

**WRITTEN QUESTION TO THE CHIEF MINISTER BY
DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 20th JANUARY 2009

Question

- (a) In the light of the Woolworth's insolvency, and consequent redundancies, will the Chief Minister inform members what consideration, if any, the Council of Ministers has given to supporting the workers already affected by these redundancies in the short term?

Answer

Since mid December, the Social Security and Economic Development Departments and the Jersey Advisory and Conciliations Service have been working proactively to provide as much assistance as possible to the staff of Woolworth's; dealing with the UK Administrators and advising staff on their employment rights, as well dealing with re-employment, welfare and support issues.

Workshops were held at the store to provide Woolworth's staff with information on Income Support as well as careers and employment services available, and measures were put in place to deal with any arising Income Support claims. A number of Social Security staff were assigned as points of contact for the people affected, and are in regular touch with them.

Specific courses were held to help these people re-enter the job market with confidence, as well as offering workshops on interview skills, CV writing and providing self help tools for both emotional and skills issues. The courses were well received and support for the workers is on-going.

Last week, Economic Development hosted assessment centres over three days at which a prospective new tenant of the ex-Woolworths store, interviewed over 60 former Woolworths employees with the intention of offering future employment. At this stage a final outcome has not yet been confirmed, however it is understood that potential offers of employment were made to a significant number of those affected by the closure of Woolworths.

Question

- (b) Would the Chief Minister advise what steps, if any, have been, or are to be taken to establish proper protection for Jersey employees in similar circumstances in the long term; in what timescale does he see these measures being in place, and what intermediate measures, if any, does he envisage being put in place during 2009?

Answer

An amendment to the Employment (Jersey) Law 2003 was drafted in 2008 which, if adopted by the States, will give employees a statutory right to a redundancy payment. As recommended by the Employment Forum, that amendment was also intended to protect employees whose employer transfers their business to a new owner. However, due to difficulties in finalising that aspect of the law, the Social Security Minister requested in December that the two provisions should be separated in order to ensure that the proposed statutory redundancy payments may be debated by the States without further delay.

The redundancy legalisation has now been separated from the business transfers legislation and the Minister will lodge a draft in February for States debate in April 2009. If the draft is approved, the Minister will seek rapid progression through Privy Council.

While the redundancy law progresses, the Minister intends that priority will be given in 2009 to the establishment and administration of a central insolvency fund, so that statutory redundancy and notice payments can be provided to protect and compensate staff whose employers are unable to meet their obligations.

Question

- (c) What research and information, if any, does the Council of Ministers have on the scale of recession in Jersey and potential insolvencies and redundancies in 2009 and beyond?

Answer

The International Economic situation is changing very rapidly and here in Jersey conditions have changed markedly during the last month. We are all aware of job losses and have heard rumours of more to come. However, as a responsible Government we must not be driven by rumours or individual cases. We have limited resources at our disposal and we must use them at the right time targeted to deliver the greatest benefit for all of our local people.

I am very pleased that we had the forethought to set aside almost £140m in the Stabilisation Fund to use to counter the effects of recession. I am steadfast in my view, which reflects that of the Fiscal Policy Panel, that we must only use this for short term investments aimed at assisting local people and businesses to weather the recession; it must not be used to fund new and ongoing things we would like to do in any event.

Members will remember that I invited the Fiscal Policy Panel (FPP) to review their economic assessment and come and explain their work to States Members and I was very pleased that on 6th of January 2009 35 of us attended. Unfortunately the questioner was not present at that review. The Council of Ministers subsequently had a detailed discussion with them about the research that we have commissioned and the plans we are developing. I am pleased to report that this panel of 3 internationally renowned economists confirmed that they support our proposals and I would like to outline them very briefly.

We have tasked the Economic Adviser and Economic Development Department to report their assessment of likely trends in the economy in 2009. This will include economic analysis of external and internal factors leading to a broad assessment of likely trends in GVA; and also the latest assessment of how the key business sectors are performing in the Island, driven by detailed local information from the business community. This work started some time ago and will therefore be discussed by the Council of Ministers during February and then shared with all States Members.

In parallel with the research we are also developing a package of economic stimulus measures that will be implemented to support local people and businesses to weather the recession. We will have all of this completed and considered by the Council of Ministers during the first week of March. We will discuss it with Scrutiny and States Members and ask the FPP to advise us whether it would be right to release funds from the Stabilisation Fund and whether the economic stimulus package is robust and sensible. The final decision will be for the States as to whether it is right to withdraw funds from the stabilisation fund and whether the investment package is acceptable. I hope States Members will work with me and the Council of Ministers to ensure our decisions are timely.

We are of course already using our existing resources to help people and businesses. The Skills Executive is researching and planning appropriate actions. We are all aware of the help that Social Security is giving to people who are looking for work. The Economic Development department is working with businesses and there is more we can and will do with existing resources.

Overall I believe this is a well judged and timely response to economic conditions. We are acting now to help people experiencing problems and are planning a package to provide some stimulus and support to help people and the economy weather the recession and return to sustainable balanced growth.

