

7. Questions to Ministers without notice - The Chief Minister

The Bailiff:

So now we come to the next period of questioning which is to the Chief Minister.

7.1 The Deputy of St. Martin:

Would the Chief Minister inform the Assembly when was the last time the Council of Ministers was briefed on the Financial Services Ombudsman primary legislation?

Senator I.J. Gorst (The Chief Minister):

I am not sure the last time the Council of Ministers was briefed but I know that good progress is being made on this particular proposal in the Economic Development Department. The Council of Ministers are quite clear, as are Ministers that sit on the Financial Services and External Relations Group that the Financial Ombudsman should be a pan-Channel Island body and there are currently proposals with the States of Guernsey to approve Guernsey's involvement in that body and we hope that the States of Guernsey will be able to consider that during the course of October. But good progress has been made. Regulations are drafted and we hopefully will be there soon.

7.1.1 The Deputy of St. Martin:

Given that the official line is still to open this office in the first quarter of next year, is the Chief Minister surprised that he has not seen primary legislation?

Senator I.J. Gorst:

I am not surprised. The Council of Ministers are quite clear that it should be undertaken jointly with Guernsey and until we are in a position where Guernsey have approved that, then we would not expect to see the legislation presented before us because the first question we will ask, as we asked on previous occasions, is what is the position with regards to our colleagues in Guernsey? Having said that, I know that the department has made very good progress and drafted the regulation.

[12:15]

7.2 Deputy T.A. Vallois:

Could the Chief Minister please provide Members with links to the States and Council of Ministers policies that were impacted by the proposed Budget changes and any hard, factual evidence as to how raising taxes in Jersey translates into behaviour changes of those policies?

Senator I.J. Gorst:

From other jurisdictions we know that lowering taxes can be seen as a positive thing because more people fall and can fall into the tax-net. Of course, I will endeavour to undertake the piece of work that the Deputy refers to. Policies brought forward by Ministers are considered by the Economic Development Department, which would provide details along those which the Deputy is suggesting. They are scrutinised by the independent Fiscal Policy Panel. Those documents are made public as well and Members of this Assembly have the ability to question those independent individuals.

7.3 Deputy J.M. Maçon:

This is in regards to the Chief Minister's role on S.E.B. Given what has come to light about the pathology lab, will the Chief Minister give an undertaking that he will brief States Members about this and other areas where bad practice in the States is existing so that we, as all States Members, can provide more political will in order to sort these types of issues out given that human resources is an area where we clearly need much more emphasis to be placed?

Senator I.J. Gorst:

This States Employment Board, this Council of Ministers, is placing more emphasis on human resources and we have been criticised for employing more people in the human resources sector but we stand by those decisions because we know that getting human resources right is very important. We know that the reform and redesign of the public sector is extremely important to ensure that we can control costs and increase efficiency into the future. I am not aware of bad practice that the Deputy seems to be referring to. I, like other Members, listened to the answers given by the Assistant Minister this morning and it seems to be being handled in an appropriate manner.

7.4 Deputy J.A.N. Le Fondré:

As I understand matters, the dispute between the Bishop of Winchester and a Member of this Assembly, namely the Dean of Jersey, remains unresolved. Will the Chief Minister assure the Assembly that the report resulting from the Dame Heather Steel investigation will be placed before the Assembly and in full, i.e., with any appendices, findings and recommendations?

Senator I.J. Gorst:

That is not within my gift, however, perhaps I could indulge the Assembly. It seems to me that the Korris Report instructed by the Bishop of Winchester was almost instantly placed in full in the public domain and, therefore, it seems to me that it would only be right for the Dame Heather Steel review to be treated in the same manner and put into the public domain.

Senator L.J. Farnham:

I withdraw my request for a question.

7.5 Deputy T.M. Pitman:

Being interested in Jersey's image and reputation, I was intrigued to read in the new best-selling economics book by former tax inspector, Richard Brooks, called *The Great Tax Robbery*, that apparently Her Majesty's Treasury and Her Majesty's Revenue and Customs officers are, to a significant degree, owned within Jersey. If that is correct, can the Chief Minister tell us what is the actual benefit to Jersey with regard to reputation and is there any negative impact to the U.K. taxpayer of such a mechanism being employed?

Senator I.J. Gorst:

I am afraid I have not had the pleasure of reading the book to which the Deputy refers. I do not understand what he means when he uses the words "owned by".

7.5.1 Deputy T.M. Pitman:

I would assume, if it is helpful, there are some kinds of tax-dodge which Jersey is quite notorious for. It is there in black and white. What were the benefits to us having public assets of the U.K. public part-owned in Jersey? If it is wrong then we will take it up with the gentleman but I am just concerned about the damage to Jersey's reputation.

Senator I.J. Gorst:

The Deputy made a number of statements there which you would expect me to wish to disassociate myself and, hopefully, Members of this Assembly. He uses the word "dodge". I suppose we could give him the benefit of the doubt but in most people's minds and in the public mind when he uses such terms it would seem that he was referring to tax evasion. As he well knows, tax evasion has been a criminal offence in Jersey for many years [**Approbation**] and we have signed and are in the process of signing - and this Assembly will hopefully agree them in due course - a number of treaties which put beyond doubt in my mind that Jersey is being used for such evasion. This Assembly has already agreed the regulations which give effect to the disclosure facility with regard to the United Kingdom and, as we said at the time, that should put beyond doubt the use of Jersey for tax evasion and, therefore, I do not think it is right to stand up and make the comments which the Deputy has said. I would also say that if the Deputy has read

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The Bailiff:

Chief Minister, there are a lot of Members wishing to ask questions. It was about some book, I think the question was. Do you want to comment on this book or not?

Senator I.J. Gorst:

What I would just like to say is that I am surprised the Deputy appears not to have read the Independent Capital Economics Report which overwhelmingly shows the value of the Jersey economy to the United Kingdom economy.

Deputy T.M. Pitman:

With due respect, I know the Chief Minister struggles with economics, he does not know a lot about it. But all I am asking is a claim in a best-selling economics book by a tax inspector from the U.K., correct or not? That is all I am asking.

The Bailiff:

Deputy, you have had your 2 questions.

Deputy T.M. Pitman:

But we do not get an answer, ever.

The Bailiff:

There is, in fact, a Standing Order that says Members should not ask a Minister whether something in the media is true or not.

7.6 Deputy M. Tadier:

Would the Chief Minister inform whether the Jersey Access to Justice Group has now been officially formed, whether they have met already and, if not, when their first anticipated meeting will be?

Senator I.J. Gorst:

As I said at the last States Assembly, this would be the first piece of work which needed to be undertaken. As the Deputy knows he has had prior sight of a proposed terms of reference and membership and structure of how we will deal with that issue. He has some concerns and I am due to be meeting him, I am not quite sure when my diary allows but certainly, I believe it is within the next fortnight and I will be able to consider his concerns at that point.

7.6.1 Deputy M. Tadier:

The simple question was, though, I need to find out whether or not that Group has met yet and, if not, will he agree that Group should not meet until I and other concerned Members have had a chance to discuss both the composition and terms of reference of that group?

Senator I.J. Gorst:

I am not aware that group has met anyway and, obviously, I would wish to take regard to the concerns the Deputy might have.

7.7 The Connétable of St. John:

Given that on page 32 of the Budget, I see J.D. Edwards, web and application for remedial Windows 8 comes to £1.4 million. Over the years, it has been said many a time in this House that we are poorly served by J.D. Edwards. Can he explain why we are going to spend £370,000 in his department on upgrading some of that equipment if it has been reported as being so poor over the years?

Senator I.J. Gorst:

Quite simply, I think we all acknowledge that upgrading a system and improving it is far more cost-effective than bringing in a completely new system and, as I understand it, there are upgrades are required. They will improve the service provided and that is a cost-effective way of dealing with the system that we currently have.

7.7.1 The Connétable of St. John:

Does that also apply to the web-development, please?

Senator I.J. Gorst:

There are a number of areas where I think we have acknowledged that while our web-service might be extremely informative we need to change, to modernise, to ensure that those people accessing that site have a good customer experience but, more importantly, we also need to ensure that individuals in our community are able to act in a transactional way over the Internet with government and that is currently something that does not happen. So we need to be spending more money in that area not less as the Connétable seems to be indicating.

7.8 Deputy J.H. Young:

Has the Chief Minister had the opportunity since we discussed Senator Breckon's proposition on Sunstone to consider the Statement of Facts circulated and discuss with the J.F.S.C. (Jersey Financial Services Commission) whether or not an independent investigation into that case would be beneficial. Is he able to inform the Assembly of any news on that before our next States sitting?

Senator I.J. Gorst:

I thank the Deputy for his question. Yes, my staff have found somebody that we think is a suitable individual associated in the past with financial services ombudsmen in the U.K. The individual is a very senior individual. My staff this morning emailed Senator Breckon to ask if he was satisfied with such an individual and outlined the timescale. Of course, the timescale will be determined by the number of those individuals which wish to interact with the inquiry. But, subject to Senator Breckon agreeing that that individual is suitable, then the inquiry should be able to start in short order. The individual, as part of his employment, does have to notify the employer to get approval as well.

7.9 The Connétable of St. Brelade:

In light of the Chief Minister's comments to the Deputy of St. Martin in relation to the implementation of a Financial Services Ombudsman, is he now saying that we were reliant on Guernsey agreeing to proceed with this project?

Senator I.J. Gorst:

We are not saying that we are reliant upon them but my position is that if we are to have a Financial Services Ombudsman it should be pan-Channel Island.

7.9.1 The Connétable of St. Brelade:

Could he then assure the House that it is the intention of the Council of Ministers to implement such a scheme; if not in Quarter 1 next year, then at least in the life of this Assembly?

Senator I.J. Gorst:

Of course, I would be extremely disappointed if it were not within the lifetime of this Assembly. I see no reason at this point to suggest anything other than it should be. It might be that our colleagues in Guernsey are not able to join right at the start of the scheme, but we would have to consider at what point they could and the advantages and disadvantages of such a process.

The Bailiff:

Very well. I am afraid that brings questions to the Chief Minister to an end.

Deputy T.M. Pitman:

Sir, on a point of order, could I just raise something quickly? You took me to task over my question. I would point out that the source of information originally comes from Her Majesty's

Treasury website, so I do not think I have probably fallen foul of that media Standing Order. If I could just flag that.

The Bailiff:

What the Standing Order says is: "A question shall not ask whether any statement in the media or made by any individual who is not a Member of the States is accurate." Before we move on to the statement, can I inform Members that the States Employment Board has presented R.129, States Employment Board Applications under P.59/2011 activity report for the period January to December 2012.