

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

The Deputy Bailiff:

That is entirely your right, Deputy, and I am sure the Chairman of P.P.C. will pay attention to that. Now we come to questions without notice and the first question period is to the Minister for Treasury and Resources.

3.1 Deputy S. Power:

I was very happy to hear the Minister for Treasury come out this morning in answer to an oral question about the need for affordable housing and shared equity housing and I hope he will add to that social rented housing. Would the Minister be prepared to endorse or comment on the efforts that were made on Homebuy Mark 1 and would he like to see a new deferred payment project Homebuy Mark 2?

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

I strongly support the provision of supply in all sectors of the market, including social renting and that is why I have been, I hope, at the vanguard of supporting the setting up of the Homes Trust and other areas where we now have over 800 social renter units with happy tenants and we can do more. I have campaigned since I was a Deputy sitting over there in relation to shared equity. I did have my moments with the former Minister for Housing on it and I do understand that there are unintended consequences of shared equity because if it is not properly thought through economically you can disrupt the overall market. I strongly support Homebuy, I had some issues in relation to the first scheme but I believe that shared ownership property is absolutely vital for Jersey and is the only way and is the right way that we can achieve the legitimate aspiration of home ownership for Islanders and particularly first-time buyers and young families in the longer term. I will be working with whomever I need to do so in order to achieve the Homebuy 2.

Deputy S. Power:

Can I ask the Minister for Treasury and Resources clarification of that, is he saying that he agrees with the principle of the deferred payment scheme, as was prototyped at La Providence?

Senator P.F.C. Ozouf:

I am going to hold back a final judgment, if I may, on that, because I have not yet studied in detail the Public Accounts Committee's report on it. But certainly I was part of it, I think that the issues of policy, that I want to see a policy properly constructed, brought to the States, which was the promise of the various different parties of the time, and then we can then move forward with a certain scheme. But I do think that developers... I do not want to see developers achieving the same amounts that they would have achieved in Category B housing as a result of it, and that has been my only argument. I want to see that with the right of developing land comes the obligation of providing affordable homes and cheaper homes and I do not want the States or the individuals buying them to pay those high prices. That is the whole premise on which shared equity is built and that is my problem in relation to the first scheme only.

3.2 The Deputy of St. Martin:

The Senator has recently overseen a serious complaint made against a senior civil servant, will the Minister inform Members whether the investigator into the complaint interviewed the former Police Chief Officer and a QC who investigated the circumstances into the former Chief Police Officer's suspension? If they were not interviewed will he explain why?

The Deputy Bailiff:

I think that is a question for the Chief Minister, Deputy, so ...

The Deputy of St. Martin:

Sorry, it was one of the Deputy Chief Minister.

Senator P.F.C. Ozouf:

I discharge the functions of the Deputy Chief Minister in that regard and I will answer that later.

The Deputy Bailiff:

Yes, we are dealing with the Minister for Treasury and Resources at the moment, not the Chief Minister, so you will ask your question later on.

3.3 Deputy G.P. Southern:

I think mine might go the same way, but I will ask it anyway. In the *Jersey in Figures 2010* produced by the Stats Department, there are figures showing the change in income tax receivable with projections to 2013 - there is a projection of goods and services tax receipts with projections to 2012. But in figure 9.2 where income tax is broken-up down into self employed, salary and wage earners and companies, there are no projections beyond 2009. Will the Minister suggest why this might be so and why he does not project what the breakdown is of income tax between companies, personal tax and other?

Senator P.F.C. Ozouf:

The Deputy has got an advantage on me because I have not studied the excellent publication which all Members have had, I think the Stats Unit has done a great job again in relation to these numbers, I have not studied all of them. I am not sure, is the answer to the question, of exactly why there are not estimates in this report. Certainly we have got estimates of forward projections of income tax from wage earners, from corporates, from G.S.T. (Goods and Services Tax) all the way through and we are updating our forecasts currently in preparation for the Business Plan. I have not studied this thing but if there is anything that I see about that is an error or omission I will certainly email later today.

3.3.1 Deputy G.P. Southern:

Does the Minister not consider that the reason why such projections are not projected is that they will confirm the figures I have produced a month ago and that they would emphasise the difference between company tax, which is going down, and personal tax which is going up.

Senator P.F.C. Ozouf:

The Deputy seems to suggest that there is something surprising about that. This Assembly, since 2002 has been debating the issue of the balancing of our public finances and the introduction of Zero/Ten caused a loss of income to the Island of £100 million and that has been confirmed as being an accurate assessment. We further lost revenue as a result of the global downturn, which meant that we had to make difficult but necessary decisions to rebalance our public finances last year. All of this information is in the public domain, there is nothing new, there is nothing in the schedule that I have. If the Deputy is trying again - if I may say - to reinvent history and rewrite history then he is not going to get me to agree with that. We have projections, there has been a rebalancing of our public finances and I have answered accurately all questions about revenue and please do not reinvent history.

3.4 Senator F. du H. Le Gresley:

Could the Minister advise if he agreed with the decision of his Assistant Minister to reopen Haut de la Garenne as an outdoor activities centre and hostel and why he and the Council of Ministers apparently failed to consult beforehand with people, using his own words, who have legitimate interest in the building, such as the Jersey Care Leavers Association?

Senator P.F.C. Ozouf:

I have discussed this issue with my new Assistant Minister, the Constable of St. Peter, and also at the Boat Show I met the principals behind the organisation that has taken the license for Haut de la Garenne. I do accept that I gave an undertaking to consult with the individuals and I did not do that and that was an error and I apologise for that - the fact that I gave that and then it did not happen because of communication between Property Holdings and myself. Notwithstanding that, I think that it has been the right decision to open Haut de la Garenne as an activity centre. I was impressed by the individual that I met and talked and chatted to and I am going to go up to the facility. The issue of Haut de la Garenne needs to now be moved on, it is an important site which was set up for the benefit of Islanders and visitors with a great deal amount of taxpayers' money and it is a facility which I think now - having now got closure on the issues to do with Haut de la Garenne - I think that we can use that appropriately and sensitively and there is a short-term arrangement, which we will see how that arrangement goes over the next 12 months.

3.5 Deputy T.A. Vallois:

Could the Minister explain how having approximately 17 interims in Treasury and Resources since January last year, costing just under £1.8 million, of which one individual in procurement is costing approximately £260,000 per year, could the Minister explain how this represents a good use of taxpayers' money or value for money?

Senator P.F.C. Ozouf:

Sound bite figures are always difficult to defend but what I will say is that - and I congratulate the Assistant Minister on having done her research - it will not come as a surprise to know that the Treasury has been under an enormous change over the last 2½ years. A new Treasurer, new arrangements in procurement *et cetera*. I do not like running on interims, I think it is the wrong thing to do, but we have no choice but to put in place people where people are stood down in the case of the Treasurer and in the case of the urgent need to get better value out of taxpayers' money in terms of procurement. That is why interims have been appointed. I am pleased to say that now the Treasury under the new leadership of the new Treasurer is no longer running on interims, we have now got a full management team which is going to serve this Assembly and serve the people of the Island and serve departments to a much greater extent, better than we could do in the past. We have improved financial management, we no longer have got interims. In the other resources areas there is work to do. The Assistant Minister, who is doing a great job in reforming H.R. (human resources) and procurement, property, there is a great deal of work to do and there will be more change and on occasion it is important to have interims in order to deliver that change, make things happen and deliver better value for money. So it is overall value for money but I do not like interims.

3.6 The Deputy of St. Mary:

I want to go back to the cost of housing. When are we going to see progress on tackling the problem of the increasing value of land when it is zoned or passed for housing as a way of reducing the cost of housing, whether it is rented or purchased, to an acceptable level?

Senator P.F.C. Ozouf:

The cost of land is an economic matter. When there is a tightness of supply and there is demand and, as we have seen exuberant credit matters around Europe and in the developed world, we have seen house prices rising in terms of an asset bubble. I do not think that we have seen that to the same extent as we have seen in other places in Jersey. We are now seeing a period of stability in terms of house prices and we - in the decisions that we need to take in the Island Plan - need to ensure that there is an appropriate supply of new accommodation by planning and by the release of appropriate land - of which St. Helier is important - to ensure that the underlying land price does not mean that young people cannot get on to the housing ladder. This is an economic issue and hobnail boot style intervention sometimes by government, well intentioned,

sometimes does not work. I am happy to debate with the Deputy or others about the economics of land prices when we have got more time.

Deputy P.V.F. Le Claire:

Could I ask the Minister for Treasury and Resources what his acknowledgement is of this little book, *Jersey in Figures 2010*, page 38, that the net migration in Jersey over the last 4 years, aside from births over deaths, people that have arrived have been on average 700 a year?

The Deputy Bailiff:

No, Deputy, I am sorry, that is a question to the Deputy Chief Minister in due course and not the Minister for Treasury and Resources. Deputy Southern was right that his question really should have been aimed at the Deputy Chief Minister because the responsibility for the Statistics Unit rests there. You will be able to ask that question later on.

Deputy P.V.F. Le Claire:

Could I have another bash at this then from a different question?

The Deputy Bailiff:

I am sure that we will get to you but I will put you down at the bottom of the list.

3.7 Deputy D.J. De Sousa of St. Helier:

What assurances will the Minister give to Members that, if and when the C.S.R. (Comprehensive Spending Review) savings are not achieved, G.S.T. will not automatically be increased without looking first at all other avenues?

Senator P.F.C. Ozouf:

I congratulate and thank the Deputy for that very important question. There is going to be a lot of debate about G.S.T. in the next few days and I certainly am going to be getting involved in that debate in terms of the run-up when G.S.T. goes up to 5 per cent and the debate on food exemptions and I will be arguing strongly that I think that we would need to maintain the food exemptions to keep our G.S.T. low and to keep it simple, easy to collect. The C.S.R. savings are on track, I am pleased to say. I have made it a condition, politely, with Ministerial colleagues that they only get their underspends or their carry forwards if they continue to confirm that they are on track to deliver their C.S.R.s, that is not unkind, I do not think.

[11:30]

All departments - and I congratulate departments who have under-spent their budget last year - but they can get it back, good financial management means that they should get their underspends back and particularly they should get it back when they are investing in their services and providing the mechanism to deliver their C.S.R. savings. I am confident that we are going to deliver the £65 million, it may be a different make up in some areas but we will make it. My position on the economy generally is that, if we deliver on C.S.R., we stick to G.S.T., we stick to our taxation policies, I think that we are in a very strong position financially. We need to find more money for areas such as Health, as we are going to debate in the Health Service Review in coming years, but we can cope with that. I want to give a message of stability and certainty to Islanders, while G.S.T. has gone up to 5 per cent, it can stay at 5 per cent in my world for the foreseeable future providing we deliver on the C.S.R. savings and we continue to deliver efficiencies in the longer term.

3.8 Deputy T.M. Pitman:

I would have liked to have got in earlier but could I ask, would the Minister reconsider or withdraw his use of the term "closure" with regard to Haut de la Garenne, because, as he is

aware, we have got a Committee of Inquiry to come and he must surely acknowledge that for many people no such closure has been reached.

Senator P.F.C. Ozouf:

I fully accept the comments that the Deputy made. Closure to different people means different things but in terms of the administrative process and the judicial process there has been closure on that particular issue. But I share the understanding and I share the sentiments of the Deputy that there is more work to be done in terms of the victims and there is another debate which is going to happen imminently in this Assembly on the Committee of Inquiry in relation to those matters. That is on the Council of Ministers agenda on Thursday. But I accept that point, I mean no disrespect to any of the individuals concerned. It is important that the property does, however, continue to live and is used.

3.9 Deputy R.G. Le Hérissier:

Notwithstanding the fact that the Assistant Minister is labouring mightily to bring order and movement to the property portfolio, would the Minister for Treasury and Resources confirm that he will soon be publishing a list of priorities in handling the portfolio so that for the old standbys like Jersey College for Girls, the Rue des Pres Trading Estate, and the amount of money put into the cultural estate, there is going to start being a proper debate about how these matters are handled and they are not going to be hidden much longer?

Senator P.F.C. Ozouf:

The Assistant Minister is doing an excellent job in terms of dealing with that necessary and important reform of Property Holdings and he informed me last week that he is going to be working on a statement that he is going to be publishing in the next few weeks, I hope in advance of the summer break, on the strategy for Property Holdings. I do want to see S.O.J.D.C. (States of Jersey Development Company) up and running. S.O.J.D.C. is an important partner for Property Holdings in delivering and getting best value for taxpayers of sites which we are going to need to dispose of. Certainly the other thing that we are doing in Treasury is we are now looking much longer-term in terms of capital requirements. The Deputy of St. John will be pleased to hear that we are looking at capital infrastructure requirements out for 10, 15, 20 years in terms of money, and we are looking at how we can use the property portfolio. The States has £1 billion plus of property so how we can use that. Yes, there should be some disposals, and yes, we will be publishing what that plan is going to be before the summer break.

The Deputy Bailiff:

The last question in this part of Questions without notice is Deputy Le Claire.

Deputy P.V.F. Le Claire:

I will take a different approach on this. Does the Minister for Treasury and Resources think that a written constitution would be necessary given that in the last review of our constitution conducted by the Royal Commission, between 1969 and 1973, found no economic grounds for there to be a change in the constitution?

The Deputy Bailiff:

I do not quite understand how that is question for the Minister for Treasury and Resources.

Deputy P.V.F. Le Claire:

There were reasons given, sir, in the Home Office report between 1969 and 1973 and one of those areas was in relation to the economic conditions related to the United Kingdom and the Channel Islands. It had a whole section on whether or not they thought there should be a change due to the circumstances of the Channel Islands ...

The Deputy Bailiff:

Deputy, thank you very much, I have found a way out of your difficulty. That brings an end to the questions to the Minister for Treasury and Resources **[Laughter]** and we have questions now to the Deputy Chief Minister and I call on Deputy Le Claire. **[Laughter]**