

5. Questions to Ministers Without Notice - The Chief Minister

The Deputy Bailiff:

Very well, we come now to questions of the Chief Minister. Deputy Le Claire.

5.1 Deputy P.V.F. Le Claire:

In comments tabled today in regards to the redundancy payment to Woolworths, the Council of Ministers acknowledge on page 2, in addition to being briefed by the Viscount, the Minister for Social Security has written to the joint administrators to express his disappointment and that of the Chief Minister in respect of the failure to meet their statutory obligations under Jersey employment law. In particular, regarding the failure to make payments in lieu of notice. Given that Deloitte, the administrator in Jersey, is an unregulated entity - since it has dropped its trust arm status it is no longer regulated by the Jersey Financial Services Commission - in the future, in this instance and in other instances, what pressure can be brought to bear upon administrators that are operating on behalf of U.K. companies by the Chief Minister in Jersey?

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

It is the obligation of any administrator, wherever they are based, to comply with the laws of the territory in which they are carrying out that administration, and to the extent that administration takes place in Jersey the administrator is obliged to comply with the laws of Jersey. Should they fail to do so that is a matter for the courts or the appropriate authority to take action and certainly from a physical point of view I would support any action to recover or redress any illegal or unlawful actions.

5.1.1 Deputy P.V.F. Le Claire:

I wonder if that would extend to the Chief Minister taking this up with the judiciary and seeking in the future, through the Regulation of Undertaking and Development Law, to make penalty to those companies that administer such funds through the Jersey courts for not adhering to Jersey Law?

Senator T.A. Le Sueur:

The Deputy raises a good point. I am well aware that we may well need to review the application of Regulation of Undertakings licences to companies incorporated outside the Island to ensure that they comply with the laws of this jurisdiction. It is a wider issue than simply that of redundancy or employment matters. It is something which I think is worthwhile taking up and I will endeavour to do so with the Economic Development Minister and the Financial Advisory Board.

5.2 Connétable G.J. Butcher of St. John:

Given the public interest in recycling and this sort of thing, would the Chief Minister be supportive of central government providing receptacles to the Parishes to thereby split the cost because the Parishes have the burden of the cost of collecting these things. Not only would it sort of spread the cost between ratepayer and taxpayer, it would also bring uniformity across the Island as to the way things are done.

Senator T.A. Le Sueur:

I happily endorse other Parishes to follow the lead of the Parish of St. John in recycling matters but as far as the particular situation of having central receptacles in Parishes provided by the States, I would point out that Transport and Technical Services already provide such facilities at numerous locations around the Island. It is not a question of one or the other, I think Transport and Technical Services are doing their part, it is up to the parishes to do their part as well.

5.2.1 The Connétable of St. John:

Could I ask some clarification on that? My point was more to provide the receptacles for doorstep collection as we do in St. John, not bins around various parts of the Parish.

Senator T.A. Le Sueur:

As I said, I think it is something where the Parishes can also play their part. The facility needs to be provided and I would have thought that this is something where other parishes might follow the example of St. John where a lot of that service was provided through sponsorship from other local commercial companies.

5.3 Deputy G.P. Southern:

In the light of the Chief Minister's strength and convictions on the introduction as soon as possible of statutory redundancy pay, particularly in the case of insolvency, his willingness to set up an intermediate contingency fund - central insolvency fund - to deal with what happens in the intervening period, why, despite general agreement in principle with the payment of redundancy payments by the States to the workers at Woolworths, has he not agreed in his comments to support my proposition P.2 and its amendments today?

Senator T.A. Le Sueur:

I think the Deputy is trying to have a rerun or a foretaste of the debate on his proposition which I think can well wait until that time. The reasons why I and the Council of Ministers in general oppose the proposals of the Deputy are clearly set out in our comments and I think when the time comes for that debate they can be amplified by the parties concerned.

5.3.1 Deputy G.P. Southern:

In the light of his determination to set up a central contingency fund to cope with this in the shortish term, why can he not support immediate payments now to Woolworths' staff?
[Approbation]

Senator T.A. Le Sueur:

The nature of any contingency fund or fund for payment for redundancy through insolvency is a matter which has already been consulted upon and the difficulties of such a fund, and its actual funding, are well known. They were publicised when the previous Minister for Social Security brought his report to the States I think in 2007. It is still a matter of discussion as to how any such provision should be funded. So while the principle is one I can happily endorse, the actual mechanics of funding it are far more difficult.

5.4 Deputy S. Pitman of St. Helier:

In the interests of openness and transparency, would the Minister confirm during the election of a certain Minister did he receive a note from Deputy Noel asking him who he should vote for?

Senator T.A. Le Sueur:

I received numerous notes in the course of the last election asking all sorts of advice, most of which was fairly irrelevant to the actual discussion. I did receive a note from Deputy Noel, among dozens of other such notes.

Deputy S. Pitman:

Did he answer Deputy Noel's note?

Senator T.A. Le Sueur:

I hope I answered everybody's notes. [Laughter]

Deputy S. Pitman:

What was his answer?

5.5 The Deputy of St. John:

Having heard what Minister Maclean has said, can the Chief Minister give the people of Jersey an assurance that all funds were secure or are secure in local banks and in the event of a bank going under the States will step in and honour the deposits? Can the new Chief Minister give the people of Jersey the same guarantee that the former Chief Minister gave us, and also will he explain to us how, if we do have a problem, and where the reserves are going to come from?

Senator T.A. Le Sueur:

I stand by the commitment made by my predecessor in respect of the depositor compensation scheme which is currently in place pending any new arrangements brought forward by the Economic Development Minister and approved by this House. We have analysed the risks and the commitments should such a scheme be required because no Chief Minister would make such a commitment lightly and without the ability to deliver. Having examined the risks and the financial implications, I am satisfied that there are sufficient funds within our existing reserves to meet such contingency in the extremely unlikely event that that should arise. As the Economic Development Minister said in an earlier question, the fact that the nations concerned are standing by their banks and it is those banks which are operating in this Island, I have no doubt that such a fund would not be required.

The Deputy Bailiff:

Deputy, did you want to ask a supplementary question?

5.5.1 The Deputy of St. John:

I did want to, yes. Could the Chief Minister please enlarge and tell us where these funds are coming from? He has told Members in private and I believe the public have a right to know how their money would be spent.

Senator T.A. Le Sueur:

Should the funds be required - and, as I say, it is in my view not at all likely that they would be required - the funds would come out of the Strategic Reserve or other cash funds available within States resources, full details of which are available in the States accounts.

5.6. Senator S. Syvret:

I am no expert on company law - no doubt I will be corrected - but I have been reliably informed that it is a requirement of that law for companies to keep a certain cash reserve necessary to meet their statutory obligations before repatriating it to shareholders. Woolworths in Jersey failed to do that and I am told by somebody who understands these things that, in fact, the directors of Woolworths Jersey, by acting in this manner, were engaging in fraudulent trading. Will the Chief Minister undertake to ask the police to investigate this matter? If nothing else, this possibly criminal activity ought to be investigated.

Senator T.A. Le Sueur:

Were we talking about a Jersey incorporated company that might well be the case where the funds are ring-fenced within that company. In the particular case the Senator is referring to, the company operating in Jersey was a branch of the U.K. company and the company law which applies to Woolworths plc is that of U.K. company law. I am not a legal expert and any matters of a legal nature need to be directed to the appropriate quarters.

5.6.1 Senator S. Syvret:

A supplementary question, if I may. What the Chief Minister has just said is quite extraordinary. He effectively is saying that Jersey incorporated companies operate to one set of rules and the law applies to them, yet U.K. incorporated companies do not have to obey the law that prevails in the Island. If he is correct in that assertion, then I think something has gone very badly wrong

and I would urge him to address that matter. It would seem to me that there has to be a level playing field; if we have things like employment laws in the Island they must apply to all. **[Approbation]**

Senator T.A. Le Sueur:

If I have conveyed a wrong impression to the Senator I am sorry, I did not intend to mislead him. I said in the narrow case of company law a U.K. company operating in Jersey through a branch has to comply with U.K. company law for that company. Any activities of the company carried out in Jersey have to comply with all legal obligations in Jersey, whether they be employment laws or any other such laws. I hope that that clarifies the situation for the Senator.

Senator S. Syvret:

To clarify the point ...

The Deputy Bailiff:

I am sorry, Senator, everyone can only have 2 goes, otherwise it is not fair. The Deputy of Grouville.

5.7 The Deputy of Grouville:

During the meeting discussing the Strategic Plan yesterday 3 statements were made: adequately house the population; sustainable population levels; and return to sustainable growth by 2012. Does the Chief Minister not think we ought to put the horse before the cart and debate a migration policy? **[Approbation]**

Senator T.A. Le Sueur:

It is not a question of putting the horse before the cart. I think a migration policy ought to be an integral part of any Strategic Plan. I would hope that when the final plan is brought before the States the plan will, indeed, contain policies relating to population and migration.

5.7.1 The Deputy of Grouville:

Could I ask when we are going to discuss or when we are going to debate a migration policy that this Island urgently needs?

Senator T.A. Le Sueur:

As I have just said, it will be contained within the Strategic Plan. That Strategic Plan will be debated by the States in early June.

5.8 Deputy T.M. Pitman:

As one of those politicians who attended the meeting with the Chief Minister about supporting the Woolworths' staff, the Chief Minister was very broadly supportive. Now he tells Deputy Southern that support has gone. Does he accept that words without action are meaningless?

Senator T.A. Le Sueur:

No, I said I supported the need to help Woolworths' employees and I remain committed to supporting the needs of Woolworths' employees. I also said that there were difficulties which we ought to try to overcome in order to try to find a solution. Having failed to overcome those difficulties, I come to the conclusion which is set out in the comments of the Council of Ministers.

5.9 Deputy M.R. Higgins:

The Chief Minister a few moments ago mentioned that he would not have brought forward a depositor scheme unless he was convinced it could be delivered. He forgets, of course, that the scheme is a political scheme. There is no scheme in existence as such. For him to bring it into

reality, he has to bring it to this House and the Members of this House have to vote for it. There is no guarantee that that would be forthcoming if it meant bankrupting the Island in the process.

The Deputy Bailiff:

What is the question, Deputy?

Deputy M.R. Higgins:

Would he not agree with that statement?

Senator T.A. Le Sueur:

I agree that any proposal to spend States resources, public resources, does need to come before this House and would do so. I would hope that in the event of a major bank collapse, which, as I say and keep on saying, is not on the horizon, in such a case I would hope that the Members of the States would be sympathetic to the plight of Island residents.

5.10 Deputy M. Tadier:

Is the Chief Minister still of the opinion that there is no recession in Jersey? If he is, will he acknowledge at least that there is a recession in the U.K. which may have serious implications for Jersey?

Senator T.A. Le Sueur:

I think it is a question now of when Jersey might go into recession, not if. I am not at the present time convinced that we are in recession now, but we are certainly going in that general direction. I do not think there is any magic date when suddenly one says: "Yes, today we are in recession; yesterday, we were not," but certainly the economic trends are downwards. We will need to take such action as needs be to counter such a situation. The Treasury Minister is already outlining some ways in which that might be achieved.

Deputy M. Tadier:

Supplementary, Sir?

The Deputy Bailiff:

No, I am afraid that brings questions to an end to the Chief Minister.