

2.1 Deputy D.J. De Sousa of St. Helier of the Minister for Treasury and Resources regarding the use of the Economic Stimulus Package to employ local companies where appropriate:

Can the Minister inform the House how much of the economic stimulus package is being spent by departments that will use U.K. (United Kingdom) companies to carry out the work and will he confirm whether this is the case in respect of the cycle path along the Esplanade?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

To date a number of contracts have been let through departments with an element of funding from the economic stimulus package and to date this figure is around £1.8 million. The tender process for others is underway with an allocation of approximately £5 million for other civil engineering projects, £8 million for Housing and a further amount for urgent property maintenance in the States of Jersey. The cycle track works involves only local companies and the local labour force. The labour is in fact from the Transport and Technical Services Department and it is the materials which have been sourced from a variety of local companies that have been funded from the fiscal stimulus fund. To answer the question about U.K. companies, we do not discriminate against U.K. companies versus local companies; we do discriminate against the use and the component of local labour. The only successful supplier so far that has been U.K. registered is a company which has been successfully operating in Jersey for many years and fulfils the criteria of being targeted for any fiscal stimulus money. The purpose of the fiscal stimulus money is to secure jobs for local people by requiring companies to employ local labour to carry out the work and any other subcontractors are under the same obligation.

The Bailiff:

Deputy De Sousa, do you wish to ask a supplementary?

Deputy D.J. De Sousa:

Can I come back at the end, please?

The Bailiff:

Yes, certainly. Deputy Southern.

2.1.1 Deputy G.P. Southern of St. Helier:

Will the Minister state why so little of these funds have been released so far and here we are in October 2009 when he made such a fuss about the non-timely nature of taking money from the Stabilisation Fund for the town park?

Senator P.F.C. Ozouf:

The question related specifically to Deputy De Sousa's questions in relation to one cycle track. What I can say - and the Deputy knows - is that money has been released for skills and training; that there are approximately 122 students at Highlands who are now undergoing skills training that otherwise would be unemployed. There is also the number of people that are benefiting from the 'Advance to Work' programme in addition to States apprenticeships which are now underway, and which I had the pleasure of meeting 2 young people at the hospital a few days ago. Money is being spent, it is being spent in a timely way, and it is over the next few months where I

expect there to be a downturn in the construction industry where we will see the full benefit of the fiscal stimulus funding.

2.1.2 Deputy P.J. Rondel of St. John:

We are seeing at the moment contractors coming in from the United Kingdom. I will refer to one specific site which everyone sees daily which is Victoria Avenue. Within that site we are seeing U.K.-registered JCBs and other types of vehicles within that particular site. Can the Minister say is it right that U.K. companies coming over here, taking work away from local contractors and then bringing in their own machinery also where we have an abundance of this machinery on-Island ...

The Bailiff:

Concisely, if you please, Deputy.

The Deputy of St. John:

... is it right that a U.K. company can be employed in this way?

Senator P.F.C. Ozouf:

I asked exactly the same question when I inspected the work - because I am taking a close interest in the fiscal stimulus money - and the Minister and I both saw 3 U.K.-registered vehicles in relation to the company that had been let for the work on Victoria Avenue. What I can say to the Deputy is that the use of U.K. vehicles is different from the staff. A number of vehicles, of which there are 2 passenger vehicles, have been used to bring and to carry out the works. All of the work has been carried out by local people in accordance with the Regulation of Undertakings and Development licence. So I can assure the Deputy that this is using local labour, however, the company is bringing in plant and machinery that is necessary to carry out the extensive work over the winter months.

2.1.3 The Deputy of St. John:

May I follow that with a supplementary? Given that some of the machinery is being imported from the U.K. and we have machinery on-Island that could do that work, can the Minister please explain?

Senator P.F.C. Ozouf:

I am not knowledgeable about the individual contract and the individual decisions. There were 4 companies that were tendered for the project. Two of the companies are entirely local companies, 2 of them are Jersey companies with U.K. parents. They will be bringing in machinery in order to carry out that work and that work is being carried out competitively. The purpose of the fiscal stimulus money is to secure local jobs and that is what we are trying to do. If there is some U.K. machinery that is being brought in, that is because there is a clear cost advantage in so doing and I would want to, I hope, agree with the Deputy that we would not want to be sending out protectionist messages that we are somehow going to be securing only local supplies and keeping prices high.

The Bailiff:

Deputy Southern and then a final question from Deputy De Sousa.

2.1.4 Deputy G.P. Southern:

Since the Minister has gone on to talk about the Skills Executive and the number of apprenticeships, will he state whether the economic stimulus money is replacing money that should have been spent anyway on apprenticeships and other skills training courses? Under his leadership in 2006 the number of apprenticeships reduced by over half under his guidance at E.D. (Economic Development).

Senator P.F.C. Ozouf:

I think the Deputy is wrong. I, in my previous incarnation as Minister for Economic Development, together with the Minister for Education, Sport and Culture, set up the Skills Executive. We set up for the first time a Skills Board which brought on board employers and set a path of a joined-up government approach with Social Security to sort out skills. All the investment that has been made into skills and into apprenticeship training is additional over and above, and I would have thought that there would be wide agreement of the House that that is exactly what we should be doing in terms of the economic downturn.

2.1.5 Deputy G.P. Southern:

If I may, a supplementary; he has accused me of being wrong when in fact I have an answer in front of me from the Minister for Education, Sport and Culture stating clearly that the number of apprenticeships in 2006 and 2007 under his leadership at E.D. went down from 109 to 57. Money has been stopped being spent on apprenticeships and is being replaced by money from the Stabilisation Fund when it should already have been there and he has reduced spending on apprenticeships.

Senator P.F.C. Ozouf:

I think the Deputy is using his opportunity in question time to cast aspersions on previous decisions which are wrong. The apprenticeships programme that is currently being put in place is a reflection of the downturn in the job market. He may well be referring to a period of time when the Island enjoyed full employment and a very different economic time. I would also point out to the Deputy that apprenticeships are not the sole preserve of the Economic Development Department, past or present.

2.1.6 Deputy D.J. De Sousa:

The Minister said that the purpose of the stimulation package is to improve local employment in the current economic downturn. What checks and balances does he and his department have apart from the Regulation of Undertakings and Development to guarantee that the local labour is being used and not that of U.K. companies?

Senator P.F.C. Ozouf:

The Deputy asks a very good question and the practical tool is the use, as she says, of the Regulation of Undertakings and Development and the communication between the fiscal stimulus team and the Treasury team are working in close co-operation. More than that, the Treasury have a programme manager who is monitoring each of the fiscal stimulus team to ensure, not only the undertakings that the companies are giving when applying for their Regulation of Undertakings and Development licences, but there are also checks going on in relation to the individual projects. So, it is a requirement of the licence, there is ongoing supervision and if she wants to come in and see a programme manager and understand how we are following that up, we would welcome her in the department.