

2016.04.26

3.6 Deputy A.D. Lewis of the Minister for Treasury and Resources regarding progress on proposals for asset disposals:

Further to proposals in the Medium Term Financial Plan 2016 to 2019 and the draft Budget 2016 to reach a target figure of £20 million in both 2017 and 2019 for asset disposals, making a total of £40 million, what progress has been made to date and what are the disposals likely to consist of?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

This is one of many short-term funding measures mentioned in the M.T.F.P. and in the Budget. Progress is being made and details will be presented as part of the M.T.F.P. addition. I should add that while timing and quantum may vary the aim remains unchanged. A review, for example, of States ownership of utilities in the context of delivering States policy objectives is also progressing. As an example, my statement to the Assembly on 12th April 2016 in relation to J.T. (Jersey Telecom) set out the challenges faced and issues to be addressed before any possible proposal to dispose of part or all of J.T. could be brought forward for this Assembly's approval.

3.6.1 Deputy A.D. Lewis:

Is the Minister then saying that a target of £20 million of disposals is achievable in 2017?

Senator A.J.H. Maclean:

What I am saying is that we believe that current plans are on target. If indeed that particular sum of money is required in 2017 then, yes, we believe that it can still be delivered. But there are a number of variables and I want to update Members in detail, which is appropriate when all the work is undertaken at the time of the M.T.F.P. addition.

3.6.2 Deputy T.A. Vallois of St. John:

Could the Minister explain whether we have managed to make this type of target before and, if not, what makes things different now?

Senator A.J.H. Maclean:

Not every target in the past that is set has been achieved, and the Deputy and Members would understand that. Clearly, the core or centre of the M.T.F.P., at the very heart of the M.T.F.P. - and I have said this many times - is flexibility. We have tried to build in flexibility so if plans need to change we are in a position to be able to adapt and adjust accordingly so that we can deliver our end objective, and our end objective is twofold. One, to balance budgets by 2019 and, secondly, to ensure that we make key investments in the priorities that we have set.

3.6.3 The Deputy of St. John:

With all due respect, although flexibility is good, does the Minister not agree that it is unrealistic to make targets that you know you are never going to make?

Senator A.J.H. Maclean:

I and others certainly within the Council of Ministers do not set targets in the belief that they cannot be achieved. We set targets that we believe can be achieved. However, as the Deputy will appreciate, and others, situations change. When situations change you have to adapt and you need flexibility for that. One element of flexibility, as far as the M.T.F.P. is concerned, is with regard to the Budget. Members will know that the Budget approved - Budget 2016 - created an extra £7.5 million of flexibility by 2019, as a result of those measures. That is the type of flexibility we need to continue to consider.

3.6.4 The Connétable of St. John:

Will the Minister come back to the Assembly when he decides which bits of family silver to sell or will he just say: "It is in the M.T.F.P., you have already agreed?"

Senator A.J.H. Maclean:

No, I have simply said 2 things. I have said quite rightly that there is a lot more detail that Members would expect, which will appear as part of the M.T.F.P. addition. I have also made it clear on more than one occasion, not just this morning, that if there was going to be a disposal, using the example of J.T., if part or all of J.T. then that would be a matter for this Assembly to consider and it would come back before this Assembly to debate and decide.

3.6.5 Deputy A.D. Lewis:

I wonder if the Minister could tell me what has been done to prepare for such disposals. Disposals of this nature do not suddenly happen. There is a lot of preparatory work that needs to be done. Also, has the figure been affected, the target figure by 2019, by the failure to progress with the talks that J.T. were having with a partner to sell part of J.T. at that time?

Senator A.J.H. Maclean:

Taking the second part of the question first: no, they have not. That was an opportunity that presented itself with regard to the merger. We have had a number of approaches with regard to that particular business, some of which could indeed ultimately be in the better interests and deliver a far greater return to the public purse than that which was originally considered. It is absolutely right and proper that we go through the process, which includes appropriate independent advice to ensure that we manage States assets in an appropriate way and deliver on the objectives that we have set. I am confident that we can do both.