

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

The Bailiff:

Very well, that concludes Questions on notice, so we now turn to Questions to Ministers without notice and the first period is for the Minister for Treasury and Resources. Yes, Deputy Hilton.

3.1 Deputy J.A. Hilton:

In recent days there has been much debate about tax returns being made public in places like America and London where there are elections currently in place. In an effort to promote openness and transparency in public life, would the Minister support a proposition which would see all Members of the States Assembly making public their tax returns?

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

I personally do not have any difficulty with it but, of course, that is a big and significant step. Many people in the United Kingdom would say that is a step towards the Americanisation of U.K. politics and indeed one must be aware there are issues of privacy, family arrangements, *et cetera*. I personally do not have an issue with it. I am I hope scrupulous in my own declaration of interests but, of course, that is a massive step for this Assembly to take. We need to be aware of the consequences of that for the nature of politics and the small nature of our community, which is perhaps different to that of the United Kingdom and the United States.

3.2 Deputy T.M. Pitman:

Could I ask the Minister about his evidence at P.A.C. and, particularly, could he confirm whether I have got it wrong that he sent an email to the former Chief Executive basically outlining that because he thought the gentleman was incompetent that should the Senator ever become Chief Minister then there would have been no future for that Chief Executive? Could the Minister clarify if I have got that right?

Senator P.F.C. Ozouf:

No, the Deputy has not got that right. I gave evidence yesterday to the P.A.C. and I think that it is, of course, a matter of natural justice that that report, and I do not criticise it, was obviously from the notes of the former Chief Executive. I have my own notes and it is a matter for P.P.C. to do at will with the evidence that they want. But, of course, at the moment only one part of the story has been said. That is all really I have to say.

3.3 Deputy S. Pinel of St. Clement:

Given the importance of the third and charitable sector in Jersey, is the Minister considering any changes to Jersey's arrangements to boost philanthropy and the third sector in Jersey?
[Approbation]

Senator P.F.C. Ozouf:

I am not in the position of the U.K. Chancellor of the Exchequer in having to grab money from areas that are difficult and painful. I want to support the philanthropic sector in Jersey. The arrangements we have are slightly different to that of the United Kingdom; it is that charitable donations are not given but then the charity benefits from the 20 per cent tax concession, so it is a slightly different arrangement up to a cap of £500,000, as I think it is. I am certainly going to be looking further at boosting with the Chief Minister the philanthropic and third sector. I think that Jersey itself can become a centre of philanthropy in terms of our Foundation Law. I think that we have a great deal to offer in the international community and we can boost the charitable giving in Jersey. The third sector is vital; we need to give it resource, we need to give it encouragement and certainly we need to encourage local Islanders to give and certainly I am not proposing any changes to our arrangements, in fact I want to improve them.

3.4 Deputy G.P. Southern:

Does the Minister accept that his answer given to question 6787 on 20th March stating that earnings growth in June 2011 turned out to be 2.5 per cent, broadly in line with inflation of the period, is in fact incorrect because inflation went up through 4.5 and 5.4 per cent and that statement is not correct?

Senator P.F.C. Ozouf:

I have given a written answer in relation to that answer and I do not think that I have anything further to add from the written answer that I have already given.

3.4.1 Deputy G.P. Southern:

The written answer does not address the statement that 2.5 per cent in June 2011 was broadly in line with inflation of that period. It does not address that at all. Will you address that now?

Senator P.F.C. Ozouf:

I have got nothing further to add from the figures. The figures of published inflation are there. There is nothing that I need to give any further information about inflation. The Deputy is seeking to constantly make points about the difference between inflation, wage settlements, *et cetera*. The facts are there. There is nothing further that I can add in terms of the facts of what inflation was, what average earnings were, *et cetera* and I do not think question time should be used for giving information that is already in the public domain.

Deputy G.P. Southern:

I am merely asking whether you stand by that statement.

Senator P.F.C. Ozouf:

I stand by the answer as I have indicated in the written question.

3.5 Deputy S. Power of St. Brelade:

I ask the Minister for Treasury and Resources this question in the light of the Housing Transformation White Paper published last week; some of the housing trusts formed from 1992 onwards have had loans repaid and are accruing what appears to be large amounts of deposit accounts or cash. Can the Minister for Treasury and Resources give an indication as to how these potentially large amounts of money could be used in the future to develop social housing on the Island?

Senator P.F.C. Ozouf:

I agree and the Deputy was involved in housing and did a good job in relation to looking after and overseeing the housing trust sector, and he is right that such has been the success of the repayment of the housing trust sector that they have resources to reinvest in social housing and that is something that the Minister for Housing and myself are engaged in. He is determined to ensure that there are schemes that the housing trusts take on to boost further social renting and that is going to be good for the economy, good for the social housing provision and good for supply and we are working on schemes which will be announced later on during the course of the year.

3.5.1 Deputy S. Power:

May I ask a supplementary? Is the Minister comfortable that both his department and the Minister for Housing's Department have sufficient power and control over directing the reuse of these funds?

Senator P.F.C. Ozouf:

That is an active discussion that we have. We believe we have and if we need to make further changes to them then we are going to propose that. That is a joint working between Treasury and Housing and the Deputy is quite right, we need to ensure that the resources available to the housing

trusts are deployed for the purpose of social housing provision. That is going to be good for the economy and we need to ensure that it is. Any problems we will revert to the Assembly.

3.6 Connétable M. Le Troquer of St. Martin:

Accepting that proposals for Amendment No. 41 of the Income Tax (Jersey) Law cannot be discussed formally until May 2012, will the Minister advise the Assembly whether the U.K. authorities failed to advise his department of the proposed changes they intended to implement, despite knowing that the Island was working on a proposed new international pension scheme, the scheme that was enthusiastically presented to States Members informally on 23rd March 2012 and if they did so or subsequently advised him when they did so?

Senator P.F.C. Ozouf:

I think the Connétable's question arises from some media comments about the Guernsey situation, which may be somewhat different to ourselves. We are confident that our Q.R.O.P.S. (Qualifying Recognised Overseas Pension Schemes) legislation, which is being presented, is fully compliant with the U.K. guidance and officials from the Jersey Treasury are seeking confirmation from the U.K. Treasury. It is a slightly different situation in Guernsey because they had existing Q.R.O.P.S. arrangements which they have changed. We have been, perhaps, a little slow but we have been considering exactly what was appropriate. We want to have a pension scheme which is an absolutely proper pension scheme, not suggesting any improper activity in other jurisdictions. But we are confident that our scheme complies, and I will be liaising with the Chief Minister and the Assistant Minister for External Affairs in any issues with the U.K. Government. If there have been late changes then of course we will be making strong representations about that to the U.K. Government. But, at the moment, I do not have any indication that our scheme is deficient in any way and I am looking forward to taking that legislation to the Assembly in the coming weeks and boosting another area of our financial services industry.

3.7 Deputy M. Tadier:

Will the Minister for Treasury and Resources advise why he felt it necessary to ask the Public Accounts Committee yesterday to move into private session so that he could give evidence and what the nature, although not the actual facts, of that evidence was which required it to be confidential?

Senator P.F.C. Ozouf:

The Comptroller and Auditor General's report was of course a report from the contemporaneous notes and from the personnel files of just a desktop review; he was very clear about that. I think natural justice indicates and I will certainly implicate it and there are some suggestions made about me in that report, some of which I agree with and some of which I do not agree with. I think that it was important that I address the Public Accounts Committee on some of those issues and I did so. It is a matter for them as to whether or not they then publish the evidence that I have given to them. I do not think it is right that personnel matters are dealt with, concerning individuals, particularly when there has been a compromise agreement signed, are discussed in public. I was as surprised as anybody at seeing some of the matters that were in the Comptroller and Auditor General's report. This is a matter which is in the hands of P.P.C. and I will fully comply with any questions they have of me. By the way, I also agree with all of the recommendations contained within the C. and A.G.'s report on both of the reports.

3.7.1 Deputy M. Tadier:

Sir, supplementary. The Minister will be aware that the P.A.C. were meeting pretty much the whole of yesterday and all of their sessions were to be held in public. The Minister for Treasury and Resources would have been aware of what the nature of his line of questioning would have been and if he had actually wanted confidentiality, why did he not seek it in advance rather than in

front of a packed room of the public to seek to go into in camera which looks bad for the public and is a bad precedent when it comes to open and transparent government?

Senator P.F.C. Ozouf:

I do not think it looks bad. I think the Deputy will be aware that I have been dealing with personal matters as well over the last week. I was only alerted to the request for the meeting on Tuesday and I was not given any lines of questioning; I was just given the terms of reference. I did not know exactly where the P.A.C. was going. They gave me the terms of reference and no indication was given, as I understand it, the normal practice of where you are going to be questioned on that. I came quite prepared and I shifted my diary, 4 days' notice of a hearing on an important issue I did my best in order to answer and I hope I fully and honestly answered before the P.A.C. and it is a matter for them in order to deal with this issue. So far, of course, only one side has been explained.

3.8 Deputy M.R. Higgins:

Can the Minister advise the House whether the reason for the delay in the publication of the Lime Grove House report is due to representations he is making? Is he responsible for the current delays in the publication of this important report?

Senator P.F.C. Ozouf:

Not that I am aware of.

3.9 The Connétable of St. John:

Earlier on the Minister mentioned the infrastructure of the sea defences. Given that some time back we had a problem at Gorey jetty, which moves in times of storm, would it be not sensible now, while he is thinking of stimulus, to do reinforcement work at Gorey jetty and Gorey itself instead of waiting for the whole thing to collapse and we have to then rebuild the entire jetty? Would he give serious thought to that, please?

Senator P.F.C. Ozouf:

I recall that fiscal stimulus was used to deal with the St. Aubin's issue. I am not immediately alert to the issues of Gorey but I will discuss that with the Minister for Economic Development. If we can bring forward a capital programme, just as we are doing with St. Martin's School, then we give consideration to it and I thank the Connétable for his question.

3.10 Deputy R.G. Le Hérisier:

Apropos the international pension situation, would the Minister elaborate insofar as I understand Guernsey had its many structures rejected - most rejected - because they were offered indiscriminately to expatriates and that people who wish to benefit from such a scheme have to show a residential basis to derive a benefit? What are the issues that led to the rejection and how has the scheme he is promoting overcome the ...?

Senator P.F.C. Ozouf:

I am the Minister for Treasury and Resources of Jersey, I am afraid I cannot answer for Guernsey in relation to what their matters are. What I can say is that our Q.R.O.P.S. regime is available, of course, to locals and non-locals. That is going to be a familiar phrase for this Assembly to hear because, of course, you must be non-discriminatory in terms of on-Island and off-Island offering. It is one of the key international principles that is being applied to, about whether or not you are doing particular arrangements to benefit your local community offshore, on-shoring, *et cetera*. Ours is completely available for Islanders and non-Islanders and I think that Jersey has an important and potentially lucrative new market in terms of pension provision for mobile individuals and expatriates leaving the United Kingdom, which sits very strongly alongside some of our major brands of big financial players in terms of our banking provision. It is good business, good quality

business and Jersey's products will, of course, be world-beating in terms of their quality and their regulation and the legislation that backs them up.

3.10.1 Deputy R.G. Le Hérissier:

Supplementary, Sir. Can the Minister for Treasury and Resources provide comfort by assuring us that these products can be offered globally and that there is no restriction in terms of just offering them locally and thereby shrinking the market considerably?

Senator P.F.C. Ozouf:

That is indeed correct.

3.11 Connétable J.L.S. Gallichan of Trinity:

Will the Minister support funding for Parish-led developments if required say for sheltered housing and first-home buyers?

Senator P.F.C. Ozouf:

I think that is a good example of a question where the questioner knows the answer [**Laughter**] and indeed let me say that I am absolutely enthusiastic to help support Parish schemes.

[11:30]

I was seriously impressed with the Trinity scheme that the Connétable came to ask for funding for, [**Approbation**] a shared equity scheme which is being delivered by his own honorary officials which, if I may say, is probably better than the Homebuy scheme that we have; seriously impressive, seriously good and has 100 per cent support by the Treasury. I look forward to working with other Connétables to get money, States resources which we will get a better return from in these credit-squeezed times where banks are asking for such high arrangement fees and high interest rates; delighted to support the Constable of Trinity and all the other Constable benches on boosting social housing and the Parish infrastructure.

3.12 Deputy J.H. Young:

Good to hear the Minister is supporting the Parishes in bringing forward their sites. But in his role as manager in charge of all of these States-owned sites, could he please advise the Assembly of his progress and his future intentions in ensuring that all States sites are used efficiently, including those that have lain idle for many years, that they are released for appropriate alternative uses and particularly for the development of affordable housing?

Senator P.F.C. Ozouf:

The Deputy and I, in a previous life, were almost on the position that I was the President of Environment and Public Services and he was the Chief Officer and in those days Property Services was responsible under that department, so he and I have some form on this. There have been quite a lot of developments and I agree with him, we have not made nearly enough progress in terms of dealing with States-owned sites; Fort Regent, J.C.G. (Jersey College for Girls) and lots of other States property. This is now in the diligent hands of my Assistant Minister. The former Constable of St. Peter made significant progress on Property Holdings and we are going to make progress. We are going to deliver social housing on States-owned sites. We are going to get activity into the commercial sector, construction underway. We are going to deliver housing, affordable housing, shared-equity housing and we are also going to make sure that we have better accommodation for our staff in working conditions across the whole sector. We are going to solve the hospital too and we are going to build a police station. There is a lot of work to be done. There is a lot of backlog to be done and we are catching up.

Deputy J.H. Young:

Will that be tomorrow?

Senator P.F.C. Ozouf:

I would love to do it tomorrow but we have got a huge backlog and we are working hard.