

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

#### **Deputy G.P. Southern:**

Is the Minister aware of the latest Jersey Business Tendency Survey, which is negative in almost all parts from the headline “23 points down” to the finance sector on almost all factors? Does he consider that this is a vote of no confidence in his mechanisms for stimulating the economy and producing economic growth and will he finally admit that we are in a recession?

#### **Senator B.I. Le Marquand:**

A point of order here.

#### **The Deputy Bailiff:**

There is a lot of talking going on.

#### **Senator B.I. Le Marquand:**

I understand this document to be embargoed until tomorrow.

#### **The Deputy Bailiff:**

Is that so, Deputy?

#### **Deputy G.P. Southern:**

I do apologise. It is, yes. I just noticed the embargo.

#### **The Deputy Bailiff:**

Very well. We will start again. **[Laughter]**

#### **3.1 Deputy J.A. Martin:**

Will the Minister for Treasury inform the House whether he has been notified that there is going to be a further investigation into the Lime Grove saga by the Chairman of P.A.C. and the Chief Minister? Has he been informed there is going to be an investigation?

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

No, and I would express the hope that there is not in order that we may be able to draw a line under this issue and concentrate on the important issues that are facing our Island. **[Approbation]**

#### **3.2 Deputy T.M. Pitman:**

Does the Minister for Treasury now empathise with the former police chief, Graham Power, who had the prosecution case against him published by the current Minister for Home Affairs and has been judged solely on that case against him without any right of reply?

#### **Senator P.F.C. Ozouf:**

It would be inappropriate for me to comment on that.

#### **3.3 Deputy J.A. Hilton:**

Can the Minister say whether any discussions have taken place with the Parish of St. Helier with regard to the pre-1987 pension debt, because as he will be aware the Parish does employ quite a large number of public employees and it would be helpful if they were kept in the loop?

#### **Senator P.F.C. Ozouf:**

Indeed, all permitted bodies will need to be consulted and I believe that it is prudent - in order to repay the pre-1987 debt - that that would not be made to disadvantage any of the admitted bodies. But all of those admitted bodies that are a valuable part of the scheme need to be

consulted on those issues and it will be dependent on whether funding is allowed in the Medium Term Financial Plan for the States to do so.

### **3.4 Connétable A.S. Crowcroft of St. Helier:**

Whatever else may be said about the purchase or not of Lime Grove House, would the Minister agree with me that at least the sale of the property to the private sector means that the Parish of St. Helier will continue to receive rates on the property [Laughter] and would the Minister further agree with me that negotiations have now begun between him, his Assistant Minister and myself about the possibility of introducing the States paying rates on their properties?

#### **Senator P.F.C. Ozouf:**

Yes, there is always a silver cloud, I suppose, or a silver lining in a cloud. I hope the clouds are lifted. The issue of the States paying rates has been ... I would not say that they are in negotiations, if I may say, but there have certainly been some productive discussions by him and my Assistant Minister. Also the Connétable is well aware that if he wishes to bring a proposition to include the States paying rates then he may do so by amending the Medium Term Financial Plan, which will be debated by this Assembly in November.

#### **3.4.1 The Connétable of St. Helier:**

Would he agree with me that at least his Assistant Minister fully endorses the concept of the States paying rates? [Laughter]

#### **Senator P.F.C. Ozouf:**

My Assistant Minister, of which I am entirely united with, agrees that the proper occupation costs of property should be reflected. We have also expressed jointly our view that any responsibility for the States paying rates needs to be considered on potentially a cost-mutual basis, and other rates such as commercial rates do perhaps need to be looked at. That will be continuing to be consulted by myself and the Assistant Minister and the Connétable and I look forward to those constructive debates and resolving this long-standing issue.

### **3.5 Deputy M.R. Higgins:**

Going back to the economy; we have heard this morning from the Minister for Education that the savings that were put to the Education Department are not going to be achieved by about £3.5 million. We know there has been no progress in any negotiations with States workers on terms and conditions which is about £14 million, so I think that is about £17.5 million for the cuts that have not been achieved and there are probably others. Will the Minister for Treasury give us an update? Have we achieved the C.S.R. savings he is talking about or not?

#### **Senator P.F.C. Ozouf:**

I am pleased to report to the Assembly that good progress has been made on the £65 million progress. The Minister for Education referred earlier to the education cuts and indeed the original £11.1 million worth of savings for education has now been revised down by £3.6 million. But the Council of Ministers will be presenting the Medium Term Financial Plan with other savings proposals, some of which work is still ongoing, and we remain optimistic that the £65 million savings, perhaps a little later than envisaged, will be delivered. That was part of the contract with the public in relation to dealing with the £100 million deficit in part by tax rises and efficiencies within the public sector.

### **3.6 The Connétable of St. John:**

Over recent times we have had problems with the power cable from France to Jersey and we were told last week there would be an increase ... we would be notified of electrical hike in due course. Could the Minister tell us how much money has been put aside for replacing cables and why it has required a hike?

[12:00]

Has the money been used in the satellite companies of the J.E.C. (Jersey Electric Company) instead of investing in a new cable earlier?

**Senator P.F.C. Ozouf:**

I think that it is appropriate for me to answer questions of the 100 per cent-owned utilities in a more direct way than I can in a company that is effectively also quoted on the stock market. I am not privy to any information over and above other shareholder representatives. So I have discussed with the Chief Executive the matter of the undersea cable. Matters as I understand it for Normandy 3 are now well advanced but have been somewhat delayed, unfortunately, by planning matters which need to be concluded in France. I hope that the company is able to deal with all of those issues and that we are able to put in place Normandy 3 in order to safeguard cheaper energy for the Island which also, of course, has a benefit to Guernsey, too.

**The Connétable of St. John:**

A supplementary on that?

**Senator P.F.C. Ozouf:**

The answer is “no” to the other question. I am not aware of any cross-subsidy.

**3.7 Deputy M. Tadier:**

The Minister for Treasury and Resources has spoken much about being treated fairly about process and the right of reply in the past few weeks. Will he be urging the Chief Minister and his fellow Council of Ministers to lift the confidentiality clause on the former Director of Property Holdings to afford him a similar right of reply to the allegations that have been made and may be even made in the Minister’s statement?

**Senator P.F.C. Ozouf:**

I do not understand what allegations are being made and, indeed, if there is a suggestion of allegations being made, then that is wrong. I publicly say that is wrong and that was never the intention of any statement that has been made. Perhaps there has been a misinterpretation of issues. There were political issues - I underline the word “political” issues - that needed to be dealt with in the handling of Property Holdings. Those have been dealt with and there has been a new structure of Property Holdings, which is now performing well. There has been much good work in Property Holdings, and I thank the former Assistant Minister and the Director of Property Holdings for that good work. But there were political issues which needed to be dealt with. I do not believe that the Chief Minister needs to answer any issues about orders or arrangements with a former employee.

**3.8 Deputy R.G. Le Hérissier:**

Would the Minister for Treasury and Resources say whether or not he welcomes the comments made by the Assistant Chief Minister on independence and is he totally in agreement with the manner in which they were phrased?

**Senator P.F.C. Ozouf:**

This question has been answered comprehensively by the Minister for Economic Development and the Chief Minister and the Assistant Chief Minister and I am completely aligned with all of the remarks that have been made.

**3.8.1 Deputy R.G. Le Hérissier:**

I particularly need the Minister for Treasury and Resources’ views because of his crucial role. Is he in agreement with the comments that were made?

**Senator P.F.C. Ozouf:**

I could not be clearer about the comments and my support about what has been made in the Assembly this morning. I am completely aligned.

### **3.9 Senator S.C. Ferguson:**

The Minister for Treasury and Resources has been talking about the repayment of the pre-1987 debt on the P.E.C.R.S. (Public Employees Contributory Retirement Fund). I wonder if he would like to explain to the Assembly how he intends to fund this.

### **Senator P.F.C. Ozouf:**

Those discussions are underway. I can say that this will feature in part in the Medium Term Financial Plan that will deal with some increase in the annual repayment. I do not think it appropriate for me to announce all the measures that are in the Medium Term Financial Plan because that will be made in 2 weeks' time and then there will be a further discussion. As the Deputy also alluded to, there were discussions with admitted bodies and others that could be taken and a number of options are being looked into. We are of the view that a 6 per cent interest payment on this debt which is rising is not in the interests of sustainable public finances and I think that we can come to a better agreement which is in the interests of all parties, including the employees.

### **3.10 Deputy G.P. Southern:**

It is my understanding there is an extensive briefing paper, background paper, to the Medium Term Financial Plan, which has been released to the Council of Ministers and to Scrutiny. Will the Minister for Treasury and Resources agree to release that to all Members of this House so that we can fully inform ourselves on the rationale behind the Medium Term Financial Plan.

### **Senator P.F.C. Ozouf:**

The Chief Minister has ushered in a new period of transparency and sharing among Members. Indeed, I have invited all Members, including Deputy Southern, to briefings on the Treasury on the unfolding issues that we have been working in the Medium Term Financial Plan in order that Members may contribute to the plan before it is lodged. There will be a substantial period of time for Members to, in public, debate the issues in the Medium Term Financial Plan. Those are going to be made in public. Until then, it is a confidential document of work which is underway. If the Deputy would like to take up the offer, as I have made on a number of occasions to him to come to the Treasury for a briefing, I am more than happy to give him a confidential briefing on those issues that his concerns may be raised.

### **3.11 Senator L.J. Farnham:**

At the next sitting the States are due to debate the economic growth strategy. Part of that strategy is for an economic diversity fund of £10 million. Can the Minister inform the Assembly, please, if the Treasury have identified the source of that £10 million funding?

### **Senator P.F.C. Ozouf:**

Five million pounds has been identified and work is underway in order to identify the other £5 million and I agree with the proposal. I think that the growth plan, which we will be debating in a week's time, will bring a step change in terms of inward investment and diversification benefiting the Jersey economy and the people of Jersey.

### **3.12 Deputy J.M. Maçon:**

Will the Minister for Treasury and Resources give an undertaking to bring a proposition in order for the States to ratify the proposed site for the new police H.Q. (headquarters), outlining in that report other potential sites that were identified and thus rejected?

### **Senator P.F.C. Ozouf:**

I do not believe that is necessary. I believe that it is urgent that we get on and find a new home for the police on a single site as soon as possible. Issues such as planning are obviously going to be a matter for any Member to make representations on and I hope that we can proceed, and to ensure that the police get a new home but also that the £22 million worth of money, which has been sitting in a States bank account for many years, can get to work for the benefit of the economy as well.

### **3.13 Deputy J.H. Young:**

Will the Minister advise the Assembly whether the site appraisals produced by Jersey Property Holdings for alternatives for relocation of the police, including the conversion and acquisition of Lime Grove House, confirm his belief that Green Street car park is the most cost effective option and, if so, will he release the feasibility reports on the site appraisals of all the sites before a decision is made on that?

### **Senator P.F.C. Ozouf:**

I am happy to discuss with Members all of the costings. I believe that the single-site police station on Green Street will yield the production of a proper police station meeting all of the police requirements, which has been warmly welcomed by the new Chief of Police. It will also, of course, liberate substantial amounts of land available for housing which I know the Deputy also believes must happen.

### **3.14 Deputy S.G. Luce of St. Martin:**

The proposed Medium Term Financial Plan includes many States' income streams, income tax, G.S.T. (Goods and Services Tax), impôt duty, *et cetera*. Does the Minister consider there would be any circumstances between now and the debate of the M.T.F.P. (Medium Term Financial Plan) where he might want to come back to the House and downgrade those protections given the uncertain economic situation?

### **Senator P.F.C. Ozouf:**

I agree with the Deputy that we are living in an incredibly uncertain world. The Deputy will be aware, because I think that he has attended at least one briefing at the Treasury on the M.T.F.P., the forward projections are conservative in their nature, as the Treasury projections always are, and nothing will change our forecast in relation to income. A lot of work has been done on that and notwithstanding the difficult economic situations, no doubt confirmed by other reports that will be out in a few days, nothing shakes us from the certainty that we have a reasonable set of assumptions on which to base our spending plans.

### **3.15 Deputy J.A.N. Le Fondré:**

The comments have been made by the Minister that he has made no allegations or comments on the performance of the former Director of Property Holdings. On BBC Radio Jersey, I think it was on 22nd May, he made reference to firstly my removal but he also said that changes had to be made at the top of Property Holdings. That is why it has become an issue, because that basically damages the integrity of the former Director of Property Holdings. It cast doubts upon his ability. Would the Minister clarify his statements as to no inference or no damage to repute has been made as opposed to intended to be made?

### **Senator P.F.C. Ozouf:**

I am grateful for the former Assistant Minister for raising this question because we can deal with it straight away and properly. No imputation of misconduct or bad behaviour has been made against the former director. I have not made it. I made it very clear that changes needed to be made in the structure of Property Holdings. That is an entirely different matter. Property Holdings has been re-organised, has been re-structured. Managements have been reorganised. Associated with that, S.o.J.D.C. (States of Jersey Development Corporation) has also been

reorganised to focus on property development. Those are the issues that need to be changed. Those are the reasons why management changes would be made and nothing else should be drawn from them.