

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

The Bailiff:

We come now to Questions to Ministers without notice. The first question period is for the Minister for Treasury and Resources. I call on Deputy Trevor Pitman.

5.1 Deputy T.M. Pitman:

You threw me, you were so quick there, Sir. Last week I gave an interview to a correspondent with Japan's largest newspaper, the Asahi Shimbun. Obviously I did not do it in Japanese, as one can probably understand why. Nevertheless, it has 8 million readers. The correspondent was very keen to also interview the Minister for Treasury and Resources. I did try to assist him. Could I ask: did the Minister take up that offer from the correspondent and did he give that interview to give a broader perspective on the finance industry and justice, *et cetera*, in Jersey?

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

Yes.

5.1.1 Deputy T.M. Pitman:

Was it very helpful?

Senator P.F.C. Ozouf:

Interviews... I am always happy to give interviews with journalists from accredited newspapers, as I am giving a number of interviews together with the Chief Minister and other Ministers on the important developments internationally.

5.2 Deputy J.A. Hilton of St. Helier:

It has been reported recently the need for a new electricity substation to serve the residents of St. Helier No. 3 and 4 Districts. What discussions has the Minister had with the Parish to identify suitable sites, since support for the proposed one has been withdrawn? Also, what, if any, are the possible repercussions for residents and the proposed new or extended hospital if a suitable site for the substation is not found?

Senator P.F.C. Ozouf:

I can confirm to the Deputy that I have been engaged, together with my Assistant Minister and indeed the Chief Minister, in relation to discussions with the Parish authorities to identify the site for this important and absolutely necessary infrastructure investment for both St. Helier No. 3 and 4 residents, but also developments in town, including the hospital. I express disappointment that the Parish, having previously indicated its support for a site, is now at best neutral. I am looking forward to confirming with the Parish authorities, a Parish Assembly with the J.E.C. (Jersey Electric Company) in order that this matter can be brought before a properly constituted Parish Assembly for determination. The Deputy may be aware that in order to assist the Parish in the decision we also brought an undertaking to bring forward a fiscal stimulus project in order to further compensate the Parish, which was already being compensated for the land, in order to assist any speedy decision, which is absolutely required. I am concerned that it is delayed.

5.2.1 Deputy J.A. Hilton:

The Minister did not speak on the potential repercussions for residents in No. 3 and 4 Districts if this does not go ahead.

Senator P.F.C. Ozouf:

I apologise. I am advised, effectively such is the demand for electricity in particular the First Tower, Rouge Bouillon area, that if this substation is not built there are going to be problems in the future in relation to the J.E.C.'s ability to deliver supply to homes. In addition, a number of

important developments in St. Helier, including the hospital, will simply not be able to happen, according to the company's information that they are doing. I am happy to provide Members with a briefing note on that if that is helpful.

5.2.2 Senator L.J. Farnham:

In 2012 the Fiscal Policy Panel assessed that the economic outlook for Jersey had been downgraded for 2012 and 2013. There were indications of significant spare capacity remaining in the economy over that period. They then went on to advise that the States should act to give further fiscal support to the economy over and above that as set out in the Medium-Term Financial Plan. Could the Minister for Treasury and Resources explain what format this extra fiscal support is taking, please?

Senator P.F.C. Ozouf:

Since the Fiscal Policy Panel reports I have provided a report to the Assembly on the current state of the economy, indeed our actions in relation to fiscal stimulus. At the moment, we are spending much more than we are taking out of the economy. I think the figure is some £90 million worth, providing we get things like the police station passed. When we take the year as a whole, there will be more spending in the economy than we are taking out. This is something that we keep under review. My first job at the moment, working with Property Holdings, is to ensure that the capital projects that are designed to happen - we have the money in the bank - are going to be delivered. That has been my first priority, because those are the shovel-ready projects which are going to need to go. But, in addition, we have also been developing a pipeline of further projects with Housing and T.T.S.

5.3 Deputy K.L. Moore of St. Peter:

My question follows neatly on, because I would like to ask the Minister if he could update the Assembly on any progress regarding the supply of both social and affordable housing.

Senator P.F.C. Ozouf:

The Council of Ministers has met on 3 occasions to deal with this matter. I am advised that the Minister for Planning and Environment is now well advanced in relation to his amendment to the Island Plan, which is expected before the summer break. That is, itself, hopefully going to be identifying a very significant further supply of social rented projects. We will work with the Housing Department and other providers in order to provide the funding of that. In addition, the Minister for Planning and Environment has approved a number of residential sites, including Westmount Quarry. I also understand that permission has been given now for Lesquende, Le Coin and Osborne Court. Those are all projects which are going to deliver. The Deputy and the Chairman's concern, I think, is more affordable ownership over and above that. We are working on that. I understand that we are on track to deliver that timetable.

5.4 The Connétable of St. John:

Given the Minister's response to the telephone directory and its ease of use some time ago, I took it upon myself to ask the Minister for Social Security, the Dean and the Assistant Minister for Health and Social Services to look at it. They all had difficulty in locating any fault. In fact, the Minister himself looked at it and could not find the fault reporting service in it. Would the Minister take it upon himself to take it back to Telecom and make sure that a fault reporting service is in place, contrary to having to go on to the internet to find a service level agreement that says: "You will telephone 882 882", but you have to have a ... a lot of 86 year-olds do not have I.T. (information technology) skills. They are like myself; dinosaurs. Will the Minister, please, accept that there is a problem with the directory?

[11:45]

Senator P.F.C. Ozouf:

Basically, to report a fault consumers need to dial 882 882, 4 options and it is the third of the 3 options. If that is not clear I will ask J.T. to clarify it in the next telephone book.

5.5 Senator S.C. Ferguson:

Given the considerable doubts as to future income tax receipts over the next couple of years, as suggested by leading indicators, what is the Minister's 'Plan B'?

Senator P.F.C. Ozouf:

I am pleased to inform the Assembly that the Treasury is now making good progress in the Long-Term Revenue Plan. Indeed, early indications are that we are already £6 million ahead of where we thought we would be compared to the figure in the M.T.F.P for this year. I think the Treasury has a track record of being prudent in relation to its estimates. We will be publishing further updates later on this year. In relation to a 'Plan B', we do not have a 'Plan B', because we are confident that 'Plan A' is going to be working. However, it is important to remember that there are big changes, economically, which are transmitting throughout the developed world. That is exactly why we have deployed McKinsey with the Economic Development; we have done Digital Jersey and all these other issues. It is not just a case of cutting, it is about growing the economy and investing in the economy, which I think is exactly what we are doing. That is the 'Plan A' with bells on.

5.6 The Deputy of St. Ouen:

I would like to ask the Minister: when will the public and indeed this Assembly be given the opportunity to consider whether the Island should have a new or rebuild hospital? Will he commit to providing all the financial implications at the same time as identifying his preferred option?

Senator P.F.C. Ozouf:

I agree that there is going to need to be ... it is a matter which is commanding the rightful attention of Ministers at the moment in relation to the site selection and that there is going to be a meeting, I think, within the next couple of weeks in order to confirm that. Members will be informed of that. I can confirm that, of course, all the financial appraisal and estimates for the rebuilding on the existing site or should there be another site identified (I think that is going to be challenging) all that information will be published at that time. So, yes, is the answer to the Deputy's question.

5.6.1 The Deputy of St. Ouen:

I would like to just press the Minister. I believe the Minister said that the Council of Ministers will be considering matters. But he has not indicated when the public will be able to consider the matter. Could he give us a little bit more information or a likelihood of when that would be happening?

Senator P.F.C. Ozouf:

There is likely, I am told, that there is going to be a proposition brought before the Assembly in order to confirm the decision together with all of the financial arrangements. I will confirm that after consulting with the Chief Minister and Minister for Health and Social Services later on today. There is a Ministerial Oversight Group, which is guiding this, but ultimately it will be with the Council of Ministers before it comes to the Assembly. But it is the intention to inform Members of that process as soon as the work has been completed.

5.6.2 The Deputy of St. Ouen:

Sir, sorry, just one final supplementary? I was led to believe, and I think the public were too, that the public were going to be given the opportunity to consider the new-build and rebuild option and preferred site. The Minister seems to be suggesting now that he is going to

circumvent that process and just bring a proposition to the House. Could he confirm exactly what process he is going to follow?

Senator P.F.C. Ozouf:

This is not strictly only a matter for the Minister for Treasury and Resources. Clearly, if there is going to be a proposition brought before the Assembly then there is going to be the ability to consult publicly on indeed that decision. So, as with all matters, a matter is going to be placed before the Assembly, the public is going to be able to be consulted and then ultimately this Assembly will decide.

5.7 Deputy G.P. Southern:

What further consideration and what progress, if any, has the Minister made on the issue of the taxation of non-finance companies?

Senator P.F.C. Ozouf:

I have nothing further to add than the detailed report that I published a number of months ago.

5.8 Deputy R.J. Rondel of St. Helier:

The Minister has recently returned from an important visit to the Cayman Islands. Would he be willing to share any experiences or findings that he was able to gather while there?

Senator P.F.C. Ozouf:

I know the Deputy also has returned from Singapore on C.P.A. (Commonwealth Parliamentary Association) business. **[Laughter]** Indeed, I was pleased to be able to speak to him during his visit. I know that he not only did C.P.A., but he also apprised himself of the important competitive issue with Singapore. That is exactly what I did with the Cayman Islands too. It was a great privilege to be picked to go to the Cayman Islands. I hope the election mission, which was regarded by all observers a great success, free and democratic elections followed the visit and the mission. There is a detailed report that is going to be published, which is being worked on. I also took the opportunity of apprising myself of the Cayman Islands' financial services industry, meeting with a wide range of firms that were in Jersey and indeed the Cayman Islands. I think that is very beneficial to our work in relation to developing financial services and whole G8 agenda. I will be providing a report. The Greffier has asked me to do so for a forthcoming publication.

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

Relating to the question by Deputy Hilton, as a former Deputy of St. Helier and with many present constituents, does it concern the Minister for Treasury and Resources that St. Helier has been shown to be short of open space in the Island Plan and therefore, the Parish should resist any incursion into Parish woodlands unless absolutely necessary? Would he further confirm that initial discussions with the Parish made no reference of a threat to the hospital? Indeed the main beneficiary of the new station was going to be the proposed Esplanade Quarter development.

Senator P.F.C. Ozouf:

Indeed, I do not want to start a war of words with the Connétable, but we had a meeting where he agreed to support the putting in place of the substation at a location which is the disused quarry on the inner road. Clearly always there is a trade-off in relation to open space and infrastructure investment. That is a trade-off which we, as politicians, as elected leaders, have to determine. This infrastructure investment is absolutely required, needs to be put somewhere and the J.E.C. together with the discussions we had, had I thought found an ideal solution in identifying the disused quarry and indeed the Parish were going to be fairly substantially compensated with, I recall, a total figure of some third of a million in relation to that. So, I think the Parish was more than compensated for what is effectively a disused quarry. I regret the fact

that the Constable, having previously agreed his support, now appears to be neutral or, if I pick on his underlying tones, now negative. That is not what we agreed and I regret that.

5.9.1 The Connétable of St. Helier:

Sir, supplementary? Could the Senator answer my question? Does the Island Plan show St. Helier to be short of open space?

Senator P.F.C. Ozouf:

I support open space and the fact that the new town park is extended and the fact that St. Helier has a fantastic Waterfront and sea front means that there is open space. Clearly, hard choices need to be made to secure vital infrastructure and to secure power to people's homes and, yes, indeed new developments in St. Helier, which will provide the Parish with more rates for its own internal resources. I would have thought that he was supportive of infrastructure investment and further development of St. Helier.

The Bailiff:

Very well, that brings the 15 minutes time for questions without notice to the Minister for Treasury and Resources to an end. I regret there are 8 Members wishing to ask further questions, but the time is up.

Deputy M. Tadier:

Sir, can I just say for reference, it is frustrating for Members who have genuine questions to do with financial matters when questions are being asked about planning and telephones, even though I know the latter falls under the shareholder's remit.