that we do have to encourage developers and applicants to produce the best quality buildings for our Island. Part of that process is naturally going to be giving them an indication of what may be appropriate, albeit the caveat is that the normal process has to be gone through before determination is got to.

**3.14 The Deputy of St. Martin of the Minister for Home Affairs regarding the return to duties of suspended police officers cleared of all disciplinary charges at a hearing on 23rd February 2010:**

Would the Minister advise whether the 2 police officers, who were suspended for around 18 months and then subsequently cleared of all disciplinary charges at a hearing on 23rd February 2010, are now back to full operational duties and if not, why not?

**Senator B.I. Le Marquand (The Minister for Home Affairs):**

The 2 police officers referred to had their suspensions lifted on 23rd February 2010 and were available for operational duty the following day. They could return the following day. They are currently not on duty and for reasons of confidentiality, namely their privacy, it would not be appropriate to explain publicly why they are not at work.

**3.14.1 The Deputy of St. Martin:**

I think it is well known why the 2 officers are not back at work but they are also getting paid. Does the Minister not consider it appropriate to inform Members as to the cost and who is incurring the cost while these officers are not at work?

**Senator B.I. Le Marquand:**

There are a variety of reasons from time to time why officers may not be at work. There may be perfectly good reasons for that, indeed, there probably are in relation to these officers. It is not unusual for that to occur in such circumstances. Clearly, their salaries continue to be paid. There is a procedure which I have recently reviewed in relation to payment of salary in certain circumstances but that is perfectly normal. It could apply to any department in the same way.

**3.14.2 Senator A. Breckon:**

I wonder if the Minister could confirm, I think I heard him just say that the officers' suspension had been lifted around 28th February, have they returned to work at all since that time?

**Senator B.I. Le Marquand:**

23rd February, I said. My understanding is that they have taken some holiday leave in an appearance sense and I do not think they have returned to work.

**3.14.3 The Deputy of St. Martin:**

The answer I did not get: they are being paid for by the taxpayer while they are off work. Are these 2 officers ever likely to come back to work? Is the Minister in a position to say that? If they are, how soon will they be able to return to full operational duties?

**Senator B.I. Le Marquand:**

I am not going to go into details of that sort in relation to individual officers. It is simply extremely unfair to the individual officers. They are entitled to a degree of privacy, as is any other States employee. [Approbation]

**3.15 The Deputy of St. John of the Minister for Economic Development regarding Consultants employed at the Airport:**

Are A.F.Q.A. (Air Field Quality Assurance Limited) consultants employed at the airport and, if so, in what capacity, for what length of contract and at what annual cost?

**Senator A.J.H. Maclean (The Minister for Economic Development):**

I can confirm that Air Field Quality Assurance Limited, a local company, have supplied a consultant to Jersey Airport. The contract is for £65,000 per annum and provides support for 5 days per week for one year. Thereafter, the contract can be terminated with 6 months' notice on either side. The purpose of the contract is to provide expert advice to support the proposed changes to the £1.6 million baggage system and changes to baggage handling arrangements at the airport. The consultant is also providing valuable advice on optimisation of additional revenue sources and improvements to customer services.

**3.15.1 The Deputy of St. John:**

Can the Minister confirm that A.F.Q.A. are paid by cheque monthly and is this a usual way of paying a contractor as the money could be coming from unmatched purchasers? If this is the case, will the Minister look at an immediate audit undertaken at the Accounts Department at the airport?

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

I am not sure what the Deputy is driving at here. I have no doubt whatsoever that the airport, the Airport Director and the Financial Accounting Officer are following financial directions in all matters relating to the airport. I am perfectly satisfied in that regard and I think, with respect to the Deputy, we should get out of the weeds and concentrate on what is important at the airport. There is a big job of work to be done in the years ahead. We have done significant work in looking at the financial and operational position of the airport. It was showing in 2009 a £101 million deficit through to 2023. These are the works that the airport management are very expertly dealing with and I have full confidence in them.

**3.15.2 The Deputy of St. John:**

I asked the question: would he call in auditors to have a look at how this particular company is being paid and will he give us a yes or no answer, please?

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

The airport is regularly audited in a number of different ways and I am perfectly satisfied with the audit arrangements and I would leave it at that.

**3.15.3 Deputy M.R. Higgins:**

Will the Minister confirm whether Air Field Quality Assurance is a one-man band, that the company is the consultant and that the consultant has no previous experience of electronic and mechanical baggage systems but merely was responsible for the baggage loaders on aircraft that came to Jersey Airport?

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

I will repeat my complete and utter confidence in the management at Jersey Airport, with the commercial decisions that they have made in terms of employing this particular consultant. As far as the company in question is concerned, or the individual provided, or the number of employees, or the way in which it is paid, frankly, it is irrelevant. The point is that the company has been employed by an expert management team at Jersey Airport which I have total and complete confidence in.

**3.15.4 Deputy M.R. Higgins:**

Can the Minister again confirm that this contract was awarded through a competitive tendering process?

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

I think I have already stated earlier on today in an earlier question touching on this matter the process of how Air Field Quality Assurance Limited were appointed. It is indeed a one-year contract which was approved internally by the airport. As I have said, the expertise, as far as the

management team are concerned, was perfectly acceptable. The individual in question who is acting as a consultant has been working at the airport since the 1960s and has the necessary expertise to provide the services that the airport required.

**3.15.5 Deputy J.M. Maçon:**

The Minister said he had full confidence in the management of the airport. Can we expect that that is in the same token as previous Ministers for Health and Social Services have had in the full confidence of the management of the hospital?

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

I am not sure what the Deputy is referring to but all I will do is repeat exactly what I have said.

**3.15.6 Deputy R.G. Le Hérisssier:**

Notwithstanding the Minister's support and the fact that we do not wish to impugn obviously the integrity of individuals, would he not accept that there is high public concern because all increased costs at the airport automatically translate into higher fees for passengers and ultimately make the airport possibly uneconomic? Would he therefore not accept that he has to keep a very close eye on the use of consultancies in that situation?

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

Yes, I would agree wholeheartedly with the Deputy. Frankly, I am not surprised the public are concerned. I am sure the public, as well as myself, choked on their porridge when they read the headline in the *Jersey Evening Post*, the sensational headline which barely reflected the facts of the situation. I think that is disappointing because it does raise concerns among the public; unnecessary concerns. I will repeat again my confidence. Yes, the Deputy is right, we do have to keep very careful and close eyes on expenditure. A great deal of work has been done in terms of financial modelling at Jersey Airport. The work is difficult because it takes and requires very difficult and tough decisions. I suspect that the reason we are getting all these questions is because staff in some areas are concerned because we have to drive through change. Change is difficult and because of that these questions are being raised. But, yes, we have to bear down on costs; that is one of the main aims of the airport: optimise revenues and cut down on costs but it means change.

**3.15.7 Deputy M.R. Higgins:**

The Minister was implying that the *Jersey Evening Post* headline that air traffic controllers are being paid large sums for training and that an air traffic controller had failed his revalidation in Jersey and was being paid £68,000 was rather sensational. I think it is rather scandalous, to be honest, if that is the case. Most people who undertake training do so as part of their normal contract and if they have to go in on their day off receive payment in lieu.

**The Deputy Bailiff:**

What is the question, Deputy?

**Deputy M.R. Higgins:**

I am just saying, does he not think that his statement saying the headline was outrageous is wrong and the practice is what is wrong?

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

What I was saying was that the headline was sensational and therefore misleading. I was commenting on the fact when I saw it I choked on my porridge. That is not surprising; I am sure the public felt much the same. The facts are not as Deputy Higgins is representing them. The facts in fact are that the individual in question did not validate on one particular aspect. He has not taken the other part of the validation. Again, that is a management issue for the airport that needs to be



dealt with by the airport. We should leave it at that. There is a lot of misinformation being represented as fact by Members - certain Members - within the Assembly and outside. Thank you.

**3.15.8 Deputy A.K.F. Green of St. Helier:**

I choked on my Rice Krispies, not my Cornflakes, but anyway ... or my porridge. Anyway, does the Minister not agree that the public have a right to be concerned and concerned over a couple of points, but particularly - and it is not just at an airport that this has happened; it has happened in other areas as well - that a member of staff leaves our employment and then reappears as a consultant? If they have got the expertise, why not use them while they are employed?

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

In general, the Deputy is right, but in fact just for clarity's sake, the person in question was not employed by the airport; he was employed by a private company that ceased operations at the airport, so he was not an employee. But, yes, the Deputy is right. There needs to be acceptable accountability for staff who work in the public sector. Indeed, another area of concern is terms and conditions and those are being looked at. Those are the root cause of many of the problems, both at the airport and in the wider States. It is a big issue and it does need to be dealt with.

**3.15.9 The Deputy of St. John:**

Once again, I will ask the Minister will he call in an auditor to look at the accounts at the airport?

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

The accounts at the airport are, of course, audited. I am not quite sure what the Deputy is referring to. If he wants me to look specifically at the issue as to how this particular payment is made, I can see it is a matter that is concerning the Deputy greatly. I will take it up with the Airport Director and I will undertake to get back to the Deputy with some more details if it will make him feel more comfortable.

**3.16 Deputy M. Tadier of the Attorney General regarding the dual role of Connétables as States Members and honorary police officers:**

Given that the previous Attorney General confirmed that the Constables, as well as being States Members, are also Honorary Police Officers, will Her Majesty's Attorney General advise Members whether this dual role is, in his opinion, human rights compliant and which Articles and protocols he has taken into account in coming to this opinion?

**The Attorney General:**

I hope the Deputy will appreciate it is difficult in the limited time available to consider this question to be definitive in my answer.

[11:30]

However, implicit in this question is a concern that there may be something inherently problematic in human rights terms with a member of a legislature also holding policing powers. As the Constables no longer exercise any operational policing powers, the question is, in my opinion, only theoretical rather than of actual significance. I do not think therefore that there is anything that is offensive to or not compliant with any of the Articles of, or protocols to, the European Convention of Human Rights, or the other human rights instruments applicable to Jersey in the current situation.

**3.16.1 Deputy M. Tadier:**

By extension then, the first question I would ask, would the Attorney General think it is fine if all States Members therefore become Honorary Police Officers, but non-serving ones, in the sense that there would only be a theoretical problem there? Secondly, could Her Majesty's Attorney General confirm whether any other civilised jurisdiction have police officers? We have had it confirmed that theoretical or otherwise, the Constables are Honorary Police Officers. So, do any other civilised jurisdictions have policemen sitting in their National Assembly making laws and voting on them?

**The Attorney General:**

The Deputy I hope will forgive me if I do not intend to answer the first part of the question, which appeared to suggest that all States Members join the Honorary Police Force in a non-operational way, as that simply is completely an impossible concept and therefore cannot be anything other than completely speculative. I will not answer it. In terms of the other jurisdictions, I am afraid I have absolutely no knowledge or information of what the position is in other jurisdictions.

**3.16.2 Deputy M.R. Higgins:**

Bearing in mind the Attorney General's answer, is there any possible justification then why some Constables still carry warrant cards?

**The Attorney General:**

The question that I was asked was directed to whether or not there was anything problematic in human rights terms and the view that I have expressed is there is not. In terms of the justification, I am afraid the explanation for that would have to be directed to the Constables concerned. My understanding is the Constables do not take any operational policing steps. That, I think, is the important point in terms of the question that has been asked to me.

**3.16.3 Deputy M. Tadier:**

Perhaps I can reiterate Deputy Higgins' question. Given that the contradiction here is purely theoretical and that we have had it confirmed that although the Constables are police officers but non-serving ones, would it be advisable then that the warrant cards be submitted as they are no longer required for police officers who are not serving in any functional capacity?

**The Deputy Bailiff:**

Submitted to where?

**Deputy M. Tadier:**

Just returned.

**The Attorney General:**

Again, I do not feel able to express a view in response to that question. Perhaps it might help if I amplified a little bit why this is a theoretical question in my opinion, rather than an actual one. But when the European Courts of Human Rights have come to consider whether or not a right has been breached, it considers specific facts, specific circumstances and the effect of those facts and circumstances on a victim. So, if the Connétables are not exercising any operational police powers, there are not going to be circumstances in which the exercise of those powers are going to find themselves considered by the European Court or any other court dealing with human rights matters. That is why I refer to it as a theoretical question. In terms of holding warrant cards, merely holding a piece of paper or plastic with a photograph on it or not, to my mind, is not a material consideration. In all circumstances, the Connétables, like any other public authority, have to exercise whatever powers they do outside of the Assembly in a manner that is compatible with the human rights of ... well, compatible with Human Rights Law. But I do not think whether Connétables walk around holding a warrant card and do nothing with it has any bearing on the question.

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

Could I ask for clarification? It is not simply theoretical because part of the convention states that members of the public have a right to expect an honest and impartial hearing and they could well argue, and somebody could well take a case - not a theoretical one but a practical one - to the European Court of Human Rights on the basis that they have been tried at a Parish Hall and that the laws which were made were made by policemen and they voted on them and that the law would not have gone through if these policemen, who arguably should not have been there in the first place, had not been making the law. So there is not any clear separation. So, could the Attorney General comment on that?

### **The Attorney General:**

The first point I will just make in response to that is that people are not tried at Parish Halls. A Parish Hall Inquiry is not a judicial determination of a criminal matter; it is a prosecution inquiry which will lead at the end of it to a decision as to whether or not a charge should be brought. It is an entirely voluntary process in that anyone brought to a Parish Hall Inquiry (a) is entitled not to come and (b) if he does turn up, is entitled to say: "No, I wish this to be dealt with an Article 6 compliant court" and the matter is then referred to the Magistrate's Court. It is for that reason, because there is no question of a judicial determination in the Parish Hall Inquiry system, that I think this is theoretical. It is also theoretical because, as I understand the position - and I do stand to be corrected if I have got this wrong - Connétables do not conduct Parish Hall Inquiries; that is an operational policing matter.

### **3.17 Deputy T.M. Pitman of the Minister for Treasury and Resources regarding the implementation of a 30 per cent Income Tax rate for those earning above £100,000:**

Given that in the Fiscal Strategy Review public consultation document it is stated that a key consideration in implementing a 30 per cent income tax rate for those earning above £100,000 is the possibility of such individuals choosing to leave the Island, will the Minister advise what firm evidence, if any, his department has to support such fears?

### **Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):**

The Fiscal Strategy Review Consultation Paper states that introducing a 30 per cent higher rate of income tax for those earning above £100,000 would mean that these people would become worse off and could decide to move elsewhere, taking with them jobs and businesses that generate here, which would affect all Islanders. That is, it identifies the risk that this could happen. It does not attempt to quantify it. It would be clearly an incentive for such people to leave the Island as this option would put our income tax rates above that of our immediate competitors. The consultation has been designed to help gather evidence from those that might be affected to better assess the risk and associated impacts, i.e. to attempt to try and quantify it. Moving away from our 20 per cent rate of tax, which we have had for over 50 years, is a reflection of our continued stability, both fiscally and politically. It would be a huge change which would need very careful consideration to avoid damaging our Island.

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

I think that was no evidence. Can the Assistant Minister clarify then whether, given that at the first public consultation meeting last week the Minister for Treasury and Resources stated that the 20 per cent tax rate was sacrosanct, is the inclusion of an option to raise income tax for high earners above the £100,000 threshold to 30 per cent at best disingenuous and at worst a shallow piece of spin that will not be implemented regardless of any large-scale public support for the option?

### **Deputy E.J. Noel:**

The purpose of the consultation paper is to do exactly what it says: it is to consult with the Island's public to get feedback on some suggestions. I believe that the Minister for Treasury and Resources - I would not want to put words in his mouth - shares a similar view to myself in that the current economic climate, the 20 per cent rate is sacrosanct and should not be altered. However, we are willing to listen to what the people of the Island have to say and we will act accordingly.

**3.17.2 Deputy G.P. Southern:**

Can the Assistant Minister confirm that the figure of £100,000 refers to individuals and not households? Secondly, does he accept that in today's current market whether they are earning large amounts or small amounts, employees are price takers and not price makers at the moment?

**Deputy E.J. Noel:**

I believe that the introduction of a 30 per cent limit for those earning over £100,000 may have some unintended consequences. One of those may be that it would discourage marriage because if it is based on a combined income then you could have a circumstance where you have a couple, both earning £90,000, but by the fact that they were married they would end up paying £8,000 more tax per annum than they would if they were not married. I do not believe that this House would want to have a tax on marriage.

**3.17.3 Deputy G.P. Southern:**

Does the Assistant Minister not know and can he not inform us whether the £100,000 figure refers to individuals or households? If not, will he go away and find out?

**Deputy E.J. Noel:**

The £100,000 limit suggestion is merely that; it is a suggestion. The detail has not been worked out yet.

**3.17.4 Deputy M. Tadier:**

Some more questions and answers, I fear. Will the Assistant Minister comment on whether he and, in particular, the Minister who is going around presenting the cases for an increase if we look at personal taxation, whether it is appropriate that that person, on the one hand, be saying: "We are looking at all options, we are open to all suggestions" and then at other times be saying: "I believe that the 20 per cent tax rate is sacrosanct"? How can those 2 statements be compatible?

**Deputy E.J. Noel:**

I believe they are compatible because the Minister for Treasury and Resources has his own opinion and is allowed to voice that. The consultation paper is out to consult to the Island as a whole and we will gather that feedback and build it into a White Paper to come in terms of the budget at the end of this year.

**3.17.5 Deputy M. Tadier:**

A supplementary, if I may. Is that not exactly asking leading questions then if we say: "We have this option but it is sacrosanct"? Sacrosanct meaning it is a sacred cow; it must not be touched at any cost. It is not really posing an open and honest debate, is it? It is asking leading questions. Does the Assistant Minister acknowledge that? Will he approach the Minister for Treasury and Resources and ask him to stop making statements to what is and is not acceptable? Because it is ultimately for the public to decide and for the public to comment, not him.

**Deputy E.J. Noel:**

I am not going to approach the Minister to ask him not to make or to make certain statements, as I would not do to any other Member of this House. My own view is that moving away from our 20 per cent tax rate could have serious consequences to our Island's population as a whole. Before we

do that we have to consider fully the consequences and some of the unintended consequences of moving away from a rate of tax that served us very well over the past 50 years.

**3.17.6 Deputy T.M. Pitman:**

I have to say, I have heard many excuses for not taxing the wealthy, but never that it will destroy marriage. Could the Assistant Minister advise, the vast majority of middle earners appear to fully accept the fairness of paying more tax than people on a lower income. I fall into that category. Does the Assistant Minister thus agree that it is only fair and in line with natural justice that very high earners similarly pay a little more tax percentage-wise than those middle earners? Or does he hold the view that tax is in fact just for little people?

**Deputy E.J. Noel:**

I believe that our tax regime overall should be mildly progressive.

**3.18 Deputy M.R. Higgins of the Minister for Treasury and Resources regarding the latest estimate of the tax revenue lost to the Treasury since the Zero/Ten Tax regime was adopted:**

Would the Minister provide members with the latest estimate of the tax revenue lost to the Treasury since the Zero/Ten tax regime, whereby foreign-owned trading companies operating in Jersey pay no taxes in the Island, was adopted?

**Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):**

The best estimate of the tax lost is £7.2 million at best and £7.8 million at worst. This compares to an original estimate made some 3 years ago that the loss would amount to between £10 million and £12 million.

**3.18.1 Deputy M.R. Higgins:**

Does he feel that it is appropriate, therefore, for firms who are not in the Island, who are paying no taxes in the Island, to be charging V.A.T. (value added tax) in the Island and thus hitting the Jersey taxpayer in 2 ways: not contributing to the cost of the services that we are providing people, but also taking more money out of people's pockets?

**Deputy E.J. Noel:**

I believe that Islanders have a choice. They have a choice of where they buy their goods and services from. If people are going to be uncompetitive by passing on their costs from other tax usages then I am sure the Islanders are bright people and a Jerseyman is known to be careful with his money and will shop elsewhere.

[11:45]

**3.18.2 Deputy G.P. Southern:**

Is the Minister content that in his document he shows that income tax from companies now stands at 21 pence in every pound, whereas income tax for employees stands at twice that amount at 43 pence in the pound, when as recently as 2007 income tax from those 2 sectors - personal tax and company tax - was about equal? Is he content that that is a situation that his Council of Ministers and his Minister have brought about in the last few years?

**Deputy E.J. Noel:**

I am not quite sure where the Deputy gets his figures from.

**Deputy G.P. Southern:**

From your own documents. [Laughter]

**Deputy E.J. Noel:**

The tax regime has changed substantially over the last 3 years in the Island. Prior to the introduction of zero/ten, Islanders were effectively heavily subsidised by our finance industry. That industry has moved on to remain competitive outside of the Island and to protect our economy we have had to move along with our competitors. To quote a former Chief Minister, we are where we are.

**3.18.3 Deputy M. Tadier:**

Following on from Deputy Higgins, the Assistant Minister is quite right that local shoppers do have choice and one of those choices includes going to the internet, buying stuff, products, from the U.K. which they can then have the V.A.T. knocked off. So will he take very seriously Deputy Higgins' suggestion that V.A.T. be looked at, those who are charging V.A.T. in Jersey, because ultimately people who want to shop face-to-face have to shop in Jersey, but it will be sad to lose business to the U.K., to non-local companies, simply because it is in the best economic interest of those shoppers.

**Deputy E.J. Noel:**

I believe that the Jersey public will shop where they feel they can get the best deal from, whether it be on the internet or locally. I had a personal experience where I could have bought some goods on the internet at far less than the marked-up price in the shops over here. I brought that to the attention of the shop owner and they matched the U.K. price. It is down to the individual to spend their money how they wish.

**3.18.4 Deputy M.R. Higgins:**

The Deputy mentioned that the zero/ten measures are brought in for competitive reasons with the other jurisdictions. As Guernsey is looking to go to a 10 per cent corporation tax and the Island of Man is likely to do something similar, will the Island follow them and raise corporation tax from these companies and try to restore Jersey's tax base and save the public from some of the cuts that are going to come?

**Deputy E.J. Noel:**

We as a government should not do any knee-jerk reactions. The code of zero/ten is being reviewed this September and it would be unwise to do anything with our tax regime until that has happened.

**3.19 Deputy G.P. Southern of the Chief Minister regarding consultation with States employee representatives over the proposals for the first stage of the Comprehensive Spending Review:**

Last question of the day; let us hope we can get some clarity. When does the Chief Minister intend to consult with States employee representatives over the terms under which job losses announced in the proposals for the first stage of the Comprehensive Spending Review will take place?

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

Meetings have already taken place with senior States employee representatives on the first stage of the Comprehensive Spending Review. They are fully aware that job losses will be managed in accordance with the terms of the Continuity of Employment and Redundancy Policy, which has been published on the States internet site for many years and which was itself subject to extensive consultation with employee representatives when first introduced. Those terms are essentially that job losses will be managed through natural turnover, redeployment, retraining, voluntary redundancy and voluntary early retirement. It is only as a last resort will compulsory redundancy

be applied. Furthermore, an invitation has been made to the unions to join with their senior officers in human resources and the C.S.R. (Comprehensive Spending Review) team to work through the proposed job losses jointly. This offer has so far not been taken up.

**3.19.1 Deputy G.P. Southern:**

Is the Chief Minister aware after today's answer 16 from the Minister for Health and Social Services that she says voluntary redundancy will be considered for implementation at the beginning of 2011 and in accordance with the existing States-wide scheme at that time? Is it not the case that the terms and conditions for 2011 have not been ... that the States has not been informed of those changes and that employee representatives have not been consulted over those changes and that the terms that will be applied will be 2011 and they will be completely new and I presume a watered-down version of voluntary redundancy or a voluntary early retirement scheme?

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

I was not aware until this morning of the reply from the Minister for Health and Social Services, but equally I would suggest the questioner looks at my reply to his own question 12 when I said that the matter would be reviewed before the end of this year and we were expecting to meet with union representatives by September. Clearly, yes, there are going to be changes. I do not know yet what they will be. They will be reached hopefully after fruitful discussion with those union representatives, if they choose to meet us.

**4. Questions to Ministers Without Notice - The Minister for Education, Sport and Culture  
The Deputy Bailiff:**

That brings question time, 2 hours, to an end and we now come to the questions without notice to the Minister for Education, Sport and Culture.

**4.1 Deputy K.C. Lewis of St. Saviour:**

Does the Minister agree that the closure of Fort Regent Swimming Pool was a mistake and will the Minister work towards ending the contract with the Waterfront and refurbishing the Fort Regent Swimming Pool in time for the 2015 Island Games that will be hosted by Jersey? If not, why not?

**The Deputy of St. Ouen (The Minister for Education, Sport and Culture):**

I think much discussion has taken place regarding the decision to close the Fort Regent Pool and the subsequent decision to provide an additional facility on the Waterfront. Those decisions were made by this Assembly at the time and as such we are required to live, I would say, with those decisions. That does not mean to say that we should not make sure that the arrangements now in place with regard to funding of the new pool are adequate and, where possible, reduces the liability of the States to provide the facility. I can assure Deputy Lewis that the facilities that we have on the Island, the swimming pool facilities we have on the Island, are more than adequate to support the swimming community. We have 2 25-metre pools, 6-lane pools, one at the Aquasplash, the other one at Les Quennevais Sports Centre and I believe as such ... and that is without considering other private facilities on this Island.

**4.1.1 Deputy K.C. Lewis:**

I thank the Minister for his reply, but I think the pools, although good pools, are woefully inadequate. Does the Minister believe that the £2,500 subsidy per day given to the Waterfront pool is value for money?

**The Deputy of St. Ouen:**

The subsidy is made up of a number of elements. In fact, my department since being given responsibility for the pool, which was back in 2005, has since entered into and renewed the

agreement with the current operator to ensure that the subsidies are maintained at a more acceptable level. I cannot change the 21-year agreement that was entered into by W.E.B. (Waterfront Enterprise Board). The only thing I am able to do as a person who is responsible for the Education, Sport and Culture Department, is to make sure that the agreement for now is fit for purpose.

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

When the Minister was elected he talked of the unfairness of the current student loan scheme, particularly when you get parents who both work and earn a relatively high joint income. What progress is being made to review and amend this?

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

One of the areas that I chose to review was the area of financial support for higher education. This is coming to a conclusion, I might add, and as such we are currently preparing a White Paper that will be circulated widely to the members of the public which will identify options and issues which I believe need to be addressed to ensure a fair more equitable system.

#### **4.3 The Deputy of St. Martin:**

This is a follow-up of a question I asked the Minister 3 months ago. A member of his department has been suspended since August last year and it appears that from the inquiries I have made that the reason no decision has been reached is through the tardiness of the Crown Officers and the States Police. Has the Minister himself taken any steps to see why this person is still suspended and if not, why not?

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

As a Minister for Education, Sport and Culture I am responsible for the general welfare of my staff. However, overall responsibility for all States employees rests with the States Employment Board. I have made inquiries on behalf of the Deputy of St. Martin regarding this particular case and it does grieve me to see that the time required to deal with this matter has been particularly long. I would hope, and I have encouraged all those involved, to conclude this matter to everyone's satisfaction and I hope that that would still be the case.

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

I wonder if the Minister is aware that it is over 25 years since remedial works were carried out to the granite work of Elizabeth Castle? Is he happy, or does he know, if the Ancient Monuments Fund has sufficient funds in it to carry out remedial works to the granite work of Elizabeth Castle and when was the last time he received a report, if ever?

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

I am well aware that our heritage sites need to be properly maintained and managed. Elizabeth Castle is one of our main heritage sites on the Island. It absolutely fits into that category. With regard to the funds that are presently available, to my knowledge, they were never designed to deal with major capital projects and that was highlighted by the arrangements that were provided for the refurbishment, if you like, redevelopment or improvements at Mont Orgueil a number of years ago. As such, Elizabeth Castle and projects of that nature would be required to fulfil and meet the States capital programme and be required to be prioritised in a similar manner to that of a school, prison or even a housing estate.

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

The Minister may be aware that in the past there was an initiative called Sports for All, which took place, I believe, up at Les Quennevais, which enabled members of the public of all ages to participate in various different sports, many of which they may have never tried in the past. Is the Minister minded to reinstate this initiative?



**The Deputy of St. Ouen:**

To my knowledge, our department actively encourages sports for all in many different shapes and sizes and we know of many organisations that provide and support all ages across the Island. As such, I believe that, together with our Active Card membership, we do a lot to provide for and help the healthy lifestyle that we all aspire to.

**4.5.1 Deputy M. Tadier:**

A supplementary, if I may. I share the Minister's zeal for sports and I acknowledge the Active Card is doing very well. Would he give an undertaking to look into when and why this initiative was stopped, as I think it was very successful, and would he come back to me with those answers and whether or not he thinks it would be a good thing to pursue in future?

**The Deputy of St. Ouen:**

I am more than happy to look into that and discuss it further with the Deputy.

**4.6 Deputy G.P. Southern:**

In answer to a question in the previous session the Minister said that the modern foreign language assistants process of appointment was suspended shortly after advertising but prior to short-listing and then went on to say that should the States decide in September 2010 not to accept the proposed spending reduction the department would investigate alternative arrangements for the academic year 2010-2011. Does the Minister not think that he has created a fait accompli that these modern language assistants will not be appointed this year, which is the normal routine, for a start in October - September will be too late to get people of reasonable quality to fill those posts - and that he has pre-empted the decision of the States on this particular issue, modern foreign language assistants?

[12:00]

**The Deputy of St. Ouen:**

No, I do not believe that that is the case.

**4.6.1 Deputy G.P. Southern:**

Will he then explain what alternative arrangements he has in mind for filling these places which require careful vetting and assurances that the right people are in place to provide this essential service?

**The Deputy of St. Ouen:**

Discussions are ongoing with a number of different organisations and I am sure, dependent on the decision that the States make regarding the Annual Business Plan, we will be able to, if required, provide the assistants necessary.

**4.7 The Deputy of St. John:**

The question will not be about Victoria College. Will the Minister give details of grants where students go off to university and some of these courses run into many tens of thousands of pounds, is there a ceiling within these grants where the parents would not be expected to pick up the maximum of the fees?

**The Deputy of St. Ouen:**

Could the Deputy repeat that question?

**The Deputy Bailiff:**

Is there a ceiling on the grants, Deputy?

**The Deputy St. Ouen:**

Yes, Sir. [Laughter]

**4.7.2 The Deputy of St. John:**

That being the case, could we be given details, please?

**The Deputy of St. Ouen:**

I cannot remember off the top of my head what that ceiling is but I am quite happy to provide it to the Deputy.

**4.7.3 The Deputy of St. John:**

As the Minister is killing time, could he give us details, please, of how it works? We do not have to have specifics, just where there is a cut-off.

**The Deputy Bailiff:**

Minister, can you add to your previous answer?

**The Deputy of St. Ouen:**

Yes, Sir. It is based on the income of the individual and the ability to pay.

**4.8 Deputy T.M. Pitman:**

Although I would never say it myself, it is often said that the world over royalty thinks the world smells of paint. Does the Minister think it is appropriate or indeed the right way forward that with the royal visit areas around Grands Vaux youth project were painted, walls were made good, sign writing was done? Does the Minister really think that that is the way to do things?

**The Deputy of St. Ouen:**

We will take every advantage we can to improve our facilities and I thank their Royal Highnesses for visiting this Island. [Laughter]

**4.8.1 Deputy T.M. Pitman:**

Supplementary, Sir, as we are all in jovial mood. Some years ago when the same royal couple visited, and I obviously support that, at the time the former principal youth officer had died recently. I was allowed £65 to erect a plaque in honour of a man who was really the father of professional youth work in the Island. At the same time I believe the department spent £900 on a lovely marble plaque at St. Aubin's Fort. Does the Minister think we have got our priorities right?

**The Deputy of St. Ouen:**

I am not aware of this particular issue so it is very difficult for me to comment. I do think the department does have its priorities right because ultimately, with regard to the youth of the Island, we are here to serve them and provide them with the support necessary so that they can enjoy a full range of activities. I am sorry to hear about the Deputy's acquaintance and I am happy to speak to him later.

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

With the U.K. increasing university fees is the Minister, in the many reviews that have been undertaken by the Education, Sport and Culture Department, looking at offering university level provision on the Island?

**The Deputy of St. Ouen:**

Yes, we are very keen to and continue to explore alternatives to provide higher education and further education courses on this Island where appropriate. Indeed, we have a number of foundation degrees being offered presently at Highlands. Also I am quite keen to discuss with the

new private provider to see how best we can improve on the overall education for all ages and all abilities.

#### **4.10 Deputy R.G. Le Hérissier:**

In the Minister's submission for the Comprehensive Spending Review there is approximately £1,300,000 which is not itemised because it is awaiting detailed reviews. Can he tell us how he reached that sum of £1,300,000 and in his view what are the items that are likely to be hit? This is an enormous unspecified sum

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

Either the Deputy is deaf or he does not pay attention [**Members: Oh!**] and I do not say that lightly but I have attended a number of public hearings in front of his panel and discussed this matter in great detail. The remaining sum identified in the Business Plan is calculated on the basis of 2 per cent minus the level of savings that I have already identified in detail. With regards to how that sum and the additional sum might be made up, I have explained at length that while I am completing and conducting some major reviews I am not prepared to second guess the outcomes of those reviews and as such the decisions based around the savings will be led by the results from those reviews.

### **5. Questions to Ministers Without Notice - The Minister for Health and Social Services**

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

I did ask a written question - number 17 for reference - regarding the Four Seasons Nursing Home. One of the parts of that question was whether the private care homes, including the Four Seasons one, have been properly vetted and police checked in regard to their staff. The answer given by the Minister lower down says that: "There is currently no requirement in the law to enable or require police vetting of staff. However, in this particular case of respite I can confirm that appropriate vetting and barring procedures are in place." I would like to ask the Minister, first of all, if she wrote that answer or if it was provided to her, because I believe that answer is factually incorrect. I would ask her to investigate because I believe that procedure is not in place. There are not appropriate vetting and barring procedures in that place because I know for a fact that staff members have been employed without even so much as a simple background check.

#### **The Deputy of Trinity (The Minister for Health and Social Services):**

I stand by the answer that I gave and everything is provided by the department that regulates the care homes, which consist of residential care and nursing homes. I am concerned about what Deputy Tadier has just said and if he has any concerns about this care home then I would be very happy to speak to him about it, as would be the regulator of care in that area.

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

A supplementary if I may: would the Minister advise whether she has been made aware that the Four Seasons Nursing Home is pending an investigation? There is an investigation being carried out at the moment. Is she also aware that, as I have stated previously, there are not currently vetting and barring procedures taking place and also, as she said, they are not required to be under the law?

#### **The Deputy of Trinity:**

Yes, I am aware of an investigation taking place. It has just begun and it would be totally inappropriate for me to make any further comments regarding that. As regards the vetting and barring, if it is not under the law then it might come under the service level agreement that we have not only with this care home but with every other care home that provides care to Health and Social Services.

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

Will the Minister update Members regarding the provision of peritoneal dialysis at the general hospital?

### **The Deputy of Trinity:**

I know that Deputy Lewis has been very concerned about this. He has been lobbied by many of his parishioners and the Kidney Association, along with Deputy Lewis and Deputy Martin, have spent quite a few hours in the Renal Department trying to get reassured and I am sorry that the Deputy is not reassured yet. Nurses are in place. Can I just briefly say that this relates to continuous ambulatory peritoneal dialysis. It does not relate to hemodialysis, which continues. This is a very specialised, highly technical procedure which involves a cannula into the peritoneum, which is part of the abdominal body, and it is only used really for ambulatory patients. It is highly skilled and needed to be highly trained and for the people who receive it - and at present there are 5 people receiving this type of peritoneal dialysis - it is not an easy thing to undertake because they have to be on the ball; it is a treatment they have to do to themselves every 6 hours, 24 hours a day, 7 days a week. Obviously, cleanliness, infection control and to be able to understand how to do it is very high priority. That is why the nurses that need to be trained are highly specialised and it is difficult to get nurses with that specialised training. We have succeeded in getting the nurses, they are being trained up and we hope to be able to have new patients on the ambulatory peritoneal dialysis programme by the beginning of January. As I said, this is a very highly specialised area.

## **5.3 The Deputy of St. Martin:**

Could the Minister inform Members of the annual funding given to Family Nursing and also outline the governance arrangements in place re the States funding to Family Nursing who identified a £172,000 deficit at their A.G.M. (annual general meeting) in May this year?

### **The Deputy of Trinity:**

I have not got the exact figure; I am sure the Deputy has. I think it is in the region of £6 million and it is done by a service level agreement. Officers within my department liaise very closely with the Chief Executive of the Family Nursing Services, as I do with the Chairman and the Chief Executive, I think on a 6-monthly basis. I know the Family Nursing Services have got a deficit, I was there at that A.G.M., but they are looking at new ways of doing the service as they move forward, as we all need to look at our services that we offer, especially in looking at the area of our ageing population.

### **5.3.1 The Deputy of St. Martin:**

Could I just ask a supplementary and ask the Minister was the deficit really related to the lengthy and costly suspension of the former Chief Executive Officer?

### **The Deputy of Trinity:**

I think that is a matter for the Family Nursing Services and the committee.

### **The Deputy Bailiff:**

That is not within your responsibilities.

### **The Deputy of Trinity:**

No, it is not.

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

The Minister has stated that the voluntary redundancy scheme will be considered for implementation at the beginning of 2011 and in accordance with the States-wide scheme at that time. Has the Minister seen the proposals for the new voluntary redundancy scheme in 2011? She also then says: "In all such cases employee representatives have been involved to date." Can she

detail the involvement of employee representatives: who attended, how many meetings, when and where?

**The Deputy of Trinity:**

What the Deputy asked are very specific questions. I have not attended at any of the union meetings. I cannot tell you who was there, what were the exact timings and whatever but I can reassure him that the unions were involved right from the word go. They have had meetings and I understand that 3 meetings have been arranged. We do keep the unions on board and the officers meet the unions and the staff representatives very regularly. It is concerning their staff members so it is very important to keep the unions on board. Regarding the voluntary redundancy scheme for next year, no, I have not seen it yet.

**5.4.1 Deputy G.P. Southern:**

Supplementary, Sir, if I may. Will the Minister agree to circulate to me and to other Members in the States the details of the meetings that have taken place and their briefings?

**The Deputy of Trinity:**

If I remember rightly, I think this could be one of the questions that he has asked ...

**The Deputy Bailiff:**

I think we are inquorate, Minister.

**The Deputy of Trinity:**

Does my 15 minutes continue while we are inquorate, Sir?

**The Deputy Bailiff:**

The clock is still running. I ask Members in the anteroom to kindly return to the Chamber. Very well, Minister.

[12:15]

**The Deputy of Trinity:**

As the new Chair of the Health and Social Services Scrutiny Panel, he has asked very detailed questions for the Scrutiny Panel, which is fine, and my officers are working on those. I have an idea that that question could be in it but if it is not and if he wants a detailed question then please could he request it so I know exactly what is the information that he wishes and will try and help him with these answers.

**5.5 Deputy A.K.F. Green:**

First of all I would like to congratulate the Minister on the provision of the very excellent respite care that is now being provided [**Approbation**] and ask if she has any plans to expand the service, because clearly it still is not sufficient for people in the community. Does the Minister have any plans to expand the provision, particularly for those at home, in other words to provide respite care for people to remain in their home overnight while their carers take a weekend off or a day trip away?

**The Deputy of Trinity:**

Thank you for the Deputy's comments. It is shame that only 3 States Members took up the opportunity to go and see the facilities at Four Seasons. It is excellent. It is a 2-bedroom apartment especially for respite care for young adults who have been at Oakwell and now, because of their age, Oakwell is not appropriate. This is due to the funding that the States agreed last September on an amendment by Senator Shenton and part of that money that we used is not only for respite care in Four Seasons but also respite care at home. It all went out to tender and the Family Nursing

Services won that tender. Also, there is another area of respite, and for the life of me I cannot remember what that other area is, but I think it is being able to take people out accompanied. It is covering all those 3 areas and it will need to be looked at in future. We are an ageing population and respite care will need to be addressed because it is cheaper to keep people at home.

**5.5.1 Deputy A.K.F. Green:**

I will help the Minister very quickly. The other area is providing care in the home during the day. Will the Minister undertake to look at providing care at home overnight?

**The Deputy of Trinity:**

Yes, I can do because that is an important area too if we want to keep people in their own homes, which I think is where most people wish to be.

**5.6 Deputy R.G. Le Hérisier:**

Does the Minister agree with her Chief Executive's observation that in order to reform management in the hospital it will indeed be necessary to employ, at the initial stages, more managers?

**The Deputy of Trinity:**

I know this has added great controversy and I can understand the reasons why. Looking at the Comptroller and Auditor General's report I am surprised that most people think that the health service is over managed. In fact, I agree that it does need some more expert management, especially at times of unprecedented change and it will be a significant change in the way that we provide health and social care. The way that we are going to look to do it in the future, we may need to make sure that the advice we get and the plans put in place are correct and right for Jersey. We may need some more management skills to add that. They may come from outside or we may hopefully train up our own but that will take time. It is difficult. We are going to have 3 extra management posts. It is going to be a hospital managing director; we have got an interim one in place but that will go to a fulltime one. There is going to be a director with Community and Social Services which hopefully will be in place at the beginning of January 2011.

**5.7 Deputy T.A. Vallois:**

After taking into account the invest to save, the growth proposal and the plan B growth proposal within the C.S.R., the end result would be approximately 5.5 per cent and not 10 per cent of the Minister's budget. Could the Minister therefore explain what her vision is for a sustainable medium to long term health service?

**The Deputy of Trinity:**

That is a very open, big, wide question. I think it adds on to what I said before that we need to look at all the areas across Health and Social Services of where we go in the future, not only because of the savings that we have to do but as we go into the future the way we provide healthcare will have to change.

**The Deputy Bailiff:**

Minister, you have 30 seconds for your vision, or perhaps less.

**The Deputy of Trinity:**

We will continue to look at it. It is a significant change, not only because consultants have become more specialised and we will need to look at that issue and how we are going to work with it.

**The Deputy Bailiff:**

Thank you very much. We now come to the end of Questions without Notice. There is nothing under J.

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

### **The Deputy Bailiff:**

Under K there are 2 statements on the order paper on matters of official responsibility and in fact there are 2 further statements to come from the Minister for Economic Development. I call first upon the Minister for Education, Sport and Culture to make a statement regarding the Island Games 2015.

### **6. Statement by the Minister for Education, Sport and Culture regarding the Island Games 2015**

#### **6.1 The Deputy of St. Ouen (The Minister for Education, Sport and Culture):**

On Sunday, 27th June I attended the annual general meeting of the Island Games Association in the Isle of Wight. The last item on the agenda was to decide the host island for the 2015 NatWest Island Games. I am delighted that the member islands decided, by the narrowest of margins of 28 votes to 27, that Jersey should win the right. That the vote was so close was a measure of the excellent bids developed by both Jersey and Gotland. It was a privilege to be at the meeting and to offer the support of the Jersey government as part of the presentation made by the bid committee. I would like to thank the Chief Minister and the Council of Ministers for showing their support to allow Education, Sport and Culture and the Bid Committee to make such a strong presentation with full government backing. The Bid Committee first met in January 2009 and since that time they have worked tirelessly to develop a comprehensive and very professional bid which led to the successful vote. Under the chairmanship of Phil Austin, the committee was made up of Gerald Fletcher, Stephen Jacobs, Sarah Madel, Kevin Lemasney, Derek de la Haye and Anne Hislop. Each one of these people has made a significant contribution to an excellent team effort and I would like to thank them personally for all that they have done. The games are held every 2 years. Next year they will be in the Isle of Wight and in 2013 they will be in Bermuda. In 2015 we can look forward to hosting in excess of 3,500 competitors and officials, as well as many visiting spectators. It will be an opportunity for the whole Island to get involved in a major sporting and community event and for us to demonstrate a real Jersey welcome. I am confident that we have the facilities, accommodation and transport to put on an excellent games. What will make the difference is the involvement of the community and I am very keen to foster this in the coming years. It will be an opportunity for sports clubs and associations to develop more officials, volunteers and participants. Winning medals will be an objective but, more, it will be to bring the whole community together to celebrate through a week of high level sport. I believe this is a really good news story and I am delighted that Jersey has been allowed to have this opportunity. I will soon be setting up an organising committee who will have the responsibility to begin the long process to organise the games. I hope that we as the States and the Island as a whole gives them our support to make the next 5 years an exciting time for sport and culture in Jersey and to look forward to that opening ceremony on Saturday, 4th July 2015. **[Approbation]**

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

While I congratulate the Minister and his team most sincerely on securing the 2015 Island Games, we have just discussed swimming pools. Are there any other sporting facilities in Jersey that will need upgrading for the Island Games?

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

We were fortunate enough as part of the bid process to be visited by senior Island Games Association officials to look at all the facilities that we were going to use and were proposing to use for the games in 2015. They believed, and I can confirm, that we have very, very good facilities. The idea that our swimming pool facilities are not up to standard is, I am afraid, far from the truth and as such I am extremely confident that apart from improvements and the necessary upgrading of

the F.B. Fields athletics track, which is already allowed for in the capital programme, there will not be a need for further facilities to be produced or developed.

**6.1.2 Deputy J.A. Martin:**

I may have missed it in the bid and forgive me if I have: do we have an overall budget for the Games or will it be like the Olympic Games 2012 in the U.K., which I think is overrunning by billions at the moment?

**The Deputy of St. Ouen:**

Much attention was put, as you can imagine, to ensuring that the budget was correct and in fact the Bid Committee, I believe, was the only island to spend time with the Island Games Association Treasurer to look at past games' costs so that the amount identified in the bid document was appropriate and correct. Currently the States will underwrite the games to a maximum of approximately £1.9 million. Part of that sum will be raised through sponsorship, and indeed the main sponsor for the Island Games, NatWest, will help to provide sums of money. Equally, the Organisation Committee is responsible to seek and secure sponsorship for local business. The confidence I think that we can have is that the amounts of money that have been identified and will be underwritten have been costed over the next 5 years and as such I believe that we will see what I would call good value for money and all benefit from the delivery of the Island Games on the Island.

**6.1.3 The Deputy of St. John:**

Within the various bids, have all groups who were wishing to participate been accommodated or are there some sports that will not be taking part, will not be held?

**The Deputy of St. Ouen:**

With regard to the Island Games, the amount of sports that can be accommodated is capped at 14 and, as such, unfortunately not all of the sporting organisations on the Island could be accommodated for in the process. I do believe that discussions have been held with those organisations and we are looking at providing some form of alternative competition so that they do not miss out on the opportunities that an Island Games brings.

**6.1.4 Senator J.L. Perchard:**

Can I join in the congratulations to the Minister and the bid team. Obviously it was a very exciting time and I do extend my congratulations. I am concerned, since raising the issue of the suitability of *Island Home* as Jersey's anthem at occasions like the Island Games, as to the incredible amount of communication I have had from the general public who agree with me. Would the Minister prove me wrong by joining with his Assistant Ministers and perhaps singing *Island Home* [Laughter] in the Royal Square under a flag as though they had just won a competition, and perhaps they would invite fellow Members and the press to see the gusto with which the Minister and his Assistants could sing it. Perhaps then if they were able to prove me wrong they would silence me on this matter permanently. [Laughter]

[12:30]

**The Deputy of St. Ouen:**

I am sure we might silence a number of people on this matter. [Laughter] If the Senator chooses to enjoy the *Island Home* sung in all its glory I would point him to the government's website where he will see and hear over 400 of our young children plus many of the Island's choirs coming together and singing *Island Home*, supported by the Band of the Island of Jersey.

**6.1.5 Senator J.L. Perchard:**



A supplementary, Sir. I am sure that is an excellent version of the anthem but the truth is it does not work like that. There will be 2 or 3 people standing on a windy rock, celebrating their victory, expected to sing it. Will the Minister show us how to do it?

**The Deputy of St. Ouen:**

No. [Laughter]

**The Deputy Bailiff:**

I think on that note the Minister for Education, Sport and Culture will make a statement regarding the lifeguard service at Havre des Pas.

## **7. Statement by the Minister for Education, Sport and Culture regarding the lifeguard service at Havre des Pas**

### **7.1 The Deputy of St. Ouen (The Minister for Education, Sport and Culture):**

Included in the 2011 Comprehensive Spending Review proposals put forward by Education, Sport and Culture was the cessation of a lifeguard service at Havre des Pas. I am aware that since this has been publicised and put forward as a proposal it has caused some concern among members of the public and also with some States Members, particularly Deputy Lewis, Deputy De Sousa and Deputy Le Claire. As a result of these concerns, and having taken note of the proposition lodged for debate by Deputy Le Claire, I wish to give a commitment to continue to provide a lifeguard service during the summer months at Havre des Pas and I will ensure it is included in the Education, Sport and Culture Annual Business Plan for 2011 and beyond. In turn, after discussion with Deputy Le Claire, he has agreed to withdraw his proposition P.88/2010 which will allow us to move forward together on this important issue as quickly as possible. As a result of this decision the proposed savings will need to be found from elsewhere in the Education, Sport and Culture budget and I will work with my department to identify these savings over the coming months.

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

That statement certainly hit the right note, I have to say, before Deputy Le Hérissier says it. Could the Minister just advise is it correct that an external agency have offered to undertake these duties free of charge on behalf of the department and if so does it have any bearing on costs and implications for the department?

**The Deputy of St. Ouen:**

In discussions with all 3 Deputies, but in particular Deputy Le Claire, we decided that it would still be worth looking at the issue to see whether other opportunities existed. However, the more important point is that a lifeguarding service will continue to be provided at Havre des Pas.

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

I congratulate the Minister most sincerely for his decision to retain the lifeguards at Havre des Pas and I also appreciate the need to make savings but does the Minister not agree that savings should be made from the top down not the bottom up?

**The Deputy of St. Ouen:**

I direct Deputy Lewis to the Business Plan, the proposed savings that we have detailed to date, and he will see that quite properly, firstly, they are all real savings and, secondly, they are for the most part targeted at areas which do not affect frontline services.

#### **7.1.3 The Deputy of St. John:**

Will the Minister look at making savings by turning off the lights at Victoria College as a start of savings from the top down?

**The Deputy of St. Ouen:**

As much as I understand the Deputy's desire to save money, I think it is important that some of our more well known landmarks are recognised and enjoyed even at night. However, if the Deputy still has concerns I would direct him to the Headmaster of Victoria College who I am sure would like to answer his question.

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

I am very pleased to hear the Minister's statement today that he is retaining the lifeguards at Havre des Pas. Will he guarantee that while he is Minister we will not be put in this position again with regards to the pool?

**The Deputy of St. Ouen:**

I have given a number of commitments, as I say, with regards to the facilities at Havre des Pas and I am absolutely clear that I need to work with the Deputies that have raised the concerns to look at the issue of Havre des Pas and whether or not there are opportunities to not only provide additional services in that area but that they meet the needs of the community.

**7.1.5 Senator A. Breckon:**

Does the Minister believe that he finds himself in this position because departments make emotive frontline cuts which are unacceptable to the Members of this House and the general public?

**The Deputy of St. Ouen:**

I will stand up here and admit to the fact that the department produced a number of areas where savings could be delivered and I believed, perhaps wrongly, that this was an area where I could deliver a saving. I have obviously been proved wrong.

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

I would like to thank the Minister and his department for having listened. I was not at all movable on this and fortunately I do like to withdraw propositions if I can. I think it is much more important to get the job done than have the big debate. Can I just get a 100 per cent guarantee from the Minister, an unequivocal guarantee from him that the existing service will be retained - we talk about "a service" in this statement; I have just picked up on Deputy Pitman's question - and that what we are working to do is look at augmenting that existing service?

**The Deputy of St. Ouen:**

We have got to make sure that a lifeguarding service is retained and remains at Havre des Pas and I have given an absolute commitment to make sure that that is provided. I also want to work with the Deputy and all of the Deputies, and indeed perhaps some of the individuals that are based at Havre des Pas, to look at this issue, to look at Havre des Pas, to consider what facilities are required and let us provide something that meets the needs of our community. I have said it before, and I have said it in this statement, that I give the guarantee that a lifeguarding service will remain permanently at Havre des Pas while I am Minister for Education, Sport and Culture.

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

I do not want to turn on phrases but the fact of the matter is I am going to withdraw my proposition, based upon the fact that it is a paid for States of Jersey lifeguard service that is going to be retained and not some form of voluntary service that is going to be maintained. I would like to get that from the Minister, and I will be happy to withdraw my proposition, that a States of Jersey lifeguard service, fully paid for, fully manned, fully qualified will be retained, not a voluntary service which can be augmented.

**The Deputy of St. Ouen:**

I am not suggesting that it is a voluntary service and I understand the Deputy's concerns but to commit to a particular service which may or may not - and I add "may not" - meet the needs of the users of Havre des Pas and the community I think would be wrong. I have given a full commitment that a lifeguarding service will be provided and we need to make sure that that is the case. The Deputy is shaking his head. Perhaps I will sit down and just allow him one last chance so that I am clear.

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

With your leave, Sir, in order to try to save Assembly time later in the day I am very happy to withdraw the proposition, based upon the fact that, having investigated the issue, a paid for service of the States of Jersey is going to be retained. A form of voluntary service is not going to be adequate in these circumstances and unless the Minister can guarantee that the paid for service is going to be retained in its current form I am unfortunately going to have to debate my proposition.

**The Deputy of St. Ouen:**

Yes, and the budget will be, as I said before, retained within the Business Plan.

**7.1.9 Deputy J.A. Martin:**

Could the Minister advise if he did take - and I may call on him if he has some information - legal advice on this? I do not think it was just a choice that if a lifeguard was not at the swimming pool that the gate would have to be lifted and there would be no pool. I wonder if the Minister had spoken to the Attorney General's office on this or sought legal advice. If not, before he ever brings any suggestion like this back will he take that legal advice?

**The Deputy of St. Ouen:**

I have not sought legal advice. The proposal and the suggestion was that a service could be provided which would not necessarily be the one that currently exists and as such that is why the proposal was made in good faith. I accept that some believe it is wrong. All I would say in defence is that there are many areas around this Island where people quite properly enjoy swimming and other activities on the water where no lifeguards are present and there is ultimately a responsibility of the individual to ensure their own safety when undertaking these sort of activities.

**7.1.10 Deputy A.E. Jeune of St. Brelade:**

Would the Minister agree with me that voluntary lifeguard services are provided very successfully in other countries?

**The Deputy of St. Ouen:**

Yes.

**The Deputy Bailiff:**

That was very brief and we have used up our 10 minutes. We now come to a statement which is to be made by the Minister for Economic Development.

**The Deputy of St. John:**

Before we start, Sir, I wonder if it would be the correct time to adjourn, because by the time we have had the statement and 10 to 15 minutes of questions ... I just make the proposition, Sir.

**LUNCHEON ADJOURNMENT PROPOSED**

**The Deputy Bailiff:**

It is not quite 12.45 p.m. I am in the hands of Members. If Members wish to adjourn. Is there a proposition? Is it seconded? **[Seconded]** Those in favour of adjourning now kindly show? Those against? We will have the appel. The proposition is to adjourn now and the appel has been called for. Members are asked to return to their seats. I will ask the Greffier to open the voting.

<b>POUR: 23</b>	<b>CONTRE: 13</b>	<b>ABSTAIN: 0</b>
Senator B.E. Shenton	Senator T.A. Le Sueur	
Senator B.I. Le Marquand	Senator J.L. Perchard	
Connétable of St. John	Senator A. Breckon	
Connétable of St. Peter	Senator S.C. Ferguson	
Connétable of St. Lawrence	Senator A.J.D. Maclean	
Connétable of St. Mary	Senator F. du H. Le Gresley	
Deputy R.C. Duhamel (S)	Connétable of Trinity	
Deputy of St. Martin	Connétable of St. Brelade	
Deputy J.A. Martin (H)	Connétable of St. Saviour	
Deputy of Grouville	Deputy R.G. Le Hérissier (S)	
Deputy of St. Peter	Deputy of St. Ouen	
Deputy J.A. Hilton (H)	Deputy P.V.F. Le Claire (H)	
Deputy S.S.P.A. Power (B)	Deputy T.A. Vallois (S)	
Deputy K.C. Lewis (S)		
Deputy I.J. Gorst (C)		
Deputy of St. John		
Deputy A.E. Jeune (B)		
Deputy T.M. Pitman (H)		
Deputy A.T. Dupré (C)		
Deputy E.J. Noel (L)		
Deputy A.K.F. Green (H)		
Deputy D.J. De Sousa (H)		
Deputy J.M. Maçon (S)		

**The Deputy Bailiff:**

The States now stand adjourned until 2.15 p.m. this afternoon.

**LUNCHEON ADJOURNMENT**

[12:43]

[14:15]

**STATEMENTS ON A MATTER OF OFFICIAL RESPONSIBILITY - resumption**

**The Deputy Bailiff:**

Now the Minister for Economic Development wishes to make a statement about the appointment of a Joint Chief Executive for the Jersey Competition Regulatory Authority.

**8. Statement by the Minister for Economic Development regarding the appointment of a Joint Chief Executive for the Jersey Competition and Regulatory Authority and the Guernsey Office of Utility Regulation**

**8.1 Senator A.J.H. Maclean (The Minister for Economic Development):**

For some time I have been working with my Guernsey counterpart, Deputy Carla McNulty Bauer, to encourage closer working between the 2 Islands, as we both strive to contain costs and increase efficiencies. I am very pleased to announce an early, and very positive, outcome of this dialogue in the decision of the J.C.R.A Board (Jersey Competition Regulatory Authority) to appoint John Curran, the Director General of the Guernsey Office of the Utility Regulation, the O.U.R., as the Chief Executive of the J.C.R.A. to succeed Mr. Chuck Webb, when he leaves the post on 16th October this year. This appointment, which will see Mr. Curran fulfil both roles, is the first important step in meeting the call from businesses and regulated companies, in both Islands, for closer working between the O.U.R. and the J.C.R.A. In the current environment, where innovative

solutions must be delivered and tough decisions made, I am confident that Mr. Curran's appointment will deliver significant efficiencies and cost savings that, among other advantages, allow the J.C.R.A. to operate within a reduced cost base in 2011 and beyond. Mr. Curran will join the J.C.R.A. on 1st October and succeed Chuck Webb as Executive Director on 16th October. He will divide his time between Jersey and Guernsey with the costs being equally shared between the J.C.R.A. and the Guernsey Government. He will continue to be based in Guernsey but will travel to Jersey, as necessary, to undertake his duties. This appointment is a testament to the ability of Jersey and Guernsey to work together in a timely fashion to deliver a genuinely innovative solution and, in so doing, save costs and increase efficiency. I look forward to further developments of this nature as all States departments strive to meet their long term cost saving targets.

**The Deputy Bailiff:**

Do any Members have questions of the Minister?

**8.1.1 The Deputy of St. Martin:**

I think most Members will welcome the news even more if we have got some idea of what sort of savings there are going to be in the future. Is the Minister in a position to give us some sort of idea of the cost savings to States?

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

First of all we will save, of course, on the recruitment process. The estimated costs of that were quite significant, estimated about £60,000. We will also be saving roughly £60,000 a year, which will be a direct share of the costs for that particular role.

**8.1.2 Deputy G.P. Southern:**

The Minister is, indeed, to be congratulated for this innovative solution. Also, I would ask whether he expected to see the headlong rush to privatise and introduce competition everywhere, especially on post offices, moderated somewhat, for this seems to me, that Guernsey does not go full out for competition in the same way that Jersey has in recent times?

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

Well, the new appointee has a long track record. In fact, he has, in previous incarnations prior to his role with the O.U.R. in Guernsey, been a regulatory adviser with Telstra, the Australian telecoms company, so he has direct experience of the telecoms industry. I am sure that he will bring his own views and style to the role and I am sure we will all welcome those particular unique characteristics and other areas of expertise that the gentleman has.

**8.1.3 Deputy J.M. Maçon:**

Could the Minister please explain the process whereby, should the need arise, the mechanism in which we can dismiss this individual? How binding is the contract?

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

Well, if it was a disciplinary matter there are processes in place. I would find that most unusual. I should point out, perhaps, and the Deputy raises a good point in that respect, this, obviously, is a new solution sharing this particular resource between the 2 Islands. It is, therefore, entered into on a trial basis which will run for 3 years. We certainly hope it will be successful and, indeed, that it could well, in due course, lead to even greater integration with regard to the J.C.R.A. and the O.U.R. in Guernsey.

**9. Statement by the Minister for Economic Development regarding Jersey Airport**

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

I wish to make a statement regarding Jersey Airport. I wish to inform Members that Julian Green, the Airport Director, has tendered his resignation with effect from 1st October. I would like to take this opportunity to thank Mr. Green for his leadership and management of Jersey Airport over the past 4 years. During his time as Airport Director, Mr. Green has delivered a significant improvement to airport operations and infrastructure and I wish him well in his future. Clearly, in the current environment, where cost reduction and efficiency gains are an absolute prerequisite of sustainable future for all States departments and trading bodies, Mr. Green's departure provides an opportunity to review the current governance and operational activity at Jersey Airport and, by extension, Jersey Harbour. Jersey Airport and Jersey Harbours are both performing well. They are operationally efficient and suffer little or no operational downtime. In this way they provide gateways to the Island to bring in goods and visitors on which the Island's economy depends while providing vital transport links for all Island residents. That being said, I believe that Jersey Airport and Jersey Harbours must evolve. I see 2 areas that I feel must be addressed immediately. Firstly, during 2009 and 2010, Jersey Airport and Jersey Harbours have increased the level of private sector involvement in the oversight of operations through the formation of 2 separate advisory groups. In the coming months I plan to formalise this arrangement within a revised government structure by the appointment of a single shadow board with a chair and non-executive members drawn from the private sector to provide additional governance to both airport and harbour operations. Expressions of interest will be sought for membership of the shadow board in the immediate future. Secondly, integration, in recent months Economic Development has delivered the integration of harbour and airport human resources functions. Following consultation with colleagues in the Treasury, I have instructed officers to investigate options for further integration and to deliver a proposal to me, in early course. I have specifically asked that no stone is left unturned and no option should be ruled out, including the full integration of Airport and Harbours into a combined trading entity, subject to States approval.

**The Deputy Bailiff:**

Does any Member wish to ask questions of the Minister in relation to this statement?

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

The Minister speaks about far ranging integration in relation to this recent announcement of the resignation of Mr. Green. While I acknowledge, as do other people, no doubt, the significant improvements, there is a suggestion that operationally efficient may not necessarily mean economically efficient. Will he be undertaking to investigate whether integration, within these departments, Harbours and Airports, and also integration within the department itself, because I have not had answers to questions in relation to the structures, but I certainly believe there is duplication, if not triplication, occurring in the Minister's portfolio?

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

I am not entirely sure I follow that question completely. I will attempt to answer it and I am sure the Deputy will tell me if I do have it quite right. As far as integration is concerned, I think, I made the point in my statement that we have already moved, recognising that there was a human resources function carried out at the airport, there is a human resources function at the harbour and there is a human resources function within Economic Development. We are consolidating, we have consolidated that. I think that recognises, clearly, we see opportunities for removing duplication, and yes, there will be further moves towards that and that could well lead to full integration of a Harbour and an Airport Department as one entity with better governance under a shadow board, which I have also announced this afternoon.

**9.1.2 The Deputy of St. John:**

Could the Minister tell us when he was notified of the resignation and whether or not it was expected, given the changes which have been put in place for October?

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

The notification came through last week and it was not expected. I think it is a great shame. I think Mr. Green has carried out his duties in an extremely proficient and professional manner. I think the airport is a far better place now than it was when he took over, in all respects, both operationally, financially and so on. I believe that moving forwards there is a very good and sound foundation to work from.

**9.1.3 Deputy R.G. Le Hérissier:**

Building on Deputy Le Claire's question, again I would like to express our appreciation of Mr. Green's work. Will the Minister be immediately seeking integration at the senior management level in the workings of the 2 departments?

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

There is nothing counted in and nothing counted out, I think is probably the best way of putting it. We are looking at all options for integration which could well lead ... and I have a feeling that there is significant advantage in creating a one port authority, if you like, which would operate under the shadow board that I have referred to, for good and better governance. Indeed, that would, in itself, lead to integration of other functions at all levels. I do not think we can count out anything at all. There are, without doubt, areas of duplication. I think we must ensure that we remove those and make the entity, whatever it happens to be, both ports, far more efficient, more cost effective and better value for money, as far as the taxpayer is concerned. That is the aim.

**9.1.4 Deputy A.E. Jeune:**

I hear what the Minister has said and I welcome it all. But, what I would like is, could he give us a timescale on the looking at, to be?

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

Well, the looking at ... first of all I should say that we have already started with regard to human resources. There are other activities within the 2 areas that we are currently assessing at the moment. Expressions of interest for the shadow board will be going out in a matter of the next few weeks, so this is not something that is a wish list that we are hoping to deliver in the next year or 2. It is something that I want to see moving relatively quickly. I see no reason why we cannot be in a position to progress this in months, not anything longer than that.

**9.1.5 Connétable J.M. Refault of St. Peter:**

I was just slightly concerned how this may impact on the C.S.R. process and whether the Minister could make any comment to that please?

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

Well, not really. I mean, quite frankly, the C.S.R. process of both the harbour and the airport is proceeding, both ports have their commitments and they are fulfilling those. In fact, I would point out that both ports, and in particular the airport, were well ahead of the States of Jersey C.S.R. programme. There has been financial modelling going on for about 18 months at Jersey Airport, which gives us a very clear picture of the financial difficulties the airport faces. The very clear choices we have in terms of reducing costs and increasing revenues, to ensure that the taxpayer does not have to bear the cost with the airport in the future. A liability identified of over £100 million through to 2023, through the good work of the management of the airport, has already been reduced down as a future commitment to something like £44 million. To achieve that is going to be difficult. It is tough decisions and it is not going to be an easy thing to progress. This, I see, is an extension of that particular programme and, I think, will ultimately lead to a much more efficient and streamlined and effective ports entity.

[14:30]

### **9.1.6 The Deputy of St. John:**

Can I press the Minister as to when last week he was notified; prior to receiving questions or after?

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

I cannot give the Deputy, I am afraid, the exact minute and the date. I am happy to supply it, if it is relevant. The reason that I cannot is because I was out of the Island on holiday last week and I was notified - yes, Deputy, I am permitted a holiday - he is looking shocked. But if he feels strongly about it, I am sure we can get it down to the latest, or nearest minute.

### **9.1.7 Deputy J.B. Fox:**

The Minister refers to a new shadow board. Has it been outlined yet of who are, potentially, the people that you would be seeking on that board? Is it directly related to harbours and airport or does it have a wider portfolio? Who decides at the end who is able to be on it, if you have a large number?

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

Yes, the board is designed to be a shadow board to cover both the airport and the harbour, specifically and nothing outside of that particular remit. It is going to be advertised and we will be seeking applications from members of the private sector. I would anticipate that an expert in aviation matters, that does not necessarily limit it to Jersey, of course, and an expert in maritime matters as well, to give good balance to it. Outside of that, professionals with business, accounting and so on, experience will clearly be sought. I certainly hope that we get a very high calibre of individual to form the basis of this board.

### **9.1.8 The Connétable of St. John:**

My question is really linked to the last question. My question to the Minister is will people with direct interests in businesses operating within the airport be excluded from the board?

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

I can certainly say that anybody who is conflicted should not be a board member. Obviously, the recruitment process will go through the appropriate channels. The Appointments Commission will be involved and I, certainly, would not expect to see anybody who has a direct interest in trading with the airport or the harbour, for that matter, to be a part of that board.

### **9.1.9 Deputy J.M. Maçon:**

How would the board be remunerated? Who would be responsible for ... to sign that level and if Ministers have that information to hand at the moment, will he circulate that to all Members?

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

No, I do have the exact details to hand, other than to say: "Yes, the Deputy is correct." Members, to attract the calibre of board member that we would require for such an entity, there will be a remuneration, as you would expect, and it will meet the levels of other similar bodies that exist and will be a matter for the Appointments Commission and others to make due discussion and deliberation on the exact levels that are appropriate.

## **PUBLIC BUSINESS**

### **10. Housing Development Fund: cost/benefit analysis (P.61/2010)**

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

Well, if there are no other questions we then turn to Public Business. The first item is P.61, Housing Development Fund: cost/benefit analysis in the name of Senator Breckon and I ask the Greffier to read the proposition.



**The Greffier of the States:**

The States are asked to decide whether they are of the opinion to request the Minister for Treasury and Resources, in conjunction with the Minister for Housing, to produce and present to the States, within 3 months, full detailed accounts and a cost/benefit analysis of the establishment, operation and ongoing costs of the Housing Development Fund and its use and application for the benefit of housing trusts and associations, with the analysis to show also the full level of financing and subsidies provided to these trusts and associations from the Housing Development Fund and any other source of public funding.

**Deputy A.K.F. Green:**

Before we start, I wonder if I seek guidance from you. I chair a small housing trust and I wonder if it sufficient just to declare an interest, or whether I should withdraw?

**The Deputy Bailiff:**

You have no financial interest?

**Deputy A.K.F. Green:**

No, neither the chairman nor any of the trustees are paid.

**The Deputy Bailiff:**

Then it is sufficient to declare the interest and you need not withdraw.

**10.1 Senator A. Breckon:**

Just for Members' information, I see the Minister for Treasury and Resources has just arrived but I do not have any problem with the amendment. So the reason I say that is in case the Minister, or the Assistant Minister, has been recharging their lungs, there is probably no need to do that. Again, for my part, what I would like to do is just give Members, really, the background information to this in order that they, perhaps, can make a judgment on whether or not to support it. The setting up of a housing development fund goes back very nearly 11 years to where we are today. The idea of it, the concept of it, really was to replace, to some extent, public finance but with a considerable amount, let us call it, of seed corn. The original proposition sought to authorise the Finance and Economics Committee, to enter into necessary agreements with lending institutions to enable an appropriate level of finance to be secured to develop housing units identified by Planning and this is a, sort of, co-ownership thing. In the original report ... in proposition, which is P.84/1999, it also said: "That the Housing Development Fund will provide a flexible mechanism which can accommodate the required building programme, whether it is undertaken by housing trusts, the Housing Committee, or a combination of both. The Housing Development Fund will also provide an adaptable and flexible funding mechanism for such future methods of delivering social housing as the States may agree." Well, my question to myself is: "Well, what has happened to this if we are virtually begging, borrowing or, not quite stealing, to fund social housing and the repair of it." We have not really developed many sites at all, quite recently. It also said in the report: "That the Housing Development Fund would extend the housing development scheme which predates it to include funding for the development of social rented housing as well as for first time buyer properties." Again, we seem to have lost track of this completely. It went on in paragraph 3 on page 7, to say: "The Housing Development Fund will provide a mechanism for funding housing developments undertaken by the States as well as providing subsidies, where necessary, for developments undertaken by other providers of social rented housing, such as housing associations and, if necessary, for certain private sector first time schemes." In that, I think what is missing is, it also, and we used to do it, include the Parishes. My reason for doing this, when I was elected chair of the Housing Scrutiny Panel, about 4 and a half years ago, I asked the then Minister for Housing, if he could supply any background information about the funding for various things, the rent rebates, the maintenance, the rental income and also there was another couple of funds. He told me, at the time, that we do not keep that sort of information. I thought: "Well, if we are going to

move forward then we need to know, perhaps, where we have come from.” So, I got 20 years budget reporting accounts, the actual spend, the reporting accounts and, with some help, I went through them to see what was in the various sections. Some of those are produced on the back of the report and also on the extra paperwork that I have given to Members. My reason for doing that was to find out, not just about the Housing Development Fund, but also other things to find out, if we were not doing things then where had the money gone. When I looked through that, for example, I found that the private sector rent rebate in 1990 paid out £33,000, and by 2005 it was £8.5 million. So it had gone from £33,000 in 1990 to £8.5 million, some 15 years later. That really, along with the money that went into the Housing Development Fund, was where the money went. I have only looked, as I say, briefly into the details but it is confusing. At the time of the proposition (P.84) the States were asked to approve the establishment of an innovative and flexible housing development fund with powers to borrow commercially to finance the acquisition and development of sites by housing trusts, the Housing Committee, or any such body as the States may agree was suitable to undertake such activities. Again, there were some general comments about how this was going to be the be all and end all and we would never have to look to public finances. At the time, when the concern was expressed the report stated: “That the level of funding that was required [that is to say for housing] to provide for the identified housing shortage would consume all the resources earmarked for the capital programme for the years 2000 to 2003 inclusive.” So the reason for the fund was to, sort of, take up where there was a gap and to not use our own money, as it were, but to use seed corn, and to some extent it was becoming someone else’s problem, but having said that, it did require, and I do not believe it got, active or very proactive management. Also, there were some issues about the governance and this was expressed in a number of reports, because assurances were given to the States that there would be a regulatory framework and there would be service level agreements and things like that, and I have yet to see them. The other thing that I have noted as well, or perhaps where we have missed a trick, as it were, if this fund had been active, and I have not seen evidence of that, then it could assist the very good schemes, because Members will have ... Today, the Parishes have said: “Well, we are looking £4 million to fund Parish residential home improvements.” If this scheme had been in place, that is exactly the sort of thing that was envisaged, but I do not know, I have not spoken to him, that might seem a little odd, but whether he has approached the Housing Development Fund, if there is any money there, if it is available on what terms, I just do not know. That is really why I am asking for this thing to be investigated to show up whether or not it is active or not. Just to give Members some idea, on the back of the Project, P.61, there are some figures on there and I would ask Members just to look at the column, second from the right: “2005 Restated”, and where it has expenditure, which is sort of half way down the page: “Development Subsidy Paid” and in the column: “2005 Restated”, it has nearly £8.8 million and that had previously been £400,000. What that money was, it was a capital sum that was written off against the development at Le Coie Hotel. That is what that was and that is not all of it, it was actually more than that. So the question is, is that value for money? The answer is, I do not know. That is why I would like somebody else to inquire into that. The other thing that I have given Members, is an addendum with the paper work and on the spreadsheet at the back there is an (a), (b) and a (c), if Members look at (a), they will see along the top line: “Building purchase and rehabilitation”, which goes back to 1985. There are some big numbers along the top there, ranging from £5 million to £10 million; going from 1985 to 1996. Again (a), the column which is further down under the Housing Committee, again there are big sums of money there, but land and sites were purchased and if Members combine that with (b) along there and if you go along under: “Island Development Committee”, under 1990 and 1991, there are sums of £11.5 million each. All of those figures combine, really, and then when you look at what we were spending and then when Members go further down to (c) and see the Housing Development Fund, you will see that from the former fund there was £10 million, £10 million from Finance and Economics, and then Housing were making contributions there of £8 million, £8.5 million and £2 million in the years 1991, 1992, 1993.

[14:45]

That goes before that and that is really where some of this money appears to be going. So those are my figures taken from those budget books and it requires further investigation, in my opinion. The bar graph shows, sorry, it is not a very good copy, but it shows there, if Members look at (d): “A Housing Development Fund”, you will see the increases in there in 2002, 2003, 2004 and 2005 and the disappearance of Housing’s capital budget. Housing’s capital budget goes to the Housing Development Fund. If those numbers are added up, they are quite significant and again, I do not want to, pardon the pun, dwell on this, but at paragraph 4 on the front page of my additional paper, it says there: “That in 2001 the Housing Development Fund started to be shown in the capital allocations, £10 million was allocated in 2001 and 2002, under Finance and Economics Committee. From 2003 onwards the Housing Development Fund is shown as the Housing Committee.” The reason for saying that is if Members want to know where the maintenance money went and where certain acquisition and other things went, it went to that and also went in private sector rent rebate. So, that is where the money has gone. The idea of this proposition, because I do believe that housing finance still is a problem, but if we have this in place and it works then the question is, why are we not using it? If it is just lying dormant, if it is still a liability, and how in the annual reports and accounts it is accounted for, but as a non-accountant it is not very clear, to me, exactly what it all means. It could well be that we have a tool here that could be used to fund future housing, but having said that, maybe we do not, but I do not know that, and that is the reason for this proposition. I so propose.

**The Deputy Bailiff:**

The proposition is made, is it seconded? **[Seconded]**

**10.2 Housing Development Fund: cost/benefit analysis (P.61/2010) – amendment (P.61/2010 amd.)**

**The Deputy Bailiff:**

Now, there is an amendment in the name of the Minister for Treasury and Resources, I will ask the Greffier to read the amendment.

**The Greffier of the States:**

Page 2, after the words: “Present to the States within”, replace “3 months” with “6 months”.

**The Deputy Bailiff:**

Minister, I understand from Senator Breckon, that he will accept your amendment and so perhaps you ...

**Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

I will be very brief but I was going to ask my Assistant Minister who discharged my functions this morning in my absence, which I am grateful, for if he would make the proposition on behalf of the Treasury.

**10.2.1 Deputy E.J. Noel (Assistant Minister for Treasury and Resources - rapporteur):**

I will be very, very brief. It just leaves me to thank Senator Breckon for accepting our amendment which will allow our department to carry out this vital piece of work within the 6 months that we have been allocated.

**The Deputy Bailiff:**

The amendment is proposed, is it seconded? **[Seconded]** Does any Member wish to speak on the amendment?

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

On the amendment? This looks like it might be a very quick debate and I certainly hope so. I am supporting it all.

**The Deputy Bailiff:**

Does any other Member wish to speak on the amendment?

**10.2.3 Senator A. Breckon:**

May I just make a brief comment? Just to say that I lodged this proposition on 12th May and we have moved on 2 months, so the Treasury have 8 months, so, you know, the 6 months is ... they have not been counting their beads, so they have got plenty of time, so I would say it comfortably could be delivered before the end of the year.

**The Deputy Bailiff:**

No other Member wishes to speak? Do you wish to reply, Assistant Minister, probably very briefly?

**Deputy E.J. Noel:**

No.

**The Deputy Bailiff:**

Very well, all Members in favour of the amendment, kindly show? Those against, the amendment is adopted. We then return to the main proposition, does any Member wish to speak?

**10.3 Housing Development Fund: cost/benefit analysis (P.61/2010) - as amended**

**10.3.1 Deputy J.A. Martin:**

Just briefly. It is probably not in the remit, unfortunately, and the Minister for Planning and Environment, fortunately, probably for him, is not around. But on page 4, and I was on the working party in 1997 and 1998 and we used to meet down the Ambassador Hotel, or very frequently, because they had not realised that you should be planning for homes at least 10 years prior to when you were needing them, so we had a working party. Monies, according to Senator Breckon, were allocated and found. I do hope, in the remit, because on page 4 it said that it was identified that there would be monies for 1,140 homes, leaving a shortfall of 852, not identified, and still another 800 units for first time buyers over the same period. The Minister for Planning and Environment is back, because I would like him to reassure me, at least, that the funding for this has been found, all these units are now, because, as I say, it was a 5 year forward plan, and we are, as Senator Breckon has said, 11 years on. This is my worry about the future of housing and how, over the last amount of years, we keep moving and it does take someone to sit down and research exactly where we have been going, what we have agreed to and what has been spent. I did not speak on the amendment, but I am surprised we are not very much further forward. I am glad the Minister for Housing is back, because we have had the Whitehead Report. I think Housing and Treasury know the problem and I would have thought that was, at least, well I would hope, as in probably hoping with a small "h", that a lot of this work had been done. Because we need to find one funding mechanism everybody understands, a gateway, housing trusts all singing from the same hymn sheet, not playing different rules, a criteria for all the people who live in the Parishes. We have 90,000, or more, population and we have so many different entries into this housing, into different housing, and criteria for not being allowed to enter this, that and the other. I do not think it is rocket science, but I do think it does take a piece of work between the Minister for Treasury and Resources, the Minister for Housing and, obviously, taking on board social security contributions now to either the Housing Department or private sector rental. So, 3 big departments, one piece of work and for once, can we come out with an all singing, all dancing criteria, but it must include the Parishes, because if it does not include the Parishes, if they are not prepared to work with the findings, we will be exactly where we were before. We will be double counting and

we will have no idea what we need. So, I really thank, Senator Breckon for bringing this forward. Again, in 6 months' time I hope to see exactly where we are and a good solution.

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

I will be very brief. The whole future of social rented housing in Jersey is being looked at, at the moment, with 3 Ministers and that is I, the Minister for Treasury and Resources and, to a certain extent, the Minister for Planning and Environment. The Minister for Treasury and Resources refers to, in his short amendment, a more independent housing entity and that is exactly what I want as well. Now, I want to pick up on a number of points that Deputy Martin made. There is, as such, at the moment no regulatory function for social rented housing in Jersey. The Jersey Housing Department does not have a regulatory function over the trusts. That is something that has got to be addressed and it will be addressed in the future. Last year, this Assembly voted through the Residential Tenancy (Jersey) Law, and that is an important piece of work, especially when it is matched to the future work that is being done on migration. For a long time now, my predecessor in the Housing Department, Senator Le Main, talked about a common waiting list and he has never given up on that and I will not give up on it either. We have to have a common waiting list through the housing stock, the trusts, and indeed the Parishes, as the Parishes evolve into more social rented home ownership. It is important that the Parishes and the trusts and the future Housing Department, whatever its final entity will be, work together so that there is no duplication. We have, as Members, we realise at the moment people put their names down on 3 waiting lists, our waiting list, the Trusts' and some Parishes. So that work will be done and we will be pulling together a new entity. I think Senator Breckon's report and proposition is accepted by me and the Minister for Treasury and Resources and some of that work will be incorporated in the next 3 to 6 months. There is a huge job of work to be done in the whole arena of social rented housing, absolutely enormous piece of work, in transferring it from the States as it has legally now, to some new future entity. I can assure Members that it will take a good 6 months to map out the framework for that, but it will be done. A lot of the sentiments that Senator Breckon has expressed today in his report and proposition, has the support of me and the Minister for Treasury and Resources and we will also need to bring along the Minister for Planning and Environment, because he is the only Minister that can approve housing on this Island.

### **10.3.3 The Deputy of St. Mary:**

I want to focus on the issue of subsidies, which is mentioned in the proposition where it says: "That the analysis would show, also, the full level of financing and subsidies provided to these trusts and associations." In particular, I want to mention to the 3 Ministers involved, the cost of land, the issue of the value of land and how it increases when it is zoned for housing. Now, the Minister for Housing has told the Assembly that to build a house costs around £150,000. So, the extra cost which takes it up to the £450,000 or £500,000 is the cost of the land. I hope that the Ministers, and this review, takes on board this issue of the extent of the impact of the cost of the underlying land on the amount of subsidy, in particular, that the States end up paying in support of housing. I quote from page 6 of the report of Senator Breckon, it says and quoting from P.84/1999, so we are going back 11 years: "The Finance and Economics Committee would be authorised to borrow commercially through the H.D.F. (Housing Development Fund) to finance the acquisition and development of sites." In Senator Breckon's additional paperwork that he has issued today, there is under (b), he lists the acquisition of land made to reserve with an astonishing set of figures going across the page, millions and millions and millions of pounds for the acquisition of sites, at least that is how I read that document. The quote from P.84/1999 goes on: "The borrowing would then be repaid by the rental income gained from the new units to be developed. Where the cost of acquisition and development is too high for repayments to be met by the rental income, a subsidy would be required." That subsidy comes from the taxpayer. So it is a transfer, as far as I can see, it is a direct transfer from the taxpayer to the former landowner via the States. So, I just want to be absolutely sure and have it on record that when this review happens, as I am sure it will, that the

issue of the subsidy that goes through the value of the land to the landowner is seriously looked at. The answer, surely, is not a subsidy, because subsidy always distorts the market. We can simply shovel in money and the money comes out somewhere else and it does not solve the problem but it makes things artificially cheaper, we should try to avoid subsidies, and I thought a little bit about this. The problem is that land is a monopoly effectively; there is not any more of it. The land owners, who happen to have parcels which have been rezoned or are going to be rezoned, are in a monopoly position because there is nowhere else to go. How do we regulate monopolies, how do we deal with them? We deal with them through the J.C.R.A. So there is a mechanism, I am not saying that is the mechanism, but I am saying that the issue is that of monopoly and it, sort of, has an echo of the game and it is true. The landowner is in a very, very strong position and that is why we have these massive costs of acquisition, which end up as rental stream, which end up being paid for by the taxpayer because the rent, the person who is doing the renting, cannot afford it. So, please, can this review, and I am sure it will go through, make sure that it looks at this issue of the subsidies that are on the back of the cost of land acquisition.

[15:00]

#### **10.3.4 The Deputy of Grouville:**

I would just like to make a couple of points based on what the new Minister for Housing said. He used the term "common list" which is the first time I have ever heard that expression and I welcome it because we all know; anyone with a brain, knows that there have been huge amounts of double counting going on. So, a common list would be very welcome. I would also like to pose a question as to why the Minister for Planning and Environment is involved with this review and forward planning for the Housing Department. Planning issues should, surely, be taken on their own merits, not under pressure because we have this urgent housing need or demands or whatever and whereby the pressure is put on the Minister for Planning and Environment and the rule book seems to go out the window. I would just like to flag up those 2 issues.

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

Does any other Member wish to speak? Very well, I will ask Senator Breckon to reply.

#### **10.3.5 Senator A. Breckon:**

I will be brief. I thank those Members who had contributed. The Deputy of St. Mary touched on a couple of issues and he talked about subsidies and land value and he talked about a row of figures that show millions of pounds. Perhaps I should have, maybe I have been around too long, I should have mentioned some of sites that are involved, because at the time we were talking about the Continental Hotel site, the Ritz Hotel, Channel TV, not where they are now but in Rouge Bouillon, Quatre Bras which is at the bottom at St. Saviour's Hill, a part of Sacre Coeur and the bottom of Queens Road, Beau Vallon on Trinity Hill, Bashford's, things like that, well of that time, and that is all the sort of work that was going on then. So that is the reason for all of those many millions pounds that went into it. It was a policy that was agreed in the late 1980s to acquire these things to do that. I would like, as I say, to thank those Members who have contributed. I am glad to hear that the Ministers are working together and I understand what the Deputy of Grouville said. But, I mean, I think there has to be planning input if there is a need and money is required. Then, obviously, especially as the new Island Plan is nearing completion, it would be rather silly to run with this in isolation because there will be implications. The other thing, although there is many, many, millions of pounds involved and there is, as I say, these are the cold figures. But what is the value of that because we are talking about where people live, so there is a terrific conversion value, so it is not just about how much, it is about what does it do. There have been tremendous achievements; we must recognise that, because if we look around there are some wonderful developments here. But the idea of this proposition was to examine the actual funding of this, see where it is, where it has come from and, perhaps, even where it might be going to. If there is some

bad news, well let us share that but hopefully, we can move it on and it may be it could be used as a funding vehicle. I am sure, if that is the case, or it is not, the people in the Treasury who have had some involvement with this over the years will come forward, not just with the bare figures, but with some findings and perhaps some recommendations. So with that, I make the proposal as amended. I ask for the appel.

**Deputy J.A. Martin:**

I just wanted a clarification from Senator Breckon, and probably some reassurances. When he talks about subsidy and the 2 ministries, I know he knows that the cost of the housing benefit, or the payout to private sector, is now done through Social Security and that subsidy, obviously, cannot be included in this and any other source of public funding, if the Minister for Social Security is not working to this. It is a big amount of money.

**Senator A. Breckon:**

Obviously, years ago, this was with the Housing Department, it is a recent move but the figures would be readily available. Regarding subsidies, there has been some capital write-offs. There have been some interest payments and then there are subsidies to tenants who live there and then there have been special costs as well that have been paid, legal fees and the like, in some of these transactions. But I am sure all of this will come out. The idea of the transparency, would be, if the subsidies are known from this, then the Minister for Treasury and Resources, the Minister for Housing, the Minister for Planning and Environment and us, indeed, the sharing of that, we would be able to make informed decisions.

**The Deputy Bailiff:**

Very well, the proposition, as amended, is made and the appel has been called for. I will ask Members to return to their seats and I will ask the Greffier to open the voting.

<b>POUR: 46</b>	<b>CONTRE: 0</b>	<b>ABSTAIN: 0</b>
Senator T.A. Le Sueur		
Senator P.F.C. Ozouf		
Senator T.J. Le Main		
Senator B.E. Shenton		
Senator F.E. Cohen		
Senator A. Breckon		
Senator S.C. Ferguson		
Senator A.J.D. Maclean		
Senator B.I. Le Marquand		
Senator F. du H. Le Gresley		
Connétable of St. Ouen		
Connétable of St. Helier		
Connétable of Trinity		
Connétable of Grouville		
Connétable of St. Brelade		
Connétable of St. John		
Connétable of St. Saviour		
Connétable of St. Peter		
Connétable of St. Lawrence		
Connétable of St. Mary		
Deputy R.C. Duhamel (S)		
Deputy of St. Martin		
Deputy R.G. Le Hérissier (S)		

Deputy J.B. Fox (H)				
Deputy J.A. Martin (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy of St. Peter				
Deputy J.A. Hilton (H)				
Deputy P.V.F. Le Claire (H)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy I.J. Gorst (C)				
Deputy of St. John				
Deputy M. Tadier (B)				
Deputy A.E. Jeune (B)				
Deputy of St. Mary				
Deputy T.M. Pitman (H)				
Deputy A.T. Dupré (C)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy A.K.F. Green (H)				
Deputy D.J. De Sousa (H)				
Deputy J.M. Maçon (S)				

## **11. Public Finances (Jersey) Law 2005: funding requests under Article 11(8) (P.64/2010)**

### **The Deputy Bailiff:**

We now turn to P.64, Public Finances (Jersey) Law 2005: Funding Requests under Article 11(8) lodged by the Minister for Treasury and Resources and I ask the Greffier to read the proposition.

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

The States are asked to decide whether they are of the opinion, (a) in accordance with Article 11(8) of the Public Finances (Jersey) Law 2005, to amend the expenditure approval for 2010, approved by the States on 5th October 2009, in respect of the following departments to permit increased withdrawals from the Consolidated Fund to fund court and case costs, (1) Law Officers £2,396,760, (2) Home Affairs £2,017,000, (3) Judicial Greffe £3,013,300, (4) Viscounts £8,400, (5) Bailiff's Chambers £300,000, (6) Treasury and Resources £764,540; (b) in accordance with Article 11(8) of the Public Finances (Jersey) Law 2005 to amend the expenditure approval for 2010 approved by the States on 5th October 2009, in respect of the Chief Minister's Department to permit the withdrawal of up to an additional £6 million from the Consolidated Fund for a voluntary redundancy scheme; (c) in accordance with Article 11(8) of the Public Finances (Jersey) Law 2005 to amend the expenditure approval for 2010 approved by the States on 5th October 2009, in respect of the Treasury and Resources Department to permit the withdrawal of up to an additional £500,000 from the Consolidated Fund for the delivery of an improved procurement function across the States to generate realisable savings.

### **11.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

I apologise in advance if my voice is not up to its normal strength. I seem to have been losing a bit of my puff in the last few days but I will do my best and hopefully I will stay the course. This proposition is one in 3 parts; the first part of the proposition dealing with the difficult issue of



funding of court and case costs. Secondly, the 2 (b) and (c) parts of the propositions are early allocations designed to make a meaningful start to the Comprehensive Spending Review by targeting employment costs as part of overall States expenditure reductions and also non-staff costs in the area of procurement. So, I am going to address those 3 issues in individual, and a couple of minutes of details on all of them. Normally, a Minister for Treasury and Resources proposes, because the Minister for Treasury and Resources is the only individual that can propose additional allocations outside of the Business Plan, and lets the other Minister then, effectively, answer the questions for their department. In the case of court and case costs, while there is certainly one Minister involved in court and case costs, obviously no Minister has oversight in that political sense for judicial and other departments. So, court and case costs, as Members will be aware, are the costs incurred in investigating and prosecuting criminal offences that have taken place in Jersey. A number of departments are involved, including, as I have mentioned, Home Affairs, but Law Officers for prosecution costs and judicial costs, Judicial Greffe in terms of court costs and, in certain cases, the Bailiff's Chambers, in relation to the costs of Commissioners and running the court process. I should say that court and case costs are entirely related to individual cases which involve a particular criminal activity and a particular investigation and in, themselves, often take different forms of investigation, like gathering information, preparing of prosecution cases and in many cases, involve the use of outside specialist skills in terms of lawyers, particularly, and other investigation experts. Jersey Law, and, indeed, of particular importance to our international reputation in terms of international agreements but require of course that Jersey takes investigations and prosecutions seriously. If we do not, bluntly, criminals such as paedophiles or fraudsters would be able to continue their work and normal law abiding citizens of Jersey would be at risk and certainly the Island's reputation at risk. In some cases - and this was an issue that I know a number of Members have asked - why do such cases, involved in court and case costs, need to be prosecuted only in Jersey? Could they be prosecuted in other places? I am sure that the Minister for Home Affairs can elaborate in more detail than me but there are certain cases that of course take place in Jersey and mean that our courts and our prosecution authorities need to deal with the prosecutions of those individual cases. Where there is an opportunity of ensuring that, for example, a drug-trafficker can be apprehended outside of Jersey and that individual or a group of people can be prosecuted outside of the Island with good co-operation with other authorities, this is possible. But it is not generally possible for us simply to export or outsource the cost of prosecution and investigations outside of Jersey. In 2009 there have been - and indeed this is continued in 2010 - a number of several particularly big and complex, and in certain cases, high-profile prosecution cases. It is difficult for me to go into any detail and in fact I am unaware of a lot of the detail in relation to certain of these cases. What I can say is that while I would not regard any of the departments involved in prosecution and ensuring successful judicial proceedings against criminals, but what we can say is that in certain cases of prosecution there are sometimes substantial recoveries of monies and the costs of prosecuting cases can be recovered. In some cases these can be regarded as offsetting the costs of court and case costs. I am sure that many Members will share my own concern that the budget for court and case costs has been something which has been rising. Indeed the court and case costs budget are a very difficult issue for the Treasury to deal with as they are volatile in nature and they are also difficult to predict. Historically, a base budget had been allocated as part of the Annual Business Plan and the allocated amount of court and case costs within different departments has been approximately £5 million in total. The costs for court and case costs in recent years have been much higher than that. However, I have not had to - and my predecessor has not had to - come to the Assembly to ask for additional allocations for court and case costs because the additional costs have been met by transfers which are, again, not a political decision but a transfer from assets received within the Criminal Offences Confiscation Fund. In other words, some high-profile recoveries have been used to offset, to a large extent, the over-budget or unbudgeted amounts in court and case costs. Last year there was not a significant seizure income into the seizure fund and we ended up, at the end of the year, with an overspend. This had been dealt with in the last year, which is again something in the public domain, by allocations of

carry-forwards within different departments at the end of the year. This is a really quite unsatisfactory situation, allowing an overspend on any Accounting Officer's budget is against, effectively, a breach of the Finance Law. In 2009 unbudgeted spend, over and above that of the allocation of £5 million, was £6 million.

[15:15]

As I say, last year this was dealt with by the use of, to a large extent, carry-forwards. I am proposing, and Members will see in the Business Plan that is going to be lodged in a couple of weeks, for a full budget to be put in place in the Business Plan for court and case costs and indeed in the Business Plan this year with an additional budget for the court and case costs for next year, I hope that that is going to be sufficient. However, we have an issue in relation to this year's expenditure. The Treasury has asked all the departments involved in court and case costs to provide their best estimate of the costs that they expect to incur over the period of 2010 and detail the additional unbudgeted elements of the costs. This is, effectively, what is in part (a) of the proposition. The total additional budget, over and above that that the Assembly approved, is £8.5 million. That can be broken down in the areas that Members will see in the proposition; £2.4 million for Law Officers, £2 million for Home Affairs and £3 million for the Judicial Greffe. I am also asking the Assembly to approve a contingency amount, approximately £800,000, which will be held, or just proposed to be held by the Treasury, in the event that these amounts are insufficient and I do not criticise the departments involved. I hope that the budget that will be accepted by the Assembly will be sufficient for the individual departments. If it is not then that additional contingency of £800,000 will be available for application by the individual departments for drawdown with the Treasury. We would avoid, in the situation of that happening, the Accounting Officers of the individual departments to be in breach of their duties by allowing unapproved budget overspends to happen again in 2010, as I am afraid has occurred, as I have said, in the past. I should say that I am wanting to ask Members to approve a budget for court and case costs properly, as I have indicated and I think that that is the right thing to do. The Comptroller and Auditor General has said there should be a separation in relation to the budget available for all items, particularly court and case costs, and that should be separate from the funding available. This proposition, effectively, allows the funding for court and case costs, if the budget is approved, to be taken from the consolidated funds. What I should say is that we are expecting significant asset seizures to effectively fund the budgets that I am asking the Assembly to approve. I think that that is the right thing to do. We could be in a position that if we were expecting a criminal seizure that, effectively, we would not ask for the Assembly to approve the budget, that we would simply make a transfer - or it would be received, it is not a political decision - that we simply would allow almost below the radar the court and case costs budget to increase, by simply offsetting the income, as done in previous parts. I have to say, I do not think that that is the right thing to do. I think that the good practice of this Assembly should be to set a budget for the court and case costs, indeed all costs, and then if we can fund it by an asset seizure effectively that will mean that the consolidated fund is not drawn down by that amount. I am sure that all Members are concerned at this level of expenditure and for that reason, as part of the Comprehensive Spending Review, we are going to do a substantive review into court and case costs, all of them and in all of the departments. I hope that when we come to debate the Business Plan and allocating budgets for 2011 that certainly the initial findings of the review into court and case costs will be available to Members. This is a sensitive area. A fundamental principle of a separation between the legislature and the judiciary must be that they should be independent. The judiciary should have the full freedom to pursue each criminal case as they see fit without political constraint. To do so, I think, would be to step over the Rubicon of stepping into inappropriate political involvement in prosecution and judicial matters. I realise that this is a difficult and sensitive issue and for that reason, while Members may challenge me and ask me on the individual cases in relation to the additional budgets, I am afraid that I am unable to discuss and indeed, in many cases, I am unaware of the individual cases that are

concerned. This has to be, while it is an uncomfortable situation for a Minister for Treasury and Resources to be in, the right approach. I cannot be and this Assembly should not be involved in the decisions about individual prosecution and judicial matters. While I will do my best to answer Members' questions about the individual items, I am not going to be able to discuss, because I am unaware of individual items that make up the individual additional allocation of the £8.5 million. We do, of course, have professional individuals with oversight in these departments that do this on our behalf and there is a legal obligation for the Accounting Officers of each department to spend public money appropriately and this of course can be audited and this can be called in by the Comptroller and Auditor General, and indeed by the Public Accounts Committee. I will be relying on the Minister for Home Affairs to answer perhaps any particular questions as he sees fit in relation to the allocations to Home Affairs. The Attorney General is also in the Assembly this afternoon and he may well be able to answer any general questions that Members may have in relation to the matters for the Law Officers and indeed the other judicial departments, as he sees appropriate. I am determined to put in place appropriate arrangements for court and case costs. Clearly the budget for court and case costs has not been sufficient in order to fight crime and in order to provide the judicial and prosecution services with the appropriate resources. I imagine that all Members would wish us to ensure that there are appropriate resources available and for that reason I hope that Members will support the additional allocation set out but will also support the review in court and case costs which is part of the Comprehensive Spending Review and indeed putting in the longer term appropriate budget arrangements for 2011 and beyond. I do not criticise any of the previous decisions in relation to court and case costs. I understand that this is a difficult issue, it is an unpredictable issue and it is volatile but I will answer Members' questions the best I can in relation to the additional allocation, which is of course a one-off. The second and third part of the proposition relate to an entirely different matter in relation to expenditure generally in the States. There has been in the last few months a clear changed world in terms of our public finances. We are not alone in this position. In fact we are in a much stronger position than most other places. We do have a structural deficit and we need to put in place arrangements in order to close that deficit. That is the reason why we are undertaking, as difficult as it is, a Comprehensive Spending Review, a £50 million saving to be delivered within 3 years. This Assembly has already had a debate in relation to an accelerated proposal to deliver faster cuts and we have decided, as an Assembly, to reject faster cuts but go to a 3-year reduction or indeed move to or at least the Council of Ministers to be supported to propose a 3-year process to remove £50 million worth of expenditure. For any organisation with a significant element of staff costs in its budget, savings, in the region of £50 million, will be impossible to achieve without looking at manning and manpower costs. It is essential, in the Treasury's view, that departments do have access to, effectively, what is restructuring costs and able to deal with the necessary adjustment in manpower and staff costs in delivering the Comprehensive Spending Review. Effectively, that is why we are bringing this proposition to the Assembly today. There has been previous experience of voluntary redundancy schemes in the recent political past in Jersey and indeed it is on that experience and on that basis that we have constructed plans for a voluntary redundancy scheme to be run within the next few months. We are trying with departments, as we work to the Comprehensive Spending Review, but we are of course trying to avoid any redundancies, compulsory redundancies, in terms of delivering the Comprehensive Spending Review. Indeed we should try and avoid at all costs redundancies as a whole. We should try and deliver savings by first of all looking at redeployment within the States organisation. Members will be aware that the proposed savings target for 2011 is a total saving of 2 per cent, £12 million. We have calculated that if we are to deliver a 2 per cent saving there is likely to be a reduction in posts within the public sector. We have estimated that as a result, if the Assembly approves the Business Plan later on this year, there would be a total of 67 posts that would be affected. We are estimating that we could need in the region of 50 voluntary redundancies to meet the overall target of 2011 savings. We are calculating this on the basis of an average salary of £40,000 with 15 years' service and a cost, effectively a one-off restructuring cost, of £3.6 million. In other words, if we are to deliver the Comprehensive Spending Review saving

target for 2011 we are going to have to make available a one-off restructuring cost of up to £3.6 million. If we are to deliver the further savings plans, in 2012 and 2013, there will also be additional costs in terms of manpower that will be required. We are estimating that the balance of the £6 million request or fund for voluntary redundancy will help departments almost accelerate their proposals for a Comprehensive Spending Review target in 2011, 2012 and 2013. The Corporate Management Board and the States Employment Board believe that it is essential that rigorous controls should be imposed within staff recruitment across the States. Indeed, if the States approve a voluntary redundancy scheme fund, I am going to put in place strong controls to ensure that there are real savings that re-occur in departments as a result of allowing these funds to be drawn down from departments. If the Assembly approves the voluntary redundancy pot, effectively as part of this proposition, I will be asking one of the Assistant Ministers in Treasury and Resources to sit on a panel together with the Treasurer of the States, the Deputy Chief Executive and the Human Resources Director so that each voluntary redundancy scheme application will be rigorously analysed and subjected to independent review. The States Employment Board has given a clear indication also that the terms of the voluntary redundancy scheme in place should remain only valid until the end of this year. Members will no doubt have read in the U.K. press in the last couple of days that in the United Kingdom there are proposals to change the redundancy, the voluntary and compulsory redundancy scheme's arrangements available within the U.K. public sector. The Jersey voluntary and compulsory redundancy schemes are effectively extremely generous. They were introduced in 1995 on an enhanced basis and effectively allow an applicant to receive benefits ranging from 18 months salary, for individuals with more than 5 years' service and up to 30 months salary for employees with more than 30 years' service. Where individuals have less than 5 years' service the enhanced terms do not apply and the standard terms will be used. The States Employment Board knows that the voluntary redundancy scheme arrangements that the States have are generous but have concluded that trying to change the current arrangements for voluntary redundancy scheme in the short term would not be possible. Any changes to voluntary redundancy scheme arrangements or compulsory scheme arrangements would require, quite rightly, extensive discussions with unions and staff associations and, indeed, any suggestions of imposing a changed arrangement for redundancy would be, no doubt, criticised by unions and quite rightly. We are signalling that the redundancy schemes available within the States are going to have to be changed and we will, over the next few months - the Chief Minister will no doubt comment on this if Members wish - change the arrangements for redundancy in the longer term are unlikely to be as generous as those currently on offer.

[15:30]

They are generous but they are also fair and they are those that we have to work with in the current period. Basically, the Council of Ministers has decided that it would not be possible for the States to change the voluntary redundancy scheme within effectively a 12-month period and it would be far better to offer a redundancy scheme to the public sector on the current arrangements and then seek to change the voluntary redundancy scheme in the longer term. This, effectively a fund of £6 million, is designed therefore to deliver the 2 per cent saving in the Business Plan this year but also make a meaningful start on the Comprehensive Spending Review targets for the second and the third year. Dealing with the third aspect of the proposition and, effectively, the other area of States expenditure, which is non-staff costs. Every year the States spends in the region of £150 million on non-staff costs. The public sector spends in the region of £100 million on buying goods and services which ranges from medical supplies to services to everyday commodities such as pens and pencils. For many years procurement has been devolved to departments and departments have managed expenditure with varying degrees of expertise and it has to be said with very little professional procurement expertise within the public sector. The central procurement team was formed in the Treasury in 2005 and although it has been a very small team they have demonstrated professional expertise and - because I have checked and this has been independently verified - have

been able to deliver year on year savings of approximately £2 million. I think that that is a credit to the Procurement Department within the Treasury but there is clearly an opportunity to do more. We believe, with additional resources, we can ensure that departments save more on non-staff costs. Yesterday there was a presentation which I know a number of Members were unable to attend but those that did I hope benefited from the explanation by the head of procurement and the Deputy Chief Executive of how we will target off that total cost of £100 million of non-staff costs, £5 million worth of real savings in terms of purchasing of goods and services and, in addition, as a result of the strengthening of the Procurement Department, we will also target savings of approximately £5 million a year in terms of the staff costs incurred by individual and indeed highly devolved procurement within the public sector. I am determined that the States becomes a better and more efficient buyer of goods and services. To achieve that, however, as is often the case with a cost-savings plan, there is a requirement for initial investment and I am asking Members to support the strengthening of the Procurement Department so that we can get on with delivering new systems, new arrangements, better standards of control and better professional expertise on buying, effectively, £100 million worth of goods and services a year. I understand the sensitivity of the point that we are effectively going to be spending more money on professional expertise within the Treasury in order to deliver savings. The reality is that one needs to spend more money in order to save. There is a requirement to raise the level of procurement. I know Members are concerned about the devolved nature of procurement across the States organisation; within excess of 2,000 Visa cards proliferated across the organisation, with systems that need to be improved. There is a need for better central co-ordination of procurement within the States and that is the reason why today, in supporting the strengthening of the Procurement Department, we can make a meaningful start in delivering cost reductions to the £100 million worth of non-staff costs that we incur and we can start effectively with a start now in terms of delivering Comprehensive Spending Review targets which, in terms of procurement, will deliver £10 million worth of savings within 3 to 4 years. I hope that I have explained to Members the individual components of the request. I do not make propositions, in terms of public finance additional budgets, lightly but in these cases they are necessary and they are also necessary in terms of making a start for the Comprehensive Spending Review. I make the proposition.

**The Deputy Bailiff:**

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

**The Deputy of St. Mary:**

Can I ask for point of clarification? It is a point of clarification on what the Minister said. Just to give us a flavour, I know that he said he does not necessarily know all the details but on page 4 there is this table about the court costs; the Judicial Greffe from £1.7 million to £4.7 million, there is a huge increase of £3 million. Can he give us any idea of where that sort of an increase comes ... well, he asked for questions to be asked.

**The Deputy Bailiff:**

Minister, I am not sure that that was a clarification or a speech but are you able to answer that now?

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

I can give a broad breakdown of the additional resources available or the additional budget that is being requested by the Judicial Greffe. I can break it down simply by saying; of the £3 million, £800,000 relates to legal aid in relation to criminal cases, £1.25 million costs, payable by statute, in terms of criminal cases and the whole costs associated with prosecuting criminal cases by the Judicial Greffe and also approximately £1 million of the £3 million relating to cases that arise under the Children's Law where there are costs incurred in terms of dealing with the defence of one of the other parties, if that helps the Deputy of St. Mary.

**Deputy J.A. Martin:**

Sir, before we do start the debate - I do not want to appear out of order - I want to ask a question. I feel very uncomfortable and it is all about perception. I thought that you may be excusing yourself and the Attorney General from this debate. I am sorry, the Minister for Treasury and Resources has said he does not know all these figures or where they come from but there are 2 departments I am sure in here that would benefit. I do not know if any of the original figures include a wage or anything and I am sorry if you think that I am being completely out of order but I really think it is a matter of ... I have complete faith in your integrity but I really think that we really should think about this before we carry on, who is in the Chair?

**The Deputy Bailiff:**

Deputy, I absolutely understand the point you just made. I sent a note to the Greffier about 20 minutes ago to ask for his view and I personally do not feel remotely embarrassed about presiding but if Members are embarrassed by my being here then I will immediately withdraw and ...

**Deputy J.A. Martin:**

It is not embarrassment. It is all about perception and transparency and, as you say, it is entirely up to other Members. It is just the way I feel so I just thought that I would really raise it early on in the debate.

**The Deputy Bailiff:**

If you wish to make a proposition that the Chair should change then please do that and I will have a better feel for what Members think. As I say ...

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

Not wishing to come to anyone's defence, this Assembly is tasked with agreeing budgets year on year. The Minister for Treasury and Resources today is asking us to agree an increase in budgets for these specific departments. If we were to take the ruling that I suspect the Deputy is proposing then none of us would be able to make decisions on budgets of our departments. I think we are entering into a territory you do not need to vacate the Chair, Sir, because then we would be in a position whereby who would sit in the Chair when we were approving, for example, the States Assembly's budget?

**The Deputy Bailiff:**

One thing I am absolutely determined about is we will not have a debate about whether or not I remain in the Chair.

**The Deputy of St. John:**

On point of clarification, if I may, yesterday afternoon I went to the presentation and the Minister gave us an assurance he would give us additional information before the debate today. I have not received anything whatsoever from the Minister. I have got these real concerns. I put a question in this morning on the question sheet that was submitted last week, not properly answered which will in fact be covered in the debate about the Magistrate which comes under the Judicial Greffe and nothing has been covered. We have been given nothing whatsoever from the Minister and I have real concerns that this debate should be going ahead without us being fully informed, Sir.

**Deputy J.A. Martin:**

The Deputy has gone completely off of what I was asking and I am sorry but I would like to push it. I accept exactly what Deputy Gorst has said. It is totally different. We are presenting departmental budgets and the Minister for Treasury and Resources said he ... and with the damning report from P.A.C. If I was you, Sir, I would be very uncomfortable sitting in that chair. **[Laughter]** No, I am very sorry. I will maintain the proposition and I ask ...

**The Deputy Bailiff:**

Deputy, in the circumstances, I am going to withdraw from the Chamber during this debate.

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

Very well. Now, perhaps do we need to address the point of order raised by the Deputy of St. John in relation to information?

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

I have circulated an email to Members in relation to some questions that were raised by the Deputy of St. Mary and I am also in a very difficult position, I can give some broad answers of the area and category of expenditure but as Deputy Gorst yesterday powerfully said to Members, this is not something that I can give full information about. I am not aware of it and we have to rely upon the legal course of the Public Finances (Jersey) Law which requires Accounting Officers to carry out their obligations in relation to expenditure. It is simply not appropriate that we go into detail about prosecution and criminal matters and for that reason, while I am always wanting to answer questions and be as transparent as I can, in relation to criminal matters, it is simply not possible. I apologise to the Deputy of St. John and beg for his understanding of what is a very difficult issue. This is not the right place to debate the appropriate issue of cases.

**The Deputy of St. John:**

If I may speak again on that particular issue, there are concerns, and in fact I sent a note to yourself about putting an amendment to this particular budget earlier on today because I only had the response just now from the Minister and also this morning, in relation to a question that I wanted to ... if I had had the response, Sir, I could have brought an amendment but we have had absolutely no time since yesterday afternoon to do anything. I have been waiting for a response from the Minister and he says he sent an email. I was on my computer this morning, before I left home at 8.20 a.m. I was there from 6.00 a.m. and I have not had an email from the Minister and we have been here ever since.

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

I think Members must take the view. Senator Shenton was called to speak some time ago and I invite him to address the Assembly.

**Deputy J.M. Maçon:**

Sir, I am very sorry, if I can just put a point to the Minister for clarification, and it is just to do with how this debate will go, is whether the Minister is prepared to take each item, (a), (b) and (c) separately when putting them to the vote.

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

Are you able to assist with that?

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

I have no difficulty with that but I will see how the debate goes.

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

Very well. Senator Shenton.

**11.1.1 Senator B.E. Shenton:**

May I just start by saying that I personally did not see any need for the Deputy Bailiff to withdraw from the debate. **[Approbation]** The Bailiff does not have a vote in the Chamber. The Bailiff cannot speak in the Chamber. He is there purely as the Chair. Furthermore, when we discuss the Annual Business Plan that will also include the budgets for the individual departments, including the Bailiff's Chamber **[Approbation]** and it seems to be quite ludicrous that we have got into this position. In fact it is quite strange that we have this debate at all. It seems strange that we can

spend weeks debating £10 million for a town park and have months of press coverage and yet we can spend £15 million on a sunny afternoon on the back of Article 11(8) funding request. Speaking as chairman of the Public Accounts Committee, the Minister was right when he said there should be an arm's length relationship between the judiciary and the politicians. The same applies to the operational police force and the politicians and occasionally that line does get crossed. However, it is also the role of the politicians, as the custodian of taxpayers' money, to make sure that money is spent wisely and also to make sure that all the relevant checks and balances are in place. That is one of the jobs of the Public Accounts Committee and in fact it is the job of all 53 of us in this Chamber. There is absolutely no doubt that the States have failed to control court and case costs over the past 10 years or even further but I suppose the question is whether they are controllable at all, given the volatility of the costs and the fact that we do not actually know what crimes are going to be committed in the future or what investment is needed to bring those crimes to court.

[15:45]

In the past we have never had this debate because rather nicely we have had a confiscation fund that has been a little bit below the line. Although we have been spending the money it has not been quite so obvious because we had the funds there in which to pay the bills. In fact we note that it has taken 3 years to implement the recommendations of the Comptroller and Auditor General and we conclude on P.A.C. that perhaps we are only doing it now because the confiscation funds have been exhausted. We do not know whether the money that we are asking for today will be sufficient, given the volatility of the spend but the P.A.C. does have some concerns with regard the control of spending and the difference in thought processes regarding what is required for proper criminal prosecution and what is prudent from a taxpayer's point of view. We are carrying out quite a bit of work in this area. I think Senator Breckon gave us some quite useful insight on the Public Accounts Committee because of the way that the court and case costs, in respect of the Les Pas situation, seemingly got completely out of control many moons ago. In business you often work on the basis that you can make a mistake once but do not repeat the mistake and make sure you learn from it. I am not sure if we have learned enough from previous mistakes and I am not sure whether full controls are sufficiently in place going forward. But one thing I will say is we are moving in the right direction and the movement towards budgeting with court and case costs is certainly the correct one. One of the questions to ask the Minister is whether he believes the current controls are sufficient and in his summing-up speech I have no doubt that he will advise us of whether that is the case. Another aspect that is not covered in here was the charging out and the commerciality of the Law Officers' Department, the claiming of costs whether States win the case, which does not always happen, and furthermore, in the U.K. there is an element of under-successful prosecutions in the Magistrate's Court where the convicted pays a degree of the criminal costs. This would only be on an ability to pay basis and it would relate more to the Porsche driver who decides to drive his Porsche while drunk and wrap it round a tree and then the question is: "Why should I, as a taxpayer, pay the costs of prosecuting that individual?" It would not apply to people that cannot afford it. In terms of the voluntary redundancy scheme, it is not up to the P.A.C. to say how much the voluntary redundancy scheme should be. We can point out that the scheme in place at the moment is by some measures very generous but one thing we are a little bit concerned about is that this money is being asked for, external to the Comprehensive Spending Review. Now there are 2 ways of looking at it; at the end of the Comprehensive Spending Review you could turn around and say: "We saved £6 million but we are not going to count the voluntary redundancy package because that is not part of the C.S.R." If you include the voluntary redundancy within the C.S.R. and you are saving £6 million and you spend £6 million on voluntary redundancy you have saved nothing at all. By not putting it into the accounts and netting off against the C.S.R. we are liable to get a little bit of spin that perhaps we have saved more from the Comprehensive Spending Review than we have actually saved. In terms of procurement we are currently carrying out a review of procurement and it would be unfair on the officers to make any comment at the moment. However,



this review will come out by the end of the year and we do have some reservations in this area but this will be for another day. Again, the costs of the procurement should be netted off when we are looking at the result of the C.S.R. process. In terms of Accounting Officers this is quite an interesting one. We had the Accounting Officer for Home Affairs last year basically say that because of the structure of the department he was unable to do his job. Here we have Accounting Officers that have gone beyond their budget and if we do not give them the money today they will breach the Public Finances Law. The Minister for Treasury and Resources says he has full confidence in his Accounting Officers and that as money ... well, maybe not, sorry. The Minister for Treasury and Resources and Resources says that the funds will be tightly controlled and that I think he is fairly sure that there has been control in the past. But you have to ask yourself how do you get yourself in a position where you have got a Public Finances Law where you cannot overspend and then you come to the States asking for money because you have overspent? On that basis we do not really have a great deal of choice today because the money has already been spent. It would be absolutely disastrous to turn round and say: "All court cases currently have to stop, you cannot carry out any more trials, you cannot convict any more prisoners, you cannot get any more paedophiles off the streets because the money has run out." This is one of those debates where we are being asked to spend money but we do not really have much choice about it. That is why the budgeting of court and case costs is so important because by properly budgeting going forward in the Annual Business Plan we can set the budget before the money is spent, not when we are halfway down the road and the money has already been expended. The P.A.C. does take this matter very seriously and there is an awful lot that I could say today which I cannot because it is under review, and the reports will be coming out, but I can give Members an assurance that the Public Accounts Committee will be monitoring the situation very, very carefully. We will be working with the Minister for Treasury and Resources and all other Ministers because at the end of the day it is up to us to make sure that money is spent wisely but we have to take a realistic approach and make sure that those that are required to do a job have the funds to do it.

#### **11.1.2 Deputy J.A. Hilton of St. Helier:**

Along with other Members I attended a briefing yesterday afternoon given by the Treasurer, Senator Ozouf, to explain the content of this proposition we are debating today. I sensed at the meeting a number of Members were dissatisfied with the lack of information given at the briefing in order to help them understand the thinking behind the 11(8) requests. What I will attempt to do this afternoon is give a little bit more detail but I will leave it to the Minister for Home Affairs to flesh out the detail, if that is what Members wish. Members will see from the proposition that the Home Affairs Department, on page 4, has requested an additional £2,017,000. This is made up by a sum for the Criminal Injuries Compensation Scheme of £350,000, £1,304,000 additional funding for the States of Jersey Police, £195,000 for Customs and Immigration and £168,000 for Operation Blast, conducted by the Wiltshire Constabulary into the police files created and kept by the States of Jersey Police on States Members. Prior to 2009 expenditure relating to the Criminal Injuries Compensation Scheme was charged to the Home Affairs budget. The Accounting Officer and previous Minister had expressed concern over a number of years about the funding arrangements of the C.I.C.S. (Criminal Injuries Compensation Scheme) in that the Accounting Officer has no control of the number or quantum of the awards. In the 2009 States Annual Business Plan it was reported that expenditure, related to the C.I.C.S, will be funded outside of the department cash limit, allowing funds to be diverted to pay the financial implications of the Sex Offenders Law and monies towards vetting and barring. So in 2009 expenditure relating to the C.I.C.S. was funded by a grant from the Criminal Offences Confiscation Fund of £275,000 with the balance being provided by diverting funds from the discrimination legislation. As part of the C.S.R. process departments' budgets are to be enhanced from 2011 to reflect expenditure previously funded from the C.O.C.F. (Criminal Offences Compensation Fund) but this particular funding request we are discussing today is required for the 2010 expenditure. I wanted to speak specifically about the C.I.C.S. because I do not believe for one moment Members would not support a scheme which provided financial

compensation for victims of what are sometimes pretty horrible crimes. I think Members will also accept how difficult it is to budget for something which one cannot predict but according to the report recently published by the Criminal Injuries Compensation Board, a recommendation made back in 2002 to increase a maximum award from £100,000 to £250,000 in order to bring it in line with similar awards, made in respect of common law damages, has made little progress in the intervening years. It is also worth noting that in recent years a number of substantial awards have been made, some in the maximum sum of £100,000, this also occurred in 2009. The Board is concerned that had the recommendation to increase the maximum amount taken place it is likely that the award payable to victims, who are presently limited to £100,000, would be significantly higher but of course this is an argument for another day. We are dealing with the funding requirements for 2010 and I do hope Members will better understand why this has been brought forward by way of an 11(8) request. On page 4 we then move to the shortfall of the police budget of £1,304,000. I believe the Minister for Treasury and Resources has outlined today, and in his report, how extremely difficult it is to predict court and case costs. Save to say, I would hate to see the day when we in Jersey decide not to prosecute simply because we are trying to save money. This is not justice for the victims of crime. It cannot be right for there to be any political interference into which cases should be investigated and which should not. Everyone in this Island who has a crime committed against them surely has a right to have any reasonable incident investigated and it is appropriate for those cases to go to court. I would hate to see us go the way of the U.K. where some quite dreadful crimes are committed. The evidence is present but for some reason a decision is made not to pursue the case to court, thereby leaving a victim feeling very badly let down by the system. Are Members seriously suggesting that the States of Jersey Police should not investigate internet crime involving children? By its very nature the inquiries can extend way beyond the shores of our Island with all the costs this involves but we do have a duty to investigate thoroughly any reported crime involving the grooming and abusive trust involving our children and young people. Indeed, I would expand that by saying all youngsters, regardless of where they live, should have the protection of any civilised society from the perverts who indulge in the abuse of children and young people through internet pornography. The Customs budget also has a shortfall of £195,000 and, in part, Customs have pointed out that the increase in court and case costs arises as a result of more rigorous challenges from defence lawyers in the courts. They point to a growing tendency for every element of the investigation to be minutely scrutinised by the defence lawyers. In past years lines of investigation that were considered as irrelevant to the prosecution case were not routinely pursued as they are at present. This has resulted in a substantial increase in forensic testing and high amounts of overtime for customs officers. Managers from the Customs Service work in close liaison with the legal advisers when deciding on exactly how far each line of inquiry needs to be pursued in any particular investigation.

[16:00]

Customs also point to the fact that they have been very successful in detecting drug-trafficking. In 2008 the Service was responsible for 92 cases that resulted in prosecutions of which 24 were of a commercial nature and were tried in the Royal Court, all cases were successful. Customs think that there are only 2 ways of reducing expenditure, both of which would be quite unacceptable. The first would be to reduce the standard of the investigation. This, however, would put officers at risk of being criticised in court and create the possibility of cases failing or leading to unsafe convictions. It is to be noted that if the cases fail there would be an increase in the burden of legal aid expenditure in the Judicial Greffe. The other way of reducing expenditure would be to take a policy decision not to prioritise the detection of drug-trafficking. A reallocation of resources would lead to fewer investigations in cases and therefore at less expense but it would undoubtedly result in an increase in the amount of drugs imported. The last item on the Home Affairs budget on page 4, as I explained earlier, was for the Wiltshire Constabulary investigation into the files kept on States Members so that is self-explanatory. There have been several big-spending cases this year, as

alluded to by Senator Shenton. Police cases are often reactive and therefore cannot be forecast with any certainty. The police are only part of a chain in the criminal justice system and unless the process can be changed from end to end there is very little that can be done. However, it is important to have a robust expenditure approval processes in place and the Home Affairs Accounting Officer will continue to alert the Treasurer of any operations incurring significant expenditure by way of a quarterly financial report and ad hoc notifications.

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

I do not think that I have ever stood to speak about a bigger can of worms than the potential for this debate to be than today. It began quite unpleasantly but possibly quite necessarily, in the view of Deputy Martin, that the Chair be reconsidered and I would ask Privileges and Procedures in the future to make some sort of facility that where a Member has an issue or a concern about who is presiding that they are able to notify P.P.C. (Privileges and Procedures Committee) ahead of the debate so that we are in an invidious position, where we see today a situation where, quite honourably, the Deputy Bailiff has vacated the Assembly's Chair where probably most likely he would not have had to if we had gone to a vote. I, for one, while accepting and not criticising Deputy Martin for her concerns, I would think it would be better for us all round if there was a more efficient mechanism for us to discuss those matters ahead of there being an embarrassing situation as proven today. I know the president of the P.P.C. is not here but I do see the Vice-Chair so I do hope that that is taken on board.

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

We are not talking about the matter of P.P.C., Deputy, but let us not dwell on that issue. Let us get on with the debate on the 11(8) ... The Lord Carswell panel is looking at these issues and will no doubt ...

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

We could debate who is in the Chair at the moment, Sir. "There is a requirement to spend more money in order to save" were the words of Senator Ozouf and it reminded me of the phrase: "How much is it? The more you buy the cheaper it gets" and the comeback phrase: "Well, load it on the truck until it is free then." We have a very difficult situation for the Minister for Treasury and Resources and Resources today. He is standing, quite rightly, to defend departments and budgets, where he is not privileged with the information and therefore he is not able to give us the detail that he possibly would like to and most probably is glad that he does not have to. Although they do not need it I tend to do this from time to time, as embarrassing as it is, in defence of the Law Officers - and I mention the Attorney General and his department as I have done prior to today - I think that they are struggling under an enormous burden of responsibility and workload. They continue to pick up case after case after case, issue after issue after issue and new idea after new idea that we can throw upon them and quite clearly they are doing so at a very high level and they are delivering but it is becoming more and more evident that there is becoming a drag on the deliverability. There is certainly a drag on the deliverability in a timely manner of some of the issues because of the financial constraints and the resource constraints. The Public Accounts Committee report on page 2, item 4, highlights the issue about the procurement of legal services and their initial indications - although this was only published on the 2nd July - have caused them concern so that raises my eyebrows at the process when it was mentioned in Senator Shenton's speech. The process and controls that they have called for are really a direct appeal and they do go on, on page 3, to put a direct question to the Minister for Treasury and Resources: "If he believes that the ..." and then it was repeated in Senator Shenton's speech: "If he believes that the controls are adequate", obviously there is concern there. I too, like most Members, are probably a bit chuffed at the bit listening to people coming forward for more money because they need it for their departments, when we are entering into a Comprehensive Spending Review, we are ahead of the budget and there is no money to do anything else. I will try to finish my speech in about 8 minutes, to just highlight to Members

as to where I am going with this, I am going to try to cram it in but I have got a lot to say, whether they want to hear any of it is a different matter. If we have got a really, really efficient police force and Customs force we will, in effect, increase the court cases. We will, in effect, increase the burden upon society in relation to the prisoners. We will increase the appeals. We will increase the broken families. We will increase the necessity to spend money. It is a bit like finding a new drug for a disease like cancer. It is all very well and good that they announce it but when you look at the price some people begin to faint. They look at bills in excess of £100,000 a year for one person and certainly keeping somebody in prison and prosecuting them is an expensive business and it is not getting any cheaper. I was very pleased that the Assistant Minister for Home Affairs has risen to speak and chosen to speak solely on one issue, that of the Criminal Compensation Scheme but I lament because I spoke about this in previous budgets when it was highlighted in a recent report, by recent I mean about 5 years ago. There were cases there quite clearly where individual's lives were totally and utterly destroyed and the maximum amount that they could be awarded was £100,000. Their lives and the family's lives were devastated and I mentioned at the time to Senator Kinnard, who was the Minister for Home Affairs, that they really did need to look at this. While I applaud the Assistant Minister's speech for highlighting this issue, I lament over the fact that she said: "It is an issue for another day." I appreciate the Minister is new and he has a huge load of work to do and has come in at a most difficult time and I appreciate the Assistant Minister is good and she is committed but this criminal injury compensation issue is being funded by questionable financial extremes, in my view, questionable in the areas that they are coming from. This whole issue needs to be put to bed. The funds are not sufficient enough to look after the people that are injured in the way that they are injured and the budgets and the mechanisms that the Minister for Treasury and Resources and Resources is hopefully going to try to introduce need to be streamlined into those areas too and tackled. There is mention of the hundreds of credit cards that people have and the oversight of those expenditures and that needs to be done. Obviously I am not the person to do these kinds of things but we have the financial and accounting brains in the Assembly that can do this work. I would urge them now - they are all in their ministries anyway - to get together, form a little working group, a sub-group, away from your own ministries, once every 2 or 3 months. Look at these issues, you have got the abilities. It is quite sad that we have a law that says we cannot break the law unless we spend money. It is almost like paying for us to get out of jail. What would happen if we did not pay the 11(8)? What would happen if we broke the law and we did not use 11(8)? What would be the consequences? The options would be that we cannot prosecute any more. The options would be we could not police any more but what would be the actual consequences of breaking the law? The directors of the finance departments would be probably before the courts themselves. Totally ridiculous, we need to look at that law. I am certain Senator Ozouf has the ability, I do not know whether or not he has the time. He is stretched, he is out being an ambassador, he is out reaching across the Island's needs in various issues and these things, I am sure, come to him like a headache in the night. I am sure that he does not welcome these difficult ones. The last thing I would like to say is I am going to give my support to everything today. I am going to give my support to the Minister for Treasury and Resources and the Ministers that are looking for the money and the Law Officers that need the money, and I am going to give the support for the ... I can hear snoring, I do not know if somebody is asleep, or they are just pretending to be. I am going to give my support for the voluntary redundancy as well. But I would like to finish by expressing a real sense of frustration. The Transport and Technical Services Department, this is the other hand okay, 11(8) requires us to approve money if there is an urgent need for expenditure and (b) no expenditure approval is available. Look at things in a different world. States Members have come to us today in their world and they need their money and the Law Officers have come to us today in their world and they need money and the Minister for Treasury and Resources has come to us today and he needs money, and they have asked us: "Give us your vote" and we are going to be absolutely behind them 100 per cent I hope. I certainly am going to be. But then I ask them to consider this: for 4 years or more I have been asking for somebody to do something about the turn at the end of Garden Lane in Devonshire Place where

vehicles turn around that corner and create fear of accident. Not necessarily accidents, but create fear of injury to the children and the mothers. As ridiculous as this sounds, the only thing stopping us getting the thing fixed is £15,000. The Minister for Transport and Technical Services has the plans, he has the department and has graciously offered to do the work in the autumn. But because he does not have £15,000 it cannot begin in autumn unless I can get it supported by the Parish of St. Helier. So I ask Ministers today, when these issues are brought to you by back-bench Members, such as myself, which have the real concerns of the community and many, many, many daily real concerns of the community. Give us the £15,000 and we will give you the £1.5 million or the £15 million.

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

I am quite pleased to follow Deputy Le Claire. I would hope that after that passionate speech the Deputy at least reconsiders whether he will support one of the letters, part (b) in particular, about voluntary redundancy. I find it very strange for somebody who is fighting for workers in the Market to take that particular stance but I will speak a bit more about that, maybe I can convince him and other Members who are wavering. First of all I think Senator Shenton is quite right, we must be wary that we may be being hoodwinked here if on the one hand we are being proposed £6 million which it is going to cost to set up the voluntary redundancy, it needs to be taken into account as a cost because if we save £6 million, as has already been said, that means we are down to a balance of zero. But there is another issue that I have about the supporting part (b) and that is that we are still in the middle of the Comprehensive Spending Review and the conclusions have not come out comprehensively. We have seen today that one of the recommendations about the lifeguards at Havre des Pas has already been overturned and that has been done by the Assembly. I am very wary that we are at the moment pre-empting the findings of the C.S.R. We have not agreed, as an Assembly, whether or not we want to make people redundant or whom we may want to make redundant. But by no means do I live in a world where I think that efficiencies cannot be made, certainly they can be. But ultimately there is due process, we have the process of the Comprehensive Spending Review going on at the moment and I think it is entirely right that before we make any decisions about voluntary redundancy or the funding thereof, that we wait for those recommendations to be presented to the States and I just do not think this is the right time for us to be going down that alley. Presumably the reason the Minister for Treasury and Resources wants to make redundancies, be they voluntary or otherwise, is partly due to the black hole which is coming up and to make savings.

[16:15]

But what happens if in 5 or 10 years' time the economy recovers or we find a tax system which does not cause debt like the current zero/ten does, we find an actual more equitable one and one which is not failing, which does not create a black hole, and we can look for a steady State economy. While the population is set to increase maybe in the next 10, 15, 20 years as this Assembly has agreed on in the Strategic Plan and we then need to increase the number of people in the public sector again, because obviously the numbers of people in society would be going up and the burden on the State may be going up, then it is a complete false economy if we have to re-employ people once we have sacked them and given them a very ... The question I am asking: if in fact this is just a ruse to reduce the role of the State over a long period of time which has nothing to do with either the Comprehensive Spending Review or the black hole, then that is completely unacceptable. Certainly there is a debate to be had about the role of the State and whether we should have a large government or a small government and I would be quite happy to debate that, but this is not what we are doing and I suspect that this is a ruse to get us down there and to get this agenda through. I think there are certainly other issues to be brought up. Obviously we are not going to solve the complexities of the criminal justice system here today, and it is doubtful that we will ever solve these questions when ethics meet economics. But certainly we do know that the

current system that we have in Jersey should be reviewed, certainly I feel. We have a criminal justice system which is expensive, it is often long-winded and it is often argued that true justice in certain areas can only be given to those who are able to pay for it. We know that we have a legal aid system, I believe, which does need to be looked at, it does need to be reviewed, rather than simply having legal aid lawyers who say: "Actually, mate, you better plead guilty." "But I haven't done it, Sir." "It does not matter, plead guilty anyway. You will get away with a lighter sentence." So there are serious questions that need to be looked into that area, although of course, as I have said, it is not really today to be doing that. But I would say, the bottom line is of course the cost of lawyers and this brings us nicely on to procurement. Because in any other department you could say: "Well, actually I do not like that particular supplier, they are charging me too much for my pens and my pencils so I will go down the road." Of course, in Jersey we cannot do that, we are stuck with effectively what you might call a cartel. That is to say that all lawyers, no matter where you go in Jersey, will charge you a very expensive amount for their services and, as I think Deputy Hilton has quite rightly alluded to, there are so many technicalities, often on the defence part, that these court cases can be dragged out to no one's benefit. One does end up asking where the public interest lies. I will finish now by saying I am slightly disappointed that we had a presentation which gave us some useful information, but one day before the debate in the States. There is a 2 week lodging period for amendments and while we can still do that by reading through the documents I think it would be very helpful in future if certainly big budgets like this and important issues, if we have a presentation, rather 2, 3 or even when the actual proposition is lodged, as soon as possible afterwards so we can ask questions. Because it seems to me, rather cynically perhaps, that the Minister puts these presentations on so he can get the heads up on what the arguments are going to be a day before the proposition and, as has been said before, we are still relatively in the dark. This is the issue I have with procurement, to sum up. I am quite sure that sometimes we do need to spend money to either save money or as a businessman sometimes we need to spend money to make money and the bottom line of the question should be, for us as States Members, are we saving money by doing this in the long term or indeed as business people are we going to make money by making this investment? The trouble is we only have really the Minister's word to go on here. So I think that many Members, in an ideal world, feel that they are being held hostage here because we cannot really vote against these propositions, apart from part (b), I think we can quite happily vote against part (b) and kick that one out and so I would ask the Minister in future to bear those comments in mind. I do have one comment left about the redundancy package, although I know it is not something that can be solved today and I did mention it yesterday when some Members were present. It seems that there is a discrepancy and if we look on page 8 of the proposition, that anybody who is in the States for 5 years or more, so 5 to 10 years you get 18 months' pay. If you have worked for the States for 4 years, however, you get 3 weeks paid per year, so that works out to 12 weeks, which is less than 3 months and that does seem a big jump. So if you happen to get sacked when you have been working for the States for 4 years and 11 months you have got 3 months' pay rather than if you had stayed on a year longer, you would have had 18 months' pay. So I think that is something that needs to be looked at and I would also question whether that is going to lead us to try and get rid of people who have been employed less than 5 years, irrespective of whether their positions are the best ones to go or not.

#### **11.1.5 The Deputy of St. John:**

We are told that this is the first time that this proposition has been brought to the House. Well I have concerns that in my time in the House there has been a seized asset fund and I cannot ever recall having seen accounts. I am not saying there has not been any, I cannot ever recall having seen them circulated to Members in my time. I do not know if they have or have not. How have those many millions of pounds been spent? Was it spent wisely or was it not? We have no way and none of the Members of this Chamber could justify it to the public if they were asked: "How was that money spent?" That should have been - and I sincerely hope it will from now on - that has to be transparent, absolutely transparent. I remember my time on the Home Affairs Committee and

I am aware there were millions of pounds and it was earmarked, every time I used to raise it at a Home Affairs meeting, every time I raised I got the answer that: "Well, the Attorney General needs it to run his department in certain areas." Sorry, Attorney General, but I do not think you were there at the time. But more than that, I never got any other information. Now, let us look at this proposition. The Judicial Greffe, the increase, or the amount involved. When I put the question yesterday to the Minister at the presentation I was concerned as to how to the funding for the Police Court Magistrate could come about in this particular way, it comes under the Judicial Greffe. I asked for figures and: "I cannot give you that information." We are being asked to sign off millions of pounds of money with very little information. I submitted a question in relation to the Police Court Magistrate and the answer I got; "Neither as Chief Minister or as Chairman of the States Employment Board do I have authority to terminate the contract of the Police Court Magistrate. He is appointed by the Bailiff and can only be discharged from office by virtue of the order of Her Majesty in Council. The sentiments which lie behind the second part of the question strike at the very heart of the policy, that the suspensions exclusions is a neutral act and are, therefore, one which cannot support. That is fine. I can understand that, they want to keep that to themselves. I am elected, I am here to represent the people of Jersey and yet I cannot get the information. This man is not suspended or excluded, he has decided himself to not attend while this court case is hanging over himself. So, therefore, why are we putting additional money in this budget for somebody who is not earning his wages? Not earning his wages. I would have liked to have brought an amendment to this budget to take out X number of hundreds of thousands of pounds to cover the course of this, take it away from the Judicial Greffe's budget so that it would concentrate minds within the department as to whether or not we should be paying a person who has decided that he does not wish to work while this court case is over his head. It is not a decision that the States Employment Board has made, it is a decision of the person himself not to offer his services in the position as magistrate while this is hanging over his head. I can understand that but it should be not the taxpayers of this Island picking up a bill for his wages and his social security and all the things that go with it, his pension. That is unacceptable and I would have liked to have brought an amendment and because of the way this has been done I am not permitted to do so. I am expected to rubber stamp this and I am likely, in fact, to vote against if we have the ... and I hope the Minister will nod in agreement, will we be taking the votes in their various parts for the various departments, or is it as one?

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

I do not think that I am in a position really for court and case costs to split it. I completely understand the Deputy's point but I do not think I am in a position to vote on the individual. Certainly (a), (b) and (c) is possible but I do not think it is possible for me to break up the court case costs budget but I will respond in my concluding remarks.

**The Deputy of St. John:**

I have some real concerns with this because of the lack of information available to Members, even if we had gone into camera we could have had at least a debate which probably would have given us more information and possibly, in fact, I should be asking at this time for all the States to go into camera so we can get to the bottom of a lot of this within the debate. So, therefore, can I make a proposition here and now that we go into camera?

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

What is the purpose of going into camera?

**The Deputy of St. John:**

Because we cannot get information from the Minister.

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

I think the Minister has made it ... I mean, you are free to make a proposition and the States will vote, but I understand the Minister has made it clear he is not in a position to give the information.

**The Deputy of St. John:**

But possibly he may be able to give us information if we are in camera.

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

I do not know if the Minister could assist the Assembly before the vote is taken. If there is anything you could say in camera you do not feel able to say in public assembly, Minister?

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

I regret to say that I really do not think it would be appropriate for me to make any additional comments over and above those that I have already made. I understand the views of the Deputy of St. John but the key issue is inappropriate political influence or interference in relation to prosecution in judicial matters. That is the reality of the situation. So I do not think I would be able to assist the Assembly in any more detail if we moved into camera.

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

It makes sense to me, Deputy, and I do not see any purpose in going into camera if there is nothing that can be disclosed.

**The Deputy of St. John:**

I can see where the Minister is coming from but, that said, I will probably register my dissatisfaction with the way the entire process has gone ahead when the time comes to vote, but I will decide closer to the time.

**11.1.6 The Deputy of St. Martin:**

It seems to be a bit of a penny wise pound foolish approach and certainly I think Senator Shenton talking about getting very close to a gun being held to our head because we are almost under an obligation to support it. However, because we may feel under an obligation it does not mean to say we have to support it and I shall keep my powder dry until I come to the vote because there are questions I shall pose and answers I shall hope will justify me reaching the decision. I would like to come in after Deputy Le Claire because he was quite passionate really, but he talked about crime, et cetera, and I think Deputy Fox would probably agree with me that the primary object of an efficient police is the prevention of crime. In fairness, as much as the Honorary Police and the States Police are doing a good job, they will never succeed. Partly because, I believe, unfortunately for Jersey we do live in a greedy and selfish society and in particular we have got a number of people who feel they can try to cheat the system, and unfortunately it is us the taxpayer who has to foot the bill. Quite often it is not what I would call the small fry or the tea leaf that costs the money, it is the white collar crime and the drug runner and the cartel.

[16:30]

That is where the cost is coming and what I would ask, and I am hoping, that the Attorney General will be able to answer some of the questions at the end and I think one of the purposes of asking early on is that, I think again Senator Shenton touched on the subject, about how can we get more money or costs from those who fight something when they know full well their chances of succeeding are very little but they play the game simply because it does not cost them in money and yet they had loads of money round about. Maybe the Attorney General could also advise me and the panel and the fellow Members about how legal aid works. Because Deputy Tadier has touched on it and here we had high profile lawyers in a recent high profile court case, not prosecuting - yes, they did prosecute - but defending. Now, anyone who has any experience of having legal aid, and I had on occasion once, and certainly the person representing the interest I was looking after was a



right beginner. First court case and yet we have these high profile criminals being defended by high profile and very costly lawyers and it may be that the Attorney General may be able to inform me and Members also how does this work? Why can these high profile criminals get the expensive lawyers when the ordinary run of the mill guy gets a learner rookie advocate? Again, it would appear that we have a cart before the horse approach. We are being asked now to pay up after expenditure has been incurred. Surely money should be spent and it should be justified before we go into it and P.A.C. are quite right and I draw attention to their comments on page 2 talking about the Les Pas case and those of us who were here during the time will know how much money was wasted there and it says: "More effective arrangements are needed in the procurement of professional services to ensure the costs incurred are necessary, relevant and reasonable." Well, where are the lessons learned? I think Les Pas was 2002, I think it was or 2003, it was a long time ago. But we seem to be always coming back here saying we are going to learn from lessons. Well, you know, I just want to know at what stage do we move up into the class because we have learnt the lessons and we are not making the same mistakes. I do not want to be unfair on the Minister for Home Affairs but he knows that I do have a particular interest in a certain area on things and I did look up P.91 of 2008 to look about the funding of the historic police abuse inquiry. I was rather intrigued because we have had a written answer today to Senator Le Gresley's question about the funding and I did notice the error that the Minister had shown in the answer today, because quite clearly the funding - the £560,000 for the first part - that is being funded out of the historic abuse inquiry, surprise, surprise, we agreed to that on 8th September 2008. The only reason I know that is because I have been looking back at my proposition I am bringing today and that was the same day we debated my accountability compatibility debate. But on that day we agreed to about £7 million-odd worth and now, here we are, we are using up £562,000 of it investigating a suspended police officer. So someone must know, way back in September maybe, that they were going to suspend the Chief Officer, but it seems rather ironic that all that money is coming out of a historic police inquiry. Why? What has that got to do with historic police inquiry? I am grateful to Deputy Hilton for expanding a little on the expenditure which is shown on page 4 of the proposition and maybe I could encourage the Minister to elaborate a little bit more on the £168,000 being spent on Wiltshire Constabulary. This is for Operation Blast. Here we had months ago a proposition initially brought forward by the Deputy of St. John and then superseded by Deputy Higgins, to have an inquiry into that and yet - I have not got the proposition with me - but I know that the Deputy of St. John would have and so did Deputy Higgins, will have had to give a manpower and financial arrangements and if they had come forward and said: "We want £168,000" they would have been laughed out of court and here we are, the money is being spent and we have been asked to pay for it and on whose say so? The very man who made the allegation in the first place. So, you know, you can understand how maybe sometimes I do get a bit excited when I see we are being asked to pay all this money, and again this morning, and I can understand the Minister for Home Affairs not wanting to be too up front with some of the answers this morning, but I did talk about the case where we had suspended police officers. Not just the Chief Police Officer has been suspended, we have had 2 police officers suspended and when I had questions about this 3 or 4 months ago we were told then that there was a bill of at least £400,000 to cover those people and yet we are being asked to give money today and yet I see nothing. Where is that £400,000 coming from? On top of that, that was £400,000 way back in March and these 2 officers are not working so, therefore, additional expense must be going on there. While we talk about high profile lawyers I understand, in this particular case, to prosecute the 2 officers - unsuccessfully prosecute - after indeed the Attorney General had advised the States Police that there was no case to answer criminally, yet a decision was taken to take them to task on a discipline matter. No wonder the people are not working. I cannot say why they are not working, but probably people put 2 and 2 together. But, again ...

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

Deputy, what has this got to do with the funding ...

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

Well what I am getting at is the fact that here we are, we are being asked to pay for things which have already been spent. What I am trying to get is Members to at least take a look at a risk assessment before they spend that money. What I want to know from the Minister for Treasury and Resources is what steps he is going to take, because he says about strong controls but the money has already been spent. Where were the strong controls before the money has been spent? So maybe, in summing up, the Minister can tell us where those controls are now to ensure that any money is going to be spent. They are going to have to ask first and then get permission to spend it, and I am talking about things like suspensions. I can understand one cannot take in account who is going to be arrested and how costly the court cases are, I can understand that. But there are a number of issues, particularly of things like suspensions when we can look about how much we want to spend before we start out, and again I am really sceptical about spending £6 million to make people redundant. I just wonder how much thought has been given. It may well be cheaper to keep those people in work rather than spend the £6 million, put it in their hand and then probably in 3 or 4 months' time we will find out we need someone there so we will employ someone again. With a bit of luck those people may get their job back, having had the hand out. Anyway, I have had my moan, I hope I can get the answers from the Attorney General and the Minister for Home Affairs and indeed the Minister for Treasury and Resources. But I am not altogether sure I am going to give my wholehearted support to this and it may well be that we will vote in part.

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

I have just got a few comments on this. I notice that on page 6 of the proposition the report says that the department is looking at better vacancy management and I hope that attention is paid to this because, of course, it is the oldest trick in the book to keep half a dozen or even more long term vacancies in your back pocket to boost your budget. You get the budget for it and then go off and spend it somewhere else. There was a comment that should we be looking at procurement to look at procurement of legal services. Well, why not? You make architects go to tender for services, why not a little more genuine competition in the legal world? I agree definitely with Senator Shenton on the court and case costs. You must have them in your budget because they are part of your expenditure. Yes, it is sad that it has taken so long to pay attention to the Auditor General but at least it has come. These are all presented as one-off costs, am I correct in this? Because following on from that; are the estimated spending envelopes for 2011, 2012, and 2013, are these based on the budget with these inflated figures in or are the budgets before the figures were inflated? Perhaps the Minister could just touch on that in his reply. The proposition states on page 6 the £50 million deficit, well I am sorry, this is a little confusing. For the full understanding of the public and the Members of this House, are we catering for a £50 million deficit or do we add the additional tax rises and say we are catering for £100 million deficit? Or are we allowing for the fact that we do not achieve all the savings? I regret, Mr. President, it is slightly off the point but it is in the report and, therefore, I feel justified in asking the question.

#### **11.1.8 Deputy R.G. Le Hérisier:**

Like a lot of people I was rather surprised, given the bullish approach the Minister takes, to the fact he went into what I would almost call funeral tones when he talked about court and case costs. That here I am, the great cost cutter, I am moving and carving out great dynamic chunks of costs. But I am, in this instance, trapped. I think, as people have said, that is wrong. Obviously we all feel very locked in, so to speak, by this particular area. But there are issues and other Members have mentioned it but I will repeat them. The issue of legal aid - why, in one case, there has been a major, major departure from policy and it is up to the Minister to tell us, not to hide behind: "I cannot talk about details." It is up to him, or perhaps the Attorney General could be of assistance here to tell us, why has there been such a major, major departure? Is this to disguise the fact that the rest of the system is broke? But in a high profile case you dare not admit it is broke. Is this really what is happening? Secondly, other jurisdictions do face up to the fact that the notion that

there are absolutely untrammelled rights to prosecute because the judiciary must be given its head. Yes, theoretically - to use the phrase of this morning - theoretically that is indeed a sound point. But people surely are entitled to ask questions as they do in Britain, for example, about how the Serious Fraud Office works, whether financial prosecutions do indeed work. There are some very serious questions raised all the time in Britain about this area because of the fact that people feel matters are not moving as they should move and that enormous sums are spent on prosecutions for basically very little results. There is a move to court and case management in order to somehow contain the implementation costs of the system without trespassing into the area of political interference and control. It is possible to do both things in parallel and one not necessarily to be seen as interfering with the other. Secondly, in terms of voluntary redundancy, I tried to make the point at the meeting yesterday and I will repeat the point. The Minister is going to have a lot of political problems in selling this policy. I am not like some people in this Assembly, I do not believe the civil service should be frozen in aspic and consider that it is absolutely inviolable and never ever to be changed. It has to be, the world is changing, we have seen the tremendous ground swell in Britain, for example in regard to the pension schemes, as people in the private sector have to bear a lot of the issues around pension schemes. It obviously becomes more and more difficult, not to pauperise the public sector but to justify the level of scheme that is operated in the public sector. But I think what the Minister for Treasury and Resources underestimates is it is okay going on about voluntary redundancies but I do not think it has yet sunk in that until he and the Council of Ministers can deal with the whole issue of the level of pay and the kind of remuneration without accountability of the senior level of the civil service, the public will not be convinced.

[16:45]

I was a great fan, although I know Deputy Green has not shared my enthusiasm, that certainly if you go for the low hanging fruit, as they call it this rather inappropriate term, in government cutbacks, you go for things that are service wide and where the pain is, in a very crude way, shared equally. For example, pay freezes or recruitment freezes. I am not, as Deputy Green, calling for total recruitment freezes to be considered, but you may want to consider them at the senior levels, for example. Because I am well aware at the more junior levels you have got people who have to keep kitchens operating, for example, you have got people who have to provide nursing services and you simply cannot say: "We will deal with 2 or 3 less people." The service has to be provided. Then you are into massive overtime payments, for example, so you can have selective freezes. But I am afraid, until the Minister comes up with a balanced approach and psychologically he is seen to accept the need for tackling the issue of senior management, not through crude monetary cutbacks necessarily, but just considering whether the kind of money we pay, whether it is necessary for example for several senior people in the post office to be earning more than the Prime Minister of Great Britain. Whether he feels these situations are allowed to continue unquestioned by him, he will find it politically very difficult to sell cuts to the public. Thirdly, on procurement, we have gone this route before because I remember when the director was appointed a few years ago I thought there was going to be a clearout of old thinking or a clearout of old staff and I know some of them felt under threat. Now, 3 years on we are still at this point and the question I ask myself, and it was the question I was trying to ask the Minister for Health and Social Services when I said: "Do you need more managers in order to cut managers?" Which has now become the golden rule in Jersey management improvement. The question I was going to ask - did nobody ask of retraining the current staff? Did no one ask of people who were entering early retirement whether they could be substituted and might be happy to go if they were treated with sensitivity? Again, the impression was given that we were simply going to add a layer of bright new procurement officials on top of the existing staff and it would not solve the basic staffing issue. This has been an issue time after time in departments where we write off the current staff and I was rather saddened to see that may be happening, I know there are massive areas of controversy but the Minister for Health and Social Services, for example, has said: "We must move forward." This has been her mantra:

“We must move forward.” She has shown complete confidence in the current staff, well why are those staff not capable of bringing about innovative change management in the organisation? Why are they being dismissed and somehow shoved to the side while a group of change managers come in? That was the impression I got with the procurement function and I would like the Minister to address that. Those are the few points but I think we have got a long way to go in selling change to the population. They accept that the pain has to be shared and it has been remarkable how, looking at the U.K. where there has been what you might call the softening up of the population reaching to 40 per cent cuts and we are struggling with 2 per cent, where there has been the softening up. I think it is up to the Minister to prove to people that he is not involved in some sort of detached neo-Thatcherite campaign, irrespective of the conditions in which he finds himself, but he is aware of the political sort of balance that has to be achieved.

#### **11.1.9 Deputy A.K.F. Green:**

That is very good timing and I am please to follow Deputy Le Hérissier and I think before I talk about this I have to talk about the comments about recruitment freeze and my conversation with the Deputy on a previous occasion. It was not part of this debate but it has been made of the debate. What I said was that recruitment freezes do not work, they cost money. Because there are very many, whether we like it or not, pockets of highly efficient, highly effective staff out there that, for example, some of the smaller hospitals - one whole shift in some of the departments is one person. If you have a recruitment freeze there you have to cover that, probably on double time, if not time and half. Are you going to say to people: “Please do not have your heart attack today, have it tomorrow because we have got a recruitment freeze and we have not got enough staff to send the ambulance out. Do not have a dinner today, have 2 dinners tomorrow because we have got everybody in tomorrow.” It is nonsense and every time we should look at a vacancy, see whether we need to fill that post, whether the post needs to be changed, whether we can do away with it completely. That is good management, not recruitment freezes. However, that is what managers do, or should do. However, back to this 11(8) and I have got a few comments here. I am really surprised at some of the things the Minister for Treasury and Resources has put in here because he is very strict with the rest of us when we come for money, and I accept that some of the things around the Law Officers’ cases we have to meet. But this just over £750,000 Treasury and Resources thing, number 6 in (a), that is just in case. Well I would like £750,000 just in case in Education or the Minister might like it just in case for Health or Home Affairs. I am really surprised at that. Normally the Minister ties it down very tightly and it surprises me. Equally I am surprised with the redundancy one and I have some concerns about the redundancy one, and I have had some assurance from private conversations with the Minister, but I have still got some concerns about that because it has to be improved on what has been done in the past. What I have seen in the past is the top people go on huge handouts, sometimes come back as consultants, but to balance the books we lose a couple of cleaners further down the line. So the people that do the work disappear to pay for other people to come back as consultants and I want to be assured, I want to be absolutely assured, that is not going to happen on this occasion. Now, the other thing is I think the Minister said he wanted £3.6 million really but he has asked for £6 million. Well I could do that for Education, or you could do that in other places. Also, why are we doing it now? I can understand we are asking for some pump priming, but we are not going to spend £3.6 million or even £6 million between now and November and December. Why is part of this not part of the Annual Business Plan and the case made for it there? So that concerns me. But where the emperor really has his clothes on, and in the fine set of clothes he has not got on today is in procurement. I follow my colleague Deputy Le Hérissier and I would just like to look at that, because in his report that the Minister says: “The Procurement Department has met its overall target at savings of £2 million.” I think last year, was quoted. Well, have we had that £2 million back to Treasury? I can give you the answer - no, it has been spent. We may have saved £2 million but we spent it somewhere else so we have not saved anything because a saving spent is not a saving. I have had the misfortune to work with central purchasing, in the U.K. particular and to some extent in Jersey.

Similar initiatives claiming huge savings, but does the bottom line change - no it does not. Are we going to see in the Business Plan and the budget that we will be debating soon a £10 million reduction in procurement - no we will not; or £5 million to start with then £10 million - no we will not. That will just be swallowed up. In the short term we will have no savings at all. I can tell the Minister what will happen, we will be spun a line and the reduction will be told to us as what costs have been contained, activity has increased. That is spin for: "We are buying lower quality so we have to use more." What we are doing is deskilling our managers, we are deskilling our experts, turning our experts into clerks who will fill forms in rather than managing and using their professional expertise. I have seen this before, the skills will not exist across all the different things that people need to buy. How can you be an expert in toilet paper one day and surgical equipment the next? That is what we are asking people to do. They cannot so they will be asking the heads of departments to fill in specifications, which they should do, but then they will be sending it to somebody in Procurement who will probably interpret it wrongly and send it out to somebody else and we will be putting a whole new raft and layer of administration that achieves nothing and saves nothing. I have been there, I have got the t-shirt. As I say, contracts will be determined, if it is left to Procurement, on price alone. Quality will have nothing to do with it, fitness for purpose will have nothing to do with it and it just does not save money, it just adds layers and layers of admin. What should be happening is the centre should be providing clear policy, clear procedural advice on how to go out to tender and how to procure things in the professional and correct way, but using the expertise of the managers and the specialists in post. We are deskilling in H.R., we are doing it in procurement and I will have no part of it.

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

I share the view of the Deputy of St. John, who unfortunately is not in the Chamber, about the need to have a full disclosure of how the Criminal Offences Confiscation Fund has been spent over the last few years. However, having said that, I think we do need to congratulate the Minister for bringing forward this proposal because he could quite honestly have absorbed these costs into that fund, because although he has told us that it was overspent in 2009, he has revealed that additional money has come through, somewhere in the region of £7 million or £8 million I understand. Which would have covered the court and case costs expenditure. So we are here today purely because, as I see it, the Minister quite rightly has decided to give us a much more detailed breakdown of how that money is to be spent and I think we should applaud him for that. Having said that, I did attend the presentation yesterday and I was one of the people present who asked for more detail about the individual overspends and I am grateful that we have had an explanation about the overspend of the Judicial Greffe, because that information - albeit we are down to 3 figures - at least we now know that legal aid costs in the region of £800,000 and another Member has already suggested that we should have more information about how a legal aid cost of £800,000 has arisen. I do not see that is information that is necessarily sensitive. I have got 4 points to make, I am not known for making long speeches, you will be pleased to hear. So my 4 points are basically the Minister has said that he will be carrying out a substantive review of court and case costs as part of the C.S.R., and I would suggest to Members that is absolutely vital and that in doing that he will hopefully, in the Business Plan for 2011, come forward with proper budgets for these costs which appear to have been woefully inadequate in the past. It has also been mentioned, I think by the Minister, that in respect of the voluntary redundancy proposals than an Assistant Minister would sit on a panel to consider each voluntary redundancy proposal, along with Human Resources, et cetera. I would like to ask the Minister if he would widen that membership to a Member of the States who is not an Assistant Minister on the basis that I think there is a sense - and this is something that I gathered while I was standing for election - among the public that the Members of the House who are not in ministerial positions are disconnected from what is going on, particularly with important issues concerning the Comprehensive Spending Review. I think this is an opportunity to involve another Member of the States who is not either a Minister or an Assistant Minister and I hope the Minister will take that into consideration. With regard to the report from the Public Accounts Committee, I think Senator

Shenton made the point that the cost of the voluntary redundancy scheme - £6 million - would only be a saving if it was netted off the Comprehensive Spending Review savings. I do not agree with that. The reason being is that if staff take voluntary redundancy, my understanding is that cost is then removed from the budget of staff expenditure. So there is an ongoing recurring cost which will be recurring in many years ahead, assuming we do not suddenly increase by 56 staff. So I think that was a bit misleading to have said that.

[17:00]

I have listened to the passionate discussion by Deputy Green concerning procurement. I was very convinced yesterday by the manager who turned up to discuss the savings that could be made by Procurement and I would support that part of the proposition. That is all I have to say, thank you.

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

I did attend the presentation yesterday and I could feel the frustration in the room and I did ask a question, Senator Le Gresley has completely thrown me because I never heard that Senator Ozouf has found £8 million from somewhere but that is for them to sort out. So I will stay where I was. My question about the Criminal Offences Confiscation Fund was, yes, you were expecting to have a big seizure which never materialised and now the court and case costs will come from the Treasury, i.e. the taxpayer. My question yesterday was, does that make somebody hungry enough in the Law Officers Department to carry on tracing these cases and pushing them right for every penny? I mean, I can see the frustration when we know we have spent hundreds of thousands on defence lawyers who we know, or we are told, the defendant has millions of pounds worth of assets in property all over in another country. Because we do know that apparently these assets are being gone after, now whether that happens or not, but anyone in Jersey I know that has ever gone for legal aid and owns a very small property has been told: "Go away." You do not get legal aid if you own property and that is it, or even if you are on a wage that is over quite a small amount when you think of what an advocate can cost. So I can feel the frustration and we cannot dig deep and I can understand where also the Senator is coming from. I listened with interest as well to the speeches of Deputy Hilton and she explained all along, you know, where we are and she touched on some very emotive cases of where we would not want to not prosecute. But we are working with the Minister for Home Affairs and the Minister for Education, Sport and Culture to, as I think - and it is a quote from Senator Breckon - is to put the fence at the top and not the net at the bottom for a lot of the youngsters in the Island. We have a Y.O.I. (Young Offenders Institution), I think it is full up or it has got quite a few people in it between 16 and 21 who are the mules for these drug barons who are being used and getting a few thousand pounds out of it and a bit of drugs free on the side. That is exactly how the case works and we are not hitting the people at the top, so I really feel their frustration and it really, really gets my goat. So I would like assurances there. Who is going to have the appetite to do this if we go to this system? Deputy Le Claire and Deputy Hilton also mentioned the Criminal Injuries Compensation Scheme and I know that is the only one that the estimate was £350,000 and the shortfall was £350,000. So that is how much kudos this has got, and the system does need changing, you cannot have a judge awarding a certain amount for criminal injuries when he knows the budget is Y. You might have 3 that need X or one that needs X, Y and Z amounts of money. It is wrong and it should not carry on. But to tell me in this paper that the budget was £350,000 and the actual shortfall is £350,000 about says it all, what the importance is put on to that fund. I will move on to voluntary redundancy. Now, I do have a question and I think I have read all the papers. I am just trying to see if it is a better scheme than compulsory redundancy because I do know that would probably be the next case in ... it is the same scheme, fine. So I suppose that just gives people the incentive to maybe walk away other than get pushed. But that does explain, and I picked up on what Deputy Tadier said, under 4 years it is a few months but between 5 and 35 years is not too much difference, although if you are on a couple of civil servants grade above our wage you will still come out with quite a bit of money in the middle of

our £100,000 or £150,000. I know a lot of people who should or would walk away for that amount of money. I just need to touch on that bit there about property managers and it was amusing to hear Deputy Le Hérissier on both sides of the fence as usual **[Laughter]** when he accused people. Why can you not retrain the people in the jobs when every question directed to my Minister, to other Ministers, the Minister for Home Affairs, what are these people still doing in their jobs? There has been a bad report they should not be there. So you are damned if you do and damned if you do not. So I do admire the way he can still do that after so many years. Listen carefully, you have to listen carefully to find out and listen all the time when he speaks. I admire him very much. What I would also like to say about the procurement, I was very disappointed and I normally really get on with Deputy Green, the negativity of what he was saying. We have let this grow like topsy over the years, there are - as the Minister for Treasury and Resources says - thousands of cards going around at very low levels, they go and buy what they want. It is absolutely ridiculous. Eight people in total and we have supposedly saved £2 million. I would just like to be reminding people when Deputy Le Claire said: "Oh, it should be good." He is not up for the job but he can find a job for a few other more intelligent or accountancy people in the House to form a little team and go out and find where there is savings. Well, I will tell you. We had 10 angry men join the States in, I think, 2002 or 2005 and I think Senator Ozouf and even Senator Maclean I think are the only 2 left. The other ones have all left, thank you very much. **[Laughter]** They forgot to be angry, they got so frustrated they did not stand again any more and they never found any savings so please, I beg you, do not leave it to the politicians because they cannot dig deep enough, you would have rings run around you. So I really know I have got my hands tied up my back on a couple of these, if it is voluntary redundancy is the same as compulsory I think it gives people an option that after many years service is to walk away. If it is compulsory I thought it would be a little bit less, maybe it should be ... well, it would not be, you would not need the post, it would not be because the person in the post is not up for the job. I think that is called something else. So, where am I? I think I will listen to the Minister answer the questions at the end but the one I really, really have to be convinced on is I want to know it is - he said yesterday it will be exactly the person who does the job now in the Attorney General's office who will have to chase this money from the criminals, and I want to make sure that they still have the appetite to do this because their budget does not depend on it.

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

I too will start with Deputy Le Hérissier who described these changes and proposals as neo-Thatcherite. How wrong he is, they are pure Thatcherite, read in tooth and claw. This is outsourcing gone mad, and it is about cutting services. I believe it is cutting essential frontline services in many cases and we will just take a look at 2 of those perhaps. The 5 laundry workers, the seamstresses that do absolutely essential work within the hospital. Who is going to outsource that? Well I will tell you who the likely lowest bidder is, that is Eagle Laundry. Eagle Laundry have been before the Employment Tribunal any number of times for refusing to offer their workers proper contracts, and when they get taken there they say: "All right, we will offer the contract" and it turns out to be a zero hours contract which gives you no protection from one day to the next as to how much work you are going to be asked to do. That is the sort of outsourcing that is cheap and shoddy and that we should not be going there and, in the long run, will it save money? I do not know, but I am extremely sceptical in the long run. We are also talking about 3.5 mental health staff being shed in one way or another, when our suicide rate - we have just seen the headlines - has gone through the ceiling and here we are taking away the support services that are particularly for adolescents because that is where the danger years are. For adolescents we are taking one post in Child and Adolescent Mental Health Services, highlighted by Williamson as absolutely essential to protect our children and young people and yet here we have cuts in this particular area. This is an abomination. But let us move on to this voluntary redundancy scheme. Now, I think I heard the Minister say that compulsory redundancies are to be avoided if at all possible, but voluntary redundancies to cover something like up to 67 posts, perhaps 50 posts. We are told that he has put

a bid in for £6 million but only probably needs £3.6 million. Again, I re-emphasise, I wish I could do that sort of economics in Scrutiny, I could retire tomorrow. But he mentioned that these redundancies might be taking place over the coming months, was the phrase that he used and yet we have heard today from the Minister for Health and Social Services who is talking about no redundancies will be starting before 2011 when we will have a new redundancy scheme in place, the terms of which we do not know. The Minister herself does not know yet, the representatives who represent the workers being laid off and who will be asked for voluntary redundancy and to join in, have not seen hide nor hair of the new redundancy scheme. Yet we have got an estimate of £6 million coming in based on this redundancy scheme. So the question I have to ask the Minister is: is he talking about redundancies this year? Because he should make that clear, because there are an awful lot of workers out there who are worried, who are living in trepidation that their jobs are going, but nobody is talking to them. Nobody has talked to their representatives. Again, the Chief Minister said: "We have had plenty. We have had plenty of talks with your representatives." No we have not. The invites did not go out. We have had a couple of briefings where representatives have been told this is what we are planning, like it or lump it. No discussions, no consultation and certainly no negotiations have taken place at all. The new redundancy scheme is still in its little package, I presume, on the Minister for Treasury and Resource's desk or on his shelf, waiting to be taken down and this is what we are going to hit you with next. Now, I do not know what the terms are but it is about time we knew those terms, it is about time the workers knew those terms, and it is about time their representatives knew those terms and we got on with some serious negotiating. I have been banging on about this for a month and still nothing has happened and yet we are talking about up to 67 redundancies in the air, in the pipeline, not to be decided on until September. But we still need £6 million, even though this decision will not be made until September, by this House, as to what goes forward and what does not go forward. Is that the situation we should be in? No, we should have an awful lot of greater clarity about the situation all round and we need that and we need that now. So the question I have to ask of the Minister is: when is he going to come to this House with his new redundancy package?

[17:15]

When is he going to present that to the employees' representatives and when is he going to seriously start negotiating? Or is he, like he has done previously, going to arbitrarily just impose it. Is he going to attempt what the previous Labour Government tried with its civil servants of just imposing it, and had to be taken to court to have the court say: "No, you do not do that, you have to negotiate your agreement with the unions." I ask that question and I ask it seriously, and I am glad to see faces are taking it seriously, because it is a significant factor in engendering any confidence whatsoever that this Council of Ministers has the first idea of what it is doing. Finally, on perhaps a slightly less serious note, I reinforce the comments of Deputy Green from St. Helier when he talked about procurement. I have only been in this House 8 and a half years and I have seen 3 procurement revolutions that were going to sweep away the old system and replace it with something much better and we will centralise and then we will decentralise and then we will centralise it again and then maybe we will decentralise it again, and the net result will be more bits of paper floating around more beaurocrat's desks and money being saved - perhaps, but I do not think you will see it. Questions, serious questions, that the Minister for Treasury and Resources must answer before this debate is up.

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

Just before I call the next speaker could I draw Members' attention, unfortunately Members on this side will not be aware that in the public gallery I am very pleased to welcome His Excellency, Mr. Pieter Waldeck, the Ambassador of Her Majesty the Queen of the Netherlands to the Court of St. James and Mrs. Waldeck who are in the Island on official business and I am sure Members will



wish to welcome them. **[Approbation]** No doubt the best wishes of the Assembly go to your country, Sir, for this evening's events in South Africa.

### **11.1.13 Deputy J.B. Fox:**

This is one of those propositions that none of us will win and none of us can afford to lose. It is a particularly sensitive time because of the financial situation, not only within the Island but in the rest of the world and we are being asked for large sums of money that will not be in the Business Plan or in the C.S.R. in one form or another. I do, however, criticise the Minister for leaving it so late to have a meeting yesterday which did not allow us the opportunities for much clarification. The timing was short and because he is, in effect, a collective representative in making this presentation, he does not have the personal knowledge and background or he is not able to impart that knowledge which would assist in making life just that little bit easier for this Assembly. It is also difficult because rightly we, the politicians, cannot interfere with the judicial system but we are responsible for the allocation of funding and putting it in a greater package than what we are just being asked for today, and some of those concerns have already been expressed. The one that concerns me on the court and case costs is the criteria for the Criminal Offences Confiscation Fund. The reason I ask this is that I would have liked more time and I was planning on looking at it for another reason, because next year either the police directory or through the Home Affairs are cutting funding for preventive issues for road safety and crime prevention. We are talking about small amounts of money, like about £20,000, £25,000 something like that. These are the areas that these volunteers put an awful lot of work in supporting the community in which the people reside or work or whatever, but often this little bit of money acts as pump-priming money and we take away small amounts from what was a budget that I am told was around £9 million that is being used - agreed, very effectively and necessarily, but not with the original criteria of its intended purpose. Now I am not suggesting necessarily that we should not spend it in the form we spend it, but it might be in the wrong place and we should have brought it to the States and put it in the right place in another matter. But when I look through between Law Officers, Home Affairs, Judicial Greffe, Viscount's Department, Bailiff's Chambers, Treasury and Resources, clearly these are all important areas that need the funding but we are not able to question on an important debate like this, the full details. Now, I was questioned last night on policing in town and why we do not see any police officers during the day and it reminded me that - and I am showing you a photograph of myself in white uniform in 1972 or 1973 - **[Laughter]** "lamb chops" they called me then. But the reason I bring this out today was because we had a problem in financing all that is required for the police, even in those days, and it was suggested that part of the prevention role in town would be that we have police officers who are very experienced in all walks of life, until they get to the age of 50 and then they have early retirement. Yes, they to pay a social security stamp, but there were officers that would look the part and be capable and could be sworn in as Honorary Officers, paid for out of a bit of seed money from tourism, which was suggested in 1973, to patrol the frontline streets of St. Helier and act as not only as a tourist purpose but could be operational police officers within the precinct and give reassurance and everything else. Now, I bring this up today just purely to say that there are other ways other than just money to save money and we are being asked today to invest in money in order to save money in the future. Well, here is one suggestion you can make, and there is an awful lot of people in this Island and an awful lot of tourists that will thank me, if you would just have 2 officers that are due for retirement that will provide the service. They already get a pension so they are quite happy not to earn the same as they did before and would provide a service. So there is one. The other thing that concerns me are that in prevention wise - and I brought it up yesterday - and having an understanding of policing as I did after 27 and a half years, is that we work with intelligences throughout Europe, the U.K. and sometimes further afield, and indeed it is a pity the Minister has just gone because we should congratulate the Dutch for their services that they support in Europe against drugs offences, et cetera. But he has gone now. The purpose of which is that you cannot work in isolation alone nowadays and you have to work outside. But somehow it is always the thing that you have got to have the end result in Jersey.

Well that is fine, it is good for the police officers, it is good for the Constable's office and it is good to know that we are very good at arresting and identifying major drug traffickers, et cetera. Well we have just found out how much that costs us and it is a huge amount of money. Now, increasingly the cost of keeping people in prison is about £35,000 to £38,000 a year and we put them in prison for 12 years, 14 years ... oh sorry, it goes up, sorry I was talking about the basic, not when you get to the real cost of some of our prisoners which are probably £100,000 and more. But the point being is that if we use the intelligence and have these people arrested in the country that they are in as opposed to waiting for them to come here, the country of origin would have the privilege of looking after them and we would have the kudos of providing the support that is necessary to go and give evidence for them to be duly incarcerated for the serious crimes that many of these people are committing. It would not be the first time that I have given evidence at the Old Bailey for that. There are also other things that we must take into consideration, is that we have no option on this I am afraid, but let it be the last time that it comes as a *fait accompli*. Let us have plenty of notice, plenty of warning and have the opportunity for discussion, and I do not mean by having an in camera debate, that lasts about 10 minutes before someone leaks it to the press and then they broadcast it. They are an absolute waste of time. But let us do it in a constructive way that we can look at ways forward that we can make a better use of the resources that we have, and I am not just talking about financial, I am talking about other methods. Now, one of the things in the public section, if you had somebody that had gone off the boil - which was the favourite - to remove them is that you put them on medical pension. Now, that is very good except for that the public pension funds will be paying them for all the rest of their lives and they are supposed to, when they become fit or capable of doing other jobs, be re-employed. But who wants to re-employ somebody that has been put out? They much prefer being on a nice pension anyway, so I am glad to see the voluntary redundancy scheme in that respect provides an alternative. I am not too happy about the £6 million at this moment in time for what other people have already said, is that you are not going to spend £6 million in the short backdrop time of the remainder of this year and I know that the Minister will no doubt come back and tell us why he needs it. On the other account, the procurement functions, well when I saw that I was just wondering how you were going to set that up in such a short space of time before the end of this year. Then I am looking at do we have a redundancy one for the private sector, because when we procured everything directly and all the small traders and everybody else in this Island ceases to have the commercial business, are we then going to be protecting them? Because, indirectly, we are going to pay for it one way or the other. So we are just looking at a budgetary thing at the moment, but this is a very long and complicated thing. I have just skimmed the surface and hoped to cover a couple of points and hopefully find 2 people that need not be made redundant or need early retirement.

**Deputy J.A. Martin:**

Can I just ask the Deputy for a small clarification? When you were wearing the white uniforms were the biggest Home Affairs bills for dry cleaning? **[Laughter]**

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

There are still a number of Members wishing to speak, it is clear the debate is not going to finish this evening, but Deputy Southern had given an indication before the adjournment he wished to make nominations relating to the membership of his scrutiny panel.

**APPOINTMENT OF MINISTERS, COMMITTEES AND PANELS**

**12. Deputy G.P. Southern:**

If I may crave the indulgence of the Assembly at this time of night just briefly. If people wish to nominate anybody then obviously they are free to do so and we can go to a vote and count it by tomorrow. But I propose to work for the moment with myself as Chair and Deputy De Sousa of St.

Helier and the Constable of St. Lawrence, who are on the Health, Social Services and Housing Panel already, to invite them to form a panel of 3 for the moment. I fully intend to invite the Constable of St. Martin when he becomes fit again to rejoin us and I have already, as I mentioned, invited Senator Le Gresley to consider coming along. So I may be back to say I wish to expand the panel, but for the moment I would like to work with 3 and I would like to get on with it as quickly as I can because there is plenty of business to do.

[17:30]

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

Thank you, Deputy. Just to clarify, therefore, you wish to at the moment have a panel of yourself and 2 members which is in accordance with Standing Orders and you have nominated Deputy De Sousa and the Constable of St. Lawrence. Are there any other nominations for membership of the Health, Social Security and Housing Scrutiny Panel? There is not, I declare that those members are duly appointed. The adjournment is proposed, the Assembly will reconvene at 9.30 a.m. in the morning.

**ADJOURNMENT**