

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

3.1 Senator T.J. Le Main:

This morning I heard 2 candidates on Radio Jersey being interviewed. One of them, who, if elected, wants to be the Minister for Treasury and Resources, and in his interview he claimed that the rainy day fund was earning no interest. I would like to ask the Minister for Treasury and Resources, could he give us the kind of interest that the rainy day fund has earned in 2010 and perhaps later on in the year, in 2011?

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

The rainy day fund, the Strategic Reserve, is invested by a range of investment managers, of which there is a portfolio of bonds and equities. There is some cash, so there is some interest. The fund has performed extremely well in terms of its market performance. I will circulate later the updated figures, to the extent that I have them in relation to that issue, and I must say that also the new Treasurer has done a sterling job in relation to ensuring that all cash - the significant amounts of hundreds of billions of pounds which is held in cash balances - is also maximised for the benefit of taxpayers, and I will send Members a note later on today.

3.1.1 Senator T.J. Le Main:

Could the Minister make it easy for us to understand by giving us roughly a percentage or the kind of interest it would have earned?

Senator P.F.C. Ozouf:

I will do my best.

3.2 Deputy S. Power:

The Minister for Treasury and Resources alluded to the very obvious palpable tension that existed between himself and the colleague to his right, the Minister for Home Affairs. But the former Assistant Minister for Treasury and Resources, Deputy Le Fondré, has also made a series of precise and specific allegations against the Minister for Treasury and Resources. How does he propose to deal with those?

Senator P.F.C. Ozouf:

As far as my colleague the Minister for Home Affairs, we have a very good relationship. We work as a team. We have had a disagreement in public but I think his comments were misinterpreted. We are good friends and we are working to find solutions to Home Affairs. This Assembly expects teamwork in relation to Ministers. In relation to my former Assistant Minister, I am sorry that things did not work out, but we all need to move on in terms of our responsibilities. Five and a half years, during which a lot of good work was being done in Property Holdings; we need to move on, and I hope that we can move on. We very much agree on lots of different things, and I hope that this can be the end of what has been a difficult situation, and I hope we do not continue to have these kind of almost secret positions in relation to matters. I hope we can move on. I like Deputy Le Fondré, he is a good chap; he did a good job at Property Holdings, but we need to move on. He has moved on and I have moved on.

3.3 Senator F. du H. Le Gresley:

Given the Minister's previous comments today, does he think the Police Service could successfully operate out of a listed building on the ring road?

Senator P.F.C. Ozouf:

I do not know which listed building it is. I am not sure Lime Grove House was listed; maybe it should be listed, for all sorts of political reasons, but I am not sure which building he is talking about, so I cannot comment. If he wants to say which one it is, I am happy to comment.

3.3.1 Senator F. du H. Le Gresley:

May I respond to that, Sir? My question is about the Jersey College for Girls site which of course the previous Minister for Planning and Environment made great play that this was going to be a big housing site, and I just wondered if that building was in his sights?

Senator P.F.C. Ozouf:

It has been looked at. The Assistant Minister has made some very useful contributions about that; she is requiring us to look at it. There are a number of short-listed sites, it is not one of the preferred disused sites at this present time. I think that site is better for housing, but I am going to make suggestions after consulting with my friend the Minister for Home Affairs, on the best site.

3.4 The Connétable of St. Mary:

An earlier question has touched on the breadth of the Minister's responsibilities. Just talking about I.S.D. for a moment. Can the Minister assure me that he is happy that resources are adequately deployed to ensure that major departments are resourced to take advantage of the new technologies and to maximise efficiencies when new core programmes are developed?

Senator P.F.C. Ozouf:

The Constable's comment is really important in relation to the Comprehensive Spending Review. By appropriate investment in I.T. we can streamline and become more efficient. The Minister for Planning and Environment, for example has a cumbersome planning operations I.T. system; it can be significantly taken into a paperless system, significant available I.T. systems. We have got the restructuring funds in order to do that. I want to see some of that restructuring fund invested in I.T. systems. The Health Department also needs to make those investments. There are lots of things to do. We need a well-performing I.T. Department to deliver efficiency and economy and modernise the public sector, and we are well on the way of doing so.

3.5 Deputy J.A.N. Le Fondré:

Can I just note that I have deliberately not asked any questions thus far on the Lime Grove House thing, because I want Scrutiny to do their report and we will see what the outcome is. What I do want to ask, however, is that the Minister has stated on a number of occasions today that he was presented with a formal business case in October, which I think is in respect of the conditional offer and the rest of the project, that he could not sign. The question I ask is, who presented that case, because my understanding was that the accounting officer was given a draft business case in October for his consideration and comment. Certainly, the emails in my possession seem to back up that only in mid-November was that getting to a relatively final form, but the business case was never finalised because it was taken away from the department. So, when the Minister is referring to a business case in October, a formal business case that he could not sign, who presented it to him?

Senator P.F.C. Ozouf:

I cannot remember; I would have to check my notes in relation to that. All I know, I have got the business case there, I could not sign it. It did not meet the budget. I just remind the Assistant Minister: we both need to move on in relation to this issue. I did not know about an offer being made, and that business case could not have been supported. I am sorry that we disagree on it. We are going to have to agree to differ, but I look forward to the Scrutiny Panel's report. Lessons are going to be learned on this; we need to find a solution. He needs to move on, and I need to move on to solve Property Holdings matters. He is a capable guy and he can do lots of issues, but on this issue, I could not support that, and I stand by that issue. Other Members will make their own mind up about that.

3.6 Connétable A.S. Crowcroft of St. Helier:

A while back the Minister for Treasury and Resources offered to assist Parishes in the production of polling cards that would help electors know which station to go to and so on. I gather that that is not now going to happen, and that St. Helier will have to pay the cost of that itself if it wants to proceed. Could he explain why that will not be happening?

Senator P.F.C. Ozouf:

I took the proposal. I have had a long-standing view that I think we should be sending polling cards to individual households explaining what elections individual electors are registered to, and what the options are in terms of voting. I took that matter to the Council of Ministers. It was also tabled - I do not think the Connétable was there – at the Committee of Constables - it did not meet majority of approval, so it is not going to happen. That is teamwork; sometimes you win things, sometimes you lose things. On this occasion, colleagues did not support it.

3.6.1 The Connétable of St. Helier:

Could I ask what measure of support he had from the Council of Ministers?

Senator P.F.C. Ozouf:

Not much.

3.7 Deputy A.E. Jeune:

At lunchtime, Members had the opportunity to go to a briefing from the Minister for Economic Development, but I would now like to ask the Minister for Treasury and Resources what his views are on the state of the economy?

Senator P.F.C. Ozouf:

That last question I offer no criticism to Ministerial colleagues; they are entitled to their own view. Clearly, I did not make their argument strongly enough; that is fine. My view of the state of the economy: the local economy is certainly performing slightly better than I anticipated, for example G.S.T. (Goods and Services Tax) receipts are slightly up on where we were expecting them to be. Certainly unemployment numbers, while there has been considerable concern about unemployment, are not as bad as I was expecting in some cases it could be, partly because of the excellent work that happens at the Population Office and the Minister and the Assistant Minister's own department. I think that the weather forecast for the economy has certainly deteriorated, the global economy, in recent months. That is going to have an impact in relation to the forward projections of income going forward on interest rates; that is going to have an impact. But we have got very strong public finances. If any jurisdiction in the world is to survive a further period of turbulence, globally, Jersey can, and I certainly do not believe and I am not going to be presenting any changes to our tack in terms of taxation measures. We have dealt with our deficit, we can sustain a further period of volatility, and I am very confident that our financial services industry - with the good work that has been done with E.D.D. (Economic Development Department) - can build business, get business into Jersey, create jobs, and we are going to have a very good position compared to almost any other non-petro economy in the world. I know that confidence is not high, but it should be higher than virtually any other place, because we have made sound and correct decisions.

3.8 Deputy P.V.F. Le Claire:

The Minister for Treasury and Resources, along with 16 other Members of the Assembly, are effectively the new States Members of the soon to be 51 States of Jersey; the elections are pretty much already over. Has he decided yet to announce whether or not he is going to stand for Chief Minister, and if he is, who would he choose or who would he like to see as Minister for Treasury and Resources?

Senator P.F.C. Ozouf:

What I would like to say is this, clearly as the Deputy says, a new Assembly is beginning to take shape. Most Members of this Assembly are up for election. There is a process for determining and electing a new Chief Minister, nominated by a number of Members of the Assembly, setting out a strategic policy, and setting out the way in which they are going to discharge their responsibilities. Then there is a 10-minute speech and it is clearly at that stage that a proper selection of a Chief Minister needs to be made. One thing that is clear is we all want to see a more unified and non-divisive Assembly. One of the things that is happening is candidates are being asked prior to that process as to who they are going vote for Chief Minister; there is almost a party political issue. No members, from all of the people standing, are standing in a party, and it is non-divisive. So I have had a number of suggestions and a number of supporters of Members of this Assembly and other candidates as to whether or not I am going to stand, and certainly that is an option for me. You certainly only need to stand when you think that you could have a suitable level of support by the Assembly who could command the Council of Ministers and appropriately guide a Council of Ministers. That determination is not going to be possible until after the elections. I am going to be focusing on what I think the issues for Jersey are. I will make a final decision after the election, if I think I have got enough support. In a few weeks I am going to be setting out some ideas of what I think are the things that we should be tackling in, as I am acutely aware I am not up for election. No decision; I expect there are going to be other candidates too coming forward, that is a good thing. I will make a decision after the election but I am certainly not ruling myself out.

3.9 Deputy M.R. Higgins:

The Minister for Treasury and Resources says that the tax system is fine and that he is not going have to bring in any other measures and yet with the forced removal of the deemed distribution provisions, he is now not getting any taxes whatsoever from companies, including companies outside the Island.

[17:00]

He has not brought forward any provisions to recoup that money so how is he going to make up the shortfall from that? Is it more taxes on individuals?

Senator P.F.C. Ozouf:

I do not think I am ever going to convince the Deputy in relation to Zero/Ten. We have had that debate and I am confident that the removal of deemed distribution and attribution are going to be effectively a cash flow issue and not lost revenue in that sense. Clearly, I have also made clear that while we are not going to be making any changes to legislation, we have got anti-avoidance provisions in order to make sure that we maintain revenue. I am going to be proposing no other issues and I am not today going to start announcing budget measures which are going to be properly announced in the proper way in a couple of weeks time in relation to the other business taxation measures, which I am asked by the Deputy of Grouville's proposition to do so. The Deputy is negative about Jersey, I am not. I am positive; we are in a great place, we have made the right decisions in relation to Zero/Ten and I am confident that we are going to get approval to the extent that if we ever get approval from the Code of Conduct Group on Zero/Ten.

3.9.1 Deputy M.R. Higgins:

Supplementary. I am not negative about Jersey; I am negative about this Minister for Treasury and Resources' policies and quite simply he spins it through but he does not have a policy. How are you going to deal with companies outside Jersey who are paying no tax whatsoever into the coffers? Who is going to have to make up the shortfall? Just give us an answer, a straight answer.

Senator P.F.C. Ozouf:

The Deputy goads me on questions which are flawed in their ... he wants me to say that there is an action necessary. I have said to the Deputy that there is not an action necessary. It is deferred income and of course the whole Zero/Ten issue, the move from 20 per cent corporation tax to 10 per cent, not zero tax; the Deputy said that no business tax is being raised. We raise tax at 10 per cent when interest rates recover. Our buoyancy reserves, in terms of banks, will return and we will continue to get good flows of revenue from business when the global economy returns.

3.10 Deputy S. Pitman:

Just going back to the election issue; has the Minister already allocated any of his candidates from his unofficial party to positions on the Council of Ministers?

Senator P.F.C. Ozouf:

I can say that I know that there are some people that are perhaps involved in discussions, whether or not they want to be Ministers and perhaps they talk to Members about their jobs; I do not, no deals. If I am a candidate for Chief Minister I will put forward a policy and Members will vote on it in relation to those issues and may the best individual candidates get elected to this Assembly and then serve in Ministerial and other important positions. There are no parties in this Assembly. I have never been a member of a party; I know the Deputy has.

3.11 Deputy A.T. Dupré:

I see on question 10 that there are 60 people in H.R. Why is it, with 60 people there, we have not got succession planning; we have had to go to England yet again to get somebody to run the job?

Senator P.F.C. Ozouf:

I understand the issue with the frustration that the Deputy have and I have about succession planning. I am not a Jersey nationalist that says we should only be having Jersey people for all positions of course and I know that she is not but clearly we should be training our own. One thing I will say is that I think it has been a pretty difficult place to work in the public sector; if you put your head above the parapet in the public sector you get criticism, all sorts of ways and the public sector has not been a great place to work. We need to reform H.R. We need to have a much better partnership in our employee relations and I hope that Jersey people will come forward and serve in all sorts of capacities in the very important jobs that we expect our officials to do. H.R. needs to be reformed; we have got a new director of H.R. starting in 2 weeks. I met him on Friday; he looks like an extremely capable individual and he has got a really important job of reforming H.R. over the next couple of years.

3.11.1 Deputy A.T. Dupré:

This is a supplementary; he will make sure he has trained somebody else up though, please?

Senator P.F.C. Ozouf:

I jolly well hope so.

The Bailiff:

Very well, that brings Questions without notice to the Minister for Treasury and Resources to a close