

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

6.1 The Deputy of St. Martin:

It is question 16 of my oral questions this morning. Given that not all the funding allocated for the fiscal stimulus programme has been spent, will the Minister consider reallocating the funding to install a lift from Snow Hill to Fort Regent?

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

As I have answered previously, no bid was put forward for funding; all departments were allowed to put forward requests for funding. No bid was received for Fort Regent. If it had been it would have been considered. The proper way to consider this now is to use the group that has been set up - the Fort Regent Steering Group - in order to progress further investments in Fort Regent, which I support but we have to find a source of funding for that.

6.1.1 The Deputy of St. Martin:

Could I just ask a supplementary? I am grateful for the answer because quite clearly it is still an option but will Back-Benchers or other States Members be asked by that group for comments or suggestions to come forward?

Senator P.F.C. Ozouf:

I sought-out in advance of question time today minutes from that group. I have to say, I am not sure how much progress they are making. I think that there is an important issue about Fort Regent. I do not want to give the indication that there is money available for Fort Regent in fiscal stimulus because there is not, but we need to find a creative solution for finding money for Fort Regent which should involve, in my view, the private sector being involved in it, but I am happy to engage with him.

6.2 Senator J.L. Perchard:

Would the Minister for Treasury and Resources advise the Assembly when he and other Ministers were informed of Education's proposals to reduce the level of financial support of fee-paying schools in 2011, and can you explain why the draft 2011 Business Plan was silent in this respect?

Senator P.F.C. Ozouf:

I think that I was drawn to the fact that the Minister was going to be proposing some element of his £1.2 million for private sector schools, probably a couple of weeks before the Business Plan debate. I think it is unfortunate and lessons should have been learned - and lessons have been learned - about having a wide-ranging debate and ideally we should not have been put in the position that we are in. Lessons have been learned about that.

6.3 Deputy A.E. Jeune:

Does the Minister agree with the Minister for Local Government, Mr. Pickles, in the U.K. in respect of U.K. Civil Service pay, and is he proposing to do anything about senior Civil Service pay in Jersey?

Senator P.F.C. Ozouf:

Mr. Pickles is a very forthright individual, as I understand it, and has said some I think very important things about County Council and Local Government pay of which I agree with. In the U.K. they are now putting County Councils under great pressure who have been allocated in some cases extraordinary salaries; 2 or 3 times the Prime Minister's salary in some cases and, yes, the terms and conditions review is not about lower workers, it is about the higher rates of pay in senior civil servants and that is going to form part of the review implementation of terms and conditions.

6.4 Deputy G.P. Southern:

Will the Minister assure Members that he will ensure that the full *Tribal reports* and others on which the C.S.R. Stage 2 proposals are based will be published, and if not, why not?

Senator P.F.C. Ozouf:

My own view of the *Tribal reports* is that they should be published and if there is any particularly commercial sensitivity ... there could be circumstances in which there were some issues within the *Tribal reports* that are commercially confidential. I do not know that. I have only recently seen the *Tribal reports* myself and certainly my view is that they should be published in advance of the budget debate in December and hopefully sooner.

[12:15]

6.5 Senator S.C. Ferguson:

Would the Minister explain why the Commonwealth countries met in Washington? Is America joining the Commonwealth again? Given his pejorative comments on tea parties, is he not aware that the meaning of the acronym T.E.A. means Taxed Enough Already, and does he not think this represents a genuine public concern related to combating excessive government expenditure? What class did he fly?

The Deputy Bailiff:

Three questions are probably enough.

Senator S.C. Ferguson:

But they were very simple, Sir.

Senator P.F.C. Ozouf:

The Commonwealth Finance Ministers meetings were held in Washington to coincide with the Annual I.M.F. (International Monetary Fund) meetings. That meant a great number of Commonwealth Finance Ministers were able to attend: Australian Finance Minister, Canada, India, New Zealand, and indeed the United Kingdom, which was represented by Mr. Osbourne. I went because Mr. Osbourne was going and I am pleased to say that I had an opportunity of meeting with him and speaking with him ahead of the Ministerial lunch and the discussions during the afternoon. For my part it was also useful because I was able to attend a number of the other seminars within the I.M.F. meetings and I also spent a day in New York visiting key U.S. (United States) institutions with an interest in Jersey and I attended the Small States Conference on Saturday morning. My practice for atlantic flights, because they are 6 or 7 hours and day flights, is I travel economy plus and that is the ticket that the States paid for me to go. I am aware of the Tea Party issue and I learned a great deal from the Tea Party movement within the United States. I have to say that I am not entirely in agreement with them and I certainly learned a lot about the concern about withdrawing fiscal stimulus too quickly from the global economy. I should say that that is not an issue in Jersey because we are proposing to withdraw money in 2012 and 2013 and the numbers in Jersey are small compared to some of the fiscal consolidation in other places.

6.6 Deputy T.M. Pitman:

Can I push the Minister to inform Members what estimate he has of the overall number of public sector redundancies which will be required in Stage 2 of the C.S.R.?

Senator P.F.C. Ozouf:

Not at this stage, but I am happy to give indications when I present the budget statement which will contain an envelope spending limit for 2012 and 2013.

Deputy T.M. Pitman:

A supplementary, Sir?

The Deputy Bailiff:

Well, not at this stage. Deputy Higgins.

6.7 Deputy M.R. Higgins:

Earlier, the Minister for Treasury and Resources stated that he expected to easily achieve the £65 million of cuts now proposed and he extolled the savings that will be achieved with the new States procurement policy with its centralised purchasing expertise, which the Assembly funded a few months ago. Will the Minister not admit, however, that the procurement policy is in tatters and that his department is being sued, or threatened with a law suit, by a multinational company for irregularities in the procurement process involving a major contract?

Senator P.F.C. Ozouf:

I did not say that £65 million was going to be easy; I said it was achievable, and it is achievable with the support of this Assembly and a lot of incredibly hard work. The Deputy is one of those in this Assembly that stands in this Assembly and questions without notice is always used to ensure a Minister is on his toes and in touch with his brief. I am aware of a number of issues in procurement. Procurement is being tough with suppliers and suppliers also threaten legal action, sometimes unreasonably, one of which I am aware of. I do not know whether it is the case he is talking about, but I fully back the Procurement Department. I fully back what they are doing in terms of toughening-up, in terms of getting better value for taxpayers. If he wants to talk to me about a particular case I am happy to do so, but I am not aware of any irregularities in the Procurement Department; on the contrary.

6.8 The Deputy of St. John:

In the answer to written question number 7 I note that the expenses are not broken down that I really asked for, other than lump sums like for travel for the Harbour Chief Officer of £10,000, £6,259 for accommodation, another £5,000 for meals, *et cetera*. All of this looks very extravagant compared to, shall we say, the Chief Minister's Office with a total bill of only £6,300 and others, with Education only £1,800. Please explain how one Chief Officer can run up such large accommodation bills and hospitality bills and travel bills?

Senator P.F.C. Ozouf:

I think that it would be fair to say that first of all I will be accountable for the accounting, but I am not going to be accountable for the decisions within the department. I have certainly looked at some of the breakdowns of this analysis and there are some differences of exactly what the Chief Officer and his P.A. (Personal Assistant) are actually paying for, so I think it is important not to assume that this is Chief Officer expenditure and travel and expenses because they may well be paying things for the other members of the department. Certainly there are legitimate questions about the level of travel spent, but it is quite obvious that as far as the Airport and the Harbours are concerned that are dealing with route development, that are attending maritime conferences, there is going to be a high level of spend, but it is the Minister who should be accountable for that spend by questions to the relevant Minister.

6.9 Deputy D.J. De Sousa:

At the presentation yesterday I did mention about the quantitative easing that has been talked about between the U.S. and U.K. With reference to that, does the Minister consider that the recession in Jersey is over? Does he not consider that we should be looking at possibly more stimulus input in order to boost the economy? Is there any evidence that the cuts that are being proposed in Jersey will not endanger our recovery from the recession?

Senator P.F.C. Ozouf:

Certainly the talk at the I.M.F. was very much about Q.E.2, the second wave of fiscal stimulus, of quantitative easing, which has been proposed by the Federal Reserve and now the Bank of England, too. I do not think the 2 things should be linked in terms of a local context. Everybody has said that the global economic outlook is going to be sluggish over the next 2 to 3 years and certainly we are going to see slow growth in the U.S. and the United Kingdom for some time. That is not stopping the United Kingdom from making the necessary adjustments in terms of fiscal consolidation and spending review, which we will see the results of the U.K. spending review on the 20th. I can assure the Deputy that we take advice, and I take advice, from the Fiscal Policy Panel and our Economics Unit on the effects of any withdrawal of money within the Jersey economy and I am perfectly satisfied that nothing that is going to be proposed in the budget is going to damage the economic recovery. In fact, it is important that we boost enterprise and we do things like growing our financial services industry, which is what I was doing in New York on Thursday, and that we bring a small amount of new business to Jersey. That is what is going to put the economy back on its feet and put people in jobs. I have to say that this Assembly was right, I think, to support fiscal stimulus in the £44 million; it meant that less people have been out of work but we need to continue to be vigilant throughout next year. I do not think the Jersey economy is going to recover strongly, certainly for 18 months or so, but that does not mean the decisions we are taking are the wrong ones.

6.10 The Deputy of St. Mary:

The cuts imposed on private school funding have elicited howls of protest. Is the Minister, in the absence of any genuine public consultation as he has shown in his answer to my written question number 1, before the cuts now going to use the 'wailometre' method of judging which cuts to pursue and which cuts to abandon? In other words, the louder people scream about a particular cut the less likely it is to be implemented?

Senator P.F.C. Ozouf:

I do accept that perhaps the manner in which the issue of private sector grants for private schools has been done has been unfortunate in terms of the way that it has been ... I sympathise with the Minister for Education, Sport and Culture in many ways in some of the things that he is doing and I think that we have to, as a Council of Ministers, say very clearly what the position is in relation to independent schools. I absolutely support the independent sector. I think the independent sector - particularly in the faith school area - provides an education which is not available within the main stream and I would not want to see any withdrawals of funding for particularly the faith schools to result in children either leaving those schools or not having the opportunity of continuing their education or their siblings, but we do need to be targeted and there is an ongoing dialogue that the Minister for Education, Sport and Culture needs to ensure that his target of withdrawal of funding does not have unintended consequences for his own budget or the schools. That is going to require consultation of which many of the proposals in the second stage of C.S.R. are going to require. The budget is indicating a direction of travel and an envelope of spending for departments of which there is an awful lot of work that flows from that. The budget is not the end of the matter; it is the start of it.

6.11 Deputy R.G. Le Hérissier:

Given the Minister's meeting with Mr. Osbourne, would the Minister say now that he is totally supportive of that for which Mr. Osbourne stands, or that he now feels he has to distance himself?

Senator P.F.C. Ozouf:

I had an engaging and positive conversation with Mr. Osbourne and, indeed, I think Mr. Osbourne... I am not entirely of that sole Conservative Party view of the world, I am more of a Coalition Liberal myself. But I completely agree with Mr. Osbourne's analysis of what is required for the U.K. public finances and, indeed, we are correct in suggesting that our public

deficit, and our deficit without any debt but our current deficit, should be eliminated in 3 days ...
[Laughter] ... within 3 years.

The Deputy Bailiff:

Well, that is probably an appropriate moment to announce that the 15 minutes allowed for questions without notice to the Minister for Treasury and Resources have now come to an end.