

3. Questions to Ministers without Notice - The Minister for Treasury and Resources

3.1 Deputy J.J. Huet of St. Helier:

Would the Minister advise what is the States' policy for the payment of local suppliers for goods and services supplied? Because I believe historically the payment used to be within 7 working days, but I believe this must have changed because I am being informed by local companies that they are waiting 5 or more weeks for payment, which is a long time when they have to pay their bills weekly.

Senator T.A. Le Sueur (The Minister for Treasury and Resources):

I have to admit I do not know the exact policy in terms of payment of suppliers. Normally I thought it would have been in the month following submission of their monthly statements. I agree that it is one of our targets to ensure that suppliers are promptly paid. I am not aware of any undue delays, but if the Deputy would like to give me chapter and verse I would be happy to look into it because I share her concerns that if suppliers are being unfairly delayed in payment by us it damages their prospects.

Deputy J.J. Huet:

I thank the Minister and I will do so because, as I say, I am talking about a lot of money for small people.

3.2 Deputy F.J. Hill of St. Martin:

Will the Minister give an update on the progress of the share transfer legislation and is there any chance of the legislation coming to the House before the summer recess and, if not, why not?

Senator T.A. Le Sueur:

The legislation is due to come in in the Budget in December but there will in June or July be a consultation process where the draft Law will be available. It is, as I think I tried to make clear, a complicated Law and it is only right that it should go out for consultation discussion before it comes to this House for final approval. So that discussion consultation will take place in the summer in order that I can keep to the timetable of this House of having the Law in place by the end of the year.

3.2.1 The Deputy of St. Martin:

Could I just ask a supplementary? Could I ask the Minister then, if indeed the legislation does come to the House and is approved, will it have to go to Privy Council before it can then become adopted in the Island whereby possibly another 6-months delay will be incurred?

Senator T.A. Le Sueur:

Any taxation legislation normally comes into force immediately by virtue of an Acte Operatoire, so if it is passed in the Budget in December it can come into force immediately thereafter.

3.3 Senator J.L. Perchard:

Will the Minister inform the Assembly of the current position of the States of Jersey with regards to the proposed sale of the former Jersey College for Girls school?

Senator T.A. Le Sueur:

The position, Sir, is that the sale is on hold. A Scrutiny Panel has been looking at the process and activities leading up to this sale. That Panel's report is, I believe, imminent. Following their report there will be recommendations of which I shall take account and then proceed accordingly. So at the moment no further progress has been made pending receipt of that report.

3.3.1 Senator J.L. Perchard:

Supplementary: will the Minister consider re-advertising the property?

Senator T.A. Le Sueur:

I have all options open at the moment, Sir. I am doing nothing until I see the conclusions to the recommendations of that report.

3.4 Deputy J.A. Hilton of St. Helier:

I would like to ask the Minister a question relating to the old La Pouquelaye School. How does the Minister reconcile his desire to squeeze every last drop of money out of the school for States coffers with the stated principles of the social policy framework that was presented to States Members yesterday which talks about promoting independence, and I quote: "To develop and co-ordinate support services that helps neighbourhoods and communities build social capital."

Senator T.A. Le Sueur:

The Deputy misrepresents me. I am not anxious to squeeze every last drop out of every asset the States owns. Only yesterday I agreed to the sale of a property for social housing purposes at less than market value. What I am anxious to do is to ensure that the States gets reasonable value out of its assets. We have an asset there which is owned on behalf of the public which is there and potentially not being fully utilised at the moment which the proceeds of that could be used for other very necessary States projects. What I aim to do is to ensure that, recognising the objectives of the social policy and the needs of the community in La Pouquelaye, a deal could be arranged with the Parish of St. Helier in order that a fair price can be obtained. I believe the suggested price was unfair to the Island just as much as a full asking price might be unfair to the residents of St. Helier. With some goodwill on both sides - and I certainly have the goodwill on my side - I am going to discuss with the Constable tomorrow and his officers to see if we cannot reach an amicable settlement in the traditional way of a Jersey compromise.

3.4.1 Deputy J.A. Hilton:

Supplementary, Sir. Is the Minister able to give some indication of what exactly he is looking for and what sort of value he feels would be a fair representation?

Senator T.A. Le Sueur:

I go into negotiations with an open mind but with a clear objective that I have to do what is my duty as Treasury Minister, which is to look after the assets of the States just as much as I have a responsibility as a States Member for the people of the Island. I do not want to start giving figures any more than I am sure the Constable would want to start giving figures from his end. I want to go into discussions with an open mind and with a chance for a full but frank negotiation.

3.5 Deputy G.P. Southern:

In the light of the recent rise in Bank of England base rate and predicted further rises, will the Minister revise his predictions for R.P.I. (Retail Price Index) in the business plans currently being under consideration?

Senator T.A. Le Sueur:

Yes, Sir. The inflation assumptions in the Business Plan did assume certain increases in bank rate. If there is a further rise, as may well be, that will also be taken into account just as the last one has been. So, yes, the inflation figures are continually updated as major influences such as that do occur.

3.5.1 Deputy G.P. Southern:

Supplementary if I may, Sir? In the light of such predictions and the recent experience with R.P.I. rising to over 4 per cent causing further cuts in delivery of services, does the Minister consider that with hindsight his decision to operate without any form of contingency fund is, in fact, a mistake?

Senator T.A. Le Sueur:

The short answer is no, I do not think it is a mistake. The Deputy also assumes that the tax of 4 per cent has been cut from delivery of services; that is not necessarily the case. It is a matter which can be managed but I would remind the Deputy that this R.P.I. increase has not been totally unexpected. The bank rate increases have been widely predicted over the last 12 months or so and our projections have been adjusted accordingly. I would also remind him that our main targets for inflation is that of R.P.I.X. (R.P.I. excluding mortgage interest payments) and it is that which I am primarily interested in maintaining and controlling.

3.6 Deputy J.A. Martin:

Given that we seem to still have so many concerns about Income Support, can the Minister confirm that if this fourth target date is missed that the introduction of G.S.T. will also be put back because I think even at this timescale it will only be in at 4 months when it was guaranteed to be... Income Support to be in 6 months before G.S.T. But if this is missed will he please confirm to the House he will definitely put back the introduction of G.S.T.?

Senator T.A. Le Sueur:

Members will be aware that the early introduction of G.S.T. is crucial to maintaining our agreed policy of budgets over a 5-year period and any delay in the implementation of G.S.T. will have an adverse effect on that. For that reason I have been very anxious to ensure that Income Support is in place in advance of G.S.T. and that is why the Minister of Social Security is working very closely with me to ensure that happens. Because the implementation of G.S.T. has been delayed for a couple of months, it does give the Minister of Social Security additional breathing space which he can use to full advantage to give further explanations about income support. But my objective and that of the Minister of Social Security is to ensure that this timetable is adhered to and G.S.T. does come in on time and our budgets and our financial planning is in accordance with what we expect.

3.6.1 Deputy J.A. Martin:

Supplementary, Sir. The Minister did not answer the question. We got G.S.T. passed through this House on the definite understanding that people on low incomes would be supported. Will he put off G.S.T. if the low income support implementation date moves again?

Senator T.A. Le Sueur:

That would be a matter for the House to decide, Sir, and they will have to decide that in full, like the consequence of doing that. I believe that that is a premature question. The question really is, is this House committed to an income support system and, if it is, let us bring it in at the appropriate time in advance of G.S.T. as we have agreed.

3.7 Deputy P.V.F. Le Claire:

Is the Minister able to give directions to the P.E.C.R.S. (Public Employees Contributory Retirement Scheme) Committee of Management in respect of ethical investing in relation to some of the investments the management is currently pursuing in relation to tobacco companies? Surely it is not an ethical investment on behalf of the Island of Jersey to invest in an expanding tobacco company which is the third world's largest tobacco producer, and is he able to give directions in that regard?

Senator T.A. Le Sueur:

I have to say I believe the answer to that question is no, Sir. The Committee of Management of P.E.C.R.S. is an independent body of quasi-trustees. They appoint investment managers and they have an investment management brief set out. It would be for the Committee of Management themselves to decide their investment policy, including whether or not they invest in ethical investments.

3.8 Deputy P.J.D. Ryan of St. Helier:

Could the Minister detail for us the progress that he has made on the formation of the advisory committee to the States on economic and fiscal policy agreed in the Strategic Plan?

Senator T.A. Le Sueur:

That Fiscal Policy Panel is to me an integral part of our future anti-inflation strategy. I am anxious that it does come in before the end of the year. It is progressing more slowly than I would have liked to see, but it is still our hope and target to be delivered before the end of this year.

3.8.1 Deputy P.J.D. Ryan:

Is the Minister considering and should we, in fact, therefore, be considering or be planning for fiscal surpluses at this time while economic growth is at a high point with a view to increasing the size of the Stabilisation Fund, so to speak, making hay while the sun shines?

Senator T.A. Le Sueur:

I have made it clear that I believe it is the right policy that in times of economic growth like this, when there are funds available, we should add to the Stabilisation Fund or Strategic Reserve or both, that would be the subject of a proposition to the States in December, at the time of the budget, and just as last year when we proposed and agreed to transfer £10 million to that fund I would hope to be able to do a similar sort of proposal in the forthcoming debate next December.

3.9 Deputy C.F. Labey of Grouville:

Will the Minister inform the Assembly what arrangements his department is making to alleviate his discriminatory proposals to charge G.S.T. to the 2 colleges and none of the other secondary schools in the Island?

Senator T.A. Le Sueur:

I have put forward suggestions, Sir, to the Director of Education and the Minister for Education to take it up with the colleges concerned. I believe there are ways in which this problem can be resolved but that requires also the view and acceptance of those proposals by the bodies concerned. Those discussions are ongoing, Sir, although I share the Deputy's concerns that there is apparently at the moment some discrimination or some inconsistency in the treatment of those different schools.

3.10 Deputy J.J. Huet:

Mine is back to La Pouquelaye, Sir. Is the Minister aware that the community centre has been well utilised and many of our volunteers are putting in many, many hours of unpaid work? Would the Minister advise us if we could maybe come to an agreement with St. Helier - because I know we have to look after our monies - to maybe do a land swap in exchange so we could still have La Pouquelaye as a youth centre or a community centre and the Island gain money other ways?

Senator T.A. Le Sueur:

Yes, Sir. I am aware that the buildings at La Pouquelaye are being used for a variety of community purposes and very well used, too. I am more than happy to talk to the Constable about a land swap. Indeed, that was one of the proposals which I put in my comments last week and which I will be talking to the Constable about tomorrow morning.

3.11 Deputy A.D. Lewis of St. John:

Can the Minister confirm to the House as to whether he feels that the Property Services Department, which I believe is one of his charges, has an important strategic role to play and is not simply a property management agency?

Senator T.A. Le Sueur:

The objectives of the Property Services Department, or Property Holdings as it is now called, have been agreed by the States for some time. That department is still in the course of development and we have recently appointed a new chief officer to that department or that section who will be taking up post in September. His additional expertise will, I am sure, enable Property Holdings to have a wider and stronger remit because it is, as the Deputy rightly says, far more than simply a property management operation; it is a whole strategic plan for the future use of the major assets of the States and major assets owned by the people of the Island.

3.11.1 The Deputy of St. John:

Does this mean that the Property Services Department will consider strategic property purchases if appropriate and will they consider funding independent feasibility studies to ensure that such purchases are appropriate?

Senator T.A. Le Sueur:

I am always prepared to look at strategic property purchases when they are in the public interests. I find it is rather easier for the States to decide to buy more and more properties than it is for them to sell properties, and in order to buy those properties we have to have the funding to do that. That is why we need overall an agreed Property Plan, which is why we have that in each year in the Business Plan. I accept that property purchases will come up outside of that Annual Business Plan process and that requires that there is funding available to achieve that. Any individual properties, such as the Deputy might be thinking - and I am sure I can think of one he is thinking about - needs to be looked at on their own merits and if there is a case to be made, yes, then the States should certainly acquire it. But I do not want the States to simply acquire a land bank for no particular public good.

The Deputy Bailiff:

I appreciate there are at least 2 Members who still wish to ask but I am afraid the time has expired.