

# STATES OF JERSEY

## OFFICIAL REPORT

**THURSDAY, 17th NOVEMBER 2011**

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[9:31]

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

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

### **1. The Chief Minister Designate's Nominations**

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

First of all, may I welcome on Members' behalf His Excellency, the Lieutenant Governor. **[Approbation]** I remind Members that the only business for this meeting is the selection of Ministers and the chairmen of committees and panels. Chief Minister, I understand you have a declaration which you would like to read out as to your proposed Ministerial nominations.

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

Yes, if I may. I, like many Members, am aware that a lot of these posts are going to be contested today and so I welcome that, I welcome the debate about the issues and I hope that we can have a good challenge around the issues that face us and I hope that we will not allow it to become personal. Therefore, I would like to propose first, if I may, for the position of Minister for Treasury and Resources, Senator Le Marquand.

### **2. Minister for Treasury and Resources**

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

Is that seconded? **[Seconded]** Are there any other nominations?

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

I would like to nominate Deputy John Le Fondré for the position.

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

Is that seconded? **[Seconded]**

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

I wonder if I could possibly make a suggestion. Part of the delay is perhaps due to the fact that everybody wants to speak last. Should we perhaps take lots on it?

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

Standing Order 117(6) is clear that candidates speak in the order in which they have been nominated but if there is an indefinite delay the chair will just move on. **[Approbation]** Are there any other nominations?

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

I would like to nominate Senator Alan Breckon, thank you.

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

Is that seconded? **[Seconded]** Any other nominations?

#### **Senator P.M. Bailhache:**

I would like to nominate Senator Philip Ozouf.

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

Is that seconded? **[Seconded]** Very well. Any other nominations? I will shortly ask the candidates to withdraw, other than the Chief Minister's nomination, and when that has happened each candidate will be asked to speak for 10 minutes. I will inform you now that the Greffier will ring a bell after 9 minutes and then ring a bell for a second time at the end of the 10-minute period. When the second bell is rung there is to be no extra time and the speaker must sit down. We then

have a period of 20 minutes for questions. The questions and the answers must be concise. I will only allow each Member one question unless there is no one waiting to ask a question who has not already done so. A bell will be rung 2 minutes before the end of the period as a warning and a second bell will be rung to signal the end of the 20-minute period. Once again, there is no extra time, even if a question or an answer is incomplete. So now can I ask Deputy Le Fondré, Senator Breckon and Senator Ozouf to withdraw from the Chamber? I call on Senator Le Marquand to speak.

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

I shall begin this morning by explaining my past experience and natural aptitudes which, combined together, make me a strong candidate for this post. At school my outstanding strength was in the area of mathematics. I have 2 A levels in pure and applied mathematics. Figures and statistics are, and always have been, a source of enjoyment and fascination to me. I could well have made a career in accountancy or statistics but in fact my chosen career was law where one of my best subjects was tax law. In 1977 I founded my own legal practice from scratch and there I gained considerable experience in Jersey property-related matters, specialising in conveyancing. In 1990 I became the Chief Clerk to the Courts, the Judicial Greffier and a chief officer in the public system. Because of my natural ability with figures, I personally produced the departmental budget figures. I also brought about a simplification and various changes to the stamp duty system. In 1999 I became the Island's Magistrate where I compiled my own statistical information on various aspects of the work. In 2008 I became the Minister for Home Affairs. I have worked in the public sector for 21 years, as well as having experience of private sector business. If the Assembly honours me this morning with this post, then I hope to follow in a distinguished line of lawyers who have made very good presidents of the Finance and Economics Committee, including Senators Ralph Vibert and Reg Jeune. I have for some years been closely following the world economic situation and continue to do so. I find the work at Treasury and Resources both exciting and interesting and genuinely believe that I can fulfil this role well. The comments which I am about to make need to be understood against the background of our generally strong economy with almost no debt. I also have great confidence in the business acumen and enterprise of the people of Jersey in terms of continuing to find a successful way forward, even in difficult times. We are very fortunate to have a fully-funded Social Security pension scheme and substantially funded public employees' P.E.C.R.S. (Public Employees Contributory Retirement Scheme) and teachers' T.S.F. (Teachers' Superannuation Fund) pensions. However, the challenges which the next Minister for Treasury and Resources will face are substantial. There are short-term challenges in terms of eliminating the current annual deficit on the Consolidated Fund by 2014. However, there are also major long-term challenges. The draft long-term capital plan which spans 2012 to 2032 shows a capital funding gap of the order of £300 million, even if major policy changes are made in terms of new charges and a new way of funding public housing schemes. Without those changes it will be substantially more. Work has been done, and needs to be completed, on a long-term financial strategy. I have been very impressed by similar such work completed in New Zealand. Such a strategy will need to predict not only the effects upon public sector expenditure arising from such pressures as the ageing population, but also the effect of this and other factors upon public sector income, which is often overlooked, that with an ageing population there will be a drop in income levels and therefore in personal taxation. There has been recent publicity about the size of the deficit on the public employees' and teachers' pension schemes. My information from the Treasurer is that the current deficits on the pre-1987 schemes are of the order of £200 million but there is no guaranteed payment level and therefore no guaranteed liability on the post-1988 schemes. If appointed I shall urgently be looking at this issue and reporting back to this Assembly, and to the general public, as to what I have found. However, I am clear that Financial Reporting Standard 17, which was the basis of the comments of the P.A.C. (Public Accounts Committee), is not a good way of assessing any deficits. I am also clear that there will need to be a review of the way in which we are dealing with the repayment of the debt on the pre-1987 schemes. I believe that it is vital that States

Members and the general public are made aware of the size and scope of all these major challenges so that we can plan wisely for the future of ourselves, our children and our grandchildren. If we are to avoid continuing down the path of recent years with ever-increasing taxes and other charges to the general public, then we are going to have to be both very cautious in relation to agreeing to additional expenditure - there will be some needs, most certainly, but we will need to be cautious - and we are going to have to embark upon a major public sector change programme.

[9:45]

Such a programme will look at the services which we provide, the way in which we provide them and whether we are getting value for money for the general public. It will look at the continuing viability of the public sector pension schemes and at the whole of the terms and conditions of public employees, including the incremental system and the Hay evaluation system. This will take between 5 and 10 years and will follow on from the work of the Comprehensive Spending Review. It must be done but it also must be done fairly and with proper negotiations and consultation with employees' groups. We owe that to our public employees. I turn now to some of the numerous key issues which will face the next Minister for Treasury and Resources. The taxation of non-financial service companies is an area which continues to cause great public concern. That is, in my view, partly because the reasons behind the Zero/Ten policy have not been fully explained to States Members and to the general public. We must first obtain from the European Finance Ministers' meeting later this year confirmation that following the repeal of the deemed distribution provisions the current policy is not harmful. After that we can review the position and see what can be achieved within the constraints of the code of conduct for business taxation. I will support the continued development of Treasury management and investment strategies to increase the return on investments, while not taking undue risks. I also support the current ethical strategy in terms of investments. I am particularly interested in developing the investment of funds, such as the Currency Fund, locally in creative ways which will assist in achieving other States goals. I am therefore generally supportive of the Gigabit Jersey project, although I would want to see the internal business case in detail before finally approving anything. I am also generally supportive of the use of this fund to assist with the financing of Housing capital projects. I believe that we have to be more creative in our use of our reserves and to turn them to good advantage in terms of our goals for social and other policies within the Island. I would like to explore with the management committee of the public employees' pension funds as to whether there is indeed scope for any similar investments of funds from those directions within Jersey. I support the maintenance of the 20 per cent flat rate for tax which has been a key part of fiscal strategy for so many years. I also support the work being undertaken by the Tax Policy Unit in a variety of areas, including the monitoring and evaluation of the new policy on 1(1)(k) residents. The maintenance of the international reputation of the Island is of very great importance to the successful continuation of our main industry, the finance industry. Although we also need to be maintaining other industries, the finance industry produces 40 per cent of G.V.A. (Gross Value Added) at the current figures and 3 years ago it was 48 per cent. Accordingly, I will strongly support the work of the Financial Services Commission in maintaining standards and the continuation of the process of signing tax information agreements and other moves towards us remaining compliant with international standards. I shall have to speed up so I deal very quickly with the other topics. The next topic I was going to deal with was the Property Holdings Department and the issue of the rationalisation of States office accommodation, which is incredibly important. The topic after that I was going to deal with was the way in which the Minister for Treasury and Resources should work. I am quite clear he must work in collaboration with his colleagues and in particular with the Chief Minister. The next topic after that was procurement which is a very important issue within the Treasury. The next topic after that was the debate in September 2012 on the 3-year financial plan. We must get the level of expenditure right; neither too high nor too low. Finally, if appointed today, I very much



look forward to working closely with the excellent Treasury staff and with my new colleagues on the Council of Ministers and particularly the new Chief Minister.

**The Deputy Bailiff:**

Thank you, Senator. The time is now open for questions. I call on Senator Ferguson.

**2.1.1 Senator S.C. Ferguson:**

The Auditor General mentioned recently the 2 mutually-exclusive policies we are following: low tax and increasing expenditure. How will the candidate approach this conundrum?

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

I think I have given the answer to that already in terms of the issue of us needing to have a fundamental change in the way in which we do business. Frankly, the current position as outlined by the Senator will not otherwise be expendable. We have to find better ways of delivering services and keeping our costs down.

**2.1.2 Deputy J.A. Martin:**

I re-read the Senator's speech when he stood for Minister for Home Affairs and he pointed out a lot of problems they had. Can the Senator convince me that he dealt with all these problems at Home Affairs and why would I have faith? He has given me a lot of promises again as to what he thinks he can do at Treasury. I need to be convinced why he has jumped ship from Home Affairs to Treasury and that he will deliver anything he has just promised, because I cannot see much he really did deliver in the last 3 years and I would like to know why he is jumping ship.

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

In fact, I am not jumping ship; I am of the opinion that things are now going so well at Home Affairs that indeed the major issues and problems have been solved. I have lodged in the last week the law in relation to the police authority, which was a major piece of work. I have taken successfully through the States a major piece of legislation in terms of repatriation of prisoners which should have the effect of reducing numbers. The whole ethos and morale of the police force and the way in which it is operating has been transformed in a very short period of time. I can say honestly that each of the sections of Home Affairs is well led. We have good chief officers, good management teams in each area, and I have every confidence for the future. It is because of that that I feel I can aspire to another role because things are frankly going so well.

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

Could the candidate state his views on the current personal tax structure and what his vision would be for a long-term tax strategy?

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

That covers so many different issues; that covers a full range. There is a need for review of issues, particularly a need to review the issues of how the 27 per cent rate is working; that needs to be looked at. In general, I think the personal structure is fine. I would hope, as finances allowed, to be able to make provision within amendments for giving more back, if we can, to middle-Jersey who certainly have been hit very hard by the current situation.

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

As we know the health service will need significant investment in the future, be it a new hospital which costs £300 million, or refurbishment of the present one, but also in services. How does the candidate plan to raise the funds that will be required?

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

This is exactly the problem which I have highlighted in the capital expenditure long-term forecast over the next 20 years. The substantial part of the £300 million is an estimate of the £300 million for the hospital itself and that is a problem which is going to have to be solved. I do not at this moment in time have a solution to that; I am not going to pretend that I do. What we have to do is make everybody aware of the problem and then we are going to have to work through finding solutions but I have no magic wand.

**2.1.5 Connétable P.J. Rondel of St. John:**

Given if you are successful in your bid to become the Minister for Treasury and Resources, would you give an undertaking to all of our commercial tenants that you will review the recent decision by Property Holdings - which comes under your remit - to look again at the proposed 50 per cent increase in their rentals as of January 2012, given that they only have a week in which to sign up to it or their leases are terminated?

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

I think in principle that we should be moving towards commercial rentals in relation to tenants of publicly-owned bodies. There is no question about that. But if you are suddenly springing massive increases on individuals in the way suggested by the Connétable of St. John, that causes tremendous problems. It seems to me there ought to be more sensitivity in dealing with such matters.

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

The candidate has continuously voted for G.S.T. (Goods and Services Tax) exemptions. Would he bring a proposition to change the current system?

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

I have dealt with that in reality in my speech when I made it clear that I would not bring propositions for changes in tax structures without the approval of the majority of the Council of Ministers. It seems to be that it is very important that the Minister for Treasury and Resources operates in accordance with the policy, not of his own views, but also of his colleagues.

**2.1.7 Connétable J.M. Refault of St. Peter:**

As the Minister for Treasury and Resources is the States' nominated shareholder for the States of Jersey Development Company, would the Senator please share his views with us on the development of the Esplanade Square?

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

My view is that it is going to have to be looked at again. The financial position has very clearly changed since the initial plans. I can see scope for individual developments of office blocks as and when they might be required, but the whole grandiose scheme, I am afraid, is just not going to happen in the originally intended form. My view is that it needs to be looked at again.

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

The proposal is at the moment that £40 million should be provided to assist telecoms with their new fibre optic cable systems. Would it be the Senator's intention to continue with this or would he not be very keen on it?

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

As I think I said in my speech, I am generally supportive of the scheme. This seems to be our best option, frankly, in terms of high value and low footprint diversification. The methodology chosen by which there would be a loan from, as it were, one States fund to a States-owned body does seem to be suitable but I have not seen a detailed business case. I would want to see that first.

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

Would the candidate give us his take on the current interaction between minimum wage income support and income tax thresholds?

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

Clearly, with the minimum wage being set at the level it is, people are not in normal hours going to be earning sufficient not to also need assistance in relation to that. But this is a very complicated issue because of the problems of particular industries which repeatedly say that they could not function effectively with higher levels. The States has chosen to take advice in relation to the level of the minimum wage from an outside body and I approve of that approach. I support the current approach. I am afraid I cannot immediately see the connection between the other things but I can see the connection between the first 2.

### **2.1.10 Deputy R.J. Rondel of St. Helier:**

My question has in fact been partly asked by Senator Le Gresley but just for the experience I will ask what I have written down if that is all right. **[Laughter]** No one likes to pay income tax or social security contributions but the majority understand that they are means of raising money and accept they have to contribute. What, in my view, the majority do not accept is the fact we have to pay a 5 per cent tax on a basic commodity such as food in a moral tax that has led to a hugely bitter feeling against the previous Assembly in part.

### **The Deputy Bailiff:**

Can you bring it to a question, please?

### **Deputy R.J. Rondel:**

What, if anything, would the candidate propose to do about the present 5 per cent tax on food? Thank you.

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

I share the view of Deputy Rondel that the majority public view is in favour of food exemptions and exemptions on fuel and so on, but I think I have already answered the question that my view is it is not a matter for one Minister alone; it is a matter for the Council of Ministers; set policy and then bring proposals to the States.

[10:00]

### **2.1.11 Senator P.M. Bailhache:**

Would the candidate confirm that he has read the recent report of the Corporate Services Scrutiny Panel on C.S.R. (Comprehensive Spending Review) and would he explain his vision for the future of the public service?

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

Yes, I can confirm that I have read that and enjoyed it very much, in particular some of the appendices **[Laughter]** to it which were written by outside experts. I think I have to a degree set out my vision in terms of the need for fundamental review and fundamental change. But the reason why I am so keen on that is, frankly, very simply this: that I am keen to improve if we can our levels of public services, particularly our level of social services. It is that desire on my part which is the motivation to ensure that the public sector is made increasingly efficient so we can deliver more, or at least continue to deliver the same, without getting into a cycle of ever-increasing taxes.

### **2.1.12 Deputy R.G. Le Hérisier of St. Saviour:**

The candidate made much play of his numeracy and statistical skills, I wonder if the candidate could outline what he considers to be the other skills required to the job and could he rate himself on a scale of one to 10, 10 being most excellent. **[Laughter]**

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

The trouble I have with the last part of that is I always tend to underrate myself **[Laughter]** so I am likely to give myself a 7. **[Interruption]** I would like to give myself a 7 where others would give me a 9. I think that it is very important that the Minister for Treasury and Resources works collaboratively. It is extremely important that he work co-operatively with the Chief Minister because if the 2 are not working in tandem at the heart of the Council of Ministers, we are going to have chaos. Absolutely fundamental; that is the number 1 issue. But I think the range of skills required are those which I hope I possess. Apart from the arithmetical stuff, the ability to analyse things, the eye for detail, which I am afraid sometimes irritates Members in the Assembly when I will pick on some picky point, but that is a very good characteristic, I think, in a Minister for Treasury and Resources. There will also inevitably to a degree be some sort of international role, although I believe that that lies fundamentally with the Chief Minister and with the Minister for E.D. (Economic Development). The range covered by the current Minister for Treasury and Resources, as indeed Sir Philip himself said, was far too wide and I am certainly not going to be trying to be “all jobs for all men”.

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

How would the candidate propose to work with his colleagues in Environment and Housing in accelerating the provision of affordable housing in the eligibility gateway of between £250,000 and £300,000? Does he feel that the Treasury Department should get back into a States Loan scheme?

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

I think there certainly is a case looking at a States Loan type scheme. I was around in the 1970s, a conveyancing clerk as an advocate, when that was in its heyday. It basically was phased-out because cheap money became available and it was not necessary. But as I highlighted in a speech recently, we have now gone back into a situation in which the level of deposits being required is much higher and therefore people are struggling to get on the ladder at all. So I think that is certainly a matter that will need to be reviewed but there may well be other options as well.

**Deputy S. Power:**

The candidate did not answer the question. I asked about his eligibility in gateway and about his relationship ...

**The Deputy Bailiff:**

You will be able to express that later on if you wish through the vote. Deputy Lewis.

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

A question that bridges the old Ministry and possibly the new; as we are in need of a new police headquarters, where would the candidate site this and how would it be funded?

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

I have of course been on the working party that has been working on this which has come to the conclusion that the site on the open area of the car park in Green Street is a suitable site. I agree that that is so and the funding has already been voted by the States of Jersey within its financial planning.

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

It goes with the territory that the successful candidate will need to make many difficult decisions which will not necessarily be popular with the public. Does the candidate agree with me that in the

past the reasons behind the decisions have not always been adequately communicated to the general public and what steps will he take to ensure that he can carry the public with him in future?

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

I think it is terrifically important to put out more information to the public. I have commented that I do not think there has been sufficient information going out as to the reasons behind things in this particular area. One of the abilities which I think I have is the ability to take quite complex things and to explain them relatively simply. Some people think I have the gift in the reverse order as well [Laughter] but I do believe I have that when I focus my mind on it. I hope to be more successful in communicating the issues but the key starting point is we must know where we are in terms of long-term planning. Absolutely fundamental.

**2.1.16 Connétable D.W. Mezbourian of St. Lawrence:**

I do not think I heard the candidate address this during his speech, but what are his views on the States of Jersey borrowing money?

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

I am generally against it unless it can be done in the context where there is a clear income stream which is going to pay back the thing. I favour, as I have said, trying to utilise our existing pots of money in terms of funds more creatively first before we would consider that.

**2.1.17 Deputy T.M. Pitman of St. Helier:**

If the Senator is elected, will he have a more open-minded approach to a possible use of the 'Rainy Day' fund as in perhaps kick-starting necessary projects like the access to Fort Regent?

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

I think it is important to maintain the size of the current Strategic Reserve; I think that is very important. We have an economy which is very much focused in one particular industry - the finance industry - although that itself is diverse. We must have provision if there is a major downturn in that area. But as I said already, I am looking to find other means within the States resources of funding necessary things but that has to be in a way that is self-financing.

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

I am sure that a future Minister for Economic Development would have been very pleased to hear that the candidate suggested he would be more creative in the use of reserves. What I would like to know from the candidate is how confident he is that the C.S.R. target of £65 million will be achieved and, if not, what he would seek to do to address the matter?

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

There is a shortfall clearly in the current planning which is substantially because of the decision of the States of Jersey in relation to some of the proposals of the Minister for Education, Sport and Culture. There is no doubt that there is a shortfall. There are no current plans to fill that shortfall and that will have to be a decision of the next Council of Ministers. The fundamental intention behind the programme was of course to reach a balanced budget by 2014 but this will not just be a decision for me; it will be for the whole Council of Ministers.

**2.1.19 Deputy K.L. Moore of St. Peter:**

The candidate mentioned his concerns of the European Union Finance Ministers' view of our deemed distribution system. What does the candidate propose to do if those Ministers decide against our current system as it stands?

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

I had slight difficulty hearing the Deputy but I think that was a question: do I have a Plan B if Ecofin turn down the current Zero/Ten? At this moment in time, no I do not, and I do not think anybody has. That would be a very serious situation and we would have to completely review our policies. There are other potential ways forward but those would have to be carefully evaluated.

**2.1.20 Deputy S. Pitman of St. Helier:**

Recently the President of the Chamber of Commerce commented on the BBC Radio Jersey and he asked that G.S.T. is not raised again as its effect ...

**The Deputy Bailiff:**

Very well, I now ask Senator Le Marquand to go with the Assistant Greffier who will accompany him to a room in the building where he will not meet the other 3 candidates. The Greffe staff is scattered in protective mode all over the building and I will ask that Deputy Le Fondré be invited into the Assembly.

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

While we are waiting, might I ask for a list in which order the Chief Minister is going to propose the Ministers?

**The Deputy Bailiff:**

Yes, indeed, Deputy. It should be on Members' desks but when I opened the proceedings this morning I did ask the Chief Minister designate if he would read the declaration. Perhaps while we are waiting for Deputy Le Fondré to come, if he wishes to do so (it should be on Members' desks) that the declaration be made. It is not?

**Senator I.J. Gorst:**

Sorry, Sir, I do not seem to have that with me. I am quite willing, however, to inform Members that the order that I put forward to the Greffier on Wednesday morning is the order that I intend to take them at this point. Firstly, as is now underway, Treasury and Resources; secondly, Social Security; thirdly, Housing; fourthly, Education Sport and Culture; fifthly, Economic Development; sixthly, Home Affairs; seventh, Planning and Environment, eighth, Health and Social Services and, ninth, Transport and Technical Services. However, I should, as Members know, reserve the right to change those in the course of the day should that become necessary, but I will keep Members informed.

**The Deputy Bailiff:**

So that I know what you are doing, can I please have my note back? **[Laughter]** Very well, Greffier, start the clock. Deputy Le Fondré.

**2.2 Deputy J.A.N. Le Fondré of St. Lawrence:**

Can we start the clock when I start speaking please, Sir, if possible. I look around me today and I remember feelings I had 6 years ago. It is worrying to think it was that long ago I was first sitting in this seat. It was very much a mixture of pride and enthusiasm and honour but also trepidation in having so swiftly to appoint the team that would guide the Island through the next 3 years. What did I really know about each of the Ministerial candidates, their relevant skills and their experience? How could we see beyond the rhetoric and the presentation, the P.R. (public relations) if you like, to the skills and the substance of the individual? Let me start by telling you what my professional background is. I am a chartered accountant - that may be good or bad. I qualified with Ernst and Young and worked for them in Jersey and then in Luxembourg before moving back to the local Jersey practice in 1997. Together with the new Chief Minister Designate, Deputy Noel and Deputy Young I am, I believe, one of only 4 qualified accountants in this Assembly. My client experience has included small local businesses, international banks, computer audit of parts of the

States of Jersey oddly enough, trust companies, forensic accounting, as well as dealing with high value clients.

[10:15]

In my view, it is critical that the Minister for Treasury and Resources is someone with a professional and qualified financial background. I know from my experience in Treasury that many of the issues facing the Minister are technical and a clear understanding of those matters is essential. You need someone who can recognise what good looks like when it comes to financial matters. Most people will agree that we have very challenging times ahead, not least because of the volatile situation in the worldwide economy. International pressure, the issues surrounding the fulfilment industry, the huge problems concerning States infrastructure, including the hospital, pensions and how we deal with our ageing population. Facing these and other challenges will need very careful, calm and reasoned decision-making. It is true that we enjoy a healthy level of financial reserves, however given the legacy issues of decades of failing to maintain our infrastructure and the need to rebuild some of the reserves that we have already used we must continue to plan for tougher times ahead. What are the functions of and what should Members require from a Minister for Treasury and Resources? Some are obviously defined under law to ensure that the public finances of this Island are regulated, controlled and supervised. It is about assessing financial viability, facilitating projects, which have economic, social or financial benefit. It is being clear about future cost implications. Investments, budgets and public expenditure are all part of the remit and the Minister for Treasury and Resources must be prepared to work as part of a team with fellow Ministers and States Members. But I would also echo the words of Senator Bailhache last Monday, the role of the Minister for Treasury and Resources has to be a lot more focused for the next 3 years. All of these duties clearly require someone who is respectful of the authority of this Assembly and who is also respected by this Assembly. Personal integrity is of fundamental importance, as is the ability to look to the medium and long term in making decisions. I am not a person who entertains short-term political fixes. I believe the challenges that we face are too important for that type of approach. I have spent 5 years in Treasury as an Assistant Minister. Indeed I was sometimes also referred to as the “Minister for Property”, having had the full delegated authority for all property matters. In that role I made more decisions than some Ministers. As Assistant Minister I was also involved in the post-implementation of Zero/Ten, most particularly of aspects of G.S.T. and also directly with the production of 4 budgets. I know the teams involved and I believe I have a very good and trusting working relationship with them. As a brief example of my approach, substance and delivery if you like, is the new dairy at Howard Davis Farm. Under my direction I brought forward to this Assembly 3 changes to the law, which amended the existing covenant. This allowed the new dairy to be constructed, Acorn Industries and the Jersey Society for the Prevention of Cruelty to Animals (J.S.P.C.A.) to have new facilities and, as well, the creation of a living trust which serves the original intentions of one of Jersey’s most generous benefactors, T.B. Davis. That may sound very straightforward but that project required 3 years very careful negotiations with many disparate parties, particularly descendents of T.B. Davis, both here and in Cape Town. It required some parties to radically change their stance but all of them came on board, and its success was a very significant step in securing the viability of the dairy and therefore of our precious dairy industry. During my time at J.P.H. (Jersey Property Holdings) we achieved many successes, most of which passed under the radar. We delivered £400,000 worth of annual savings just in the re-tendering of maintenance contracts and £11-12million in property disposals, which is a figure that was bang on target. To give some wider examples, I brought - which is always a slightly embarrassing expression - the so-called “Le Fondré proposals” to this Assembly back in 2008. We used our existing systems to distribute monies and target them appropriately rather than to clock-up, in my view, greater bureaucratic costs by exempting food from G.S.T. That was supported by 34 votes to 6. As chairman of the Legislation Advisory Panel we unlocked the 10-year block that was discriminating against illegitimate children as regards

inheritance law, and the reason that all of us this year were elected on a single day was because of my proposition back in 2009 to have all elections in any one year on the same day. That was the foundation and it was supported 47 votes to nil. I believe I have demonstrated in a whole wide range of areas that I can unravel complex situations and take them forward. On other occasions I have proposed - I will call them creative I suppose - simple solutions, and that does require a careful mix of financial, political, personal, and technical skills at times. What is the overall direction that you could expect if I become Minister for Treasury and Resources? In the past 3 years we have again put up taxes and the public will, in my view, rightly require that we are robust in ensuring that services are delivered with greater efficiency. I believe we, on this Island, are well past the point whereby our financial future can be secured through annual rounds of budget cuts. I am talking about true business transformation. That is my passion and, yes, even accountants can be passionate at times, and that is the approach which I will pursue as Minister for Treasury and Resources. Root and branch reform is required to deliver 'more for less cost' through taking a truly fresh approach as to how we do things in the public sector, and that is looking at what we do, how we do it and could we do it differently. It is about challenging and changing the silo mentality which currently separates departments, and that was what was held out to us some 2½ years ago as part of the C.S.R. process. It is by far the best way of achieving sustainable, structural savings, but it simply has not happened other than as an exception, and that needs to be delivered. There are organisations both here and away from this Island who have significant experience of this and who are achieving impressive results, and I visited a leading benchmark organisation in the U.K. (United Kingdom) last year and I strongly believe that that is the way forward for Jersey. The people I met would be delighted to come here and share their experiences. They have embedded politicians at the heart of the process rather than just looking at the top down. That is something I really want to see here. I believe I have the necessary skills and knowledge for this role. I am a qualified chartered accountant with real practical experience, both here and abroad. I can draw my 5 years in Treasury and J.P.H. and in my time in the Chief Minister's Department. I have made tough decisions and I have been prepared at times to stick my head above the parapet where circumstances have demanded. I have demonstrated, I believe, that I act with honesty and integrity and I do have experience of working with and pulling teams together. Even under extreme pressure my approach is one of careful, calm and reasoned deliberation, independent thinking and a determination to get things right. Leadership is about having the moral fibre to do the right thing. It is about resisting pressure to do the wrong thing and it is about recognising that if you make a mistake admit it, and bring in the correct remedy. I hope I have given new and returning Members a better insight of who I am, I suppose possibly to paraphrase the Dean on Monday, and I believe I demonstrated why I believe I have the personal, professional and technical capabilities to offer a fresh and open approach to the role of Minister for Treasury and Resources. I hope Members will consider me when they are voting.

**The Deputy Bailiff:**

For the benefit of members of the public in the gallery who saw Senator Ferguson passing £10 to the Greffier, this is not customary practice but **[Laughter]** reflects that a fine is imposed for her telephone going off. Question time for Deputy Le Fondré now opens. I call on Deputy Power.

**2.2.1 Deputy S. Power:**

How would the candidate propose to work with the Minister for Environment and the Minister for Housing in accelerating the provision of affordable housing using the £250,000 to £300,000 gateway and does he believe the States should bring back a States Loan scheme?

**Deputy J.A.N. Le Fondré:**

To answer the last part of the question first, I would be I think in principle very supportive of bringing something like the States Loan Scheme back. I suspect it would have to be revitalised into modern times. This is always caveated ... any question on Treasury has to be caveated by how the



money works. But as a principle I always liked the idea of the old States Loan Scheme and I think it would be a good idea to bring it back in some shape or form. In terms of the gateway or perhaps how one works with Environment and Housing in terms of affordable housing - let us put it that way round rather than getting into the gateway principle - as Deputy Power knows both he and I were quite concerned about the H3 policy when it was originally generated in the Island Plan and indeed a number of us, including myself, brought amendments to that and in fact I will say mine was probably the closest to being accepted by the Minister for Planning and Environment. Where we are now? We have a working party on that policy that is part of the whole principle of obtaining money in some shape or form to deliver part of affordable housing going forward. We are working and I think the Deputy knows part of my style, it is about working and working groups and bringing people together.

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

The candidate read out a list of commendable projects in which he was involved. Could he tell the House where he feels he has made mistakes and what has he learned from those mistakes?

### **Deputy J.A.N. Le Fondré:**

That is quite an interesting question; where have I made mistakes? I think part of the frustration I have felt is that we have had projects we wanted to bring forward and for whatever reason they have been delayed from outside the department - let us put it that way round - and so from that perspective that is one of the reasons that I was very keen to put my name forward for Minister for Treasury and Resources this time round, because I want to be in the position of if there are barriers being put in place to try and overcome them. In terms of how to deal with mistakes some of them we know, sometimes we started off from a different perspective. We have recognised that. I believe we have spoken to people and brought people in. It is about recognising them and amending things if they need amending.

### **2.2.3 The Connétable of St. John:**

Given the candidate has experience with Jersey Property Holdings, in recent weeks the commercial tenants of the States have been forwarded correspondence that they are going to have a 50 per cent rent increase, and they have to reply to that correspondence to the department within 7 days, either accepting or otherwise. If elected, would the candidate review the decision that has been made and put a structured system in place so we do not have these huge increases at a time when the Island is in difficulty and require these businesses to operate sensibly and not for the Island to be doing this type of scenario?

### **Deputy J.A.N. Le Fondré:**

Is it possible to seek a point of clarification from the questioner at all? I just wondered if the questioner could clarify when he says "commercial tenants" is this across the board or in one particular spectrum?

### **The Connétable of St. John:**

These are tenants which are currently within Harbours and they are told that Property Holdings ...

### **The Deputy Bailiff:**

Harbours will do, Deputy.

### **Deputy J.A.N. Le Fondré:**

I am quite surprised at a 50 per cent increase and that is why, in my time certainly when we were looking at rents, and looking at the rent per square foot, including the Harbours areas, I know there was a push to try and get people on to a consistent level and at my time there my understanding was that they were broadly speaking there. So there must be a circumstance that I am unaware of, so certainly absolutely no problem in an undertaking to review it and I do take the point, I would not

wish to commit without knowing the information. Obviously if there is a problem there and one needs to look at it, if there is justification for it; for example, perhaps somebody might have been getting a peppercorn rent for a long time, there have been negotiations, and finally they resolve them. If not it would seem to make sense to have some form of staggered system coming through but obviously it very much depends on the circumstances.

#### **2.2.4 Senator P.M. Bailhache:**

Would the candidate confirm that he has read the recent Corporate Services Scrutiny Panel report on C.S.R. and would he explain his vision for the future of the public service?

#### **Deputy J.A.N. Le Fondré:**

I definitely did read the C.S.R. report because, if the Senator realises, my name is on the back of it as part of the committee, as vice-chairman of the Corporate Services Scrutiny Panel. **[Laughter]** The vision is ... we do have a decision to make. Interestingly enough, there was a very interesting speech given by the Comptroller and Auditor General about the conflicts we had between ... that does happen.

[10:30]

The Comptroller and Auditor General can give a decent speech at times. It is about the conflict we have between a low tax jurisdiction and potentially increasing our expenditure all the time and delivery of public services. That is why we are seeing the problems we are having. Expenditure is going up, revenue is crossing over. In terms of the vision, my preference is very much to see... and this is why we are talking about the business transformation. Business transformation is not just about reviewing terms and conditions. It is not just about salami-slicing 10 per cent off the budget all the time or 2 per cent, or whatever it is. It is about looking very closely at how you provide the services. It is saying: "Can we do things in a different way?" That is not necessarily about cutting the service and some of it is if you get it right you can put more money into the actual delivery at the customer end of the service. There are a lot of thought processes about that. It is about... I will not even go into the hearings we have had with John Seddon and all that type of stuff. My preference is to make sure that the public themselves believe that we have done that root and branch review, that we are providing the services that they want us to provide, and we are dealing with it in as efficient way as possible. If we can demonstrate that and then there is still the justifiable demand for further services then that is a different issue. My stance is I think we need to do that first piece of work. That is what was held out as part of the C.S.R. process at the beginning and has not happened properly yet.

#### **2.2.5 The Connétable of St. Mary:**

The candidate expressed the view that he felt he had the leadership skills, the moral fibre to do the right thing. He will appreciate that this is not always popular with the public. Does he agree with me that in the past the reasons for difficult decisions have not been well communicated to the general public and what steps will he take to ensure that in future he is able to take the public with him on these big decisions wherever possible?

#### **Deputy J.A.N. Le Fondré:**

I did not quite hear the very middle bit of that. Would I agree with the Connétable that ...?

#### **The Connétable of St. Mary:**

That in the past the reasonings behind difficult decisions has not always been adequately communicated to the general public.

#### **Deputy J.A.N. Le Fondré:**

I think if that is in terms of decisions I have been involved in or wider decisions within Treasury... because in the wider decisions within Treasury I think there have been times that I have felt that communication should be a lot better. That is why I would hope when certain projects have been involved and Members would certainly appreciate that we start at the bottom in terms of we have started speaking to the Ministers to say this is what we want to do, we then started pulling in the Assistant Ministers, we then started pulling in the Scrutiny members and to expand it out. The intention would have been then to make sure there is a proper communication programme in place before going out to the public before we started doing things, and that is certainly... I agree entirely. Communication is key. If you look at Canada, when they looked at the expenditure stuff, the whole point was getting the public on board and understanding the message first. Absolutely important.

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

What is the candidate's opinion on the role of the States of Jersey Development Company in developing publicly-owned assets?

#### **Deputy J.A.N. Le Fondré:**

There are a number of issues on the S.o.J.D.C. (States of Jersey Development Company) in terms of the principles, i.e. the principles of having an arm's length development company for which we receive the profits of the development. I think that is fine. In terms of what I think is key within that lot, my understanding that the way this was always held out to Members is that we would take a project, a development site; we as the States or the Planning Department or the Regeneration Steering Group will define what was going to happen on that project to the extent that ultimately you would be going to S.o.J.D.C. with probably a site for planning permission with the specifications with the delivery contract, therefore you are then in a position to say: "Here you go, go away and do it." That is where I think there is clarity and you are then able to hold S.o.J.D.C. to account in terms of delivery because within S.o.J.D.C. - certainly I am not too sure where it is going to go forward - my understanding is that bonuses and things like that were based on the profits of that company. So it is very clear we need to see performance in that and so you need transparency and arm's length that is effectively treating it as if you have got another developer, you just have to own them. You have got to make sure you deal with them properly. In terms of using S.o.J.D.C. as the principles, absolutely happy with it, but I want to make sure there is absolute transparency and accountability, if you like - terrible jargon - between us and that entity.

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

I would prefer a short answer, rather than a long one. How does the candidate propose to fund the capital spend on such issues as the hospital and housing infrastructure over the next few years?

#### **Deputy J.A.N. Le Fondré:**

There is a short answer and a long answer. Just to give an idea, the big decision on the hospital is do you build new or do you refurbish. The numbers are in the order of £200 million to £300 million. The housing transformation programme: my understanding is they are looking in the order of £200 million; something along those lines. So you are talking very, very big numbers. In terms of what I can say, if you are looking at the other infrastructure matters - I hope that is the Attorney General going to be paying a fine - in terms of looking of at some of the infrastructure numbers there is ...

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

The question is how do you fund it?

#### **Deputy J.A.N. Le Fondré:**

I am just getting to that. In terms of the lesser infrastructure problems within the wider estate you can do it by shrinking the estate and you can use the funds that come out of disposal to put back

into the estate. In terms of the big numbers, I think you are looking at there having to be some form of separate financing package.

**Senator S.C. Ferguson:**

The question has already been answered, Sir.

**2.2.8 Deputy S. Pitman:**

Recently the president of the Chamber Commerce commented on BBC Radio Jersey asking it that G.S.T. is not raised again as its affect on itself and its effect on inflation - which was 1.3 per cent, latest figures - has pushed small businesses more overboard. What are the Deputy's views on this? The Deputy has disagreed in the past with the rise of 5 per cent G.S.T. ...

**The Deputy Bailiff:**

One question, Deputy, thank you.

**Deputy S. Pitman:**

How will he tackle inflation?

**Deputy J.A.N. Le Fondré:**

I did not quite catch the last part of that.

**The Deputy Bailiff:**

Can I say to Members, there is one question per Member please. You can have another question later on.

**Deputy J.A.N. Le Fondré:**

In which case, shall I deal with the ...

**The Deputy Bailiff:**

You can deal with the first question.

**Deputy J.A.N. Le Fondré:**

It is known that I did not support the timing of the increase in G.S.T. and fundamentally my position was I felt we needed to be demonstrating the savings first. That was a democratic decision by the Assembly and I think we have all moved on. In terms of future increases in G.S.T., my stance is I would not wish to see any substantial increases or any new taxes in the foreseeable future. The only caveat I would say is obviously the impact of the H3 land development tax/property tax area will also need to be looked at. I do not think I answered the question properly.

**2.2.9 The Deputy of Trinity:**

Part of the question has been answered about the new hospital or refurbishment, but also will need significant investment in actual services as we go forward to 2014. How will the candidate plan to raise the funds necessary?

**Deputy J.A.N. Le Fondré:**

I am assuming at that point that the question is in relation to significant revenue increases in the budget rather than capital problems. My understanding is that Health was getting a real term increase in its budget but obviously it had then to take account of the C.S.R. Again, I think initially wherever we go, we have to go and look at the services we provide in terms of can we provide it in a different way. Obviously there is a lot of talk about - I do not like the terminology the "third sector" - the third sector in charity and family nursing and all that type of stuff. I am not a health expert in any shape or form. I am a numbers person. We know, for example, that there are areas in Health that Health do not need to do, and the Minister will know, for example, that the Health does

not need to operate nursing accommodation itself. For example, as a piece of work that my department did it would be possibly a £1 million benefit a year on revenue, which would assist. I suspect that is a drop in the ocean. We need to look at those areas first. Then I suspect, to be honest, we are going to be in the position we were in in Education, for the previous decade, where we have injected money into that.

**2.2.10 Deputy T.M. Pitman:**

Since the Deputy was ejected from the Executive and came back to the light, so to speak, he surely noticed that the previous incumbent at Treasury appeared to approach the House as if it was an afterthought - the £100 note fiasco being a good example. What assurances can the Deputy give that if elected he will adopt a different approach that might take more Members and the public with him?

**Deputy J.A.N. Le Fondré:**

I would hope my track record. In fact I think if the Deputy speaks to the Deputy next door to him on his right, that she would hopefully confirm that when we have had significant projects we have involved as many people as possible; and that is certainly my case in terms of communication and working on things.

**2.2.11 Deputy J.A. Martin:**

I am sorry to disappoint the Deputy. My question is, when he was - probably too strong a word to use "shafted" - but dismissed then from his post by the present Minister for Treasury and Resources, why did he not bring a vote of no confidence so we could have all had the discussion, the transparency and the leadership that this candidate is promising on the floor of this House over the Lime Grove House fiasco? Why did he not do it then and why has he promised he can do it in the future?

**Deputy J.A.N. Le Fondré:**

There are 2 things about the timing of that. Number one, the Lime Grove House fiasco as referred to; the project only collapsed in August and I was very keen on that project. It would have delivered £1 million savings a year, it would have avoided about £8 million in capital spend over the next 10 years and it would have been the first stage of the delivery of the office strategy. To say I was disappointed to see it fail at that stage is putting it as an understatement. There was a lot of time - about 2 years of work - that went into that project, at least, and many months of departmental time, officer time and political time. The point was, at that point, in January, when I was no longer there, I wanted to see that project succeed and I did not want to endanger it. Is that the end of the question or is that ...

**The Deputy Bailiff:**

No, you have 2 minutes more, so be precise.

**Deputy J.A.N. Le Fondré:**

That was not the time, and it was about the style and the substance and all that type of thing. I try not to do personal things at all. It is all about facts and matters, and there is always a judgment call there as well. What I would say is that the matter is under review by the Comptroller and Auditor General. I think really we have to see what the outcome of that review is and that is why I do not particularly want to be drawn on it too much at this stage.

**2.2.12 The Connétable of St. Lawrence:**

In his opening remarks the candidate said: "We must plan for tougher times ahead." What is his plan and how would he deliver it, in 30 seconds?

**Deputy J.A.N. Le Fondré:**

It cannot be delivered in 30 seconds. The point is it goes back to this whole thing about business transformation. We have done the short-term fixes, if you like - it has been hard - of producing the roughly £65 million off, but we have been here before. If you go back to the original undertakings in 2005 about the savings that were going to be made, when we looked at them they had either been spent or some of the savings were not... They were increases in income. So that is what I am saying. It is going to take slightly longer. You need to dig down and you need to look at the services we provide. That has to be the starting point. If you do that you come out lean at some point. Doing that process will set us up properly for going forward.

**2.2.13 The Deputy of Grouville:**

Very, very quickly then. The candidate has highlighted that there are services that Government ought not to be involved with. How will he go about making these changes and when?

**Deputy J.A.N. Le Fondré:**

It is about being able to ...

**The Deputy Bailiff:**

Deputy Le Fondré, can I ask you please to go with the Assistant Greffier who will escort you to another part of the building and the Greffier will ask Senator Breckon to be brought to the Chamber. The usher is currently circulating the Chief Minister's Designate's declaration made yesterday which sets out the proposed order of nominations for 9 Ministerial offices, although as he has mentioned earlier, he has the ability to vary that list during the appointments process if any of his candidates are not selected. Attorney General, to fill in the time while Senator Breckon is coming here, I think I noted that your telephone went off.

[10:45]

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

No, Sir, in fact it was the States of Jersey official computer that pinged, but nonetheless it is appropriate I accept full responsibility for it and I have already discharged the financial obligation.

**The Deputy Bailiff:**

With any luck, it may go off again and [Laughter] charity will benefit as a result. Senator Breckon, have you had a chance to catch your breath? You are ready to go, then I call on you to address the Assembly.

**2.3 Senator A. Breckon:**

Just for the benefit of the House, I did send out a paper to Members a couple of days ago. I will refer to that, albeit briefly. But I want to begin by looking at the bigger picture. By the bigger picture I do not mean the offices that are proposed on the Waterfront. But to say the least, I think the world is experiencing some financial turbulence and this is due to no fault of ours really. It is due to toxic loans, bank bail outs, sovereign debt and more recently problems in the Eurozone. Of course Jersey will, and indeed has, felt the effect of many of these things but I believe we need to be positive and we have already done that. We have some reserves and we have taken action. I say we have taken action because in 2002 Jersey agreed to commit to co-operation regarding sharing of tax information with the Organisation for Economic Co-operation and Development, the O.E.C.D., and that has been a benefit and has led to the signing more recently of quite a few tax exchange agreements. But I think we also need to keep doing positive things because we have shown a degree of co-operation and transparency. We have increased Jersey's standing as an international finance centre and we have developed, and we are developing, our own personality internationally, and I think that needs to be built upon. Having said that, we need to be aware that others are still envious of our position. They are looking at what we do on the one hand, and on the other they are seeking to copy what is best. They are also seeking to attack and the recent news about the low

value consignment relief is an example of that, and I believe we need to defend our position on this and question this and not just accept it as a *fait accompli*. Also in my opinion we need to seek and continue to find further opportunities from close at hand and from further afield. We need to be aware of the dangers and the threats. Also quite importantly, I believe that closer to home there are lots of small steps that we can take to be positive, and I do not think we can just sit and wait for something to happen. We, and I say “we” - it is not about me, it is about us - we need to be out there and we need to be working in the community. As I said, there are lots of small steps we can take. I believe we can create a temporary work scheme. That can be done, it is achievable. We can find more support for event-led tourism. I think it is an absolute disgrace that we have taken nearly £200,000 off the budget in the last 5 years. We have seen recently Jersey on a world bowls stage. We could promote that within the Island. There are lots of things we can do to attract publicity - good publicity - to the Island, and also people that come here. There are many sports clubs and associations, culture events. I was talking to somebody the other day; we lost the folk festival because of red tape. We tied somebody up with red tape. Things like this we can do. They are small steps, and with seedcorn funding there are many things that I believe that we can do. We can also support the agencies working in the community. Our health system cannot sustain this. There are organisations like Family Nursing, Alzheimer’s... By funding those and get them working in the community with us there is much that I believe that we can do. It is all positive stuff. Also support to the Parishes. Community groups are developing because of changes in the welfare system to a more centralised system. Again, there are things we can do. Recently Trinity, St. Brelade and St. Peter have all had to find private funding for elderly housing schemes. It used to happen through us and I think we should return to that and we should assist things to happen through the Parishes for the benefit of the community. I think we can find funding for these things and the other things that I mentioned. The other thing I think we can do, we can recognise the harmful effect that ever-increasing food prices are having on the community. I believe that we can remove G.S.T. from food prices without damaging our public finances. I believe it can be done, it will reduce inflation and it recognises that we see that many people are struggling. I believe also we can create affordable housing. We have a considerable land bank. We have assets; we just need to use them. There seems to be some sort of block in the system somewhere that everybody is blaming everybody else. It is not happening. There are things that I believe we can and indeed should do. Combined with that we must make better use of States property; I remember receiving a report about 4 years ago. We have got 20 per cent more office space than we need; we need to do something about that and not talk about it or have another report. Somebody needs to get proactive on that because it costs us money to maintain it, to light it, to heat it and whatever else. We really need to do these things. Also, I think about a week or so ago we had another report from Fort Regent. We really can do something with Fort Regent and that we must come to it with a ‘can-do’ attitude. The same with St. James’ Centre; we have had a scaffold around it for about 7 years. We really need to get into the community and do things; that could be a centre of excellence for St. Helier for the Youth Service. These are things that people will appreciate and they will see that we are doing things as well as looking at the bigger picture. The other thing I believe we can do, we can make caring a career. Now we have a scheme that will come into force hopefully very soon which will provide funding for people to live in their own homes. Now, there are opportunities there for people to have work doing exactly that and it enables people to live at home longer and it is a useful function in our community, in our society; the link to Parishes with proper checks and balances. What I believe I have outlined there really touches on some of the issues but I believe we - and I stress we - must be positive. We can generate confidence, we can generate jobs and we can generate hope for the future. We can overcome what will indeed be difficult times, make no mistake about that. I believe we can do that by working together. It is not about me, it is about, as I said, what we can do. I hope this gives Members a flavour of my line of thinking, the sort of things I wish and indeed I believe that we should achieve and if you can support that then that is the sort of thing. It is not about just this election now, it is about the future and how we go forward. Finally, I would just remind Members that many have recently faced the electorate and the

electorate is saying they want something done. They want something done; they do not just want to be talking about it, they want to see something practical. They want action, not words or more reports. I believe that I have demonstrated that there are a number of ways forward that we together can take and that is why I am asking for the support of the House because I believe that we can deliver some of these things by working together. Thank you.

**The Bailiff:**

Very well. Now, we have questions. Senator Ferguson.

**2.3.1 Senator S.C. Ferguson:**

The Auditor General mentioned recently the 2 mutually exclusive policies we follow; low tax and increasing expenditure. How will the candidate approach this conundrum?

**Senator A. Breckon:**

The low tax at 20 per cent is considered sound, that is where it is and what we have done, the low tax has actually changed. If you look at how the tax system is now; it is now going to wage and salary earners, as opposed to companies. It has increased from about 42 per cent to 84 per cent and the increase in spend, I think... and I touched on that in the paper I sent out, we must really look at what we are spending, not necessarily increasing spending but getting value for money. We are still not, as I touched on there, managing property very well and also the procurement we still have not got right, despite many, many years of this being looked at. There are issues about 'Tax and Spend' that are still on the table, as it were, that have not yet been finalised but obviously what we spend is a definite figure and we need to look at it in more detail.

**2.3.2 Deputy S. Pitman:**

The Senator has just touched a bit on my question. Personal taxation has gone up from 42 per cent to 84 per cent, as you just mentioned, and company tax has gone from 52 per cent to 12 per cent and this is over the last 10 years. Does the Senator think this method of taxation is conducive to maintaining high public services and a sustainable economy and if not, why not?

**Senator A. Breckon:**

I think, as I touched on there, the transfer of the burden of tax is probably unfair at the moment. Something that the 2 previous Ministers for Treasury and Resources have failed to do was to address the issues of companies that are not paying any tax and that is something we need to do. Various things have been touched on, the former Schedule 8 - the property tax - as well as the Le Blampied proposals, and there are other things as well, but that definitely needs to be done in one way, shape or form. Companies that are not contributing need to make some contribution.

**2.3.3 Deputy G.P. Southern:**

What mechanisms does the candidate have to fund the major capital projects such as housing and the hospital over the coming few years?

**Senator A. Breckon:**

We have a massive capital expenditure programme, including roads, drains, sea defences, the airport and housing, but with housing of course there would be some income. It is disappointing; I was having a look at some papers the other day on Le Squez, it was supposed to be self-funding - it is not, we put money in from other sources to fund Le Squez - but the hospital and housing, there are ways of funding. We have put probably over £400 million in housing over the last 10 years, much of that in subsidy. We need to look at exactly what we do and the housing is a bigger picture and I have suggested that perhaps that would come under, what they call, an A.L.M.O. (Arms Length Management Organisation) which you could do that at arms length and it would belong to us but somebody could run it commercially with a reporting structure. It is the same with the hospital; we have to look at who might put funds into that, as well as us, for healthcare.



#### **2.3.4 The Deputy of Grouville:**

Will the candidate consider looking at services government ought not to be providing, as they can be provided in the private sector and, if so, how will he go about making these changes?

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

Perhaps I could give an example of that; I have recently... and I have got a proposition before this House about Jersey Enterprise and the Jersey Business Venture and that is an example of where an agency could do something but agencies must have a business plan, they must have a reporting and accounting structure and they must be answerable to somebody. That is an example of where a service has been overlapped by Economic Development where they should, in my opinion, never have been there. They should have given extra money to the Jersey Business Venture and they could have done it probably a lot better than we have done. We need to look at what we do but, there again, if there are services that affect vulnerable people then we must be very careful what we do and if they are frontline services then other people must be at the front of whatever we are going to try and deliver.

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

Right in the middle of town we have a huge underused resource - Fort Regent - with the old pool soon to be vacated, the Sea Cadets Centre, the old Avaries' cable car area; how would the candidate, in association with the Minister for Education, Sport and Culture, reinvigorate Fort Regent?

[11:00]

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

I think money can be found for that. The other thing that has happened, quite... it appears now, that stupidly we signed an agreement with the new operator of the pool on the Waterfront and we give them a subsidy of over £400,000. If Members have read the recent report from Fort Regent by the working group the actual deficit on Fort Regent is very similar to that. So, we are running a whole leisure complex on an equivalent sum to that, so obviously we need to look at that. But we need to look at it in a positive aspect. Though it has got a lot of community use we need to enlarge that. The other thing we need to do I think is there are a number of constants and other things but again we need to move that up a gear for the local people and maybe to attract visitors to the Island. It needs to be done on a more commercial basis, but I think some funding would bring the Fort into what it was designed for, which was an indoor centre for sport and leisure and there is a lot more we can do. But no more reports will do it; it needs some money to do it.

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

If successful, how does the candidate think leaders of the finance industry will consider him, friend or foe?

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

I think over the years I have demonstrated I can work with most people. I was involved, in my first term of office, with the former Finance and Economics Committee. I have many friends and connections in all sections of Jersey society and I do not view any of them as foes.

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

The candidate gave a wish list of things that should be funded. I think there are few people who would disagree with his wish list but, at the same time, he mentioned cutting out G.S.T. or reducing G.S.T. I wondered if the candidate could explain how he would fund these issues, including event-based tourism which I fully support, by raising tax or borrowing or by both. Could he give some details on how he would fund it? Thank you.

**Senator A. Breckon:**

Within the G.S.T. Law as it stands there are some anomalies; one is the International Services Entities that do not pay any tax. That does not happen in the Isle of Man and of course it does not exist in Guernsey and that is probably not fair; most people for a fixed fee of £200 - it was £100 and now gone up to £200 - but it is not relative. The reason I say that is that people under this umbrella can go and have a game of golf or they can go and have lunch and they are looking to get the G.S.T. extracted, and that has got nothing to do with the commercial aspect; now that would raise some money. The other thing is within the income support system we have got a little bit complicated; we are paying some benefits and those can be phased-out, so the 2 things would probably meet the cost of removing G.S.T. from food.

**2.3.8 The Deputy of Trinity:**

In the same vein he mentioned about the cost of the refurbishment of a new hospital. With an ageing population there will be an increase in investment to cope with that. How would the candidate plan to get that investment?

**Senator A. Breckon:**

It is a 2-way thing: I did go to the presentation and they said when the hospital is getting over 80 per cent capacity then you are getting into the dangers of it, but the thing is about keeping people out of hospital. It is about preventative measures and things like that. The other thing, I am just dealing with some issues in the U.K. and there is someone now who is providing live-in care for £570 a week, which enables people to live in their own homes which is a lot different to what some of the homes and the agencies are charging and this is one of the ways forward, linked with the Social Security scheme, when it comes in place, which will fund people to stay in their own homes. So, although we will need improvements to the hospital we will then look at that with this in the background and the idea is to keep people in the community supported through the Parishes, through the agencies and through funding as long as possible. That way then that is better for them as well as the financial aspect and that is what people want to do.

**2.3.9 Senator P.M. Bailhache:**

Having regard to the recent report from the Corporate Services Scrutiny Panel on C.S.R., would the candidate please explain his vision for the future of the public service?

**Senator A. Breckon:**

I have probably been a Member of this House too long. I have been a Member 18 years and I remember we have looked at this on a number of occasions but what we must do when we receive some of these reports is review the recommendations with some enthusiasm and even with the ones that are not likely to do that because the public sector should be under some scrutiny. I mentioned before an example was the Jersey Business Venture against Jersey Enterprise and that is an example of something, I believe, that we have done wrong and we must do it so that people who are served by us who are vulnerable or worried about the future do not feel we do not go back to closing the hydrotherapy pool at the hospital and that sort of thing. These things are the measures of the last resort but everything should be looked at and I think it is this whole House that should look at that, so we need to get our jackets off and do that and do it with some enthusiasm.

**2.3.10 Deputy S. Power:**

The candidate mentioned affordable housing, how would the candidate propose to work with his Ministerial colleagues in Planning and Environment and Housing to accelerate the provision of affordable housing, particularly in the gateway of between £250,000 and £300,00 and would he bring back the States Loan Scheme? **[Laughter]**

**Senator A. Breckon:**

I must say for Members who have been critical of the Homebuy Scheme because of its possible legal status... but we need to put in a structure that anyone ... it fits whether they are one-bedroom flats, 2-bedroom flats, 3-bedroom houses where people can buy in at affordable prices. But I believe, if we look at the old maternity hospital at the Le Bas Centre, why could we not create housing on there? There is a massive car park at the back. We could create town apartments on there that make affordable homes for people. The land belongs to us. I am sure we can do a deal with somebody to do that. We can put some cash in but we can get some cash back and we can do that as well. The other thing was that there was a Dwelling Houses Loan Fund that goes back years and there were many millions of pounds in there but that was raided to support other things in the community. We did have a fund but that was taken before. The States Loan Scheme is workable with variable interest rates, especially now that some of the banks are not quite so keen to lend at 100, 110 per cent as they were. I think with a transparent scheme, with legal standing and with some funding behind that we can make some of that happen. It is a 'can-do' approach with Planning, with Housing, with Treasury and indeed with all of us.

### **2.3.11 The Connétable of St. Peter:**

As the Minister for Treasury and Resources is the States-nominated shareholder for the States of Jersey Development Company, would the Senator please share his views with us on the development of the Esplanade Square?

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

I think I did circulate a picture of that; it is not Jersey at all. This is a massive development in a sensitive place and I must say that I appeared before the Minister for Planning and Environment in the last week or so to support a scheme in Commercial Street, which is a £150 million private development of modern office space. There are other possibilities north of town. There are private developers that want to invest for the moment; a sunken road and 6 massive office blocks on a sensitive place - for me I have some real doubts - and funded by Irish banks which are now mostly owned by the Irish Government; I do not think so.

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

Would the candidate elucidate his stance on progressive taxation? Should those who are most affluent in our society pay proportionally more tax and where would he set the rate and the threshold?

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

There has been some discussion over rates and thresholds over the years and there has been the rather confusing 27 per cent. But generally speaking, as I said earlier, the 20 per cent is - I believe - sacrosanct. We have thresholds but what has happened is that '20 Means 20' has had a significant effect on middle-Jersey, so there are some issues out there. People are feeling the pinch. Progressive of course; it does not necessarily rise with income but obviously if you are earning more you do pay more and the '20 Means 20' is doing that. Some of the allowances are going and we need to keep that under review but we need to balance that with a corporate taxation where perhaps we need to look at more closely and get some money from it.

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

Where does the Senator lie on this conundrum; would he protect the rights of consumers to import goods G.S.T.-free up to £250 or would he try to redress the level playing field for local businesses and put them on the same footing as international internet retailers? Which way would he go on that one, please, thereby saving local jobs and protecting local businesses? Thank you.

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

I am not sure it will surface. Many times that you cannot obtain some of the things that you can get off the internet and sometimes you can have things delivered the next day and in fact there are quite

a few Jersey companies now which have cottoned on to the internet and goods are going the other way. I know of 2 small shopkeepers who have closed in the last 6 months and they are trading now on the internet, so it has gone the other way. I think with this the answer is the market will decide.

**2.3.14 The Connétable of St. Mary:**

When difficult decisions have to be made, how will the candidate propose to engage with the public to ensure that he takes the public with him in times of trouble?

**Senator A. Breckon:**

Well, caring and sharing I think. We must do that; we must try and be more transparent. Obviously on some of the issues there would be some commercial confidentialities but wherever possible. It is not all going to be good news, so where it is if you want to get people to appreciate the situation then you must be as open and as honest as you can be in the circumstances. But then if we look there were predictions - I think it was in March this year - about what the tax take would be in the next 3 years. That has probably been over-enthusiastic, so there is probably some bad news. If that is the case I believe we must share it and that includes the public and also the Members of this House.

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

Given Jersey Property Holdings does come under the Treasury and currently, through the Harbours, have notified commercial tenants of a 50 per cent increase in rents, with only a 7-day notice to reply, will, if elected, the Minister review the structure for rent increases to its tenants?

**Senator A. Breckon:**

I am not aware of the circumstances that the Constable of St. John describes but obviously if we are letting land and property and whatever else then there needs to be a proper landlord and tenant agreement in place, not just including rent increases but also who is responsible for what it needs to be on a commercial basis and perhaps we have failed in this in the past. The other thing is where we have an issue - and not just with that side - is that we have a public sector that regards their office space as free and I think we need to look at that because there is no such thing as a free lunch. If it is free to them then somebody else might pay for it and that is why we need to reduce the office space, but also review the work and the structure of Property Holdings.

**2.3.16 Deputy R.G. Le Hérisier:**

The Corporate Services Scrutiny review on C.S.R. said that the real issue was the work on terms and conditions; it was not moving fast, it could derail the whole process. How would the candidate deal with the inevitable resistance from trade unions and other interested groups around these issues?

**Senator A. Breckon:**

Again, I have a long experience of industrial relations and what you must do is consult with people if there are issues, if there are things in Black Books and Blue Books or whatever else that are outdated, then they need to be on the table for discussion and negotiation and that is the sensible way forward because if they are no longer fit for purpose or indeed affordable then they need to be looked at. I am sure all in the current climate will appreciate that, because we have moved on and that is really where it is. It is a difficult area, it is a sensitive area and if we look at our budget most of our money is spent on manpower, so really we do need to look at it.

**2.3.17 Deputy S. Pinel of St. Clement:**

The Senator mentioned that the potential loss of the L.V.C.R. (Low Value Consignment Relief) industry should be addressed before it becomes a *fait accompli*. How would he seek to retrieve this?

**Senator A. Breckon:**

What has happened with the Minister for Economic Development is that already discussions are underway with the industry regarding a joint approach and they have got some matters in hand. It is a case of picking up and working with that, but not to leave it because, for example - as the Deputy probably knows - it is not just the industry itself, it is the Post Office who rely on this income.

**The Bailiff:**

Very well. I am afraid that brings questions to an end. Thank you, Senator. Now, we will ask Senator Breckon to withdraw and ask Senator Ozouf to be brought to the Chamber.

[11:15]

Very well. When you are ready, Senator Ozouf, then you have 10 minutes.

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

Nothing in my previous career, before returning to Jersey or taking the various portfolios in this Assembly over the last decade, could have prepared me for the last 3 years. On my first day in the Treasury I learned of the euro incinerator contract problem that had not been hedged and within a matter of days thereafter I was presented with revised estimates for public finances that showed a deficit and no contingencies. Add it to the worst financial crisis since the 1930s and the need to radically restructure the Treasury; it has been an extremely challenging and difficult term of office. Having said that, I hope that I have ended this term with a substantially strengthened Treasury Department, a C.S.R. that is working, balanced public finances with contingencies and some growth, an economy which has been protected through fiscal stimulus, investments that are better managed, a corporate tax regime that has been secured and a budget which this Assembly approved which has begun to give some money back. I believe I have demonstrated the skills needed to steer finances through challenging times. The work of the Minister for Treasury and Resources is demanding, requiring an intimate knowledge of how the States works as well as an understanding of economics. The conveyor belt of decisions at the Treasury requires the Minister and the Assistant Ministers to have quick, decisive and sound judgment; from the problems of dealing with the Phillips Street shaft, to hospital funding, to Skills Executive challenges: the role is about working with people, finding solutions. It is also about working with Ministers and Chief Officers and using the talents of people outside this Assembly, as I demonstrated in bringing people in to help us with the Comprehensive Spending Review. The Minister for Treasury and Resources also needs to be able to speak, attend and participate in Finance Minister summits, forums and discussions in London, Jersey and sometimes Washington and elsewhere. I have built strong contacts with Ministers for Treasury and Resources in Guernsey, the Isle of Man, Malta, the United Kingdom and other places. I hope that I have played my part in building Jersey's reputation around the world. I would very much like to continue to serve as Minister for Treasury and Resources. The difficult combination of tax and spending reforms have required fortitude, hard work, courage and some personal sacrifice. It is easy being a Minister for Treasury and Resources in the good times. No Member of this Assembly would wish to bring a proposal to increase tax, particularly when they had previously undertaken not to do so. Around the world we are seeing the consequences of Ministers for Treasury who did not understand economics, who did not listen to advice, who did not plan and take the easy option of spending reserves or borrowing to fund expenditure. I did not take the easy path. I did what I believed was right for the Island and I am grateful for the support of Members in the decisions that we have taken. During the election all Members will have been repeatedly asked questions by Islanders about the wisdom of the fiscal strategy. I understand the impact that tough decisions have had on our community but without them this new Assembly and every Islander would be faced with much more serious problems that would need urgent dealing with. Unfortunately, it is clear that difficult times remain ahead

internationally and this will continue to affect us. Market confidence has not been restored in Greece or Italy and yesterday the United Kingdom cut its own growth target; unemployment was announced to rise to 2.6 million and our own house prices have dipped. Ministers for Treasury around the world and in Jersey must respond. We are in a strong position and much has been achieved but there is more to be done. The most urgent job of the new Minister for Treasury and Resources will be to work with other Ministers to put together a package of measures to deal with unemployment and the potential loss of L.V.C.R. Experience of the successful Fiscal Stimulus Programme means I am able to hit the ground running and start work immediately; Advance to Work, a States work scheme, more apprenticeships all urgently need to be put in place. One measure that is ready to go is Gigabit Jersey, the proposal to fibre-optic the Island, opening up real opportunities for real diversification. Capital and infrastructure spending is a powerful way to continue to boost the local economy in these difficult times. Using the money that we have in the bank we need to proceed quickly to capital projects, such as bringing forward St. Martin's school and other housing projects. I will work with all Ministers. More than that, I will propose setting up the requirements of a capital programme for the next 25 years coupled with realistic funding options. I will work with the Council of Ministers to put the first medium-term financial plan, a plan that will need broad support and discussion by this Assembly. The constructive contribution of Scrutiny will also play an essential role in developing these plans. We should be proud that our new Common Investment Fund with assets in excess of £1.2 billion now produces significantly enhanced returns for the States and also the trusts, bequests and funds which are entrusted in our care. I would now like to explore the possibility of offering the Parishes and other third sector organisations to participate in this new Common Investment Fund so that they can benefit too and now, because of the high cost of bank margins, the Treasury can support Parishes' and the Minister for Housing's new housing schemes. Pensions are obviously also a major issue and I would like to continue the work that I have started with the States Employment Board to develop a long-term, affordable and fair pension solution. I want to continue to strengthen the shareholder responsibility with our utilities that are now delivering better returns, efficiencies and service improvements. Those utilities themselves are worth in excess probably of £300 million. Turning to tax, yesterday I understand that the alternative to Zero/Ten - territorial tax - has been found to have problems in the European Court. In the face of concerted international opposition, I defended the Island and maintained the consistent view that Zero/Ten was not only compliant but it was absolutely fundamental to our economic future. As I hope Members will understand, because of these protracted Ecofin processes, I have not been able yet to be able to find a solution to non-finance foreign-owned company taxation but this is now much more achievable after mid-December. On personal tax, there is much more to do. After years of saving and making I.T.I.S. (Income Tax Instalment System) contributions, retired Islanders face a tax bill for which understandably sometimes no provision has been made. I think this should be changed. Many Islanders are also unable to understand the basic assessment that they receive in terms of the marginal rate assessment. This has to change too. If elected, with the help of 2 Assistant Ministers and the Council of Ministers, I will commit to finding solutions for all of these tax changes that are necessary. I hope Members know that I have high standards for myself and I expect high standards from those who work around me. However, I am more than aware that I need to make changes in the way that I work too. During the last term, the sheer volume of work has meant that some Members may feel that I have not had enough time to listen to them, particularly in the last difficult 12 months. I understand that and I can and will change. I undertake to meet with Members more regularly and I warmly embrace the much-needed new spirit of unity and consensus. It is important that the Minister for Treasury and Resources is not pulled in too many directions. If Members place their confidence in me, I want to focus my efforts directly on the key issues of Treasury and Resources. I am grateful to Senator Gorst for the constructive discussions that we have had. We enjoyed a very effective working relationship at Social Security and Treasury. I respect him and I will continue to demonstrate this into the future. These times require a candidate with sound judgment, a proven track record of delivery, experience, absolute commitment and the ability to

adapt to both economic pressures and the needs of the new Assembly. Members have a choice on who they would like to lead the Treasury. I ask them to choose a candidate who is prepared to adapt to the new style, a candidate who they know will work hard, go beyond the call of duty, who will not let Jersey down, who is capable, who has ideas, and who has the ability to focus on the domestic issues and continue to secure the Island's future. I ask Members for their support.

**The Bailiff:**

Very well. Now, we have questions and we begin with Deputy Tadier.

**2.4.1 Deputy M. Tadier:**

The candidate in his speech says that he did not like to take the easy path yet many in our society think that G.S.T. was the easy option and some call it a lazy tax. Would the Minister not recognise that if one were to take the difficult decisions, they would involve finding a solution to Zero/Ten and its inequity, finding a way to tax affluence at an optimum level and finding other progressive tax measures which would not have such an impact as, for example, G.S.T. does?

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

I understand that this Assembly has wrestled and, through the consultation process, we have wrestled with enormous difficulties in terms of rebalancing our economy. We needed to change and those decisions were taken before I was the Minister for Treasury and Resources. The latest round of problems is because of the financial crisis and to put one's head in the sand and just simply to avoid it would not be able to be realistic in terms of defending the Island's public finances. I accept that there is a need to look at tax and I would remind the Deputy that I proposed - with the Minister for Social Security - putting a supplement on social security to make the social security system more fair in terms of a spread of contributions across the income bands but I accept that more needs to be done.

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

Does the Senator agree that it is imperative that we find a solution to the problem of foreign owners of local trading companies within the next 3-year period and if he does, and he has already said that he does not have any ideas on how to achieve this at the moment, would he be prepared by reopen the so-called Blampied Schedule A debate and re-examine that as a possible part solution?

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

Absolutely and the difficulty that we have had, as the Deputy will know, is that we could not make changes to Zero/Ten while getting the code-compliant arrangement with Ecofin. It has been extremely difficult and this Assembly has considered legislation which has ensured that Zero/Ten is co-compliant and we have been proven correct and we have been proven to be right and he was one of those Members that supported it. Yes, now we can find a solution to this and I am confident that working with the Isle of Man and Guernsey, who all have the same problems, whose Assemblies all have the same challenges, by working together we can find a solution. Yes, the situation with the Blampied proposals has moved on because of the removal of 'Deemed Distribution' and that may be one of the options. The alternative is extending the 10 per cent range but we could not do that until we get the solution through Ecofin.

**2.4.3 Deputy K.C. Lewis:**

Will the candidate expand on Gigabit Jersey and will he be taking on board the concerns of other telecom operators?

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

Absolutely. Fibre-optics is the future I will say to the Deputy and to the Assembly, and Jersey is in a wonderful position of having a telephone company that has got the infrastructure, has got the pipes that can bring fibre-optics to every home and we literally can position Jersey as a world-

beating jurisdiction to develop I.C.T. (Information and Communication Technology) businesses. Members may have heard of Hoxton Roundabout - Silicon Roundabout - in London. This has attracted hundreds of new jobs. I believe that on the basis of our tax system, our regulatory arrangements, our judiciary, we can attract I.C.T. businesses but that investment, which is not just about public sector investment, it is about less dividends to allow the company to grow and £10 million from our investments recapitalising the company, that should benefit all users of telecoms, and that is the reason why I have asked the Minister for Economic Development and the J.C.R.A. (Jersey Competition Regulatory Authority) to ensure that that network has an open access and all telephone companies can benefit from it. That will deliver jobs and benefit everybody and I have not made that decision because I did not think it was right to make it in the dying days of this administration but it is ready to go.

[11:30]

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

The Auditor General mentioned recently the 2 mutually exclusive policies we follow: low tax and increasing expenditure. How will the candidate approach this conundrum?

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

I am grateful for the work that Senator Ferguson did at Corporate Services. I think that while we have had our differences, we have been a model of working together and she has pushed many issues to the forefront. I believe that Jersey only has a future as being a low tax jurisdiction with tax neutrality and low tax rate. We do not have natural benefits like other places. We have to trade in a service environment and it is low tax that we trade upon and that will generate economic growth. The conundrum is ensuring that we have got economic growth to fund service improvements but we need to set out a long-term fiscal strategy and that needs to be a priority of the new Assembly. It needs to be embedded in the Strategic Plan, there needs to be a debate in this Assembly and we need to set, I hope, a long-term stability of our Zero/Ten regime with changes, 5 per cent G.S.T. and stable 20 per cent income tax.

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

I am one of only 11 or 12 Members who stuck out the scrutiny process and during that time the Minister for Treasury and Resources has always stressed how important and valuable it is. Should the Senator not be re-elected, will he then be bringing his experience to the scrutiny process to help Treasury in that way or is this the job; is this the be all and end all for the Senator?

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

I am arguing for re-election as Minister for Treasury and Resources because I think that my work is not done. There are very many challenges around which are going to have to be dealt with and I am asking for Members' support to continue what I have done to steer public finances through very difficult times and I am asking for Members' support in that role. I was asked to do the Minister for Health and Social Services job. I will perhaps come to that now and say that I think that the combination of myself and the Deputy of Trinity has been a fantastic one with Deputy Gorst in terms of working with Health and I think that is a winning combination that is working. Our health service is improving and I want to continue to be able to help other Ministers, the Minister for Housing, the Minister for Education, Sport and Culture, the Minister for Economic Development, in these roles, certainly for the next 3 years. I do not rule out other positions in future but I am asking Members for support to continue the job that I have been doing in the Treasury in the next 3 years.

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

What mechanisms does the candidate have in mind to fund the major capital spends required in the next few years on housing in particular, but also on the hospital?



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

That is a very important and excellent question and I will not say anything but that we have been probably extremely prudent and sometimes too ‘hair shirted’ in the Treasury in the past regime in terms of using States resources for investment. I accept that. Now we have confidence about our financial services’ future, I do believe that we can be more innovative in the use of some of the investment strategy and investment funds that we have. Just as the U.K. and other Chancellors around the world are saying that they need to get investment in the economy, for example - and it is not a self-service buffet and it is not the latest fund - but the Currency Fund, which has got £90 million sitting there, I would like to see that money, providing it gets a return, getting to work in the economy. Housing produces a return if it builds houses. That is investment, not spending. The hospital: we have a large portfolio of property that needs to be disposed of. We need to release capital and invest it in new infrastructure. There is a whole new way. We have got a fantastic new Treasury team that is going to be innovative, that understands the difference between spending and investment and I want to help Ministers achieve those objectives.

**2.4.7 Deputy R.G. Le Hérisier:**

I wonder if the candidate could tell us what he believes in his term of office has been his greatest achievement and, secondly, his greatest mistake?

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

I think it is difficult to talk about yourself sometimes but I think that the greatest thing has been to steer through and to show courage about tackling the problems that Jersey faces. Other places have done it. This Assembly inherits strong public finances and I know I repeat it but it does not happen by accident and you require some courage to do that and I think that I have displayed that. In terms of the worst thing, we all make mistakes and we need to learn from our mistakes. I left Property Holdings unattended for too long. I should have partnered earlier to deal with the real problems that existed there and I did not. I faced too many other responsibilities and calls on my time. I filled perhaps other responsibilities and some areas of the Treasury did not get attended to or the one area that did not was Property Holdings and I regret that and I want to fix that.

**2.4.8 The Connétable of St. Mary:**

The candidate has demonstrated that he can take tough and difficult decisions. He has also indicated a willingness to adapt his own approach. Does he accept that the reasoning behind decisions has not always been adequately communicated to the man on the street and if re-elected, will he undertake to remedy this and to improve engagement in future?

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

I think that is the challenge for everybody. The Comprehensive Spending Review and Fiscal Strategy Review required urgent and quick action. We did consult, we held public meetings, on-line forums, I met hundreds of Islander groups, but obviously not enough and one of the key problems that we have is the communications. How do we communicate? How do we reach out and engage the local community? I understand that we are always going to have difficult decisions to make but you have to communicate and, if elected, I will work with the new Chief Minister who is very good at communication. I think I can learn from him. I think we can learn from some of the successes that have been made and, yes, we need to do better and I commit to doing better. You have to learn from your mistakes and I have got lots of them.

**2.4.9 Deputy S. Power:**

How would the candidate propose to work with his Ministerial colleagues in Planning and Environment and Housing to accelerate the provision of affordable housing using the eligibility gateway of between £250,000 and £300,000 and would he consider bringing back a States Loan scheme?

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

I suppose one of the advantages with me is that I have sat on quite a number of other committees. I sat on the old Finance and Economics Committee and Policy and Resources. I was on the Housing Committee. I did Planning. I understand a lot of these issues and therefore I understand how to, if I can, benefit from the financial side of improving those decisions. I have always said that I think that the unintended consequence of economic growth is high house prices. We are seeing that fall off today in the figures but we need to do more for affordable homes. I do not think that we need a States Loan scheme. That would be extremely capital-hungry but I think that we can do a States Deposit Loan scheme as there is a deposit problem in terms of borrowing money and there is an awful lot to do. I have had a very good relationship with all the Ministers for Housing and I cannot wait to get back into the Treasury to help the Minister for Housing, if he is re-elected - or whoever is elected - to deliver on affordable homes and help the Minister for Planning and Environment deal with the very important issue of planning obligations, which is the alternative for tax on uplift of land value. I started that process and I would love to continue it.

**2.4.10 The Connétable of St. Peter:**

As the Minister for Treasury and Resources is the States-nominated shareholder for the States of Jersey Development Company, would the Senator please share his views on the development of Esplanade Square?

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

This Assembly has before it as one of its first debates in December the decision on whether to stop Esplanade Square and La Folie. If that decision is made not to go ahead, then that is a matter this Assembly decides. If the Assembly wants to continue with a phased development of Esplanade Square, which I understand is progressing well with a major tenant, then that could be remunerative to the States of tens of millions of pounds. It is the States' - public - land and if we can get a market return for that, that means that we can deal with the issues Deputy Southern and others responded to, but it is ultimately a matter for the States to decide whether they want to continue with Esplanade Square or not. If they say yes, then I will give my full support as the shareholder if re-elected.

**2.4.11 Senator L.J. Farnham:**

Our 2 key industries are finance and tourism the success of which, I believe, are intrinsically linked. Can the candidate identify the main challenges faced by these industries and outline briefly how he would support them from the position of Minister for Treasury and Resources?

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

That is a very big question. Finance requires stability and certainty on tax requires investment, requires diversifying the geographic reach. Tourism needs to continue investment in areas like the Tourism Development Fund and I believe that tourism, under the Minister for Economic Development, would be better served by an equivalent stand-alone body to promote its marketing, but it needs help and tourism has untold benefits to the Island's roots, other investment in Jersey, and we must continue it.

**2.4.12 Deputy R.C. Duhamel of St. Saviour:**

Can the leader of a pack ever change his spots to move back to being an ordinary member of that pack?

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

I have changed quite a lot in this Assembly. I have been in this place for 12 years and I have changed, I hope, in all sorts of ways as I got older. I was a difficult pain in the neck in terms of agriculture and housing issues. When I suggested shared equity, I was told I was talking nonsense. You can always change. You must always change and develop and I accept and I agree with the

new process of unity and consensus that we must have. So a leopard can change its spots. I have been in a very difficult situation, I hope Members appreciate that, but I want to change and I want Members to help me change.

**2.4.13 The Deputy of Grouville:**

Does the candidate believe Government provides services that ought to be provided in the private sector? If so, what has he done to initiate this transition and what will he do to make the relevant changes in the future?

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

I believe in the private sector and the third sector in terms of providing services and one of the things that I was extremely struck by from the Comprehensive Spending Review, was about just how almost unrecognised the third sector was. It is a vital employer. It is a vital provider of services and the States itself gives money to third sector organisations and we have got to build capacity in the third sector: Jersey Hospice, Family Nursing, the whole myriad of hundreds of voluntary organisations with expert staff and the private sector too has a role. The Deputy will be aware, for example, in Resources we have been outsourcing things like running computer services, all sorts of areas where we are now using the expertise, the efficiency of the private sector to get better value for money. I think that there is a case for Harbours and Airports to be put into a stand-alone entity to be run on a businesslike basis like Jersey Telecom, the huge success that that has been, but I do not believe in selling it off. So I believe in incorporation but not privatisation, but I do believe in some outsourcing and we need to revolutionise the way the public sector works.

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

Given Jersey Property Holdings came under your department, would the candidate review, if re-elected, why when the Island is on its beam end, we are requesting our commercial tenants to sign up to rent increases of nearly 50 per cent and must sign those contracts within 7 days? If elected, would the candidate withdraw this request and put a proper structured rent increase in its place?

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

Very briefly, the Constable of St. Peter has been discharging Property Holdings functions and has been doing very well and to be honest, I do not interfere with that because I just cannot deal with that. I am happy to look at it if re-elected with whoever is responsible. There is a balance to be struck here between maximising the return as appropriate for the States assets for commercial entities who are getting low rents in commercial undertakings and, in their case, providing an unfairness in terms of competition with other organisations to have to pay full rent. Sensitivity is required. Third sector organisations do need reduced rents and I am happy to look at the individual instances that the Deputy is concerned about. Clearly, we need to do everything we can to keep the economy going and if we are doing something that is not, we need to change it.

**2.4.15 The Connétable of St. Lawrence:**

I am grateful to the candidate for the statements that he provided to all Members. It has been very useful and he has touched on everything he addressed in his speech. Basically, I think what I would like to know from the candidate is what he would see as his priority if he was re-elected, bearing in mind that he has given us a long list of issues?

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

Thank you for the Constable's question and reading the note, you cannot get across in 10 minutes what you would like to do and Treasury is a broad spectrum. I want to be able to focus on Treasury and Resources. I hope Members understand that, for various different reasons, I have been pulled into other responsibilities. I am one of the few Members with the former Senator Le Sueur that understands financial services, if I may say, with Senator Maclean. We have had to do a lot of joint working in financial services. I want to focus on the Treasury issues and I want to see, if I can, a

strong Council of Ministers that means that I can focus on the Treasury and Resources bit of the job and hopefully not have to deal with restructuring the Treasury and ongoing urgent financial deficit issues which have consumed so much of our time.

[11:45]

We have had to deal with the deficit, tax and spending. We have got to continue to deal with spending but I hope I do not have to deal with a further F.S.R. (Fundamental Spending Review) as I have had to do, together with all the other responsibilities. I want to focus, if I may.

**2.4.16 Deputy R.G. Le Hérisier:**

On that point, would the candidate acknowledge that there was far too much of an accumulation of power at the Treasury and that now is the time to divest itself of a lot of those additional powers which he brought into the Treasury?

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

I am not sure that it was so much power being brought into the Treasury. The Treasury and Resources was supposed to be 2 departments, one Treasury and one Resources, and we brought all resources together because they should be separated from the Chief Minister's Department. I think it is a function of my individual role ...

**The Bailiff:**

Very well, I am sorry, Senator, that brings your question time to an end. So I would ask that the other 3 candidates come back into the Chamber.

**Deputy G.P. Southern:**

May I seek an explanation from you of how we are to proceed, whether, in fact, we can proceed with further nominations without having had achieved a definite result at the first election?

**The Bailiff:**

Ultimately, of course, that is a matter for Members. First of all, I think it is a matter for the Chief Minister as to whether his next nomination is dependent on the outcome of this one.

**Senator I.J. Gorst:**

No, Sir, I would be happy to start the process for the next Ministerial appointment but, as you rightly say, it is a matter for Members who may wish to contest that one as well.

**The Bailiff:**

Yes, so I said it is a matter for Members whether we adjourn before we come to the ballot or whether Members are happy to receive nominations for the next post.

**Deputy M. Tadier:**

I was simply going to add I know that for speed, it would obviously be desirable to get the speeches rolling but I think, generally for Members, it is not simply a case of the Chief Minister not knowing if he is going to put somebody else up but it may also be the case for other States Members so I would propose that we wait for the final result.

**The Bailiff:**

I understand that, yes. Is that the general view of Members? [**Approbation**]

**Senator I.J. Gorst:**

Perhaps I would counter that only by saying if no Member here is ... other than those that perhaps have already declared intending to stand for Social Security, providing we know that the 4

candidates who stood for Treasury do not want to do so as well, then I think we could perhaps move on.

**The Bailiff:**

Well, as I say, perhaps we should wait until the 3 Members to return.

**Deputy J.A. Martin:**

On the practicalities, I do not know how many are going for Social Security, but for the Treasury there would be I would presume more than one ballot and then we have got to break and then bring other people up to vote. I just think it is a very messy way to carry on. It might take a bit longer but at least the way of adjourning, finding out who is where [**Approbation**] and we do not know really. Oh, I have got the Chief Minister nodding now so there you go, so it is always worth having my twopenn'orth.

**The Bailiff:**

Very well so what we will do is we will proceed to the ballot and then having done that, we will just decide whether to adjourn while we wait for the result or not. So papers will now be distributed. These are going to be blank papers so you do not write your own name [**Laughter**] unless you are a candidate. You write the name of the candidate that you wish to vote for. If you are a candidate, you can write your own name but the important point is you simply write one name on the ballot paper. Very well, then. If everyone has had an opportunity, now the ballot papers will be collected. Have all Members returned their ballot papers? Then I will ask the Attorney General and the Deputy Viscount to count the ballot papers. Very well, now, perhaps you can just ask the candidates. The question was raised as to whether any of the candidates, if unsuccessful, are likely to go for the next post which is the Social Security Ministry. So on that basis, would it be helpful at any rate to receive nominations for the next post? Do Members agree to proceed that way? Very well, then Senator Gorst.

**3. Minister for Social Security**

**Senator I.J. Gorst:**

Yes, I would like to propose a nomination for the position of Minister for Social Security, that of Senator Le Gresley.

**The Bailiff:**

Is that seconded? [**Seconded**] Are there any other nominations for the position of Minister for Social Security?

**Deputy J.A. Martin:**

Yes, I would like to nominate Deputy Noel.

**The Bailiff:**

Is that seconded? [**Seconded**] Are there any other nominations?

**Deputy M. Tadier:**

I would like to propose Deputy Geoff Southern for the role.

**The Bailiff:**

Is that seconded? [**Seconded**] Are there any other nominations? Very well, then we have 3 nominations. Now, subject to Members, I would not have thought it would be right to start speeches until we have the result of the previous one so that we have no interruption. The other point is in terms of timing, with 3 candidates, that is basically half an hour per candidate so that is basically 1½ hours so we are not going to finish until 1.30 p.m. on the basis that I think we have to

carry straight on because candidates have to be in seclusion. So does the Assembly agree that we should carry on until we have dealt with this one and then adjourn perhaps later on? Very well.

**Deputy G.P. Southern:**

I think that places the third candidate at a disadvantage. There is nothing worse than giving a speech to a hungry audience.

**Deputy M.R. Higgins:**

Can I propose that rather than going on through the lunch that we have an earlier lunch and then come back and we hear all 3 candidates one after the other without people's stomachs groaning?

**The Bailiff:**

It is a matter entirely for Members whether we break early and come back early or break late and come back late. Well, we better have a decision. Deputy Higgins, are you proposing, then, that we adjourn after we get the result of this ballot?

**Deputy M.R. Higgins:**

Yes, Sir, I am.

**The Bailiff:**

Is that seconded? **[Seconded]**

**Deputy M. Tadier:**

I was just going to suggest that we only have one hour for lunch.

**The Bailiff:**

Yes, that seems sensible.

**The Connétable of St. John:**

I presume we are using the domino effect so the lowest candidate drops out and we continue so we will finish the votes ...

**The Bailiff:**

Yes, we will complete the ballots on this one prior to doing that. Let me put the proposition of Deputy Higgins to the Assembly then. All those in favour of adjourning once we know the result of this ballot, please stand. Those against? **[Laughter]** Members are hungry, I can see. Very well, we will wait for the ... should not be too long hopefully. Very well, I can now announce the result of this ballot. Senator Le Marquand, 11 votes; Deputy Le Fondré, 10 votes; Senator Breckon, 6 votes; Senator Ozouf 24 votes. So therefore Senator Breckon will drop out under the rules and we will then move to a second ballot which will contain these 3 candidates: Senator Le Marquand, Deputy Le Fondré and Senator Ozouf. So new ballot papers will be distributed.

[12:00]

Very well, the ballot papers will now be collected. Have all Members placed their ballot papers? Very well, I will ask the Attorney General and Deputy Viscount to act as scrutineers. Very well. I am now able to announce the result of the second ballot: Senator Le Marquand, 16 votes; Deputy Le Fondré, 13 votes; Senator Ozouf, 22 votes. That means now that Deputy Le Fondré falls out and we go for one more ballot, which will be between Senator Le Marquand and Senator Ozouf so I ask that ballot papers be distributed. Very well, I will ask that the ballot papers be collected. Have all ballot papers been collected? I ask the Attorney General and Deputy Viscount to act as scrutineers.

[12:15]

**Senator L.J. Farnham:**

Just to while away a little bit of the time, it is taking a bit of time, the vote must be very close, I wonder what would happen if there was a draw and one spoiled paper? But anyway, perhaps we ...

**The Bailiff:**

Let us hope that turns out to be a hypothetical question. Very well, the votes on the final vote were as follows: Senator Le Marquand, 24 votes; Senator Ozouf, 26 votes and one spoiled paper [**Members: Oh!**] but nevertheless, with 26 votes, Senator Ozouf has an absolute majority and I therefore declare that he has been appointed. [**Approbation**]

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

May I thank Members for their support?

**LUNCHEON ADJOURNMENT PROPOSED**

**The Bailiff:**

Very well, so we will adjourn at this stage. I think, 1.15 p.m., are Members happy with 1.15 p.m.? Very well, 1.15 p.m.

[12:17]

**LUNCHEON ADJOURNMENT**

[13:15]

**The Bailiff:**

Very well. Then we come to the election of a Minister for Social Security. The first Member to speak and be questioned will be Senator Le Gresley and therefore I ask that Deputy Noel and Deputy Southern retire with the member of the Greffier's staff. Very well, I invite you to address the Assembly, Senator Le Gresley.

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

I am honoured to have been nominated by our new Chief Minister for the position of Minister for Social Security. He will really be a hard act to follow. However, I am sure he will have a sympathetic ear when, if successful today, I at some time in the future come calling for more funding for the department. As the Chief Minister said in his original statement to Members, in these challenging times, tackling unemployment and offering support and retraining to all those who find themselves seeking work has to be a major priority for the new Council of Ministers and, in particular, the new Minister for Social Security. On 30th September, 1,370 people were registered with the department as unemployed and actively seeking work. Of these, 290 were teenagers aged between 16 and 19. The most pessimistic forecast is that the number of registered unemployed could rise to 2,000 over the winter months, particularly if we see the rapid demise of the fulfilment industry. A political taskforce needs to be set up to work across departments and to forge partnerships with private sector employers in order to deliver more immediate and long-term job opportunities. We need to reinvigorate pride in local employment and working for local industries such as tourism, hospitality, retail, agriculture and construction. Working with employers, we need to ensure that, wherever possible, vacancies and new job opportunities are retained for locals. By the same token, we must ensure that particularly our young adults are trained and equipped to take these job opportunities as they arise. We will need to incentivise employers to take on the unemployed by offering social security contribution holidays and job subsidies for those who offer apprenticeships and training placements. Long term, we need to consider introducing a youth minimum wage rate for the under-18s. We must make it absolutely

clear to the long-term unemployed that a life on benefits is not an option and rigorously enforce the system for reducing income support benefit for those who fail to carry out job-search activities. Another priority for the department is planning for an ageing society. In July, we approved the primary legislation for a new long-term care benefit scheme. The new Minister will have to bring forward regulations in order to prescribe contribution rates, residency requirements and the means testing of co-payments. I favour a total assets disregard limit of £500,000, which was Option 1 in the White Paper. The target for the scheme is to go live in the first half of 2013 with the first benefits being paid from July 2013. The long-term sustainability of the Social Security Fund, given the ageing population, is being partially tackled by an increase in State pension age to 67 by 2032. Legislation will need to be brought to this Assembly for approval in 2012. The U.K. Government Actuary is currently completing a 3-year review of the fund which, at the end of 2010, had net assets of £837 million. Senator Breckon has proposed that we follow the U.K. "triple lock" method of calculating annual uplifts in the old age pension. I would not be prepared to support this until we receive the U.K. Government Actuary's calculation of the cost of changing to this method of uprating. A less costly alternative would be to pay a bonus to pensioners in a year when the R.P.I. (Retail Prices Index) is higher than the average earnings index. A review of work incentives within the income support system was completed this year and the next piece of work is a joint review with the Minister for Housing of the accommodation components as part of the Housing Transformation Project. I am particularly anxious to find a solution to the ever-growing cost of funding social and private rents through taxpayers-funded income support benefit. Other matters which need an early resolution are whether or not we should be reintroducing prescription charges, negotiating a new pharmacy services contract and finding a way to help with dental charges. The annual cost to the Health Fund of prescriptions in 2010 was nearly £17 million. It seems to me that there is a strong case for reintroducing a co-payment, provided vulnerable groups are protected. The dispute with the Jersey Chemist Contractors Negotiating Committee over the level of the current dispensing fee needs to be resolved. However, the fact that we have recently seen an increase in the number of pharmacies would suggest that the current profit margins for the owners are still viable. I understand a joint cost survey has been commissioned and I would need to study this in more detail before deciding on what course of action to take. I also have some concerns about Senator Breckon's proposal for a mobile dental service funded from the Health Insurance Fund. I understand that there are some safety concerns about the use of mobile medical trailers. I am, however, certainly in favour of examining ways of making dental fees more affordable for people aged between 22 and 64 who fall outside of the current dental schemes. Due to the successful outcome of 2 propositions brought by a Back-Bencher - who shall remain nameless - the department is also committed to bringing forward changes to the Cold Weather Payment Scheme and a review of Survivors' Benefits. As Minister, I would also have responsibility for the Employment Law. I am anxious to see entitlements to maternity and paternity leave enshrined in law but I am mindful of the extra costs that such legislation will impose on small businesses, particularly at a time of economic recession. It may be that the States will have to consider extending the period for receipt of statutory maternity allowance in order to mitigate some of this financial burden. I have a lot of admiration for the work of the employment-related bodies that would come under my responsibility, namely, the Employment Forum, the Employment Tribunal and the Jersey Arbitration and Conciliation Service. I would ensure that the latter is adequately funded so that it can continue to provide a free service to employers and employees. The States recently gave the Minister responsibility for progressing discrimination legislation and this will involve significant changes to the current Employment Law. Other matters which require attention are the proposed C.S.R. savings of £2.5 million for 2012 and the quality control contract for G.P. (General Practitioner) services. The department is considering a complete review of the social security contribution system with a view to streamlining assessment and collection and achieving greater equity between wage earners and those with other income. The Minister still has to make a decision when to implement the additional 2 per cent employee contribution over the lower ceiling which was approved as part of the 2011 budget proposals. I believe that my 18 years' service at



Citizens Advice Bureau will serve me in good stead should I be elected Minister today. Deputy Pinel has agreed to be my Assistant Minister and I thank her and also the Chief Minister for his support.

**The Bailiff:**

Very well, then, we come to questions to Senator Le Gresley.

**3.1.1 Deputy J.A. Martin:**

I felt the Senator was doing very well till his last paragraph. Can he explain to me why he would parachute in a brand new Member of the States to the largest spending [**Approbation**] ... nothing personal against the Deputy, I do not even know the Deputy's politics. That is precisely my question. Why is he doing this and why should I have any faith left in him?

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

Yes, I am very happy to answer that. The mood that I feel is in the House as reflected by our new Chief Minister is one of unity. The Deputy's politics are probably a little bit different to mine but I am happy to share my role with somebody who has a slightly different political view perhaps and I think it is very important that we do involve new Members in the Executive.

**3.1.2 Deputy S. Pitman:**

So we will get the same again, another Assistant Minister who does not know much about her department.

**The Bailiff:**

Deputy Pitman, I am not sure you can say that.

**Deputy S. Pitman:**

Sorry?

**The Bailiff:**

The particular Member has not even started in the department.

**Deputy S. Pitman:**

Exactly, and I would say to Members that I have put my name forward for the position and Members do know that I have a vast experience in particular areas in income support and yet a new Member with very little or no knowledge of the system has been chosen once again and, once again, we will no doubt have the same problems which I wish to outline and which I have come across during my 6 years as a Deputy. These are within the department, the loss of personal documentation of members of the public, the contradictory information given out leaving people in hardship and without their entitlement.

**The Bailiff:**

So what is your question going to be, Deputy?

**Deputy S. Pitman:**

Well, I am coming to it, Sir.

**The Bailiff:**

Well, a concise question, please.

**Deputy S. Pitman:**

The lack of empathy from some of the department's employees towards members of the public and also the biggest failing I feel of income support is the reduction in provision for G.P. visits which has led to an increase in accident and emergency visits. Doctors putting up bills and ...

**The Bailiff:**

You must come to your question, please, Deputy.

**Deputy S. Pitman:**

Putting up bills themselves. I would like to know how the candidate, if elected, will address all of these issues.

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

Well, the Deputy is correct when she says there are a lot of issues to be addressed. I have not had close contact with the department, as most Members will know, for the last 18 months. Therefore, I am not familiar with some of the problems that the Deputy has raised but I have told her privately that I would be more than willing to sit down with her and go through some of her concerns. As far as G.P. visits, it is a matter I have raised with the department in the last few days and it is an issue around the Household Medical Account, which was part of income support, which are presently not being encouraged and it is something I will be looking into.

[13:30]

**3.1.3 Deputy R.G. Le Hérissier:**

To what extent does the candidate feel that welfare dependency is a problem in Jersey and if it is one, what are his remedies?

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

I think this is an issue that has the concern of the public about possible welfare dependency and I intend, as I said in my speech, to be very firm and ask the department to be very firm with job seekers who are not actively seeking work. The Minister recently introduced measures that would reduce the amount of income support they would receive if they were not actively seeking work, and I intend to make sure that that is the policy of the department while I would be Minister. It is possible that the view that the public have may be incorrect and I certainly want to look into that and come to my own conclusion.

**3.1.4 The Connétable of St. Lawrence:**

I think I am seeking clarification from the Senator because he told us that he would reinvigorate pride in local employment and I wonder whether he means by that that local employment is the employment of locals. Having said that, does he then intend to review the 5-year ruling?

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

When I say "locals", I do mean locals. It does mean at the moment the definition certainly as far as employment is 5 years' residence or more. But I am particularly concerned about youth unemployment, the children who have been brought up in this Island who cannot find work. That will be the focus of my efforts. With regard to the 5-year rule, that is a matter for the Economic Development Department, I believe, because they control that under the Regulation of Undertakings and Development and also it is an issue that we may have to talk about. We cannot continue to grow the number of unemployed. We have to take strong measures to get our people back into work.

**3.1.5 Senator S.C. Ferguson:**

In view of these economic times, are you in favour of bringing in apprentice as well as young people's rates, given that there are significant hidden costs for training and this is dissuading employers from employing youngsters?

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

If we are talking about minimum wage, I would not be in favour of the minimum wage rate for apprentices. I have already stated that I think there should be a young person's rate and that is something that I would consider bringing to the House. I do believe, though, that we could give subsidies to employers to offer apprenticeships. How we do that ... it could be through the social security system or it may be that we will have to start to pay something towards their weekly wages.

### **3.1.6 The Connétable of St. Mary:**

I believe the candidate said he thought with respect to elderly care that the total asset disregard should be £500,000. Where we have first-time buyer houses going for very nearly that amount and where a house may have been in the claimant's ownership for many, many years and might be their only asset, does the candidate not think that this runs the risk of treating that asset as an investment rather than the family home that it will have become and does he think this is really fair?

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

As the Minister, if I was the Minister, I do not have the power to bring such a proposition to the States without States approval. As we all know, this was consulted on in a Green Paper and White Paper and the indication from the previous Minister in a recent proposition was that he favoured a house value of £750,000 and a lower figure for people who do not own property. I feel that the figure he suggested - sorry, I cannot remember it off the top of my head - was too low and it created an unfair situation so I would certainly consult more on this issue before I brought any proposition to the States.

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

I think it is important to clarify this because I certainly would not want Deputy Pinel to feel unloved or unwelcome. The question I would like to ask the Minister is this. As a Town Deputy, I spent much of my time on my cases at Income Support/Social Security due to the problems there and I have to say, having had discussions with the former Assistant Minister, it has been embarrassing to sit there with constituents when she knew nothing because she was new and it has been a sharp learning curve. How does the Minister then see dividing up his workload between himself ... obviously, he has got a great deal of experience in the area and the newcomer, whoever that might be?

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

For clarification purposes, I have that experience of dealing with welfare applicants but I do empathise and I do understand the issues and I am willing to take that under my wing. The strength that I believe Deputy Pinel brings is the ability, I hope, to liaise with employers and to try and create the type of environment where we can find work for these people. I am not somebody who necessarily associates with a lot of employers and that is a weakness in my makeup and that is why I would like her in my team.

### **3.1.8 The Connétable of St. John:**

Will the candidate for this office explain why, some weeks ago, he was after the Minister for Planning and Environment's job? Now we see he is after Social Security. He seems to be flip-flopping instead of concentrating on the one area that he told the House that he was looking for. On top of that, if he is elected, will he look at cutting some of the red tape within Social Security because if I was to ring up now and ask for some plumbers, I would be told that I cannot have any information of what they have on their books because of data protection. So, if elected, would he

be looking at making sure that he works with the industry to try and put people into work instead of his staff turning away potential employers?

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

I am not one for flip-flopping. I have to be honest with you that I fully intended to run for the Ministerial post at Planning and Environment. I made that part of my manifesto but what has happened - and I am quite clear on this - is that the new Chief Minister asked me if I would accept his nomination for Social Security. He made a very convincing case why he felt I had the attributes to do this job and I want his new team to be one that works together and if he wants me in that role, that is where I will work. As far as cutting red tape, I agree. I would suggest to the Constable that perhaps he would be better looking at the website rather than ringing up the department because obviously data protection does come into play when you are dealing with telephone calls.

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

If the Senator is successful in his bid for this Ministry, can I ask him a question about minimum wage? We have already had one question about minimum wage and he says that he is in favour of a youth minimum wage. Would he be prepared to open a wider discussion on minimum wages generally because I feel that, certainly for apprenticeship schemes, there is a huge difference in the costs of a first-year apprentice. A second-year apprentice is different again. A third-year apprentice maybe starts to pay for himself and in a fourth-year starts to earn a proper wage and profit for the employer. There is quite a complicated area here and I want to establish whether the potential Minister has some flexibility here.

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

As the Deputy probably knows, the Employment Forum is the group that consults with the employers and employees on minimum wage and we have a proposition coming up very soon to increase the minimum wage rate by 2.5 per cent. I have no problem with asking the Employment Forum to do further consultation on an apprentice's rate, whether it is over one, 2 or 3 years rising. We also have a training rate, of course, and it may be that that can be fine-tuned to suit the Deputy's question.

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

Would the candidate explain his position on the Health Insurance Fund? Would he support the extension of the fund for health transformation and does he have any specific plans for the £80 million balance in the fund?

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

I have supported and voted for the proposed changes to the Health Insurance Fund in this House. I do believe that the scheme can be used to fund other health products and health services and I certainly do not want to see the £80 million spent too quickly because we need to keep building it up, but I am supportive of the work that is going on in Health and Social Services.

**3.1.11 Deputy R.C. Duhamel:**

People are living longer and the chances of attaining the ripe old age of 100 is becoming more the realisable reality for many. Out of that expected 100 years, how many of those years should a person expect to be retired and drawing benefits?

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

I do not particularly want myself to live to 100 years but as the Deputy knows, we have agreed to raise the retirement age or old age pension rate to 67. That is a long time to be collecting a pension if you are going to live to 100 but certainly the emphasis needs to be to encourage the elderly if they wish to remain in employment to give them incentives to stay in employment so we do not have to increase immigration.

**3.1.12 Deputy S. Power:**

Would the candidate agree with me that Deputy Pinel's previous track record in the third sector would qualify her to be an Assistant Minister for Social Security, given her long track record of both contact with Social Services, the Health Service and with Social Security?

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

Absolutely.

**3.1.13 The Very Reverend R.F. Key, B.A., The Dean of Jersey:**

I should just say I am not setting a new precedent. I have asked questions of all the other Chief Ministerial candidates in the last 6 years. Just for the candidate's prescription charge, is it sometimes a tightrope between user pays and a tax on sickness? I wonder if he would have plans to introduce, as other jurisdictions do, a season ticket for those chronically ill or with ongoing conditions so there would be a maximum co-payment?

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

Yes, I am aware of the season ticket procedure that the Dean has just described and it is one that I would look into certainly as part of a process of deciding whether to introduce prescription charges.

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

The candidate has previously explained his views on high rates of tax. Does he have particular views in relation to the use of social security in putting any high contributions above, for example, the cap above those that have already been decided?

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

Yes, I am not going to deny my views on the need to have a fair and proportionate tax system but we have already, as the new Minister will know, agreed that the employer will be paying from 1st January an extra 2 per cent between the lower ceiling and the higher ceiling and we have delayed the extra 2 per cent, as I said in my speech, for employees. It may not be the right financial climate to introduce that but it is on hold and I will certainly be reviewing it on a regular basis.

**3.1.15 Deputy R.G. Le Hérissier:**

Given the candidate's emphasis upon back-to-work programmes, could he inform the House whether psychologically, economically and for other reasons, it is right to embark on very aggressive back-to-work programmes when the chances of people finding work could be very tenuous?

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

In answer to that question, I feel that we have no choice. We do have to get people back into work. We have to do all we can. The ultimate sanction really is to consider, as our dear Deputy Le Claire used to say, work permits. That is the ultimate sanction but I believe that by working in conjunction with employers and, as I said before, reinvigorating the value of working in some of these industries for which we have always historically brought in immigrant workers, that we can get the young people and the people who have been unemployed for a long time back into meaningful employment.

**3.1.16 Deputy S. Power:**

Would the candidate propose to maintain his department's presence by way of his Assistant Minister on the revised Migration Advisory Group so that the department would have a say in what can sometimes be perceived to be the soft touch approach by the department on new immigrants coming in from the 27 Member States?

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

I am aware of the good work that was done by the previous Assistant Minister on this particular group. I would need to know more about whether it is a job for the Minister or the Assistant Minister, but I am sure that we will have a presence there and we will make our feelings known.

**3.1.17 Deputy R.C. Duhamel:**

Should the Social Security Fund be used to invest in local infrastructure projects?

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

Absolutely not.

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

Would the candidate support a merging of the collection of social security and income tax arrangements?

[13:45]

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

Anything that saves money I would support and I believe that that is an opportunity that we can do further research on. It does seem that we can combine quarterly return forms and the like and we can do some streamlining to make collection of both tax and social security together.

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

Further to that, would the candidate support amendments to the Data Protection Law so that Social Security and the Tax Department can talk to each other?

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

I think the situation at the moment is that if somebody gives their permission to share information, that can be done and I believe that there is more work being done in that area at the moment.

**3.1.20 The Deputy of Trinity:**

How does he see the relationship which so far with the previous Minister has been very good between Health and Social Security? Would he see that continuing and what challenges does he see ahead with working with the Health Department?

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

I think it is vital that the 2 departments work closely together. I know that the previous Minister achieved that and I will as well.

**The Bailiff:**

Sorry, Senator. That brings questions to an end so I invite Senator Le Gresley then to retire with the Deputy Greffier and we will invite Deputy Noel to come into the Chamber. Very well, then. I invite Deputy Noel to address the Assembly.

**3.2 Deputy E.J. Noel of St. Lawrence:**

During my time in the States, I have applied the same principles of hard work, integrity and vigorous delivery which I have throughout my working life. Having attained a degree in accountancy and finance, I returned to Jersey in 1985 and trained as a chartered accountant. I qualified in 1989 and became a Fellow of my Institute in 1999. I spent over 25 years in the finance industry, both as a partner in a firm of chartered accountants and as a director and shareholder of a number of trust companies. But why is accountancy relevant? Because social security is not only about supporting people. The key aspect of ensuring that support is proper funding both for now and for in the future. A good Minister for Social Security needs to have a combination of accounting and social abilities. It is not surprising, therefore, that 2 of the last 3 Ministers or

Presidents of Social Security have also been qualified accountants. But as well as being an accountant, I am perhaps, above all, a family man who cares about our Island and all of the people who live in it. My wife and I are former foster carers so I have first-hand knowledge of families in difficulty. As an Assistant Minister for Health and Social Services, I developed a better understanding of the pressures faced by that service and the link between the primary and secondary healthcare systems. Both my work at H.S.S.D. (Health and Social Services Department) and outside has brought me into contact with many third sector organisations such as Les Amis, Roseneath and the Lions Club of Jersey where I currently serve on the Community Service Committee. The economic downturn has impacted on Island families. Demands on, and support required from, Social Security have never been greater. I wish to concentrate on delivering the work that has already been started by Senator Gorst, Senator Routier and the former Senator Le Sueur. I wish to move forward Social Security policies which will safeguard long-term viability and the funding of pensions and benefits for generations to come. One of the main responsibilities of a good Government is to ensure that those in need are supported. A Social Security system must have a balance between supporting those who, through no fault of their own, are unable to meet the daily costs of life and those who ultimately can end up supporting themselves. An effective support system acts as a safety net when needed and assists people back into work to become productive members of our community. We need to discourage a culture of living on long-term benefits as it is not only a cost in monetary terms, but also a cost in human terms as well. This is a potential waste of an individual's and collectively a community's skills. The overwhelming evidence tells us that work is good for us. Of course, that work is to be tailored as far as possible to the mental and physical state of the individual. Someone who is recovering from a serious medical condition may only be able to do light work or work part-time. We are in danger, for a minority of Islanders, of losing a part of a generation to unsustainable benefit culture. We need to offer a hand-up, not a handout. I have a young daughter and it is for her generation that we need to have a balance between those who are in genuine need and require support now while planning for the longer term. The vast majority of Social Security staff and resources are not engaged in policy development but in the day-to-day tasks of administering contributions, benefits, pensions and employment services. I would delegate, if elected, specific powers to an Assistant Minister to deal with the current benefit matters and appeals. This will enable me to focus on longer-term issues and it is vital that we get these right, not just for existing Islanders but for generations to come. This is why I believe my accounting skills will be of greatest benefit to Islanders. There is much to do. With a coherent and rapid response to unemployment pressures, we have some 1,300 individuals actively seeking work. Their families rely on them and we have to help them get back on their feet as quickly as possible. Advance to Work and Advance to Work Plus together with the Winter Work Scheme and other schemes are part of the solution but we simply have to do more. E.D.D. (Economic Development Department), Education, Sport and Culture and Social Security all need to be working together and I believe that we can achieve greater things quicker if we work as a team. Others here will testify that I am a willing team player but I am not shy to challenge ideas in a constructive way to collectively achieve the best outcomes. Rising to this challenge will be a defining moment for this new Council of Ministers. Another priority is a long-term care scheme which this Assembly has already agreed in principle. In 2012, this Assembly will be asked for decisions on residency conditions, contribution rates and other detailed arrangements. With a 'go live' date planned for the first half of 2013 and for contributions to be turned-on some 3 to 6 months ahead of benefits being paid, the new Minister will have plenty to do in the coming year. I intend to continue with the momentum in these key areas and to ensure that we finish what we have started. The increase in pension age is a key step forward to securing the future of the pension scheme. However, further strategic work will be required to avoid contributions financially crippling those future generations. Any future rises in either the pension age or contributions will have to be co-ordinated with the long-term care fund and the primary healthcare strategies all of which will have to be brought back to this Assembly. The income support review is ongoing and has already been split into a number of parts. Earlier this year saw the conclusion of the employment and working centres. A joint

review regarding social rent and accommodation components form part of the Housing Transformation Project. Together with the Minister for Housing - whomsoever that may be - I wish to play an active role in moving this area forward. The department is on track with its C.S.R. measures. The target of £1.5 million for 2012 has largely been delivered and options for delivering 2013's targets of some £2.5 million are currently being worked-up. Again, my time over the past 3 years has given me a foundation to make sure that these tasks are completed. The changes required to the Health Insurance Fund will be one of my primary objectives, if elected, in 2012. I have already had a heavy involvement in the health strategy and therefore I can hit the ground running. Collaboration on recommendations regarding the future of healthcare funding and the future of the Health Insurance Fund are key. I can assure Members that I will be a poacher-turned-gamekeeper and I will not let the Health Insurance Fund become a self-service buffet for the Health Department. I believe in serving an apprenticeship. The past 3 years as Assistant Minister for Treasury and Resources and Assistant Minister for Health has provided me with a solid foundation. I am able to move forward to the strategic changes required to deliver a sustainable funding stream for healthcare, not just for now but for generations to come. These matters are of a high level as an overview of the current work in progress currently facing the department which will need to be progressed over 2012 into 2013 and 2014. There are numerous other tasks the Minister would also be required to work on and become involved in, areas such as discrimination law, freedom of information, the implementation of a names and addresses register - call it migration law by another name, changes to the new cold weather payments and various other operational matters. The capacity to draw-up further work streams is limited and it is for this reason that I will take the stance by not introducing any new initiatives at this point in time. It is important to finish properly the initiatives developed by the previous Minister and I am asking Members for their support to achieve this programme. We need to ensure that we have a continued viability of our social security system for generations to come. I have the technical skills required for this role and extensive experience as a trustee to take on the responsibility of being the custodian of some £800 million that currently sits in the Social Security Reserve, together with a further £80 million that is sitting in the H.I.F. (Health Insurance Fund). But more than that, I care about the young; I care about the old; I care about anybody in between. I care about those in need but, above all, I care for our Island. **[Approbation]**

**The Bailiff:**

Very well, then, we have questions and first of all, Deputy Trevor Pitman.

**3.2.1 Deputy T.M. Pitman:**

Among the many flaws and absurdities really at Social Security, how does the Deputy propose to rectify the ludicrous situation where 2 interrelated States departments - Housing and Social Security - utilise different approaches to the recognition of an individual's residential qualification resulting often in complete confusion and frustration to individuals?

[14:00]

**Deputy E.J. Noel:**

I agree with Deputy Pitman. It is absurd and, from my own point of view, I have already started addressing such issues within the Health Department where we have different criteria with regards to means of access to different parts of the service, be it transport to the U.K. to accompany a relative who needs treatment there. We have different criteria throughout the States for accessing services and, as I said, I have already started in Health to address this to see if we can get some commonality there to make sure that what we do is more joined-up and it is more transparent and the public can see that.

**3.2.2 Deputy R.G. Le Hérissier:**



What would the candidate's position be, given he has perhaps been misunderstood as not previously having been a caring, compassionate individual but given the shift that has occurred, what would the candidate's view be of tackling welfare dependency and welfare fraud?

**Deputy E.J. Noel:**

There has been no shift. I have always had a caring side to me. I just do not publicise it. **[Laughter]** It is bad for my image. Dependency: it is not good for people to become dependent on income support. It is not good for the Island financially; it is not good for them financially; but, above all, it is not good for them, for their physical and mental health. We have to get people into work.

**3.2.3 Senator S.C. Ferguson:**

In view of these straitened economic times, is the candidate in favour of bringing in an apprentice rate for minimum wage, given that there are significant hidden costs for training and this dissuades employers from employing youngsters?

**Deputy E.J. Noel:**

I think we have to look at a number of schemes and I think the department should carry out some research to see if what the Senator is suggesting is viable. But there are other ways to achieve the same aims and they need to be researched and, if elected by the Assembly, I would give an undertaking to ask officers to carry out that research. But as any good Minister does act, they act upon advice so we need to get that advice first.

**3.2.4 Deputy S. Pitman:**

We have heard of the candidate's technical experience and that he has been a custodian of millions of pounds and committees he has been on. What I am interested in is what frontline work he has done in this particular field, i.e., what work he has done with constituents and what he has learned of the problems of income support and incapacity benefits through this work?

**Deputy E.J. Noel:**

Maybe it is the Parish that I represent but I have not in the past few years had any constituents come to me on work involving income support. I have, however, had residents of St. Helier and been involved with the Deputy trying to sort out some housing issues in one of the Housing Trust properties. My work as a member of the Lions Club of Jersey regularly leads me into contact with people who require support, be it with the Christmas Appeal or things that we do at Easter, so I have extensive exposure to those who need help and I hope that I will continue to have that exposure going forward.

**3.2.5 Deputy J.H. Young of St. Brelade:**

Would the candidate please advise the Assembly whether he considers that there is sufficient consistency between the treatment of income support and the taxation from employment, particularly in part-time earnings and, if he does think there is inconsistency, whether this provides a barrier or lack of incentives to get people back to work? If he shares those views, what can he offer the Assembly to do about it?

**Deputy E.J. Noel:**

There has been much work by the previous Minister for Social Security in bringing forward increases in income support to cover those situations that encourage individuals back into work in terms of the benefits they get and for how long they get them after they start a new role. That work needs to be maintained and looked at with the current economic climate to see if there are other ways we can do to help people get back into work.

**3.2.6 Deputy R.C. Duhamel:**

People are living longer and many more will achieve the ripe old age of 100 in the not too distant future. What proportion of one's life should a person expect to be retired and drawing a pension?

**Deputy E.J. Noel:**

I believe it is specifically around 22 to 25 years and hence, with the people living longer, I think there is scope to increase the pension age. Only this year, we agreed to increase the pension age to 67 years by 2030, I believe it is. I think we need to continue to monitor how long people live for and if we can keep the same proportion of around 25 years, then I think that that is the right course to take.

**3.2.7 The Connétable of St. Lawrence:**

It seemed to take a long time to get to me. **[Laughter]** The candidate mentioned making provision for future generations. How will he do this and would it involve removing the contributions ceiling?

**Deputy E.J. Noel:**

I certainly would consider uplifting the contribution ceiling. I would not consider doing that purely just for fiscal measures. It would have to be linked to maintaining the Social Security Reserve Fund but there are other things we can do and there are other things that have been done. How those funds are invested... and much work has gone on in that in the past 3 years to ensure that we are getting the best returns from that £800 million that is currently invested. So it is not just one measure. There is no silver bullet to meet the funding in the future. It is going to be a series of measures but, again, they have to be taken in consultation with the appropriate advice.

**3.2.8 Deputy S. Power:**

Would the candidate be prepared to give the Assembly an indication as to who he would choose for Assistant Minister?

**Deputy E.J. Noel:**

Yes, I am perceived to be in the right of centre and, to be honest with you, I would like someone who is on the left of centre, not that I would be ruling out anybody else. So I think there is an opportunity there for a balance.

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

I was slightly worried that the candidate said that he was going to be poacher-turned-gamekeeper. If elected, what is his relationship with the Treasury going to be and what does he have planned for the £80 million in the Health Insurance Fund? **[Laughter]**

**Deputy E.J. Noel:**

I hope that I would continue to have a very good working relationship with the Treasury. The Health Insurance Fund, the £80 million currently sitting in the Health Insurance Fund in my opinion is for primary care. That is why Islanders contributed to it and that is what I think it should be used for. I would consider using a small proportion of it to fund a transformation from the current primary care system that we have to a new and better one and so I would consider that but, again, it would have to be taken under advice.

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

Just taking in what the candidate has just said. So over the last 2 years, the candidate has voted to take £6.13 million annually from the H.I.F. fund to bail out the taxpayer. Given that this money belongs to the people who have paid social security, not to the Exchequer to bail out taxpayers, will he apply to get this money repaid to his department?

**Deputy E.J. Noel:**

Those funds belong to Islanders. They are there for their health. It is to provide healthcare and I want to see those funds used for primary healthcare and that is the reason why I voted for those funds to be transferred to the Health Department to cover the costs of the primary healthcare that they deliver.

**3.2.11 Deputy T.A. Vallois:**

In terms of our new found unity in the Assembly, how would the candidate work with Economic Development and Education, Sport and Culture to identify secured funding of approximately £2.2 million within the medium-term financial plan for the good work of Advance to Work?

**Deputy E.J. Noel:**

Teamwork is the simple answer. I am a team player and I believe that Economic Development, Education, Sport and Culture and Social Security have worked in the past few years closely as a team and I see that not changing.

**3.2.12 The Connétable of St. Lawrence:**

The Deputy may be interested to know that the previous candidate was keen to provide work for locals and I am pleased to ask this candidate how he would do that.

**Deputy E.J. Noel:**

Our main tool for controlling the workforce is the Regulation of Undertakings and Development Law and I certainly, if elected, would be forcefully advising the Minister for Economic Development and the Chief Minister's Department that, in the very first instance, when licences come out for renewal, that consideration should be given to local jobs. But I would go further than that. I think we maybe have to start negotiations with employers now to make sure that any vacancies they have go to locals.

**3.2.13 The Deputy of Grouville:**

Does the candidate consider the 5-year employment rule too low?

**Deputy E.J. Noel:**

No, I do not. I would not want to see it go up to, say, 10 years as with the housing rules. I think 5 years is about right. It encourages a cross-fertilisation of new ideas and new people into the Island so I would not at this stage be advocating an increase to that limit but any change to that limit will, again, have to be taken with advice and research.

**3.2.14 Deputy S. Power:**

Would the candidate wish to maintain a presence of the Social Security Department through his Assistant Minister on the Migration Advisory Group and does he agree that there is a perception out there that people who are coming in from the 27 E.U. (European Union) states sometimes are treated with a soft touch by his department in the first 5 years?

**Deputy E.J. Noel:**

First, it is not my department at the moment. I hope it will be. We have to work together. There is no point in having silos, having a Social Security Department silo and an E.D.D. silo and a Housing silo, we have to work together and this is why we need a coherent strong Council of Ministers that are willing to have a dialogue with each other to make things happen.

**3.2.15 Deputy R.C. Duhamel:**

Should Social Security funds be used to invest in local infrastructure projects, especially where an investment return could be envisaged?

**Deputy E.J. Noel:**

I would not rule that out, but again, we would have to make sure that the returns are suitable and that those funds are secure because at the end of the day these are not our monies, they are not tax monies, they are individual's monies for their paid benefits and for their pensions in the future. So we cannot gamble with those monies.

**3.2.16 Deputy R.G. Le Hérisier:**

From the candidate's observations as a Deputy who instantly came into a Ministerial role, what does he think makes an effective Minister as opposed to an ineffective Minister?

**Deputy E.J. Noel:**

The ability to listen and the ability to get on with one's colleagues and to work together, that will be a good Minister. A less good Minister is one that does not do that.

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

What is the candidate's position on long-term care capital disregards?

**Deputy E.J. Noel:**

I am broadly in agreement with what has been already presented to this House. The whole idea of the long-term care is to protect Islanders so that they do not have to sell their homes to go into care. So I believe the current levels appear to be appropriate but it does not necessarily mean to say that they will stay at that level because you cannot take a financial figure and set it in aspic because with inflation and other matters that limit may go up, it may go down.

**3.2.18 Senator S.C. Ferguson:**

What is the candidate's view of a proper business transformation at Social Security?

**Deputy E.J. Noel:**

Could the Senator explain what she means by business transformation, because it may not be the same as what I think it is?

**Senator S.C. Ferguson:**

Looking at the way you do work, getting rid of the waste, using property assets correctly, using I.T. (information technology) properly, very much as Deputy Le Fondré was describing this morning.

[14:15]

**Deputy E.J. Noel:**

From my understanding with the department, Social Security is a lean machine. There is always a little bit of fat to trim off but I believe that they are meeting their C.S.R. targets and I understand that they are going to meet their 2013 C.S.R. targets so there is always room for improvement and I would foster that type of culture where people do look for improvements all the time. I hope that answers the Senator's question.

**3.2.19 Deputy S. Power:**

Given the candidate's 3 years' experience at Health and Social Services, does the candidate feel there is any merit in separating Health into a primary health care department and merging Social Services and Social Security?

**Deputy E.J. Noel:**

The short answer to that is no. Jersey is quite unique and almost the envy of many primary care bodies and acute providers in the U.K. because we have both elements in one organisation. We have Health - which is primary care and acute care - and we have Social Services. They work seamlessly. That is how they should work and I would not advocate splitting them up.

**3.2.20 Deputy J.A. Martin:**

Just for a quick change down at Social Security, the physical presence where people sit waiting in the job zone and waiting for income support, where there is no privacy, how would he tackle this and would he hopefully tackle it straightaway?

**Deputy E.J. Noel:**

I have to agree with Deputy Martin there. I have sat in the foyer down in La Motte Street and it is not a very conducive place for privacy for individuals to discuss their affairs. I think we can do better. We should do better. Providing it does not cost too much we will do better.

**3.2.21 Senator S.C. Ferguson:**

In the context of business transformation, has the candidate considered the complaints by customers in having to wait in queues, waiting to get through on the phone or the time taken to process applications?

**Deputy E.J. Noel:**

I have not considered that because I have not been exposed to that. But if that is going on and if this Assembly puts its faith in me, I am quite happy to address those things. It sounds like very similar issues to that of Deputy Martin.

**3.2.22 The Dean of Jersey:**

Prescription charges are sometimes described as ‘attacks on sickness’ and other times as ‘user pays.’ I wonder what the candidate’s views are and if you were to consider introducing them what his views are on the concept of a season ticket to protect those with ongoing medical conditions?

**Deputy E.J. Noel:**

The Dean seems to have read similar papers to what I have read. Broadly in favour: I am in favour of prescription charges for no other reason than if you give somebody something they might not value it as much as if they make a small contribution towards it. Having said that, it is not easy to reintroduce prescription charges, there are people that you need to protect - those on lower incomes, the elderly, children - so it is not that straightforward to introduce it across the board. What I believe the department is looking at, and I would encourage them to look at it further, is some type of season ticket system where people can do exactly as the Dean suggests.

**3.2.23 The Connétable of St. Lawrence:**

Has the candidate read the most recent Scrutiny report on the income support system and does he agree with the response of the previous Minister?

**Deputy E.J. Noel:**

I have read part of it, not all of it; it is a very thick document. I have read the conclusions and I have read the recommendations. I have not read the response, to be fair, of the previous Minister to it. I do not see anything in the summary of the report or their conclusions that frightens me. I believe there is a lot of good work in progress to be done there.

**The Bailiff:**

Any other questions? Too late. Very well, then we will ask Deputy Noel to retire once more and I will ask the Deputy Greffier to bring up Deputy Southern. Very well, Deputy Southern is now with us. When you are ready, Deputy, would you like to address the Assembly.

**3.3 Deputy G.P. Southern:**

It is strange, no matter how many times you do this, you always get a little of *frisson*, a bit nervous doing it even though I have got the tee shirt and it says: “Please do not leave, give us a job. Give us a job.” I have circulated 2 lists which I hope are before Members, or 3 lists actually. One looking

at my Scrutiny work since 2004 and Members will notice that there is a serious concentration there of social security and welfare issues on the list. I then started looking at all my propositions over the years and that only got the last 2 years done and I hit the full side of paper: 28 contributions during 2 years. If you are of Senator Bailhache's view that this House has got too many people in it with not enough to do so they keep on lodging proposition then please solve the problem for me. I will not be able to list 28 propositions in the next 2 years if I am busy with Social Security. That is one vote I am expecting to keep me quiet and out of mischief. **[Laughter]** But I have a long involvement with social security issues and that dates, if you notice on the other list, back to 2007 when we first examined the income support proposals and suggested that they would not meet the bill because they did not incentivise either work or savings and they were very poor in that sense. I obviously have had a number of criticisms over the years of income support in particular. But the department is not just about income support, although Members may be interested to know that of the £163,000 expenditure it shows on the bill on social security, it contains one enormous bill, that is income support - £85 million nearly - and one bill for a contribution from the States of £66 million. So supplementation and income support are the 2 big items on social security. As far as income support goes, in particular, and supplementation, I know about them. It seems to be the time for people to suggest that it is useful to refer back to their A-levels today. I too have 2 A-levels in mathematics, and one in physics and one in chemistry.

**Deputy R.G. Le Hérisier:**

What are the grades? **[Laughter]**

**Deputy G.P. Southern:**

The grades, which I was going to ask Ian Le Marquand earlier, are none too impressive. A-B, 2 Cs and an E. What they did ... I still know it but I have not quoted those for about 30 years since I got my degree and since I was on Fresher's Week at university. But I mention it because, in particular, what have they given me, they have given me a complete lack of fear of numbers. I can handle numbers and when we talk about social security we are talking actuarial numbers and we are talking infinite numbers and they do not faze me at all. I can deal with them. Those who know me... my old colleagues from the past 10 years will know me as a staunch defender of public sector and the public services that we supply and, in particular, I believe there are 2 departments which should be protected from the current cuts - the cuts programme that is going on - one of them is Health and we might talk more about that later, and the other is Social Security. Both are targeted at assessing the most vulnerable in our society and they must be protected to the maximum extent possible. One protects the sick and vulnerable and one protects the sick and the poor and vulnerable. So protection should be there. So why am I standing? I believe firmly that politicians must take a lead with their departments and not be completely and solely reliant on their officers, and in order to do so one has to have some basic background information and knowledge of how the system works. I believe I have that knowledge. I am standing also because when I saw the list of candidates for the Council of Ministers quite frankly I was amazed. Very surprised and shocked by some of the names. But I feel a bit sorry and reluctant to stand for Social Security because there were 2 names on there that were in the right place. The Minister for Housing, Deputy Green, and the Minister for Social Security, Senator Le Gresley. Both good candidates for those posts. Nonetheless I believe I am a better candidate for the following reason. Already when I say social security spending must be protected, then I look at Senator Le Gresley's record on protecting the spend there and I see, sadly, that he has gone along with a philosophy that says in times of recession you can cut the support to the most vulnerable in our society when he opposed that we do away with over £400,000 worth of Christmas Bonus. Sadly I believe that whatever the good Senator does in his career in the States he will always be known by many pensioners as the man who cut their Christmas Bonus. We are looking at bigger cuts on the way. Last year the cuts to income support were £1.25 million from the most vulnerable. For 2013 the bill for income support is due to be cut by a further £2.2 million. I believe that should not be happening and I will be

fighting with the Minister for Treasury and Resources to protect that spend because one of the things people will notice on the list I have given - this has come straight from social security, about work in progress and future work - one of the issues is the response to unemployment.

[14:30]

Now I have already done the sums and I believe that between £5 million and £10 million extra will come about because there will be over 500 workers from the fulfilment industry laid off in the coming, let us say, 6 months. That means that an additional income support bill of around £5 million or £10 million and that is an inevitable spend that if we are to protect those people who will be unemployed then we will have to spend. What point is there spending that money and then say: "And yet cut £2.2 million from the income support bill." That is not the reality of what is happening out there. We, as a Government, must support the most vulnerable in our society and the Chief Minister said so in his opening speech about protecting the most vulnerable and that is what I am here for. If one looks down the list, response to unemployment is already going ahead. How do we create jobs? Do we have a contributions holiday? Is that enough? Do we need some more input to actually create jobs to keep people in some form of work while the economy recovers? I believe we do. That work must go on. We are then talking about implementing the fiscal strategy, the 2 per cent - the extra 2 per cent - which will come off supplementation and here, again, we can talk the numbers. We are talking about £65 million of supplementation, that is £65 million worth of taxation - tax money, taxpayers' money - that goes to bolster the Social Security Fund. I believe we should pursue that 2 per cent increase over time to ensure that supplementation is met by those who can best afford it and not every taxpayer, i.e. those with higher earnings should pay a proportionate 6 per cent eventually that we all do, who are under £44,000. There are a number of issues there, I suspected that in 10 minutes I would not get down to them so I gave you the list. If anyone wants to ask me about all the issues on this list - and it will be a busy time in the next 3 years, massively busy time - then please feel free to ask questions about that. But if you want somebody who is prepared to discuss and debate and challenge, and act when decisions are made -not just give you hot words - vote for me.

**The Bailiff:**

Sorry, Deputy. Deputy Le Hérisssier.

**3.3.1 Deputy R.G. Le Hérisssier:**

Unfairly or not, the candidate is perhaps stereotyped as someone who would be very liberal in the dispensation of welfare. Would he tell the House how he would deal with the issues, if indeed he thinks they are, as perceived, of welfare dependency and welfare fraud?

**Deputy G.P. Southern:**

Welfare dependency and welfare fraud are 2 very different things. Dependency depends upon the fact that there is very little incentive for people to go to work. At the moment with the improvements people return to work or increase their hours and they work out from their income support bill that they are working for around £1.50 an hour; extra work or going back to work does not pay sufficiently to incentivise people to get back to the work if the jobs are there. In terms of fraud, it would be unfair to paint me as a fraudster's friend despite Senator Le Main's use of that particular phrase some years back. The fact is that there are serious problems with payments from income support and from social security in that there are often mistakes made. Mistakes are made because the applicant does not have enough information about how the system works. Now, one of the things you need to do is make sure that they do and thus we will get fewer mistakes because they will know what to expect. So, for example, the income support calculator, which is readily available to me as a Member of the States, should be made available to everybody on the website so that people can roughly work out where they are if they go back to work: "What will it mean for me if I do this, change my circumstances?" If people are fully informed then we will get better

decisions and that the fact about the mistakes ... mistakes made account for 90 per cent of the missed payments: fraud, deliberate fraud is around 10 per cent.

### **3.3.2 The Deputy of Grouville:**

Given our current local unemployment levels, does the candidate think that the 5-year employment rule is set at the right level or should it be increased?

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

That is a very interesting question. I think the answer is that in many cases that there is a hole in our Regulations of Undertakings and Development Law and it is a big hole. It is a big hole that says short term contracts do not have to obey the rules; they can employ who they like. Short term contracts being anything less than 2 years. Now, Members will be aware that most building projects, for example, do not take 2 years from digging the first sod to finishing off at the top. The fact is that people can employ who they like to do that and recently have done without any sanction whatsoever. So where there is a problem ... I would not move the 5-year rule, I do not believe that that is useful, what I would do is I would be looking to talk to the Minister in charge, which is the Chief Minister I believe, of Regulations of Undertakings and Development and Population saying: "What about that? There is a hole in R.U.D.L. (Regulations of Undertakings and Development Law) you can drive a coach and horses through and people do."

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

The Deputy likes numbers so here is a numerical question. People are living longer and many will achieve the ripe old age of 100 in the not too distant future. What proportion of one's life should a person expect to be retired and drawing a pension?

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

If I knew the answer to that I would be pretty omniscient. I could invent a formula to come up with an answer, however it is a nonsense question. **[Laughter]** What proportion should be spent in work is one that is answered by the proportion of time one can spend in work when one is comfortable. I know from the past that, for example, teachers, if they work through to 65 would expect between 18 months and 2 years further life. They would be dead by 67. That is the reality, if you work straight through, because it is a taxing job. What you need to be able to do is have less taxing work as you get older. You cannot mend roads until you are 65. You cannot mend roads until you are 67 but you can do something useful if you get the retraining, if you get a gentler pace of work, you can ease your way longer in the workforce and into retirement. That is where we have to be looking if we are talking about bottom future work there to enable or encourage working longer. Now, that means you have to do something with the tax system as well because we have got a knock-on effect on our pensions at that moment that make it not advantageous in many cases to carry on working. So there is all sorts of things we can do there long term. Interestingly, many people who have run social security stayed long-term.

#### **The Bailiff:**

Deputy, can I remind you of the need to be concise. You have been very long in your answers.

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

Have stayed long-term and long-term solutions are required. Nothing happens overnight.

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

In view of the straitened economic times, are you in favour of bringing in an apprentice rate for minimum wage, given that there are significant hidden costs for training and this dissuades employers from employing youngsters?

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



Yes, at present we have a year when it is a trainee rate. I think it is perfectly possible provided that a proper package of training is being undergone, like an apprentice, that you can expand that period and therefore get more young people in apprenticeships. I think we would probably need some more incentives to encourage more people to take on apprentices. What we must avoid is what has been happening in the U.K. where older people are, apparently, doing apprenticeships which is another word for training-up to do the job.

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

Would the candidate be prepared to give the Assembly an indication as to who he might consider, were he to be successful, to be his Assistant Minister?

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

No, I have not given it a thought. I have not given a thought. There are lots of people within this room with whom I have worked intensively on Scrutiny and elsewhere and formed very productive relationships with, so there are many I could choose.

### **3.3.6 Senator P.M. Bailhache:**

The Deputy's willingness not to lodge propositions on peripheral matters is a great incentive to vote for him. [Laughter] But I want to ask him whether he agrees that there ought to be a proper differential between those in work on very low wages and those on income support so that there is a real incentive to seek work?

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

Yes, indeed. That is certainly a suggestion; one way of approaching the facts that we have failed in our current income support to incentivise work. Completely failed. As we just adjust upwards, ever upwards, we need to take a good hard look at how the mechanism is set up. There are other incentives we can put in there which were suggested when we were examining it, way back in 2007, and we should have explored further now, and I will commit myself to exploring particularly that need to incentivise work.

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

The Deputy talks about a hole in the Regulation of Undertakings and Development Law but would he agree that perhaps an even more important problem - and I will ask him what he will do about it - is that the black economy needs addressing. The loss of social security and income tax revenue, which certainly anecdotally, is significant in the Island. What would he do about that?

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

I would do nothing apart from co-operate with the Minister responsible for population because we are to address that particular issue in that particular part of legislation. The right to work and the right to live in the Island will be registered, we will know everybody's name eventually and exactly what they are doing and where they are.

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

The candidate, I think, said that he will not deliver the C.S.R. numbers. How does he think that that money is going to be raised by the Treasury?

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

I did not say I was not going to deliver them, I just said I would enter negotiations with the Minister for Treasury and Resources- which happens to be the Senator himself - to see if there are alternative ways we can facilitate our joint aims of supporting those most vulnerable without cutting directly the level of benefits. That has already happened once and it should not be allowed to happen again. What the answer is I do not have in my magic wand. Perhaps he does, or perhaps not, but enter in

the negotiations, and if I lose that fight I am a good loser as well. I have had enough practice at it. If I am told I have to deliver then I will.

**3.3.9 Deputy S. Pitman:**

I am sure the candidate is aware that the Social Security Medical Board often undertakes examinations without all the necessary information and makes decisions which later come back on them, and often do not take the advice from G.Ps. I would like to know what the candidate, if successful, will do about this.

**Deputy G.P. Southern:**

This is one where we are talking communications. Time and time again, whether it is medical board or other, there is a lack of communication between the officers at the desk and applicants for income support and other benefits. The reality is that we have to take a good look at our communications. It is no good the Minister listening to his senior officers who say: "Everything is hunky-dory, we have got everything sorted, it is ticking over quite nicely" when in fact, on the shop floor things are going wrong. Delays are occurring, information is not found and not communicated properly and therefore more delays occur. People who are applicants for income support do not have vast reserves behind them if there is a fortnight or 2 or 3 or 5 weeks delay in receiving a benefit, those people do not survive. They do not cope at all. It is often they are risking becoming homeless because there is no money coming in. We have to get the system more efficient. We do that by communicating properly.

**3.3.10 The Connétable of St. Lawrence:**

What are the candidate's views on the social security contributions ceiling?

**Deputy G.P. Southern:**

This is an old one for me because back in 2004 I suggested first that the contribution ceiling should be removed.

[14:45]

I believe we are making the first steps towards doing that, I believe we should go straightforwardly through with that, over time, so we do not impact. When we do the people who will be most seriously affected are the middle-earners. If I am going to deliver £65 million of savings to the taxpayer then I would expect the Minister for Treasury and Resources to be saying: "Ah, '20 Means 20' impacts more or less on a similar group. We can take that £10 million out and maybe all we get is £55 million of benefit for the taxpayer, so I think we should progress it but we should do that trade-off between the Minister for Treasury and Resources and the Social Security Fund of £55 million saved for taxpayer rather than £65 million.

**3.3.11 Senator P.F. Routier:**

Does the candidate have any perception of whether increasing incentives within the income support system will cost additional funds or save funds?

**Deputy G.P. Southern:**

Sounds like an awkward question but is not. It will, of course, cost funds initially but if those people get back into work and stay in work instead of flipping in and out of work, which is what often happens, voluntarily or otherwise, then we will save money in the long run. It is an 'invest to save' as we have often heard in the Budget debate and the Business Plan: 'invest to save' is worth looking at.

**3.3.12 Deputy R.C. Duhamel:**

In similar terms to the last question, should Social Security funds be used to invest in local infrastructure projects, especially where an investment return could be envisaged?

**Deputy G.P. Southern:**

That is an interesting concept which I have only met today and would hesitate to make a judgment on that. In principle it sounds perfectly healthy but in terms of the practicality, I have not looked at it and nor has anybody discussed what that might mean with me so I would not make a decision on that. Never act in haste when you are dealing with actuaries.

**3.3.13 Deputy J.H. Young:**

Does the candidate consider that as well as disincentives for helping people on income support get back to work, there are also disincentives for people to save for their retirement, particularly in the income tax treatment of small pensions of people of retirement age and people - to use the candidate's phrase - who are not comfortable with work any more? Does he agree with me that that points towards a greater integration of our tax and social security systems?

**Deputy G.P. Southern:**

I believe it was a conclusion I came to in one of my reports on income support that we should examine very thoroughly the crossover between minimum wage, social security, income support and income tax levels to make sure that we are not double-disincentivising people, particularly the encouragement for people to save. At the moment there is nothing in there to suggest to people that they should save. They are far better off in some cases... well, they believe they would be far better off being looked after by the States and they should just spend their money as they go through. People are loath to do that because obviously they are ingrained to save but there is no incentive for them to save.

**3.3.14 Deputy S. Power:**

Does the candidate feel that a continuing presence by the Social Security Department on the revised Migration Advisory Group would be maintained by him through his Assistant Minister, and does he believe that sometimes the department is perceived as having a soft touch with inward migration from the 27 E.U. member states?

**Deputy G.P. Southern:**

Has the department lost touch with inward migration? I am not aware that they have lost touch, the rules are such ... if I may answer to the best of my ability, the rules are such that while we can count them in and count them out we cannot stop E.U. nationals coming into the Island. If the Deputy would just repeat the first half of the question?

**Deputy S. Power:**

Sorry I said soft touch not lost touch. The first part of the question was would he wish to maintain a presence of his Assistant Minister on the Migration Advisory Group?

**Deputy G.P. Southern:**

Absolutely essential that the Minister does that, because the list of who is here, where they can live and where they work will be compiled from the Social Security database to start with. That is initially where all the information is going to go from and then it will be cross-checked and eliminated thus. So it is absolutely vital that Social Security should be on that body.

**3.3.15 The Dean of Jersey:**

Could the candidate clarify his position on prescription charges which are variously described as user pays or attacks on sickness? If it were either desirable or necessary to introduce such a charge what is his position on the concept of a season ticket so there is a cap on those with ongoing medical needs?

**Deputy G.P. Southern:**

It used to be that we had health insurance exemption which was meant to give free prescriptions and free G.P. access to those with chronic illness and to those who were the very poorest. It was, by the end of its life, badly targeted and was supposed to have been replaced by H.M.A. (Household Medical Account). Those household medical accounts are getting wound down, wrongly I believe. In terms of pension charges, we should have a group of people - and I believe the chronically ill should be the first recipients - who would still get free G.P. visits and free prescriptions. Somewhere up the line, then I think you and I should be paying for our prescriptions.

**Deputy S. Pitman:**

Have I got time?

**The Bailiff:**

I should get on with it.

**3.3.16 Deputy S. Pitman:**

During my time in the States I have come across in the department that misinformation is being given out: lack of information and loss of documentation. Does he acknowledge that this is a major departmental problem and, if so, what will he do to tackle it?

**Deputy G.P. Southern:**

Yes, I believe that turnover rates in the department are climbing and that people need retraining, there is somebody being trained all the time. If you go in on Wednesday you get one answer, if you go in on Thursday see a different face, you get a different answer. That cannot be allowed to carry on. We must improve our training levels so that people come to the department, get the right information and get it right first time.

**The Bailiff:**

Any other questions? Very well, it is about to expire anyway, I think, so that brings questions to an end then. So if we could ask for the other 2 candidates to be invited back into the Assembly.

**Deputy J.A. Martin:**

Sir, while we have a natural break could I just ask if the Chief Minister is willing to state whether the running order is staying the same or if there is anybody changing ...

**The Bailiff:**

I was going to ask him that after we have taken the ballot on this. I think it is only fair that all Members should be in the Assembly when that is said. Very well, so we come to the ballot, there are 3 candidates for the position of Minister for Social Security and the ballot papers will be distributed. So you write the name of your preferred candidate. Very well, then I ask that the ballot papers now be collected. Has everyone returned their ballot paper? Very well, I will ask the Attorney General and Deputy Viscount to act as scrutineers. Perhaps while that is happening, Senator Gorst, do you wish, following the results in respect of the Minister for Treasury and Resources, to make any changes to your nominations and/or running order?

**Senator I.J. Gorst:**

If I may, I prefer just to do that once we know the result of this ballot. Thank you.

**The Bailiff:**

So you would like to wait and I will ask you after this ballot.

**Senator I.J. Gorst:**

Thank you, Sir.

**The Bailiff:**

Very well.

[15:00]

**The Bailiff:**

Very well, I am now in a position to announce the result of the ballot. The votes cast were as follows. Senator Le Gresley 20; Deputy Noel, 21; Deputy Southern 9. So it follows that Deputy Southern will now drop out and we will have a second ballot as between Senator Le Gresley and Deputy Noel. So I will ask the Greffier to distribute the papers. Very well then, if the ballot papers could now be collected. Have all Members returned their ballot papers? Yes, would the Attorney General and the Deputy Viscount please count them? What is being handed out now for Members is the Order Paper for next Tuesday. Essentially it will be the appointment of Committees and Panels, unless we are still going strong. But there is a useful note from the Greffier on the procedure. Sorry, we have just spotted in fact that the Order Paper is incorrect at the moment. It is talking about appointment of chairmen of the various panels whereas in fact it should be appointment of the members, so I think a substitute Order Paper will be circulated in due course. Very well, I now have the result of the ballot. Senator Le Gresley 25 votes and Deputy Noel 24 votes and there is one spoilt paper. **[Members: Oh!]** That means that no candidate has received more than half the votes because there were 50 votes cast and Senator Le Gresley only got 25. So I think there is no alternative but to reballot and also we are minus one Member, the Constable of St. Helier. I do not know whether he is in the vicinity.

**Deputy J.A. Hilton:**

Sir, the Constable did send me a message earlier. He has gone home with a very bad back and he did say he doubted he would be back this afternoon, just in case Members are wondering where he is.

**The Bailiff:**

Well I think it would be useful to try and get a message to him to see whether his back will permit him to attend. What I suggest is that we should reballot anyway; obviously every Member is entitled to go for a default paper but it is important that if the Assembly cannot make up its mind and make a decision; so I think probably we had better reballot immediately and see what happens.

**Senator P.M. Bailhache:**

Can I suggest, Sir, that we might adjourn for a cup of tea for 5 minutes in order to enable all Members to be returned to the Assembly?

**The Bailiff:**

Well I think we need to see perhaps whether anyone can try and get hold of the Constable to see. Senator Ozouf has gone to see whether he is well enough to attend, if he is then it might be sensible to await his return. Do you have any news of the Connétable, Senator?

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

Sir, we cannot appear to get hold of him, perhaps it might be appropriate while we are trying to get hold of him to adjourn.

**The Bailiff:**

It would be unfortunate, I think. Shall we adjourn for 5 minutes to see whether the Connétable can be contacted; if he cannot be then I think we must reconvene and hold another ballot at this stage. Very well, we will adjourn for 5 minutes or so.

[15:14]

## **ADJOURNMENT**

[15:29]

### **The Bailiff:**

This is a matter which has not arisen before and while I have been out I have had a quick discussion with the Attorney General and it seems to me in fact that the right decision is that a spoiled paper is not a vote cast. What the Standing Order says is that the candidate who receives more than half of the votes cast is selected for appointment; so the question is whether 50 votes have been cast or whether 49 have been cast. So there is nothing specific in Standing Orders but if one looks at Standing Order 96 which talks about a ballot, it talks about: "Elected Members shall record their vote or abstention" which suggests that an abstention is not a vote. Similarly, over the page it says: "Announce the number of elected Members voting pour and contre respectfully, and the number of elected Members whose abstention has been recorded" again suggesting that an abstention is not a vote. It seems to me a spoiled paper must fall into the same category so in fact I am going to rule that Senator Le Gresley, who received 25 votes, did in fact receive more than half the votes cast - the votes cast being 49 - and I, therefore, declare he has been elected and I apologise to the Connétable of St. Helier for getting him up.

[15:30]

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

Thank you, Sir, could I apologise to the Assembly. I was listening, thanks to Jersey Radio, and I must say that if you had rebaloted it would not have made any difference to the outcome.

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

Sir, if I may, I would just like to congratulate Senator Le Gresley and I would like to thank those Members who voted for me. [**Approbation**]

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

Sir, if I may be allowed to thank the Members who voted for me, it could not have been closer, and I give best wishes to my fellow candidates for their future aspirations. Thank you.

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

May I too add my congratulations to Senator Le Gresley, he was one of the 2 names on the list that I could fully support.

### **The Bailiff:**

Very well. Now, Senator Gorst, do you need any more time or are you ...

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

No, Sir, all I can say though, if I can pick up on that last comment; whoever is elected to my Council of Ministers I will be showing my support in a different way from the way that Deputy Southern shows his - by standing against them, is what I was trying to say. Perhaps I cannot do this anymore, I was going to say ask the Connétable of St. Mary, in her previous role as Chairman of P.P.C. (Privileges and Procedures Committee) - I am not sure whether that has now ceased and there is, therefore, no one - but I think we need to give some thought to whether we will sit for the whole of tomorrow and stay late to finish these positions. But perhaps we can think about that and discuss it later.

### **The Bailiff:**

Well I am sure Members will certainly want to try and finish it tomorrow if they can.

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

Indeed. So the other point that I wanted to make was to say that I have had communication with Senator Farnham and Senator Le Marquand and I would first like to say I am very grateful to Senator Farnham for agreeing to be my nomination for the position of Minister for Home Affairs in the first instance. He very graciously in that communication said he would be prepared to stand aside and I am extremely thankful for him, I think it shows a mark of the kind of man that he is. **[Approbation]** I look forward to working with him in whatever capacity that is now going to be. Subsequently I shall be, when we get to that point, proposing Senator Le Marquand for the position of Minister for Home Affairs and if I could now, therefore, go on to my third nomination and propose Deputy Green for the position of Minister for Housing.

**The Bailiff:**

Very well, so the only change is Senator Le Marquand, and no change to the order?

**Senator I.J. Gorst:**

No, Sir, thank you.

**Senator L.J. Farnham:**

Sir, may I just very quickly first of all thank the Chief Minister designate for nominating me in the first place and state that I will not be contesting the candidacy for Minister for Home Affairs, I will be supporting the Chief Minister's nomination. Thank you.

**4. Minister for Housing**

**The Bailiff:**

Very well. So the nomination of the Chief Minister for the Housing Committee is Deputy Green; is that seconded? **[Seconded]** Are there any other nominations for the position of Minister for Housing?

**Deputy J.A. Martin:**

It gives me great pleasure to propose Deputy Montford Tadier.

**The Bailiff:**

Is that seconded? **[Seconded]** Any other nominations for Minister for Housing? Very well, then we move to that position so I ask that Deputy Tadier go with the Deputy Greffier. Very well, I invite Deputy Green to address the Assembly.

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

I joined the States to make a difference and I hope that Members new and old will acknowledge that in the short time I have been in the States, and a Minister, that I have done just that. But there is still much to do. I want to see access to good quality homes for all Island residents, not only creating opportunities for home ownership that are realistic and sustainable but also to bring back pride into home rental, homes rented under a secure tenancy. This is not the very least a just and fair society should seek to establish for those in our community, regardless of who they are or where they come from. So what have I done; and I can almost hear people saying: "What have you done in the last 9 months?" I have done much to improve the situation regarding the delivery of housing; I am working towards having something different and something better. For me there are 3 distinct issues which I have been tackling and must be completed if we are to meet my vision. I am pleased to advise Members that I and the officers of Housing have been addressing these through the housing transformation project. Under my direction the housing transformation project has progressed, it has been a massive piece of work and I pay tribute to the officers for the support, enthusiasm and energy they have shown in pushing ahead with 90 separate pieces of work in order to deliver this initiative. We have achieved much in the 9 months. So what are the 3 main issues? All these issues were identified in the Whitehead Report but firstly it is one of strategy. It is important that we separate the strategic issues from the landlord function. The present conflict of

interests makes it extremely difficult for the Housing Department to set out strategic policies and regulation when also acting as landlord to some 4,500 tenants. I will, therefore, be proposing the establishment - within existing resources - of a new body to be known as the Strategic Housing Authority; to lead on the development of Housing strategies, championing the supply of homes and establishing a Jersey minimum social housing standard. There are a number of other things they would do but time does not allow me to cover those. They will be proposing and delivering on rent policy and proposing criteria for eligibility through the affordable housing gateway; managing this gateway and through that identifying needs through this gateway for affordable homes. It is the Strategic Housing Authority working with Property Holdings and with Planning which will deliver the new Housing policy for the States of Jersey. That will give clarity of thought, real direction, real focus and ensure that all Islanders are adequately housed. The next piece of work that I have been working on the last 9 months is one of housing regulation; housing regulation through appropriate legislation. I want to see regulation of the affordable housing sector; I want to see it established by statute - primary legislation - which will be introduced defining who will be regulated and how. I genuinely believe that the role of regulation will generate confidence in the sector, confidence in the sector for States Members who can be sure that their investments are being used; for tenants who will have good quality homes and security of tenure; for providers, it will allow them to plan for the future because they will know where they stand; and lenders will perhaps be in a better position to lend because of added security. I see that regulator as a non-Ministerial States funded post, similar to the Comptroller and Auditor General, and this will ensure that there is an adequate degree of separation between the Housing Authority and the regulator. There is not time to list those responsibilities but I am not suggesting over-the-top regulation but appropriate regulation funded by the providers themselves and I see this as a part-time post. I am pleased also to report to the Assembly that in that respect I have secured law drafting time for the preparation of primary legislation and work is underway on drafting instructions for what has been titled for the time being as the Draft Affordable Housing Providers Registration (Jersey) Law. This proposed legislation will of course come before the Assembly next year for debate, but again it demonstrates progress has been made. The third piece of work - this is in addition to the day-to-day managing of the Housing Service - is the future of the Housing Department as a landlord. Currently the department runs well within limited resources but it has long been acknowledged that the current set up is not sustainable and needs to change. I want a department that can play a full part in the provision of homes, unencumbered with impossible tasks of regulating fellow providers and delivering policy. A department able to make its assets work to provide more homes and a department up-to-date with its maintenance and renovations; a department that can stand on its own 2 feet; a department that will provide homes for Islanders. I will bring forward proposals for this new entity, fully-owned by the States so I will not be selling the family silver, but operating at arm's length. This will guarantee a long term future and the sustainability of social housing. These 3 issues will form the basis of the White Paper that if elected I will bring to this Assembly shortly. It represents exciting and forward-thinking proposals. Now, I have spent something like 6½ minutes detailing the work that is going on but I think it is important that Members appreciate how close we are to providing real solutions, bringing solutions to this House for debate and that is one of the reasons why I am so keen to carry on and finish this job. The framework that I have detailed will help me deliver Housing policies which will make a real difference; policies which will support and make it possible for young couples to aspire to home ownership and to fulfil that dream; policies that will invest in independence and not dependence; policies that support and assist the homeless by providing more homes and adjusting the criteria and reducing the waiting lists at the same time; policies that will support and assist the under 25s; policies that ensure a good standard of unqualified accommodation. In 2009 this Assembly agreed P.74, the Residential Tenancy (Jersey) Law as amended, which will provide for written contracts in the non-qualified sector and security of tenure as well the deposit protection scheme for the first time. The law and subsequent regulations will not, however, improve accommodation standards in the non-qualified sector and here there is more work to do to improve standards. In the 9 months I have already



started work to improve standards, working with the Minister for Health and Social Services. Nine months ago when I stood here I stated another area that would get my attention is the access to the department by the public, or to use jargon that there needed to be a greater emphasis on customer focus. I know the staff at Housing do their best to carry out site visits but the current office accommodation is simply appalling, it is embarrassing and it is not good enough. It is an embarrassment and totally wrong that tenants are interviewed in the lift lobby or in the corridor because of the lack of facilities; and this has been brought about with the demise of the help centre at Cyril Le Marquand House. Discussions are well advanced with Property Holdings on this matter and I will not let it rest until we have suitable accommodation as a top priority where people can be seen with dignity. In conclusion, if elected, I will continue the work that I have started and propose for detailed debate a framework of policies which will support all Islanders in achieving appropriate access to good quality homes, whatever the tenure. As I approach the 10 minutes perhaps I could finish with the words of a well known advert: the future is bright, the future may also be orange, but on this occasion I ask the Assembly to make it Green. [Laughter]

**The Bailiff:**

Very well, then we have now questions to Deputy Green.

**4.1.1 The Connétable of St. John:**

Given the last comments of the candidate about the accommodation for his staff; I am somewhat concerned and perplexed given that we built a new building for Housing several years ago and we now are told that we are having to interview people in corridors. Maybe he could give the House information of what has happened to all the accommodation that we built him for his department so that we can get things rectified.

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

Of course this was before my time, however, I inherit the problem. It is a total embarrassment that people are interviewed in lift lobbies and I have shown that to other States Members so they know I am not exaggerating.

[15:45]

What has happened, well, some of the accommodation has been used by other States departments and squeezed my department into a totally inappropriate space that does not work. It perhaps worked when the Cyril Le Marquand House help centre was there because then you had a point for people to go. But for people to be interviewed in the corridor is unacceptable.

**4.1.2 Deputy S. Pitman:**

During the tenure of Senator Le Main we know that a lot of the building of social housing went to housing trusts at an exponential rate, and of course because of that money from income support that goes to pay rent now does not stay within the States but goes to these trusts. I would like to know what the candidate's plans are in providing further social housing?

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

This is really where the role of the Strategic Housing Authority comes in, in championing the supply of housing which does not all have to be done by the Housing Department. Of course I want the department to play its fair share in that but there is a role for other providers such as housing trusts. But the regulator will ensure that we get value for money, that as surpluses build up they are appropriately reinvested in social housing. It is about working together with all providers to ensure that Islanders are appropriately housed and thus increasing the supply of housing while we are doing that.

**4.1.3 Deputy R.G. Le Hérisier:**

Does the candidate not feel - despite his words admonishing the cause of unqualified housing - that to have 2 sectors, one of which is essentially viewed as a second class sector, is very odd? When does he think he can merge both sectors so he will with pride be able to speak about consistency of standards?

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

I would love to be able to merge both sectors but I do not think now is the time. But to house people in unqualified accommodation that is below an acceptable standard is immoral and that is something I have started work on and will continue to work on. The unqualified sector accommodation is improving and there are very good examples there, but those rogue landlords, we need to get it sorted out so that people are housed appropriately, and I would love to see it all merge but now is not the time and I cannot see it in the foreseeable future.

**4.1.4 Senator L.J. Farnham:**

It is rather disappointing to note that the department has previously had to rely on the sale of housing stock to complete refurbishment. What are the candidate's ideas for funding future refurbishment; and I am sure it is preferable to him not to have to sell housing assets, and what ideas does he have for funding?

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

It is a general principle - and in fact is part of the paper I will be bringing forward - we will not be selling our housing stock. I think that is wrong. Having said that, there may be some stock which does not align with our needs and we will sell those. We need to get smarter in how we are going to fund things. If we have an arm's length organisation of course it may well be able to borrow money in order to carry out those refurbishments if the business case stacks-up, that is one way forward. I am in deep negotiations with a housing trust that may renovate some of our houses for us in exchange for a plot of land to build property on. That is how we need to work, smarter. But P.6, as it is called and I cannot remember what year, on the sale of housing will die when we bring in the housing transformation programme.

**4.1.5 Deputy S. Power:**

Does the candidate from time to time find it frustrating that retrospective Planning laws cannot be brought on to substandard lodging accommodation that housing inspectors find from time to time that would force a landlord to improve room sizes, positioning of bathrooms, toilets and that kind of thing?

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

Retrospective legislation is never a good thing but I do think we need to be giving landlords who do not reach the required standard due notice and an opportunity to put it right, and so I do find it frustrating and I have visited a couple of these places and I can think of one near Town Mills and I am embarrassed to be a Jerseyman when I go there, so we will work on this and we will get it done.

**4.1.6 Deputy R.C. Duhamel:**

For many years it has been a stated aim of the Housing Department to increase the level of home ownership. What does the Deputy see is the maximum which might be attainable and how far off are we from achieving this aim?

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

I do not have a maximum figure in mind, what I do have in mind is that those who aspire to own their own homes that are earning sufficient funds should be able to do so; and those that come into social housing - and many do when they are really in need of social housing - when their circumstances improve we should be able to facilitate and encourage them to move into their own homes if they so wish. So we need to have different schemes. I heard this morning when we were

talking about the Minister for Treasury and Resources the States Loan Scheme being discussed; I would like to see it become the States Loan Deposit Scheme, that is one way forward. There are many others but I know you want me to be brief.

**4.1.7 Deputy G.P. Southern:**

Is it not the case that Government can always borrow at cheaper rates than can private industry; and will he at this late stage consider using the Government ... issuing a bond to fund his capital need for building new social housing?

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

I have already had discussions, not on a bond as such but with the Minister for Treasury and Resources, about the possibility of using funds such as the Currency Fund where the money is sitting there not earning very much interest where I can borrow it at a preferential rate, paying the Minister for Treasury more than he would be getting if he left it there, but less than I would have to pay at a commercial rate; and we can get on, get people in work and get on with improving the infrastructure of housing.

**4.1.8 Deputy T.M. Pitman:**

As the Minister will know I am not alone in having constituents who are excellent tenants and they have waited 8 years to be moved while those around them who have caused the problems of antisocial drug issues, *et cetera*, get to move. What action will he take to ensure people benefit from being good tenants instead of getting penalised and have to suffer, and their children too?

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

This is a very difficult situation and I understand exactly what the Deputy is referring to. What we need to do is to come up with a culture that rewards good behaviour and a culture that does not tolerate bad behaviour; and I will endeavour to improve that situation.

**4.1.9 Deputy S. Power:**

Is the candidate aware that in some of the housing trusts ground floor accommodation specifically designed for disability access has been occupied and rented to able-bodied people; has he been aware of this and has he managed to make any progress on this?

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

No, I was not aware of it but I can understand the dilemma that sometimes landlords find themselves when they have a flat suitable for disabled people but no tenant wanting to take that flat at the time and the need to pay mortgages and to balance the books. This is where the gateway will help to ensure that people are appropriately housed in the speediest manner in the houses that are appropriate to their needs. I was not aware of that but I am always prepared to talk to the Deputy.

**4.1.10 Senator S.C. Ferguson:**

What sort of sums is the candidate thinking of in terms of his withdrawals from the Currency Fund given that the restrictions on the Currency Fund are very clearly set out in Article 5 of the Public Finances (Jersey) Law?

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

I just gave the Currency Fund as one of the examples, there are other funds that I might be able to borrow from but I gave the Assembly a flavour for the talks that I am already having. We are discussing the fact that I need a loan to get people properly housed, which will also provide the opportunity of getting people back to work. So it may not specifically be the currency loans but that is certainly one of the ones that I can borrow from.

**Senator S.C. Ferguson:**

A supplementary, I did ask how much?

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

Not from that loan particularly but I have asked the Minister for Treasury and Resources to look at loaning me £50 million for the time being.

**4.1.11 Deputy T.M. Pitman:**

The Minister is aware that at least in one case you have around 20 housing trust homes standing empty, apparently because the trust cannot afford to refurbish them; while good people are desperately crowded into unsuitable accommodation. What pressure, if any, does he see he is being able to bring forward to alleviate this problem?

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

Initially when the Deputy asked that question I was going to say I was not aware but I am now - I have just remembered where he is talking about. I met with the chairman about this; this was about funding for the trust, it could not get the funding to do the work and I met with the chairman and he assured me that they would start work fairly soon and they have started work. I just wish the chairman had come forward earlier, we might have been able to help him secure that funding. But the work is underway and I know the estate the Deputy is referring to.

**4.1.12 Deputy J.A. Martin:**

Could the candidate inform the House if he has made any progress; I took the candidate when he was the last Minister for Housing to see 116 one-bedroom flats that would be able to be turned into very good sheltered housing and I just want to know what progress he has made in talking to the trust about this?

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

The only progress I have made is I have discussed it with the chairman of that trust. But what the Deputy did do was to set in mind thoughts for me, particularly around how we might use Ann Court site perhaps replicating some of the work that went on there but providing for the first time - and maybe on the site that the Deputy is talking about - real sheltered housing. Because we have no real supported sheltered housing in Jersey; we have accommodation that is designed for disabled people that has wardens there but we do not have accommodation that provides 24-hour care cover if people need it and we will need it with an ageing society. So I thank the Deputy for bringing it to my attention and I am working on it but I have been rather busy in the 9 months with the 90 pieces of work that we have been doing.

**4.1.13 Deputy R.C. Duhamel:**

Does the Deputy consider a first-time buyer house at a cost of over £400,000 to be truly affordable?

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

A first-time buyer house at that price is not truly a first-time buyer house; it is quite shocking if I were to tell you that forget my age - if I was about 24 rather than nearer 60 - on the salary I am earning I would not get a mortgage for that price and that is why we have got to do something about first-time buyers and about affordable homes.

**4.1.14 Deputy J.H. Young:**

As a new Member I would very much like to hear from the candidate where the drive for achieving equity-sharing of homes is coming from. We have heard that obviously homes are not affordable; the gap in between States tenants accommodation and first-time buyer homes is an important gap. From my perspective I wonder if you could please tell the Assembly what steps are in train to close that gap?

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

This is where the housing transformation programme will help me but of course it is a joint responsibility between myself, between Planning and perhaps Property Holdings in releasing land. Whether we go down the shared equity route, whether we have Homebuy 2 or how we do it I do not know yet; but we need to do it and we need to do it quick and we need to get people in a position where they have got faith that they will be able to house themselves so that we keep our talent in Jersey, so that they do not go away and not come back because they cannot afford to live here.

**4.1.15 Senator L.J. Farnham:**

There has been mention of late of the possibility of a new type of States Loan Scheme; how does the candidate feel about this and would he envisage the Housing Department becoming involved in providing new stock to run in conjunction with any new States Loan Scheme?

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

Two questions there, taking the latter one first; yes, I see the Housing Department providing some new stock, we have got land that we can use more fruitfully, more usefully, provide better accommodation for our tenants; but I do see it through the Strategic Housing Authority as a joint venture, so working with the housing trusts as well who will be properly regulated and we can ensure that we have got good value for money there. The first part of the question in regard to States loans; I think the old States Loan system is dead. We cannot afford to tie-up millions and millions of pounds for years and years and years and that is why I referred to the current States Loan system as perhaps being adapted to the States Deposit Loan system or something similar to that. I think we need to work smarter; why do we want to get into lending money to buy homes outright when we have got banks and building societies and others that do it very well? What we may need to do in addition to the mortgage side is to provide some surety, some guarantees which will make lenders happier to lend.

[16:00]

That is not too risky if we do it properly because we can insure against that risk as well. So we need to work smarter without tying all our money up.

**4.1.16 The Deputy of Grouville:**

If (j) category licences are given out for 5 years, as they are, so that on expiry the licence holder no longer requires a further (j) because he or she is then entitled to work; does the candidate feel that the migration rules need tightening-up?

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

The rules do need tightening-up but since I have been Minister for Housing I have cut back on (j)s tighter than the previous ones because the economic situation is different. I think, to be fair, Deputy Power was quite strict but I have been stricter. For the very reason the Deputy raises, I have only issued in the main 3-year (j) s and lease-only, not purchase. There has been the odd exception but that way people know they are coming to do a job and they are not going to expect to stay here.

**4.1.17 Deputy J.A. Martin:**

I would just like to follow up on that; would the candidate, if successful, be talking to the Minister for Economic Development, because the Employment Law and the Housing Law on (j)s do not sit comfortably together because if the job is still there after 3 years the employee basically is allowed to stay in the job.

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

The Deputy raises an interesting conundrum and that is something that I have been concerned about and have sought advice on, on different occasions. We need to work smarter; we are going to be working tighter. I will hopefully be on the Migration Advisory Panel because it is the Chief Minister's Office, as you know, under the new law that will have the final say on (j)s and on Regulation of Undertakings and Development, but I will be working with them and we do need to work smarter; we need to protect jobs for our people.

**4.1.18 Deputy G.P. Southern:**

Repeating the issue, if that is his position on temporary (j)s - which cannot be sacked under the Employment Law - he is breaking the law.

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

I have not had a problem with it so far.

**4.1.19 The Deputy of Grouville:**

Is the candidate comfortable with the ApartHotel given that for all intents and purposes it is used for unqualified people to live in on work contracts?

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

I was not aware of that. I will talk to the Deputy after and it sounds like I should not be comfortable from the way she describes it.

**4.1.20 Deputy T.M. Pitman:**

If re-elected can the candidate confirm or give assurances that the redevelopment of La Collette will go ahead as planned; and can he tell us that he has got those monies and where they have come from and how much they entail?

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

If I could just skip the last bit of the question because I have to say memory escapes how much it entails; but I can give absolute assurance that work is going to happen shortly. We have gone out to tender already to replace the lifts and that work will start soon. For Members who may not know, the lifts currently in the tower block particularly only stop at every other floor.

**The Bailiff:**

I am sorry, Deputy, that has to come to an end. So then I request Deputy Green to retire with the Deputy Greffier and will ask for Deputy Tadier to return. While waiting I can inform Members that a corrected first page of the Order Paper is now being distributed. This is the Order Paper for next Tuesday.

**Deputy M.R. Higgins:**

Is it possible for us to change the order as I have just been told that a late candidate is coming forward for one of the positions but they are not feeling terribly well and if they could they would like to do it today rather than come back tomorrow?

**The Bailiff:**

It is a matter entirely for the Chief Minister designate. He, under Standing Orders is entitled to select the order. Very well, if you are ready then, Deputy Tadier, I invite you to address the Assembly.

**4.2 Deputy M. Tadier:**

I am standing for the position of Minister for Housing because I feel I know the difficulties for young people, for young families who face the prospect of never being able to afford their own homes in Jersey. They face very much a catch-22 situation; they are paying rents which are often

higher than what a monthly mortgage repayment would be but they cannot get a loan either due to a lack of deposit or because of a lack of funding available from the banks. Members would have seen the handout that I have given, which just illustrates again the difficulties in addition to legal fees to deposits, the amount which one needs to earn in a year as a couple in order to viably buy one's own house in the open market. If we think on top of that of students coming back in years to come with student debts perhaps up to £20,000 or £30,000 and having to pay that off; there is no real prospect of getting on to owning your own home. This is why it is imperative that we take a joined-up approach to the dual issues of providing truly affordable houses for those who want to purchase and reasonable rental prices for those who cannot or do not want to buy at the present time. Before that I want to talk about the department itself. The Housing Department manages 4,500 homes and provides housing for some 13,000 Islanders. Let us just think about that for a moment; that is a very challenging and diverse portfolio, not just in terms of property but also in terms of the individuals with which they will deal on a daily basis. That is a challenge that I am more than willing to take up, in fact which I relish. The first thing to say is that we are fortunate to have very good staff in the department. I have met with the Chief Officer, he is an individual who I know is clearly committed to tackling the pressures and issues at Housing. We are on the same wavelength and I would look forward to the opportunity of working with him and his team of committed staff. Just as an aside, it is very interesting to note the Whitehead Report talked about the fact that the Housing Department - irrespective of any inefficiencies - compares very low on the amount of staff it employs to its U.K. counterparts; that is partly something we can be proud of in terms of efficiency but it also shows the extreme pressure under which the department is working. So I think it is important to acknowledge the contribution of the staff of that department. So there is a positive to the department. It is relatively successful, economically it more than washes its own face, it generates an income of £36 million annually, it also provides a social function which is its primary function to house the most vulnerable and least well off in our society. Therefore, social housing is something we should be proud of. Indeed I would say it is something we should do more of, it makes economic sense and it makes social sense. However, the department has been hampered with making progress and as a consequence it has delivered time and time again in year after year; fundamentally this is due to a political failing and poor decision-making by past Assemblies and past presidents. More fundamentally there is a structural failing in the way the department has been allowed, or rather not allowed, to do its work. (1) there is a £48 million backlog; (2) some of the properties are substandard. Again the recent Whitehead Report states that 27 per cent of States-owned properties would fail the U.K. Government's own decent homes standard and that is not a figure that we should be proud of. Of the £36 million income I spoke about earlier the majority, £24 million, is returned to the Treasury leaving insufficient funds for maintenance, let alone any new buildings or the acquisition of any new properties, and that is the second handout that I have given. You will see that waiting lists for social housing have been increasing year upon year; there are currently 425 applicants on the waiting list and this does not include those who are considered ineligible by the department. This figure has increased, as I said, from 2005 from a figure of 192 which is completely disproportionate, even if we take into account population increases. There have been positive steps more recently, I think the Draft Tenancy Law which we saw in 2009 was generally positive, however, security of tenure is something which is lacking for many in the Island, both in the private and public sectors. I am unhappy about the provision made in the non-qualified sector in particular. For example, even under the new scheme they will not be covered by depositor protection and a way must be found to include them. The second part is also there is sub-standard accommodation which is anecdotally and they are across the board. Strangely enough lodging houses are inspected regularly, but there were no such checks for other landlords in either the (a) to (h) section or for non-qualified units. This is why I would favour an extension of the Landlord Registration Scheme administered independently, so that all units of accommodation can be regularly checked to make sure they meet basic standards. This would also have the advantage of separating the functions of the Housing Department as regulator, policymaker and landlord. I think that is something which needs to be given careful consideration

going forward. I am supportive of the social housing gateway. It makes sense to consolidate all providers of social housing under one roof. I hope that will be successful. It has already started off. I think we also need to consider radical schemes such as buy as you rent, for example, where part of the monthly rental in the social sector can be ring-fenced and after a certain period of time the property can be offered to the tenant with the accrued money acting as a deposit. That means it will assist the transition from renting to buying, which can be notoriously difficult. We know that in the social sector, even those who leave the social sector, 80 per cent of those remain in private rental anyway. It is notoriously difficult to make that jump when you are spending all of your potential savings on rent in either sector. That is a real conundrum that we have to get to grips with. We have taken positive steps. I think the reduction in stamp duty was a positive step. I acknowledge that I spoke to the Minister for Treasury and Resources about that yesterday. A potential loan scheme similarly is useful. But fundamentally these do not address the fundamental issue of the high cost of property. In some ways ironically these devices may keep the cost of properties high, because it enables people to be buying properties which are unaffordable. So, what we need to do is look at Homebuy; I am generally supportive of the way that is being brought forward. However, the uncertainty over Homebuy needs to be resolved very quickly. It has been divisive and many families have been let down. However, we do need to make sure that any given scheme is viable and more importantly legally enforceable. Now, I may be unpopular for saying this, but I have my reservations about shared equity for various reasons. Fundamentally people who want to own their homes want to own all of it, not two-thirds of it or whatever other proportion. There are other issues. I would suggest it is much better if we can build property on land owned already by the States, sell the properties without the profit motive, so long as the homes are maintained, and ring-fenced for that scheme. They must not be allowed to be sold out of that scheme. Otherwise it completely defeats the object. Again, it is inflationary. Tackling the affordability of housing prices in a system where all the prices are generally dictated by the market, of course, is not an easy thing to achieve and I do not propose to have all of the answers. There are potentially unintended consequences.

[16:15]

For example, the creation of a 2-tiered housing market, not to mention negative equity. However, just because it is a complex area does not mean it is something the States or in particular the Minister for Housing should shy away from. So, here are some steps that I would propose: (1) the rental component of income support must be phased-out. It is completely unsatisfactory, particularly in these times of austerity that we should be giving £7 million of taxpayers' money to the private landlords each year. This simply maintains high prices and it is a perverse form of economic distribution from the bottom to the top. There are even cases where speculative landlords are having their mortgages paid by Social Security. I think we can all agree that £7 million of tax payers' money is better off in the pocket of Housing rather than landlords. Now, this will need to be addressed, it cannot be changed overnight. It needs to be addressed by building more houses. Now, there are lots more that I should have said. It is very difficult within 10 minutes to come up with one's complete manifesto, so to speak. I will make the last point that we need to do something about speculation, because we have in Jersey a problem where we have allowed speculation in property to be the prime driver and that has been at the cost of affordable housing. So lastly I would say, we need to look at measures, such as taxation on second, third, fourth homes on a sliding scale. Finally I will finish by saying why I would like to stand again. I am asking for your support as Minister for Housing in this new spirit of inclusivity. I believe I bring a much needed dynamism and energy to the Council of Ministers, as well as a young perspective from somebody who knows the issues by experience. I am not conflicted in anyway. I do not know any property and I am not waiting for any greenfields to be reclaimed. I thank Members for their time.

**The Bailiff:**



That brings your speech to an end. We now move on to questions. Senator Ozouf?

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

In complimenting the Deputy on his speech, what is his position on housing trusts and the Jersey Homes Trust and their role in delivering social rented housing?

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

That is a good question, thank you. I probably would have got to something like that later on. I did not quite finish my speech. I think definitely whether it is that Housing Trust, whether it is the Christian Trusts that are operating their own systems or whether it is the department themselves who have their own offerings. Let me first of all say that the gateway is something that I completely support, as I said in my speech. It makes complete sense that the provision should not be judged by the individual groups. It should be judged by some kind of joined-up thinking. I think they each have their place. But what I disagree with is sometimes when people hold up trusts and say trusts work really well, Housing does not work so well, therefore, we need more trusts. What I was trying to say in my speech is that if Housing were allowed to work in the way that trusts do... at more of an arm's length distance from the Treasury, for example. Not having to giving all their money, but being able to maintain their properties first and foremost. Then those 2 could work together more co-operatively. Certainly trusts have their place, but that should not be at the cost of social housing from the States.

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

For many years it has been a stated aim of the Housing Department to increase the level of home ownership. What does the Deputy see as the maximum level which might be attainable and how far off are we from achieving this aim?

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

I think home ownership is a philosophical issue in which in different countries it is approached in a different way. Certainly, there is talk about the Whitehead Report, but I think we know generally that in Jersey, as it is the Anglo Saxon model, there is a high desire for individuals to own their own homes for whatever reason. I think we have to take that on board. But we also have to be realistic that in the immediate future there is a big section in society who will never be able to own their own homes, whether it is due to disability, inability to work or the fact that they are simply not in the top 40 per cent of earners in the Island. So, of course, it should be an aspiration. But I would like to see the situation where people can feel if they want to they can rent for their whole lives but not be penalised for it. Similarly, if people want to buy they should also be given the opportunity to do that.

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

In dealing with the rent rebate situation, as was, the candidate suggested that more building would be the solution. More building has been put forward as the solution to the existence of the stain called the unqualified sector. How does the candidate square this with a political acceptability of encouraging house building in vast numbers and given all the political resistance that occurs to that? Is it simply a case of more building or is there a new solution required?

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

That is, again, a good question. I think the fundamental problem, which I was not even prepared to speak on earlier, is population. Now, we have had the previous Council of Ministers, all of whom have gone along with the idea that we must increase the population for economic growth. I do not adhere to that. First of all, what we do is make sure we maintain the population at sustainable levels. Irrespective of that we will need to be building houses. I am committed not to build on greenfields, to look at brownfield sites. But fundamentally we should also be looking first of all at acquiring sites which are already available. What is happening to Girl's College? That has been

sitting idle for years. That could be used, as could the d'Hautree site. Similarly there are other properties which could be bought from the private sector and rented out to make money. Over 55s is an important one, because as soon as people start moving into over-55s accommodation that is going to start bringing up accommodation 2/3-bedroom units in both sectors, primarily in the private sector, which people can buy. So, we really need to get the market going again, because at the moment it is stagnant.

#### **4.2.4 Deputy J.H. Young:**

I would like to ask the candidate, please, to give his views on how we, as an Island, plan for the availability of sheltered housing. The candidate has set out very cogently his strategy for how we can help young people on the housing ladder, but he has also mentioned, of course, the other phrase of life, keeping people in their homes, both in the private and public sector. Could the candidate tell us his views on how this is planned for strategically and how we enable that to happen?

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

Indeed. I think it follows on from the last question, that there is a link between the provision of over-55s housing. I think over-55s is the wrong age, it is a misnomer. We should be talking about sheltered housing. A lot of the 65 year-olds I know are not quite ready for the L'Hermitage residences, with all respect to Deputy Lewis. Of course, as I said, when these residences become free then, of course, there is going to be availability in the market. I hope that answers the question. If not, perhaps you can ask again.

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

Does the Deputy consider a first-time buyer house that is over £400,000, to be truly affordable?

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

I do not consider that truly affordable. Of course, it has to be relative to the market forces. One of the downsides of our economic success in Jersey is that we do have very relatively expensive house prices. I think they are 60 per cent more expensive than average house prices in Greater London, for example. So, clearly that is not. What we need to look at is taking the speculative element and the profit motive out of housing, because I believe we can probably build homes for £250,000 or at least £300,000 for a basic, but perfectly fit 3-bedroom house. But, of course, if that is being sold for profit, that is where the issue comes in. So this is where we need the schemes. It is not going to sit well with everybody in the Island, because many people do well from the industry and estate agents, for example, are not always going to like that. But my first and foremost commitment is to provide affordable housing for ordinary residents. Perhaps some of those who are cashing in at the moment are going to have to look at those profits not being there in future.

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

What does the candidate consider to be the appropriate liaison between the Housing Department and the Social Security Department, which is responsible for administering under income support a substantial piece of accommodation, it used to be called rent abatement or rent rebate, and those sums are still going out? What is the appropriate relationship between Housing and Social Security?

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

I do not fully understand the question as a question. If the Deputy could try and rephrase it.

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

I will try and expand it. Briefly, Housing sets their rent, income support pays for it.

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

Yes. As I said, that is not a satisfactory situation. It seems as though the Deputy is asking me about the relationship. As I have said, at the moment that is a necessary evil, because we know there is a shortage of affordable housing stock. So, it is necessary for the taxpayer to be subsidising private landlords. For me, whether it is to do with liaison, I think, of course, both departments need to be liaising better, as do all States departments. I think the sharing of information is something which is not being done correctly at the moment. Ultimately it is members of the public and the clients who are using those services which are made uncomfortable by that.

#### **4.2.7 The Deputy of Grouville:**

Given the housing shortage, is the candidate comfortable with the 60 units of accommodation that currently sits above Liberation Station providing, for all intents and purposes, unqualified workers accommodation?

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

I have been in those apartments. I had a friend who was over on business. They are pretty nice. The difficulty here is I think we definitely need those kinds of accommodation. It does not simply provide accommodation for unqualified workers, as the Deputy suggests, but visiting business people and also tourists. There is a distinct lack of self-catering accommodation in Jersey for tourists. That is from my experience of tourism. So, I do not think it is an either/or. I think what we do need to do is keep those, they are at a prime location, but certainly we need to just free-up housing units. To answer the question, perhaps, which again is what I said, if those people who owned maybe 5, 10, 15 properties are perhaps discouraged through whatever tax means, then that is going to free-up accommodation for other people to live in and hopefully bring down prices.

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

I apologise if the candidate has been asked this, but I did need to nip out for an urgent comfort break. Could he enlarge on his views on lodging houses and state whether he is happy with the standard of these and indeed the way such standards are enforced?

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

Yes, as I eluded to in my speech, the interesting thing about lodging houses is that historically there is a perception that they are cheap, sub-standard accommodation, which is being crammed full of Eastern European, or whatever, workers. I am not commenting on the validity of that. The irony is that it is only lodging houses which are currently subject to any kind of checks from the Housing Department. So, if you want to open up your home and rent your rooms out, you are not subject to a check. If you are an ordinary landlord, your property does not have to get checked. But it does in that sector. What is interesting is that the same standards do not apply ... what is acceptable for occupancy, for example, in lodging houses, would not be acceptable in social housing. One example, very quickly, is that 2 parents are allowed to live with a child in a room, but that child can also be up to 18. I am not saying that happens, but that clearly would not be acceptable in my opinion anywhere and it would not be acceptable in social housing. So, we do need to look at what are the applicable standards that we want to apply and apply them across the board. It is divisive if we have different standards being applied.

#### **4.2.9 Deputy S. Pitman:**

I am aware that the Deputy is aware of the huge maintenance issues and the costs of them that have been run up by the previous Minister. Given that Housing has the highest number of people on the waiting list in 20 years, the proposals of the Housing Property Plan to sell off houses to raise the money to pay for maintenance, is this the only option? I would like the candidate's views on this.

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

I do not think that is the only option. I do not think it is ultimately an option at all. There are 2 problems here. The first one is to do with the backlog of maintenance. The second one is to do

with the insufficient supply of houses generally. There are people on transfer lists, whether it is one, 2, 3 or 4 bedrooms, there is an undersupply in Housing. I think we should only really be selling off properties when they are not appropriate, when they can be used better or there is an economic argument to do so. I think we need to be looking at the funding mechanism. We need to make sure that Housing is allowed to keep the revenue it makes. It should not be making any returns to the Treasury until it has cleared its backlog. Certainly, if it were to be operated at an arm's length, then it could look to borrow commercially or borrowing on a bond, which would bring income in for the association. Eventually it could make a return to the Treasury once its own house has been put in order. But I certainly think selling off the family silver, to use that phrase, is not the way to do it.

[16:30]

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

The Deputy spoke of the withdrawing of the housing component in income support. While he is right, how would he deal with the real and painful transition, where the market would need to adjust and renters would probably in the short term face falling incomes as a result of rising rents?

**Deputy M. Tadier:**

You would not do that. It is a carrot and a stick. It is a bit like the bus thing. If you want to get people to use the bus, you put a bus service on first and then they use it. So, what you would have to do is make sure that there is adequate provisions; new social housing. Really you would need to get rid of the backlog first. All these people, the 425 on that waiting list, are presumably getting money from Social Security. So, every single unit of accommodation that we can acquire and put those waiting lists down is money we are saving for the Minister for Treasury and Resources and ultimately for Social Security. So, it needs to be a phased-in approach, as I said; you acquire, you build more properties and that is the way you get the Rents Rebate Scheme, by a different name, down. Of course, you do not do it in one go, because that would be a shock. Our prime function is to look after the most vulnerable individuals.

**4.2.11 Deputy G.P. Southern:**

The Housing Department has recently taken to not redecorating places when there is a change of tenancy, but offering vouchers to the tenants to redecorate themselves. What is the candidate's opinion of this move, which save some money?

**Deputy M. Tadier:**

Sorry, I cannot help imagining the book of vouchers and they would have to be very large vouchers to be pasted on to the wall to replace the wallpaper. Presumably that is not what the Deputy means. I do not know the ins and outs of that scheme. It sounds fairly archaic, possible Draconian. But if it works, then it works. I think fundamentally what we must make sure when we are dealing with the most vulnerable in our society, some of whom are in Housing, is that we treat them with dignity. That is the fundamental issue I would want to make sure is happening.

**4.2.12 Deputy R.G. Le Hérissier:**

One of the issues that I often get complaints about is a small minority of tenants whose gardens are rather remarkable in their under-attendance, dumped vehicles and so forth. This poses a real problem for the Housing Department as to the extent to which they should try and regulate the behaviour of tenants. If they do regulate it, what sanctions they should use in so doing, because often the solution is often to evict the tenant and put them in the private sector. What would be the candidate's view on how to deal with this, because it is a very vexed and recurring issue?

**Deputy M. Tadier:**

Yes, that is right. There are 2 answers to that. The first one is to take a long-term view, which is obviously to make sure that the economic standard of these people is improved. It is all about education, of course, so that we do not get those people. I think on a short-term view, it is all about diplomacy. I think it is not all about this, but if you give people decent surroundings then hopefully they will aspire to behave in such a way where they benefit that. I think sometimes if people are living in rundown accommodation and if they have done so for the whole of their lives, whatever kind of social background and social problems, they will just replicate the behaviour they have learned. So, that is the medium-term problem. I think through diplomacy ... I think the States, obviously, has to always be professional in its approach. I think certainly there are sanctions. There should, surely be, in extreme cases the right to evict people who are basically not playing a fair game.

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

If successful, the candidate would be on the Council of Ministers discussing a whole range of issues. Could the candidate explain how he will deal with perhaps collective responsibility requirements or issues upon which he might not agree with the majority of the Council on?

**Deputy M. Tadier:**

I would tell the Council of Ministers if I did not agree with them quite categorically that I thought they were wrong and then I would propose a better way or what I thought was a more productive way of doing it. Fundamentally, I do not mind disagreeing with people. I have worked on committees before. I think working on committees is a lot more constructive than often what we do here in the States. Nonetheless, of course, if those disagreements were happening every day and every week, then I would obviously consider my position on the Council of Ministers. But that is not a likely scenario. I think we have entered a new spirit of inclusivity, have we not? So, I think we can all bring things to the table. I look forward, in whatever capacity I end up working in, to the cross-departmental relationships. I think for some time we have been living in silos. One example is the sharing of information I spoke about before; data protection. You should be able to phone up another department and get information which belongs to you. We need to cut a lot of red tape and just go on from there.

**4.2.14 Deputy G.P. Southern:**

The candidate like many others has committed himself not to building on greenfields. Will he assure me that in building in town or in the industrial areas in the conurbations, he will not resort to high density and high rise and sufficient amenity space will be left for the St. Helier and town residents?

**Deputy M. Tadier:**

I have learned from the Minister for Treasury and Resources that that commitment is qualified. It is qualified on the fact that the country representatives will not continue to vote for an increase in the population. If the States Assembly is absolutely adamant it wants to increase the population, that is fine, they can put them in their own Parishes. Of course, we have to approach this in a sensible way, which is best for the Island. Of course, there is nothing wrong with a bit of high rise in town, but it must not be allowed to become completely dense. I will resist any kind of unnecessary building in St. Brelade, as I am sure any good Deputy or Constable here would do the same. The fundamental problem is we have to have policies for population which match our policies for land usage. Many States Members in the past have not understood that.

**4.2.15 Senator P. Bailhache:**

Would the candidate answer Senator Ozouf's question and say whether on the Council of Ministers if he lost the argument, he would accept the principle of collective of responsibility?

**Deputy M. Tadier:**

I think I did answer it. Of course I would. If it is something that is so fundamental to my position and I was asked to leave, of course I would leave the Council of Ministers. But I think at the end of the day we are all working together. So, I do not see any problem with that. We do not have a party political system, the only way forward is consensus, I believe. So, I do not have a problem with that. I look forward to working, potentially, directly with Senator Bailhache as well.

**The Bailiff:**

Very well, that brings questions to Deputy Tadier to an end. So, we now ask Deputy Green to return to the Chamber. Very well, I will request the ballot papers to be distributed. There are 2 candidates: Deputy Green and Deputy and Tadier. Very well, I will ask for the ballot papers to be collected, please. Have all Members returned their ballot papers? Then I ask the Deputy Viscount and Attorney General to act as scrutineers, please. I do not know whether it is worth raising at this stage where we go from here or whether Members would prefer to wait for the result of this one. It is really a question of how late the Assembly wishes to work this evening. I suppose that in turn depends on how many nominations there are for the next position. I am in the hands of the Assembly. I understand that I thought there might be 2 candidates for the office of Minister for Education, Sport and Culture but I understand that perhaps there are going to be 3 so that means we would be here quite a while unless others know any different. I would be happy to get that process underway but again I am in the hands of Members.

**Deputy J.M. Maçon of St. Saviour:**

I wonder if the Chief Minister may consider perhaps changing his order slightly and possibly taking Home Affairs now?

**Deputy T.M. Pitman:**

Yes, that makes a lot of sense.

**Senator I.J. Gorst:**

I would prefer to stay in the order as they are.

**The Bailiff:**

It is your decision, Chief Minister, unless you want to think about it while we wait for the result of the ballot.

**Senator I.J. Gorst:**

Perhaps I can now inform the Assembly that I do, in fact, need to take them in the order that I have originally proposed them. Thank you.

**The Bailiff:**

I suggest that we wait for the result of the ballot, then we will see how many nominations there are for Education, Sport and Culture and then I will ask Members at that stage to decide whether we are going to carry on or adjourn.

**Senator I.J. Gorst:**

Perhaps you would like me to do that now while we are waiting for the ballot to return?

**The Bailiff:**

Do we need to wait for the result of this before deciding how many nominees there are or are people happy to proceed to nominations at present? Are Members happy to proceed? Very well, then I invite nominations for the position of Minister for Education, Sport and Culture.

**5. Minister for Education, Sport and Culture**

**Senator I.J. Gorst:**

I propose the Deputy of St. John for the office of Minister for Education, Sport and Culture.

**The Bailiff:**

Is that seconded? **[Seconded]** Are there any other nominations?

**Deputy J.A. Martin:**

Yes, I would like to nominate Deputy Trevor Pitman.

**The Bailiff:**

Is that seconded? **[Seconded]** Are there any other nominations?

**Senator S.C. Ferguson:**

I would like to nominate the Deputy of St. Ouen.

**The Bailiff:**

Is that seconded? **[Seconded]** Are there any other nominations? Very well, we have 3 nominations, so on that basis it will take at least an hour and a half but on the other hand we still have a great deal of business to do. Senator Routier, you are the Senior Member now, we do not have a Chairman of P.P.C. at present. Do you want to say anything?

[16:45]

**ARRANGEMENT OF PUBLIC BUSINESS**

**Senator P.F. Routier:**

I would perhaps suggest that we do continue. I know a number of us have another function to go to down at the harbour; the *Iron Duke* has arrived and there is a function this evening but we might just be able to squeeze it in in time for that, I do not know. I am in the hands of Members really.

**Deputy M.R. Higgins:**

Can I just mention as well, there are a number of Deputies here who are attending the First Tower Community Association A.G.M. (Annual General Meeting) this evening, which we will end up probably being late for, I think.

**The Bailiff:**

Well, shall we decide? Does anyone want to propose continuing?

**Senator P.F. Routier:**

I propose that we stay.

**The Bailiff:**

Is that seconded? **[Seconded]** So we have a proposition to continue to deal with the whole of the Minister for Education, Sport and Culture. Does anyone wish to say anything? No. The appel is called for then in relation to whether we should continue, so if you want to continue you vote “pour”, if you do not you vote “contre”. I would like Members to return to their seats. The Greffier will open the voting.

<b>POUR: 44</b>		<b>CONTRE: 6</b>		<b>ABSTAIN: 0</b>
Senator P.F. Routier		Connétable of Grouville		
Senator P.F.C. Ozouf		Connétable of St. John		
Senator A. Breckon		Connétable of St. Martin		
Senator S.C. Ferguson		Deputy T.M. Pitman (H)		
Senator A.J.H. Maclean		Deputy M.R. Higgins (H)		
Senator B.I. Le Marquand		Deputy G.C.L. Baudains (C)		
Senator F. du H. Le Gresley				

Senator I.J. Gorst				
Senator L.J. Farnham				
Senator P.M. Bailhache				
Connétable of St. Helier				
Connétable of Trinity				
Connétable of St. Clement				
Connétable of St. Peter				
Connétable of St. Lawrence				
Connétable of St. Mary				
Connétable of St. Ouen				
Connétable of St. Brelade				
Connétable of St. Saviour				
Deputy R.C. Duhamel (S)				
Deputy R.G. Le Hérisssier (S)				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy of St. Ouen				
Deputy of Grouville				
Deputy J.A. Hilton (H)				
Deputy J.A.N. Le Fondré (L)				
Deputy of Trinity				
Deputy S.S.P.A. Power (B)				
Deputy S. Pitman (H)				
Deputy K.C. Lewis (S)				
Deputy M. Tadier (B)				
Deputy E.J. Noel (L)				
Deputy T.A. Vallois (S)				
Deputy A.K.F. Green (H)				
Deputy J.M. Maçon (S)				
Deputy of St. John				

### **Minister for Housing – result of ballot**

#### **The Bailiff:**

Very well. I am now able to announce the result of the ballot for Minister for Housing. Votes cast were as follows: Deputy Green 35 votes, Deputy Tadier 15 votes. I therefore declare that Deputy Green is Minister. **[Approbation]**

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

Can I just be the first to congratulate Deputy Green and wish him all the best in the next 3 years at Housing, and for all those who gave me one of their votes.

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

I would like to thank those who voted for me and also thank Deputy Tadier as we met before this and had a conversation on it, so I would like to thank him for the work that he put in and the time that he spent with my office.

## **5. Minister for Education, Sport and Culture**

#### **The Bailiff:**

Very well, so we now move on to Education, Sport and Culture. The first candidate to speak will be the Deputy of St. John, so I ask Deputy Trevor Pitman and the Deputy of St. Ouen to go with the Deputy Greffier, please. Hopefully they are now suitably far away and heading towards secure accommodation, so I will ask the Deputy of St. John to address the Assembly.

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



I have not been in the States for the last 3 years and as one would expect one's political profile diminishes during that time. So, particularly for new Members... and I think I do need to give some idea to those new Members of my track record in the previous 6 years and my apologies to older Members and I would ask them to just bear with me for about a minute. In my previous 6-year States career some of the more significant appointments were as president of Jersey Post in the difficult 3-year run-up to incorporation and separately a member of the last Economic Development Committee. My portfolio with E.D.C. (Economic Development Committee) included responsibility for the construction industry, consumer affairs and the finance industry. I served as the States Member Director of Jersey Finance and I chaired a 3-man sub-committee to finalise the Competition Law. I then became the first chairman of the Corporate Services Scrutiny Panel. We carried out many reviews and had many recommendations accepted by the Treasury on taxation matters. In early 2006 to the initial consternation of the new Council of Ministers, we amended the first ever Strategic Plan to create the Stabilisation Fund and the Fiscal Policy Panel. During this time I believe the panel made a valuable contribution and I am indebted to those Members who worked hard as a team with me. Now to the department itself and firstly education, schools and colleges. Firstly, I am used to hearing about the joys and frustrations in the lives of the teaching profession. My wife teaches children with learning difficulties privately and has had 11 years of classroom experience and my eldest daughter teaches in Key Stage 1 at a States primary school. But I feel, having looked at the department from the outside of this House, a further element of instability has crept into the department. First, there was controversy over the previous Minister's proposals for cutting the grants to fee-paying schools, which led to a highly-charged States debate and installed a Comprehensive Spending Review for the department. Then there was the damage caused to the reputation and credibility of our secondary schools due to poor handling of the press and a public relations disaster that followed. A long-overdue straightforwardness and openness over the publication of exam results and a proper debate over their interpretation was forced on a reluctant Minister. It is a shame that when looked at rationally and taking into account the highly-selective nature of our system, some of the outstanding achievements with children who are not academically able and children who have English as a second or an additional language are to be applauded and yet they are still being masked by negative publicity and we run the risk of having a longer-term effect. We need to stop this right now before further damage is done. Front line teaching staff are feeling undermined and we have some of the best in the country. We should be proud to have people of great calibre such as Richard Rolfe at Le Rocquier School, who placed second in the National Teacher Awards, and there are others as yet unrecognised. Overall, we have what is generally regarded, even by critics, as a first-class education system but it is under pressure and feeling defensive. Some of this is unfortunately down to bad communication. Senator Gorst made a valid point in his speech on Monday. He said that we need to explain fully the reasons behind our policy decisions to the people. We need to communicate more clearly. The consequence of not doing this is a state of dissatisfaction with us - States Members - dissatisfaction with public servants and dissatisfaction with teachers and head teachers. This cascades down to the students themselves who are then made to feel less valued. The recent Green Paper, although it is a fine document in itself, is not really a Green Paper. It may serve as a useful conversation prompt. Once again, expectations have not been completely fulfilled but I am left wondering why this exercise was not carried out at the start of the now-stalled Comprehensive Spending Review rather than 3 years down the line. A priority will be to conclude the consultation and start the long-term and very careful discussion to see if we can all agree - parents, teachers, boards of governors, politicians and all others - the future of our secondary school system while preserving the unique and highly successful nature of each existing element of it. This will be difficult, it will take time but we must try. The goal of delivering better choice, yet better still quality of teaching and yet better still educational - and I mean both vocational and academic - performance while controlling the ever-increasing cost of delivery is a must and of course this will always be so. We currently have many young people unemployed and economic pressures are increasing, so I feel it very important to progress the increase in offering vocational training and apprenticeship schemes and I

would like to work with Social Security and Economic Development to develop this aim. I personally benefited from serving an engineering apprenticeship and so have first-hand experience of how useful real skills in real life can be and I want to look again also at expanding Highlands and attain university status for other demand-focused degrees. Rising external university tuition fees in the U.K. have been a source of worry to all and I am glad to hear that only in the last few days a special deal at local U.K. rates has been concluded for Jersey students with the 6 most popular universities. We now need to extend that to others and this will be an ongoing battle to be fought by the department. Anything that can reduce the costs for middle-income Jersey parents who are feeling squeezed is welcome news. In the primary sector, the public-private partnership to provide 20 hours of free nursery education with further viable hours available has been a huge success and we are already seeing a huge improvement in literacy and numeracy skills at later stages in child development as a result of this early years' initiative. Let us not forget that we have an extraordinarily high proportion of working mothers. Now to sport, leisure and culture and there are many positives here to be encouraged. Music, walking and culture are the 3 leading reasons for tourists to visit Jersey so we must assist Economic Development wherever possible to improve our offerings and facilities. The Culture Conference on 26th November, organised by Rod McLoughlin, is an excellent opportunity to discuss and develop new initiatives and I would encourage as many Members as possible to attend. I note that the political steering group on the future of Fort Regent has recently published an interim report and that they have concluded that the sports and club facilities must be maintained there and I agree with them. The opportunity to enter in private sector partnership should be explored and the States need to consider the scope for redevelopment funding on the old swimming pool site. The department is only a leaseholder at the Fort but clearly we have a vested interest to try to move this agenda forward with Property Holdings and Planning. Now, I am fed up with seeing the state of the old swimming pool and what does it say to visitors when they see it? Another initiative that is long overdue is to try to develop with Planning and Transport Departments safer routes to school for walking, cycling and buses, to try to encourage children into a healthier lifestyle. I know this is an issue in St. Saviour. On the sport side we must start to plan soon for the 2015 Island Games. The impact and importance of the overall quality of life that we enjoy comes from the sport, leisure and culture side of the department and it should not be undervalued. Generally I am acutely aware that leading Education, Sport and Culture is a very big and complex job and that is why, if successful, I will invite 2 really capable Members to help me as assistants and we will work together as a team of 3 on all matters of political decision-making across the whole department and prior to Council input. Deputies Roy Le Hérissier and Rod Bryans are both very experienced in the field of education as former teachers and school governors. On the other hand, I will bring a completely fresh and analytical mind, uncluttered by preconceptions to a new political direction and leadership for the department.

**The Bailiff:**

I am sorry, Deputy, that brings your speech to an end. We move now on to questions and first of all Deputy Southern.

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

Will the candidate bring his fresh and uncluttered mind to the issue which is in the room - the elephant in the room - the saving of £7.3 million from the Education budget, due to C.S.R.?

**The Deputy of St. John:**

Thank you, Deputy. The straight answer is, I certainly will but one thing I will not do is compromise the education of our children. I will not do that, so I will look carefully, I will form my own opinion in due course and I will endeavour to come back, not only on this question but also on others that I may not be able to answer fully right now, within a short period of time, when I have been able to form an opinion. I will just repeat; I will try but I cannot make any promises and I will not compromise the future education of our children.

### **5.1.2 Deputy S. Pitman:**

As the candidate has just stated that he will not compromise the future of our children, I would like to know what stands him apart from other candidates, given that he appears to have little or no experience in this area of Government. With that, would he also consider me as his Assistant Minister as I do have considerable experience in this area?

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

I have deliberately chosen 2 Members as Assistants - and spoken to them already - who have great experience in education. I have already said that I do have experience of education through my own family but in some ways I think after the recent history of this department, I think it is an advantage to have someone with no preconceived ideas on the way forward for the Department for Education. What I do not want to do is to fall into the trap that my predecessor made when he first came, because he came into the job, I believe, with certain commitments and found that they were perhaps not deliverable and I think that is where a lot of the problems started for the department.

[17:00]

### **5.1.3 Senator L.J. Farnham:**

What does the candidate intend to do in relation to States grants to fee-paying schools?

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

When you look at the budgets of the Department for Education, about 80 per cent of the total budget is education and to get the kind of C.S.R. savings that were initially signed-up to by the Deputy, it was either cut large sums of money from the States sector, or cut large sums of money from the fee-paying sector. I have already said that I am not prepared to compromise the education of any of our children in any sector. What that means is that as we stand at the moment, I am not in favour of cutting the grants to fee-paying schools.

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

Given the never-ending and inconclusive debate in some quarters about league tables, how does the candidate feel one should assess the performance of schools?

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

Well, in the last few days I have had many papers to look at. That lot there is to do with performance assessment in education in our States schools and I notice that all of our secondary fee-paying schools have started to produce and started to do work on different ways of assessing performance in their schools. I am very impressed with it. I think it is probably a little overdue but nevertheless let us give them credit where credit is due, they are now doing a very good job and it is starting to produce the kind of information that parents want to see, in a balanced way, about the schools that their children attend. So, we are certainly on the right track but we just need to get it a lot better and a lot more of the same.

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

Every time the candidate answers that question in any speech he confuses me. Can he explain, once and for all, does he mean publish and explain the league tables and the differences because of the different needs of some of the children, or does he mean we carry on hiding the 4 different schools and their league tables because, from my time on education, the officers at the top were absolutely opposed to published league tables and I think that is what the difficulty of the last Minister was. So, I would like the candidate to be absolutely clear; is it explain and publicise or are we going to carry on hiding?

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

Thank you to the Deputy for that question because it gives me the opportunity to be absolutely clear and concise. We must publish all information. We always should have. I am in favour of a Freedom of Information Law, as I think the Deputy is aware. I have always been in favour of it and it goes without saying that to try to hide that kind of information from parents and the public, to me is a mistake and doomed in the long run, not only to failure but to a public relations disaster.

**5.1.6 Deputy R.C. Duhamel:**

Does the candidate favour the creation of a single 6th form college to maximise student educational potential?

**The Deputy of St. John:**

I find myself at this point in time pleading the Fifth Amendment a little bit. I cannot give you a straight answer to that because at this point in time I have not been able to carry out the necessary research. What I do know is that I will eventually form an opinion on that but as is my normal way - some people think I am ponderous, I have been accused of that on the odd occasion - I am not ponderous, I am measured and my Scrutiny training taught me, you look at absolutely every dusty corner that there is, you talk to everybody that there is - everybody - and you talk to them again before you make up your mind. I do not know the answer but I do know that we must talk to everybody. It will take probably longer than the 3-year term of these States to come to that kind of conclusion and I think the same, therefore, follows that the C.S.R. requirement for another £7.1 million worth of cuts is unlikely to be available for cutting from the Department for Education in the next 3-year term of these States. I hope that is clear enough for the Deputy.

**5.1.7 Deputy M. Tadier:**

Does the candidate think that fee-paying parents are subsidising States schools or is it States schools that are subsidising the fees that these parents pay?

**The Deputy of St. John:**

An interesting question and it depends upon your viewpoint and from where you start. I think - and I have a chart here which tells me the information - we spend approximately somewhere just over £5,000 - I am talking about secondary schools now - per pupil per annum. Something in the region of between £6,500 and £7,500 per annum is spent on a pupil in the fee-paying sector, on average. When you subtract the fees and grants out of that, what it appears is that parents are making quite a considerable contribution; considerably more than it costs. So, they are saving the States a considerable amount of money. By paying fees they are saving the States money. It is a choice for the parents and it is a choice they make knowing that they are going to be effectively subsidising States schools, if you like, but that is their choice. It was a choice that I made for mine and ...

**The Bailiff:**

Be reasonably concise ...

**The Deputy of St. John:**

Thank you, I think I have answered. I am only repeating.

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

Would the candidate consider reinstating full-time nursery provision in our State schools?

**The Deputy of St. John:**

There are various studies that have shown about 20 hours a week to be about the optimum, and we do have to bear in mind the cost of providing early years, so I do not envisage increasing that. I do envisage though making extra hours available on a purchasable basis, which is, I think, where we are going.

**5.1.9 Deputy G.C. Baudains of St. Clement:**

I believe I heard the candidate say that he was fed up with the sight of the swimming pool at Fort Regent. What I did not catch was his remedy for it. Could he advise us what he intends doing with it and where the funding would come from?

**The Deputy of St. John:**

The property at Fort Regent is in the portfolio of Property Services, so it is not me or the department that would make that kind of decision. It would be the States, it would be Property Services, it would be the Treasury and it would, I think, maybe Planning and Treasury that would be the main input on that. I have no doubt that it will come to the States.

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

What is the candidate's view of the 14-plus transfer system?

**The Deputy of St. John:**

The 14-plus transfer system can have some detrimental effects on the schools that lose those more talented children. That is one of the down sides. We have a system which is highly selective and that gives us big advantages and huge gains in certain areas but, like most things in life, when you get a gain, sometimes you get a little bit of a loss and that is one of the disadvantages. I think overall Hautlieu does a fantastic job and overall we are ahead on this one. I would not like to see it disappear, but let us see how it all works out through this consultation and in the future and, as I say, we need to talk to everybody, all the stakeholders, very carefully before we make any precipitous changes.

**5.1.11 Deputy T.A. Vallois:**

The Youth Service is an extremely important but somewhat silent area of education. Not only do they help young people from all walks of life but also provide an array of educational activities and prevention measures for our society. Does the candidate believe the service is adequately resourced and their properties fit for purpose?

**The Deputy of St. John:**

I notice in the C.S.R. that one F.T.E. (Full-Time Equivalent) was removed from the Youth Service. I am assured by the professionals that that has not affected the service that they have provided. The jury is out as far as I am concerned on that but what I do know is that I would prefer to see more emphasis placed in the Youth Service on on-street work rather than within youth club work, addressing the so-called - I hesitate to use the word - "unclubables" who are the youth who will not go to youth clubs. I would like to see more emphasis on that.

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

Will the candidate explain his position on languages in our education system and would he, if elected, consider reinstating language assistants?

**The Deputy of St. John:**

That is an interesting one. I wonder which language he is talking about. [Aside] I should have realised. To give a fully-rounded education to a child, I think, does involve languages and obviously in our case that probably means French. The reinstatement of language assistants. I think this is probably a casualty of either this current C.S.R. or previous C.S.R.s. That was a States decision. I am open again to suggestions. If we can find the budget, then I would support reinstatement but the Minister for Treasury and Resources, I am surprised in a way, is the one to ask me that question.

**5.1.13 The Deputy of Grouville:**

As the candidate has indicated that he will not be compromising the provision of education with the C.S.R. cuts, would he please give us some indication where he will be making those cuts? Will it be from Culture, Sports, youth or the library or languages, it has got to be from somewhere, or will he fight his colleagues on the Council and say that the Education budget cannot make the percentage of cuts required?

**The Deputy of St. John:**

The Deputy is asking me to form opinions at a very short notice. I have to say to the Deputy that I have not made up my mind finally but my initial feeling is that to make the kinds of C.S.R. cuts, there may be a little bit more to come. I do not know where it will come from. I will look carefully but I do not think at this stage that it is going to be possible to make £7.1 million worth of savings in the Education Department, certainly within the period of this States, and you asked me the straight question, will I fight the Council of Ministers? Oh, yes.

**Deputy S. Pitman:**

Yes, regarding university fees. What group of families does the candidate feel are vulnerable to ... sorry, I have forgotten the question, Sir, sorry.

**5.1.14 Senator P.F. Routier:**

I would like to know from the candidate what priority is on the attainment of good sporting achievements in the Island, in particular, the need to ensure that all sports have the ability to have sports advisers and also on strength and conditioning programmes for elite sportsmen, if he has gained any opinion of how he would like to progress sports within the Island?

**The Deputy of St. John:**

The sporting facilities in the Island are, I believe, crucial to not only just our quality of life but also to the health of future generations, as sport is an ideal way to generate a healthier lifestyle so I am very supportive. I have been a professional sportsman in my time, the Senator might know that, so I am very supportive and I notice that even the latest suggestion of the 2012 cuts that have been accepted by the Assembly do not cut sports advisers back other than, I think, in a very small way. So I think that is right; the Assembly has already accepted that and it seems to me to be the right response.

[17:15]

**5.1.15 Deputy G.P. Southern:**

The States is committed to a pay award to teachers only on condition of a reduction in their terms and conditions. Which terms and conditions will he seek to negotiate a reduction in with teachers?

**The Deputy of St. John:**

Well, it will not probably be my place directly to negotiate terms and conditions. That would be through the States Employment Board. I know that teachers have one main concern at the root of their ethos and that is the wellbeing of our children. I have already said that I will not compromise the education of our children and that extends into having motivated teachers. I cannot say much more than that at this stage.

**5.1.16 Deputy J.A. Martin:**

I hope that the candidate can answer this question at this stage. The candidate said in his speech that although he does not have that much experience in teaching, he is going to have 2 Assistant Ministers who have lots of teaching experience with clear defined areas of responsibility. Can he tell us what those areas are? I hope and presume he has already discussed this with the 2 Assistant Ministers clearly and definably.

**The Deputy of St. John:**

I do not think I did say with clear areas of responsibility. What I did say was that we would work as a team of 3 because I believe that 3 heads are always better than one. It is my way. I will make decisions in the end but I will seek to involve the 2 gentlemen who are experienced in teaching and I will listen to them as well as the professionals in the department, and we have some very, very good professionals as well and do not let anyone say otherwise. I hope that answers the question. We will work as a team in all areas of the department.

**5.1.17 Senator L.J. Farnham:**

Does the candidate consider the establishment of a university in Jersey to be a viable and realistic opportunity and, if so, how does he intend to begin the process?

**The Deputy of St. John:**

I am aware that we are going to run out of time very soon so I will be as quick as I can. We already have some university and degree-status courses, construction and one or 2 others. I would like to see that expanded but I think we have to keep it focused on the job opportunities and demand.

**5.1.18 The Deputy of Grouville:**

My question is quite long. I was very interested to hear that a deal had been struck with 6 U.K. universities in the last couple of days. As a mother who sat with her son last night checking through his personal statement in the U.C.A.S. (Universities & Colleges Admission Service) form, does the candidate feel this message should have been got out to the public and even fellow States Members and does he agree that there is a serious problem of communication in the department?

**The Bailiff:**

Right, I am sorry, Deputy; we will never know the answer. **[Laughter]** Very well, then, I would request the Deputy of St. John to go with the Deputy Greffier and we will ask Deputy Trevor Pitman to return. Very well. Now, Deputy Pitman is here and I invite him to address the Assembly.

**5.2 Deputy T.M. Pitman:**

Can I just apologise in advance if my voice gives out as the consequence of a cold and, secondly, having not slept for 2 nights, having been naïve enough to sit by my phone waiting for the call from Chief Minister Gorst but it did not come. Even with a largely excellent education system as ours, 10 minutes is obviously no time to outline a full vision for all the needs considered within our E.S.C. (Education, Sport and Culture). This being so, I will briefly outline some of the key areas of challenge that I see ahead over the next 3 years. That I do not mention others does not mean that I do not recognise them. Members can also pick up on any of those, of course, in questions. One factor that I believe to be more important than achieving the much-talked about political inclusion is the sad reality that time and time again, we seem over the last 6 years to overlook people because of their background. It seems to make no relevance in decisions that are made when it comes to Ministerial nominations. Why? It seems that just because people are sometimes from outside the fold and that explains partly why I am standing because I have got a passion for education. I do not want to be a Minister just for the sake of being a Minister and, unlike the other candidates, my working link with the E.S.C. goes back 2 decades. I was obviously employed by the department right up until my election in 2008. I gained my professional qualification in informal education and Youth and Community Development from De Montfort University in the 1990s. I was a volunteer for the department before that. Since election, I have also been, for the past 3 years, vice-chairman of E.S.C. and Home Affairs Scrutiny, a frustrating experience, it has to be said, but it has taught me, at least in no uncertain terms, what not to do if you want the Executive and Scrutiny to work together. Where we should have had openness and transparency, we have all too often, I am afraid, had obstruction and secrecy. If elected as the Minister, I will do my best to rectify that as a matter of urgency but some good has come out of it because whoever gets this job should have a wealth of

material to help them in their work because the Minister has apparently had every subject under the curriculum under review so that should be a huge benefit to whoever. One of the things I would like to talk about is consultation. Now, I fully agreed with the last Minister in fighting against the foolish approach of blanket cuts across all departments as was suggested within the C.S.R. This approach was divisive and damaging. It certainly damaged teachers' morale and that needs to be rebuilt, but where I parted company with the former Minister was in the way that he went about things. Let us just consider fee-paying schools and the cuts that were proposed. Changes undoubtedly do have to be made here and if I am Minister, they will be made. Yet the trick surely was for the Minister to have sought to have taken those people affected with him. I wholly agree with, and support 100 per cent, choice for parents yet choice also must bring with it responsibilities and a cost. The key is surely that this cost must be fair and reasonable and that it can be seen to be so and I have to say that they may need means testing in certain circumstances. Sixteen-plus education is another issue that I believe we cannot avoid if we are serious about an efficient service that retains that fundamental driver that the young person is at the centre of the education process. It cannot come second to protecting political sacred cows or personal hobbyhorse institutions that we might be very attached to for a variety of reasons. Attempting to tackle 16-plus education would probably be a political suicide mission, as Deputy Le Hérisier would probably agree with me, but I am brave enough, or perhaps mad enough, to be willing to want to do this because I think it needs to be done. League tables: I support transparency yet simple league tables in themselves are not helpful unless they are based on a fully explored and locally-focused format of value added. All schools are not starting from the same base due to both their demographics and Jersey's disproportionately high percentage of our young people in private fee-paying schools. I will move towards transparency if elected but it will only be in a fair format, fair to both the student and the teacher. Keeping universities affordable to all is obviously another area I am passionate about with a background in youth. Any young person with the capability and inclination should not be prevented from attending a university simply because their parent or guardian cannot afford it and here I have to say that I believe the Minister for E.S.C., whoever he is, should be working hand-in-hand with our recently appointed Foreign Minister to get the best deal possible. I think there is more potential for some manoeuvring with the U.K. and I would hope that with a Foreign Minister with some stature, we might be able to do that. Vocational education, again, everyone talks about it but does everyone realise how important it is that we succeed here because not every young person is the same. Young people all achieve differently in different areas and by different methods. It is one area where I would support - shock, horror - tax breaks for employers to help with apprenticeships, *et cetera*, because I talk to so many people who really do say that they would like apprenticeships but cannot afford them. Closely attuned to that I also see the Youth Service. It is time we fully recognised this service. Now, I am obviously biased but the work that these professionals do with young people, who have often failed by conventional formal methods, is staggering. I have seen it myself over and over again down the years. Now, in 2008, an attempt was made by Deputy Shona Pitman against statutory status for the Youth Service. It was defeated by just 2 votes, I believe, and if I am successful as Minister, I will seek to bring this back as Ministerial policy. Community hubs, what I mean by that is when I was at secondary school, great use was made of school facilities after hours. We used to enjoy going back to school, which sounds really strange compared with most of the young people I talk to, but I believe this could be greatly enhanced and I believe now in the 21st century this could be largely extended to adults. It might save us long term quite a bit of money when we are always under pressure with our premises and their maintenance. From my discussions, staffing might be achieved through a mixture of co-operation with teachers, volunteers and active retired residents who regularly have so much to offer but because of age often seem to be overlooked that they might have nothing to offer when all too often, people do have a great deal to offer. I also want to talk about Fort Regent. I was pleased to be the one who got this back on the political agenda with the Scrutiny review and my colleagues on that panel. Obviously this led to the setting up of the Fort Regent Steering Group and, if elected, I would like to work with the Minister for Treasury and Resources who would hopefully have the



vision to get things kick-started. This does need funding for key elements like the access. It is not that expensive as some make out if you look at the work the steering group has done and personally I would like to see consideration of use of the 'Rainy Day' fund there as a one-off. I must admit, if elected, I will also pester the Minister non-stop for work to begin on replacing the disgrace that is our swimming pool. St. James': I have been saying this for a couple of years, now other people seem to be picking up on this. It cannot be good use of money to have this draped in scaffolding. It should be turned over to the Youth Service as a centre for excellence. It should replace the dilapidated La Motte Street Centre, which could be sold for much needed social housing. It could be a win-win situation. The Minister, I believe, having talked to him, has not been able to make a decision. I believe that the decision could be made with the right political will and it is time it was made because what is there now is just short-sighted and it is not economically the best route.

[17:30]

Political education: in the not too distant past, drugs were a taboo area for education workers, gay and lesbian sexuality, now sadly it is politics. Well, if I was Minister, I will seek to change this because we can hardly criticise our young people for not engaging as citizens if many of the teachers cannot even give them the basic information, not opinion and propaganda, information to allow them to engage. Assistant Ministers I want to touch on briefly. I have been dismissive of some of these in the past but if elected, I would place no one in a position of being just a bag-carrier. I believe that Culture, for instance, demands a full-time Assistant Minister and probably what I would call the youth development side, including the Youth Service, and vocational matters also. I would want it to be a team of 3, not just the Minister. In conclusion, have I got all the answers? Of course not but what I have got is the energy, the passion and the depth of background in that area that I have to say I do not think either of the other candidates have. The Chief Minister has talked about inclusion. I would like to be included and be allowed to try and contribute in this important area. It is the area I am passionate about and I do hope Members will consider me in that capacity. I do not want to be a Minister for the sake of it. This is the area that is the area for me and I will leave it there.

**The Bailiff:**

Very well, Deputy. We move to questions, then, to Deputy Pitman. The Connétable of St. Mary?

**5.2.1 The Connétable of St. Mary:**

Would the candidate advise me if there are any circumstances under which he would consider closing a primary school and elaborate on them?

**Deputy T.M. Pitman:**

Sorry, closing a primary school and ...

**The Connétable of St. Mary:**

And elaborate on those circumstances.

**Deputy T.M. Pitman:**

Again, I touched on that, I think, when I said about - and I was not meaning to be disrespectful - about hobbyhorses. We can be really attached to institutions, perhaps going back to our own childhood, but if something is no longer viable, if you did not have the children within a particular Parish, I am afraid that if difficult decisions have to be made, then a Minister, whether it is Education or otherwise, would have to be prepared to close that. It would be a last resort, I believe, but you have to pragmatic.

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

It is nice to get some answers from one of the candidates and it appears that we might do this time. The candidate has not mentioned the missing £7.1 million that has yet to be found this year from Education, Sport and Culture. Would he give his thoughts on where this might come from?

**Deputy T.M. Pitman:**

From what I have seen, I do not think that £7.1 million is achievable and, as I said, I fully supported the last incumbent of the post in fighting such a blunt tool to do a really intricate job. I do believe that savings can be made, often in the upper echelons of departments and often in the duplication of jobs, but I think sometimes you have got to take a more realistic approach and look at if an across the board approach is the best; and this is not the best. It is a false economy and I think when you start putting education or health at risk, then you are going down a slippery path.

**5.2.3 Deputy R.G. Le Hérisier:**

What is the candidate's view on how you should measure the performance of schools? Does he believe, for example, that there has to be a form of league tables? If not, what would he replace them with?

**Deputy T.M. Pitman:**

I thank Deputy Le Hérisier for that question. We obviously looked at this to a limited degree as a Scrutiny Panel. I believe league tables can be helpful but put it this way. If you look at the premiership football table, you automatically conclude that Manchester City, United, Chelsea are the best-run effective clubs in the country. Someone like Stoke City may be far better run because they are doing it on a shoestring, they do not have the same facilities. We cannot start pretending that all our schools are equal. They are not. We cannot start punishing teachers when they have probably got both their legs tied together. How can they run a race? I do believe that tables can be useful, I must say to the Deputy, but it has got to be a system which I think will have to be unique to Jersey, that has got to take into account the demographics, *et cetera*. You cannot punish say Grainville or Haute Vallée for not being as effective as Victoria College. It is just not comparing oranges with oranges.

**5.2.4 Deputy R.C. Duhamel:**

Does the candidate favour the creation of the single 6th form college to maximise student educational potential?

**Deputy T.M. Pitman:**

The Deputy wants to hang me now. Well, it certainly was considered and I think it is something which we may well have to consider again. As I said, when we have the wealth of information from the former Minister's whole plethora of reviews, we might be in a better position but I have to say to Deputy Duhamel that this is an area which I would make a key focus. Because I think if you go back - I think it was the mid 1990s when it was looked at - it was a political bloodbath and no one really wanted to take that difficult decision. A Minister has to make difficult decisions. If you are not prepared to make them, then you should not be a Minister.

**5.2.5 Deputy K.C. Lewis:**

The candidate touched on the rundown areas of Fort Regent. Would the candidate elaborate on what his long-term vision for Fort Regent would be?

**Deputy T.M. Pitman:**

Like Deputy Lewis, I have probably got fond memories, as probably all of us have, of Fort Regent. We can go back and start apportioning blame for the huge mistake made with the swimming pool and the closure. That gets us nowhere. What people do not, I think, often take on board is that the sports side of Fort Regent is very successful. What there is no longer up there to attract people up is the leisure side. There is no reason to go. I see partnerships with Culture to restore that. It is all

in the report that we did at scrutiny. I do have to say I think there is an area for public and private partnerships in there and I know people will roll their eyes at this but I am sorry, I believe that the pool needs to become a pool again and I think it needs us to show political will collectively to make that a reality.

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

Does the candidate believe in education for its own intrinsic value or education for the market and does he think that degrees, for example, such as psychology and philosophy, are less valuable than subjects like maths and business studies?

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

No, I believe education is valued as just an education. I believe just a young person going to university regardless if they even end up using that probably is the biggest education tool in their lives often, certainly in my experience of young people. Philosophy and psychology, of course every bit is good. It might not be a great career option in Jersey being a philosopher, I do not know, perhaps I will go and stand in King Street on a box and see where it gets me but I think we have to be realistic. If you want to be a nuclear physicist, you have got to accept, I think, that you are not going to find a job in Jersey yet but we have also got to try and meet all young people's aspirations. It is very sad if all we allow our education system just to turn out employees for our one key industry because that is so dominant. Surely education is about nurturing young people and making them fulfil their potential. It is a balance but it is a balance that any Minister has got to strive for.

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

What is the candidate's view of the 14-plus transfer system?

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

I think that is a difficult question to answer because obviously it benefits some people hugely but, again, we get back to the issue of league tables which lots of people jump on as a nice easy thing to look at and it really skews how a school is perceived. If you are going to cream-off the most academically capable students from a school, then that has got to be taken into account if you go down the route of league tables. I had the chance to go and I did not. I do not regret it. I have ended up here. Maybe I should have but I think ... sorry, it is a difficult question to answer, I think. It can benefit some and can be quite divisive for some of the States schools so a bit of a fudged answer but the best one I can give.

#### **5.2.8 Senator L.J. Farnham:**

What would be the candidate's intentions in relation to States funding for fee-paying schools?

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

I thank the Senator for that. I did touch on it. I think, as I say, that choice has got to be maintained but I think if you want to make those choices, faith schools, *et cetera*, I think they have got to be kept open to you but there has got to be a cost. The key to it is that there is a reasonable cost and possibly half the problems would not have come about if people had been sat down with and discussed and possibly middle-ground could have been found between both the schools and the parents affected. I fully support the fee-paying schools but, as I say, they cannot be allowed to be protected just because they are very special to many people. Again, it comes down to negotiation and consultation and hopefully finding a happy medium that might not be exactly what everyone wants but both sides can live with it.

#### **5.2.9 The Connétable of St. Lawrence:**

The name of the department is Education, Sport and Culture. Does the candidate agree that Sport and Culture take a lower precedence in the department and, if so, how would he seek to redress it?

**Deputy T.M. Pitman:**

Well, again, I thank the Connétable. I did touch on this. She is certainly right with sport, I think. When you work in informal education, you learn that sport can be a real vehicle for learning. It is not just about a game. It can be about collective responsibility, *et cetera*. I played for Jersey when I was young many years ago. Sport should be a great part of combating obesity, *et cetera*; social integration. I would combat it by ... well, I would want to probably take on the sports side myself as well as much of the mainstream education but culture, as I say, I would like to see an Assistant Minister specifically focused on culture so relationships could really be built-up with those organisations so we do not go with the awful things we have seen in recent times, closures of world-class facilities, part of our heritage. That should not happen and perhaps if we had an Assistant Minister who was effectively a Minister for Culture, we would not let that happen.

**5.2.10 The Connétable of Trinity:**

Would the candidate give an inclination who his Assistant Ministers would be?

**Deputy T.M. Pitman:**

I would love to but I have to say one of my biggest disappointments when Deputy Green became Minister for Housing was I was one of those who went for the Assistant Minister post. Now, I had I think more than 3, possibly 4 hours with the Minister and yet all the time he had already promised the job to another Deputy. Now, I would never put a person through that. I would want to ask for expressions of interest and I would particularly ask the people perhaps who were interested in culture because, as I say, I think that is one area where someone could be ... I would particularly want to know that someone might be interested in that youth development side, maybe in pre-school because that is not my strongest area, I quite acknowledge, so I have got no one in mind yet.

**5.2.11 Senator P.M. Bailhache:**

How radical would the candidate be prepared to be in the promotion of teaching of the French language? Would he be prepared, for example, to contemplate the conversion of one of our primary schools to a school where the teaching was entirely conducted in the French language and, indeed, all activities in that school were conducted in French, perhaps in conjunction with the Alliance Française de Jersey?

**Deputy T.M. Pitman:**

If that was viable, it would certainly need some research which I do not think even this present Minister has undertaken, yes, I would. One of my deepest regrets is that I enjoyed French but when I was at school, so many students did not enjoy it that you could not learn so I dropped it and I think there is a lot to be said. Where people in the U.K. generally fall down is in their attitude to languages. I would be willing to consider that. Funding would be a key issue and it would really come down to probably me managing to convince enough people - perhaps the Senator would help - that it is a viable possibility. I can just see the extension being then that we should have one in Polish and one in Portuguese, but I do fully understand where the Senator is coming from in suggesting it and I would not write it off but in this climate, it is going to be about funding.

**Deputy S. Pitman:**

I do not have a question for the candidate. I just would like to make the observation that there are 19 ...

**The Bailiff:**

Sorry, this is question time, Deputy.

**Deputy S. Pitman:**

Sir, I just want to ... I feel it is unfair ...

**The Bailiff:**

No, this is question time.

**Deputy S. Pitman:**

That 19 Members are missing from this Chamber on an important occasion.

**The Bailiff:**

It is question time.

**5.2.12 Deputy J.A. Martin:**

Given all that the candidate did say on culture and the comments from the Connétable of St. Lawrence, does he really believe that the place for culture is like the 99th limb of the centipede at Education? Would it not best sit if we had confidence in the next Minister for Economic Development to sit under that portfolio?

**Deputy T.M. Pitman:**

I am being asked to solve a lot of problems here which I think are beyond the remit... but the Deputy may well be right. However, I am having to deal with this in the here and now. Culture is part of Education at the moment. You could say that Sport does not really sit either. I loathe to hear Members to say "we are where we are" but we are where we are so I will make the best effort to deal with it as best as I can with a designated Assistant Minister, and maybe it is something that we can look at over the 3 years and come to the conclusion that yes, it really should be in Economic Development where I think tourism should be removed because it has not been supported enough so maybe we can do a swap.

[17:45]

**5.2.13 The Connétable of St. Mary:**

The candidate may be aware that even with the previously limited resources, the Island has generated some professional skateboarders and BMX riders making very good inroads in the profession. Does the candidate think that the location of the current skate park is adequate and would he consider perhaps relocating it and making it bigger or even making a second?

**Deputy T.M. Pitman:**

Skateboarding: the issue and people not wanting it in their backyard has been around almost as long as I was in Education. I do not think it is in the best place. The trouble is in a small place 9 miles by 5, you will find there is always someone willing to say it is not in the best place but I certainly do not think it is situated... that is a personal view - I would be willing to look at it. We are already getting reports of problems at the new town park. Now, if you give young people facilities, over time I think they come to respect them and if you give them quality, they do come to respect it. So again I would rule nothing out as the Constable would probably remind me. Funding is all going to impact on this heavily but certainly in theory I am totally with her on that one.

**5.2.14 Senator L.J. Farnham:**

Given the fact that Highlands College does offer some university degree courses, would the candidate consider the establishment of a university to be viable and feasible and if so, how would he intend to begin the process?

**Deputy T.M. Pitman:**

I thank the Senator for that. Well, I did the report out during my time in Scrutiny. I cannot remember the gentleman's name. Again, Deputy Le Hérisier probably can. It was looked into and at the time, the feeling was that it could not be viable. Possibly a good example, when I decided to change my career, there were only about 9 universities in the U.K. who did that particular Social

Youth Community provision. Possibly there is potential to develop it. All I can say is I have not got the exact answer. I do think it is something to be considered so I think there is a possibility that we might make some money out of it, bringing people to the Island, possibly even a partnership with Guernsey, but it is not an answer that I can give because it is an area which really needs to be researched if Deputy Reed has not already done it.

**5.2.15 Deputy G.P. Southern:**

This Assembly is committed to a policy which links any pay award for public sector workers with a reduction in their terms and conditions but does the candidate believe that reduction in the terms and conditions of teachers is possible?

**Deputy T.M. Pitman:**

Again, there is the 6 million-dollar question. Part of this will come back again so if you just try to impose on people and do not sit down and discuss it with them because often it is workers at the coal face, as it were, in every department who can tell you where the real savings could be made and that is something which I doubt very much has been fully looked at. I think when you start down the slope of eroding terms and conditions, if it is work practices - they are outdated or unsafe, no longer work or they are duplicated - I think teachers like anyone else have got to accept that that must go. But if it is not, if it is just another drive to save money, then often that is going to be a false economy so again, it is probably not the answer the Deputy wants but it is something I would want to investigate myself and I am afraid not take on face value from previous reports.

**5.2.16 The Deputy of Grouville:**

Would the candidate consider making more formal residential exchanges with R.E.N. (Research and Enterprise Services) University that was started when I was on Education but nothing seems to have come of it?

**Deputy T.M. Pitman:**

Absolutely, I do not know the background to that as why it did not grow. In the same sort of vein, something that I was involved in a few years ago was what was meant to be an exchange with Madeira and it was like a 9-month long anti-racism project. Now, we raised a lot of money and the young people, I still see some of them today, got a huge amount from it. I would like to see that taken on, whether it is public-private partnerships again to bring some funding in which really young people could benefit from a lot: bring young people here, send some of our young people over there. I have done a lot of exchange visits and I have to say that it is something that you really cannot underestimate the value to young people from whatever culture, whether it is them coming to us or us going there so I definitely support that.

**5.2.17 Deputy M. Tadier:**

Does the candidate support recent various studies that suggest that students should start school later both in terms of age and in terms of the actual time of the day?

**Deputy T.M. Pitman:**

I do not support starting later in the day because I do not know where that would finish. Some people would probably want to start at about 3.00 p.m. and go home at 3.30 p.m. I do not really support starting school at a later age, I am afraid. Our school system is not perfect but it is good. What I do think has to be balanced is the amount of work that young people get outside of their conventional school years because I see a lot of people under huge pressure from homework and I think that has got to be balanced so you get a true best picture of what can be achieved in the classroom without letting that spread over to pressure on parents, *et cetera*, to home because some of these young people are never going to have the support that would be ideal. So I am sorry, I have got a bit off track with the Deputy but that is my answer.

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

Would the candidate agree with doing more homework clubs at schools so that the children can do their homework before they go home and take the pressure off the parents?

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

Absolutely, I think that potential really does need to be looked at. Now, to some young people they would not want to and they would not need it, as we know, but there are some young people, as I have said, who will never have that support at home so if they can do it in that classroom with some good support.

### **The Bailiff:**

Very well, sorry, Deputy. You are cut off in mid flow. Very well. So, Deputy, if you would then return with the Greffier and we will ask the final candidate, the Deputy of St. Ouen, to return. Very well, then, I invite the Deputy of St. Ouen to address the Assembly.

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

Education has never been more important to our society. Over many years, our Island has developed a unique education system offering opportunity and choice to both parents and students alike and we have much to be proud of. We have modern facilities, a highly professional and dedicated workforce and overall performance that compares favourably with other jurisdictions but we cannot and should not be complacent. I want to see all our young people equipped with the knowledge and skills necessary to become effective and valued members of our community. Our children deserve the best education we can provide and the present consultation is the first step on the path that will ultimately determine whether changes should be made to the current structure. Now more than ever, our future prosperity relies on preparing well-rounded individuals able to deal with the challenges they will face in the years to come. I believe the Education, Sport and Culture Department is well placed to meet this commitment and over the last 3 years, since I became Minister, much has been accomplished. The recent significant increases in childcare tax review will help working parents with young families meet the costs of childcare. The creation of the Early Years Partnership, coupled with the additional funding, has allowed all children to access up to 20 hours' free pre-school education per week during school time in the year before entering primary school. The introduction of the Professional Partner scheme will further help schools monitor the progress of each individual as they move through formal education and drive up standards. New opportunities introduced a year ago for the more practically minded 14 to 16 year-olds to study a range of vocational courses alongside of core subjects such as English and Maths will better prepare students for the workplace. The cost of higher education, which I know has been a concern and still is to parents, is being addressed. Efforts have been made to stop the further devaluation of the overall grant available to parents and the maintenance grant is now increased annually by inflation. This year, the department has been able to negotiate a general reduction in fees of approximately £600 per annum and following changes introduced by the U.K. Government, efforts are now being made to ensure that our students get the best deal possible and are treated the same as a U.K. student. Also an improved student loan scheme is being explored and additional funding has been provided to ensure as best we can that no one is deterred from accessing a university education. The Island's higher education programme continues to improve and in co-operation with a number of private organisations, the range of foundation degree and degree courses has been extended. This new approach will help support local industry demands and increase the choice available to those students wishing to remain on the Island. Also in the area of skills and training, I played a full part on the Skills Executive and, supported by the Skills Board, have increased the range of programmes in order to deliver a skilled workforce that meets the needs of local businesses. With a rise in unemployment, the Skills Board has worked closely with my department to deliver a range of new initiatives to help those without a job. The Advance to Work and Career Strengthening schemes have already been heralded as a success. However, further

efforts will be required if we are to deal with the large number of individuals seeking full-time employment. Attention has also been given to the needs of the more vulnerable in our society. As a trustee of the Jersey Employment Trust, funding provided by the States has been used to develop new training facilities at the Acorn site in Trinity. In addition, support services for those with special needs leaving fulltime education have been strengthened to help individuals access meaningful employment where possible. In most of these areas, although much has been accomplished, there is more to be done if we are to meet our commitment to help every individual maximise their potential and fulfil a useful role in our society. However, the duties of the Minister for Education, Sport and Culture are not solely limited to educational matters. As a member of the Children's Policy Group, I have worked with fellow Ministers to develop the Island's first Children and Young People's Strategic Framework. This important document will underpin the development of a cohesive and realistic plan targeting support to those in need and increasing the chances of all children and young people to lead happy and healthier lives. Sport and culture also cannot be ignored. There are many organisations and individuals who play an important role in promoting and safeguarding our rich and diverse culture and heritage. Equally, we would not be able to enjoy the wide variety of sports on offer were it not for the many individuals who selflessly give of their time without charge. Their commitment should be and must be applauded. However, even in these areas, they have not been without difficulty. The financial difficulties faced by the Jersey Heritage Trust in 2009 are now resolved.

[18:00]

With the additional funding provided by the States, the Trust is now ensured of an ongoing viability. The Opera House has also benefited from fiscal stimulus funding and we can at last take pride in the fact that this public building is now fit for purpose and able to offer good facilities necessary for the wide variety of professional and local entertainment on offer. There are many other matters that I could mention. However, as I said before, there is still much to be done and I am fully committed to the task ahead. Islanders deserve the best education we can provide if they are to be successful in the future and contribute to our economy. My vision is for the Island to have an education system that is high-performing, inclusive and responsive to the needs of all learners and the community. I want to ensure that every learner, regardless of age, can acquire the key skills to support their personal development and prepare them for work. We must recognise that everyone has different talents so we therefore need to provide equal educational opportunities for all, regardless of their ability or background. Higher Education must remain accessible to those who are able to benefit from it and I will do all in my power to ensure this continues to be the case. At a time when public finances are under pressure, further development in all of these areas will be a challenge. However, doing nothing is not an option. Throughout the C.S.R. process, and as a Member of the Council of Ministers, I have robustly defended the services provided by my department while accepting the need to act corporately. It is true that some of the decisions were not of my choosing. However, I have not shied away from my responsibilities. My only regret is that other Ministers were not as supportive as they could have been when it came to implementing some of the difficult savings I was required to make. There are some tough challenges ahead and I am confident that with the experience I have gained over the last 3 years, I can work with others to achieve the best for the Island as a whole. Together we have the ability to shape the future of the Island's education and create the right environment for the future generations so that they can become valued members of our society. I want the opportunity to continue the work I have already started.

**The Bailiff:**

Very well. We come to questions. Deputy Power?

**5.3.1 Deputy S. Power:**



The candidate will be aware that Le Quennevais School was built in the 1960s and the fabric of the building is the same age as d'Hautrée School. Furthermore, the 2 approach roads run through high-density housing estates. Can the candidate give an indication as to whether the department has in any way considered a feasibility study to build a modern secondary school in the west of the Island, bearing in mind Le Quennevais school was designed for 490 pupils and there are now nearly 890 pupils there?

**The Deputy of St. Ouen:**

No, at the moment, there has not been a study to provide a new modern secondary school in the west of the Island. However, what I can inform the Deputy is that a major property review has been undertaken with Property Holdings looking at the whole of this education estate, and which I believe a draft is about to be produced, and from there we will look at some of these issues.

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

At last a Member who has spotted the elephant in the room. Will the candidate outline his current position on the need for a further £7.1 million savings from the Education budget?

**The Deputy of St. Ouen:**

It is quite clear that the States made a decision some while ago to defer taking the savings from both the fee-paying schools and the States schools and await further consultation. I will make it very, very clear to Members that are in this Assembly that to suggest that alternative savings of that magnitude can be found are ridiculous in the extreme. I would also like to point out that with regard to the Education, Sport and Culture budget, 80 per cent of that budget is spent on staff. So £14 million over the next 2 years is going to be removed from the overall wage bill of the States and it will be counted separately. That leaves very little leeway and room for my department to deliver the 10 per cent of overall savings that were required.

**5.3.3 The Connétable of St. Mary:**

Could the candidate advise me if there are any circumstances under which he would consider the closure of a primary school and, if so, elaborate on them?

**The Deputy of St. Ouen:**

There are none and, in fact, all the information shows that we are going to have increasing numbers of young people entering our primary schools in the coming years.

**5.3.4 Deputy R.G. Le Hérisier:**

Notwithstanding the excellent list of achievements put forward by the candidate, could he say what lessons he feels he has learned from the school fees issue and from the school league tables issue?

**The Deputy of St. Ouen:**

Starting with school fees, I have learned that perhaps I need to be far more robust if I am discussing matters with the Council of Ministers because I made it very clear from the word go that the school fees issue needed to be handled sensitively. It needed to be allowed time and unfortunately because of the decisions made, not only by the Council of Ministers but also by this Assembly and the time period of 3 years, it put myself and the schools involved in an extremely difficult position. Lessons have been learned. The Council of Ministers did react when they were provided with further information and I think the lesson to be learned is when you do want to make changes to the Education budget, you need to approach it with firstly, some sensitivity and secondly, recognising that change does not happen overnight. With the exam results, I will tell you what I have learned. I have learned that this idea that publishing exam results benefits schools or children is nonsense and if anyone can point me to any quality outcome from the last couple of years, please do so.

**5.3.5 Deputy M. Tadier:**

I have changed my question due to a text message I received [**Members: Oh!**] but I was not told to ask the question incidentally. Would the candidate consider from a very young age giving lessons to our pupils on decoding propaganda so that they might be able to understand that when they read the local newspaper or watch local TV stations, that they are just imbibing a complete load of propaganda from that which has been captured and co-opted from the powers that be? Will he answer that question and that is primarily directed to channel TV who I understand have just broadcast a complete load of pap in the Royal Square, which we unfortunately cannot be privileged to view today.

**The Deputy of St. Ouen:**

I can provide some comfort to the Assembly in that the education that we do provide at the schools helps our young people to discern what is right from wrong and what is truth and fiction.

**5.3.6 Senator L.J. Farnham:**

Given the very difficult time that the candidate has had in the last couple of years, can he make unequivocally clear how he intends, if successful in retaining the Ministry, to deal with the ongoing issue of States funding for fee-paying schools and is he going to support the publication of results? That requires a yes or no answer.

**The Deputy of St. Ouen:**

I believe I have adequately proved that I am prepared to deal with and make tough decisions. I do not enjoy it but I do believe that if we are to make some sense of our finances moving forward, we are going to have to deliver savings. There is no choice. In fact, there is a choice, the choice is increased taxation. With regard to the exam results information, let us be clear. There has never been any secrecy over exam results. Exam results and information about the problems of each school was provided at each school for and to the parents and those interested in attending those schools. It was felt appropriate, it was felt right. We have had no individual ask us for further information but I will agree that it is important and I would like more than anybody else to be able to provide proper and useful information that would demonstrate that we have got a very good education on this Island and we have. The problem is that some people choose, because of their own personal agendas, to point to a particular issue, focus on a narrow measurement and ignore all the good work that is happening within our schools. Now, that is a challenge for me, it has been a challenge for my department. It is one I set my department 2 years ago. That is why we introduced the Professional Partner scheme. That is why we were developing a new and improved performance measurement but it takes time because we want to measure one year to the next and that needs us to compile some information. But there is no intent on being secretive. I want to stand up; in fact, I want all the States Members ...

**The Bailiff:**

I think a reasonably concise answer, please, Deputy.

**The Deputy of St. Ouen:**

Excuse me. Sorry, Sir.

**The Bailiff:**

The Deputy of Grouville.

**5.3.7 The Deputy of Grouville:**

Yes. I am still confused and I am very sorry if I am going to ask the Deputy to repeat. In his speech he said to me that he will ... well, he said to us he will not shy away from his responsibilities and do the best for the Island as a whole. I am still confused. Is he going to make the savings? Is he doing the best for the Island as a whole? Is he doing the best for the students or is he going to go along with the saving programme? Can he answer which way it is, very clearly?

**The Deputy of St. Ouen:**

I think that both myself and other Ministers find ourselves sometimes in a difficult place. We have the States Assembly agreeing that we need to save money. We have the States Assembly being provided with very detailed information on where we are going to save that money. With all of that knowledge, the States as a majority decided that those savings should be taken. Now we are finding ... and we know that there are some concerns about certain of the savings that have been proposed. It will be down to myself, but not just myself alone; more importantly, the Council of Ministers and this Assembly to properly determine whether or not we should be taking money away from education. Because I think that the importance of education somewhere along the lines, because we have been clamouring to save money, has been lost and I think that that is my job, that is my role, that is the role for any Minister to fulfil. It is in discussion with the Council of Ministers to determine what the priorities are for this next Assembly.

**5.3.8 Deputy K.C. Lewis:**

As St. Saviour No. 2 Deputy, the candidate will be well aware that not only do we have most of the schools in our Parish but also in our District. If the candidate were re-elected as Minister, would the candidate undertake to work more closely with our new Parish Constable, the Roads Committee, the Deputies and the T.T.S. (Transport and Technical Services) to alleviate these major logistical problems?

**The Deputy of St. Ouen:**

The Deputy does not have to remind me that I have a large number of schools in St. Saviour because I think for the last 8 or 9 months I have had an Assistant Minister equally from that Parish who is passionate about traffic and issues to do around the schools. The Deputy will also well know that quite early on, in fact, even before Deputy Vallois joined the team, we instigated a meeting with T.T.S. to look at a number of issues about how we could improve the traffic flow in and around Mont Millais and Wellington Road area.

[18:15]

**5.3.9 Deputy J.A. Martin:**

Yes. Just a straightforward question, really. One of the candidates has already indicated - I will not name them - who their 2 Assistant Ministers will be, the other candidate is keeping their options open. Has this candidate anybody in mind and, if so, why?

**The Deputy of St. Ouen:**

No. I do not count my chickens before they hatch and also 3 years ago, and perhaps the Deputy is not aware, but my approach to the selection of Assistant Ministers was, first of all, to find out who was interested, secondly, to speak to each individual, basically undertake some form of interview, and then make a decision based on what I heard. That is, I believe, a fair process and one that I plan to continue and use if I am re-elected.

**5.3.10 Senator S.C. Ferguson:**

Would the candidate like to tell the Assembly what his vision is for vocational training?

**The Deputy of St. Ouen:**

I think, again, the exam results issue has highlighted the fact that not all children are the same and because not all children are the same you cannot feed them with the same academic curriculum, it does not work. It has taken, perhaps, a long time for this Island and our education system to understand that, but we need to better engage the youngsters that are practically minded. We have already started a process, we need to explore it further but, more importantly, we need to utilise the facilities and the skills that we already have within our schools and within Highlands to offer the broadest range of curriculum. This does not necessarily mean simply just for vocational courses

and training, I think there are opportunities to broaden the academic curriculum with some support and a collective responsibility from all the schools.

**5.3.11 Deputy S. Pitman:**

I would like the views from the candidate on what is now the substitute for the former educational grant for 16 to 19 year-olds living in low-income families. This is now the adult component in income support which is, I believe, £93. Where the student is part of a household this is part of the whole of the income support payment, so it does not necessarily reach the student because the family may not be able to afford to give the student the money. Does the candidate believe that this encourages young people living in low-income families to go on to further education and, if successful, will the candidate finally deal with this inequity?

**The Deputy of St. Ouen:**

I know that the Deputy has raised an issue with me before a little while ago, and I think that there is a concern and a financial effect on certain individuals who struggle with the existing scheme. I am more than happy ... and I think I have already attempted to have discussions with the Minister for Social Security but I think that, whatever we do, we need to encourage our youngsters to develop their skills in whatever shape or form, and I want systems that help that.

**5.3.12 Deputy R.C. Duhamel:**

Does the candidate favour the creation of a single 6th-form college to maximise student educational potential?

**The Deputy of St. Ouen:**

No.

**5.3.13 Senator P.F. Routier:**

The candidate commented about the value of the sporting community in our Island life. Would he be prepared to protect and enhance the work of the sports development officers and also the programme of strengthening conditioning for elite sports people?

**The Deputy of St. Ouen:**

The Senator highlights another problem, and it is to do with savings. We made a conscious decision in this department to protect and maintain the development officers and work with other organisations. We have a very good partnership arrangement; half of the cost of a sports development officer is provided by the department, the other part is provided by the organisation or association which represents that particular sport. Also, I think we should celebrate the fact that we have set up a new foundation called the One Foundation that is able to utilise and attract private money to help sportsmen and women and others achieve their highest potential. So in that way I think that with the facilities that we provide, the infrastructure we provide, supported by the One Foundation and financial sponsorship, we can be confident that sports will continue for a long time to come.

**5.3.14 Deputy G.P. Southern:**

I thank the Minister for mentioning this earlier, but I will ask my question anyway. The States has a policy that any pay award for public sector workers should be conditional on a reduction in their terms and conditions. Does he believe there are reductions in terms and conditions possible for his teaching staff?

**The Deputy of St. Ouen:**

I am not trying to avoid the answer to your question, but my difficulty is that although I am the Minister for Education, I am not responsible for staff that work for the departments of the States Employment Board. I do know that discussions have started, because my Chief Officer informed

me so, but I cannot comment on the detailed terms and conditions and the discussions that have been going on because I am afraid I am not party to that.

**5.3.15 Senator L.J. Farnham:**

Notwithstanding the fact that Highlands College does offer university degree courses, does the candidate consider the establishment of a university in Jersey to be viable and feasible and, if so, how would be begin the process?

**The Deputy of St. Ouen:**

Currently, in total, including the contribution that parents make, the amount that is spent per annum to educate our young people at university is approximately - and I will use approximate numbers - about £20 million. If you want a university on this Island, and a reasonable university, it is going to cost between £50 million to £100 million, minimum. I think that what we are doing is targeting and working with local industry and others to identify the needs and, where we can, develop specific courses and degrees, whether it is foundation or otherwise, on the Island to help grow our own. I would like to see that continue. I think we have seen some excellent initiatives being started with the Law Society and others, and I think that we need to work closer together collectively to deliver the best we possibly can for those who, perhaps, are unable to leave this Island to go into further education.

**5.3.16 Senator P.M. Bailhache:**

How radical is the candidate prepared to be in reversing the trend and promoting ...

**The Bailiff:**

I am sorry. That brings questions to this candidate to an end, so I would ask that the other 2 candidates be brought back into the Assembly.

**The Connétable of St. John:**

Possibly tomorrow so we can find somewhere else to put the Members which is a bit closer.

**The Bailiff:**

Apparently, it is the Le Capelain Room, so it does not seem that far away. Very well, so the Members have returned, so could the ballot papers please be distributed and you will need to write one of the 3 candidates' names. Thank you very much. So please collect the ballot papers. Very well, I ask the Attorney General and Deputy Viscount to act as scrutineers. While we are waiting, Chief Minister designate, you are still happy with the same order, are you, that you want at the moment?

**Senator I.J. Gorst:**

Yes, I am, Sir.

[18:30]

**The Bailiff:**

We obviously have a large agenda tomorrow, we have another 5 Ministers, having achieved 4 today, and then we have a further 7: that is chairman of P.P.C., chairman of P.A.C. and chairmen of 5 Scrutiny panels. So depending, obviously, on the number of candidates ... but we will be hard-pressed to get through it all tomorrow. There we are. I suppose Members should give some consideration as to what is going to happen. It seems unlikely that we will be able to finish tomorrow; whether Members then will just carry this forward to Tuesday. Can we do that, Greffier, have a continuation of the meeting on Tuesday? Yes, and postpone, then, the selection of the panel.

**Deputy M. Tadier:**

Sir, I sent a note to the former chairman of P.P.C. and she replied. It completely slipped my mind, of course, she is maybe not the right person to do it, so I will test the mood of the Assembly. What I was going to suggest is that tomorrow I think we should have a break, whatever happens, after we have finished electing Ministers. Hopefully we will have finished electing them by maybe 4.00 p.m. but I think it is important to give a break so that we can talk about what everyone's options are. At least if we can decide that.

**The Bailiff:**

Yes. I think it will be up to Members at the time, but certainly I can well understand that point, Deputy.

**Deputy M. Tadier:**

While I am up, Sir, I have also got a plane to catch tomorrow about 4.00 p.m. so I will have to leave. [Laughter]

**The Bailiff:**

Very well. I am now in a position to announce the result of the ballot: Deputy of St. John, 25 votes, Deputy Trevor Pitman, 12 votes and the Deputy of St. Ouen 13 votes. So I am afraid Deputy Pitman will fall out. There were 50 votes cast and therefore there was not a majority. Very well. So a second ballot is called for and I will ask the Greffier if the ballot papers can be distributed.

**Deputy G.P. Southern:**

Can I ask a question of the Chair, Sir? My assumption is that the Deputy of St. Ouen and the Deputy of St. John are the names we should be putting on there and not, Sir, individual names, personal names?

**The Bailiff:**

Well, I am sure that either will be counted.

**Deputy G.P. Southern:**

All right. Fine.

**The Bailiff:**

But, Deputy, you are quite right; as a matter of technicality, they are each the Deputy of St. John and the Deputy of St. Ouen. Very well, please collect the ballot papers. Have all Members returned their papers?

**Deputy M. Tadier:**

Sir, I do not appear to have been given a slip or, if I have, it is not here, so ...

**The Bailiff:**

Well, you must know whether you have filled in a slip, you have not ...

**Deputy M. Tadier:**

I have not filled one in and I have not seen one; that is what I am saying.

**The Bailiff:**

Very well, if you have not been given one, then ... Very well, we will give the Deputy another one. The total should be 50. Very well, I ask the Deputy Viscount and the Attorney General to count the votes.

**Deputy G.P. Southern:**

Sir, can we have nominations for the next position? Is that in order?

**The Bailiff:**

Are Members happy to do the nominations for the next post? We have been waiting, I think, usually until the ballot has been heard. You are happy to make your nomination, then?

**Senator I.J. Gorst:**

I am happy to make my nomination, Sir, indeed I am. I should like to nominate Senator Alan Maclean for the position of Minister for Economic Development. Thank you.

**The Bailiff:**

Is that seconded? **[Seconded]** Any other nominations? Deputy Martin?

**Deputy J.A. Martin:**

Oh, I wish people would not ask me this; the ships are going down like submarines, who I keep proposing, Sir, but I would like to propose Deputy Higgins. Thank you, Sir.

**The Bailiff:**

Is that seconded? **[Seconded]** Any other nominations? Very well, so we have 2 nominations and that will start matters off tomorrow morning. Very well, I am now able to announce the result of the ballot for the Education, Sport and Culture Ministry. The Deputy of St. John, 26 votes, the Deputy of St. Ouen, 22 votes and 2 spoilt papers. I therefore declare the Deputy of St. John has been duly appointed as the Minister for Education, Sport and Culture.

**The Deputy of St. Ouen:**

Sir, can I be the first to congratulate the Deputy of St. John. I wish him well for the next 3 years. **[Approbation]**

**The Deputy of St. John:**

On behalf of Members, both past and present, I would also like to thank the Deputy of St. Ouen for his work. I think everybody knows that his heart has been in the right place all along and whatever criticism he has had is criticism; we all expect that as politicians, but I do know that his heart is in the right place and I looking forward to working with him in the future. Thank you. **[Approbation]**

**The Bailiff:**

Very well, the adjournment is proposed. So the Assembly will reconvene at 9.30 a.m. tomorrow morning.

**ADJOURNMENT**

[18:45]