

# STATES OF JERSEY

## Health, Social Security and Housing Scrutiny Panel

**TUESDAY, 13th APRIL 2010**

**Panel:**

Senator A. Breckon (Chairman)  
Connétable D.W. Mezbourian of St. Lawrence  
Deputy G.P. Southern of St. Helier  
Deputy D.J. De Sousa of St. Helier

**Witnesses:**

Senator T.A. Le Sueur (The Chief Minister)  
Mr. M. Heald (Chief Minister's Department)  
Mr. P. Bradbury (Chief Minister's Department)

**Also in attendance:**

Ms. C. Le Quesne (Scrutiny Officer)

[14.33]

**Senator A. Breckon (Chairman):**

Welcome. Thanks for coming. I will just do the introductions and do a little bit of explanation but I am sure we all know the process. On my left is the Constable of St. Lawrence, Deirdre Mezbourian, and Deputy Geoff Southern and Deputy Debbie De Sousa and Carol Le Quesne, our Scrutiny Officer, and Rebecca is doing the recording. We are recording it. This is partly for our benefit as well as yours, and you know the format; within about 5 days you will get a copy. If you say 60 when it is 16 ... it is not to trip anybody up, it is just to put things on the record. A number of questions, Terry, that you should have had and also there will be things arising from that, supplementaries or whatever, but you know the form. As I say, it is not to trip anybody up, it is just to explore some of the subject area. Would you like to, for the benefit of the tape, introduce yourself and ...

**The Chief Minister:**

Certainly I will introduce. On my right is Mick Heald from the Chief Minister's Department, who is here really just to keep note of things that we might need to follow up as a result of the meeting; Paul Bradbury who is responsible for migration of work that you may want to ask me about. I have not brought any other officers because I think this is really cross-departmental. I could have brought 10 or 20 but that does not seem a particularly good use of our time and I think we need to focus, for a start, on why I am here appearing before a Health, Social Security and Housing scrutiny panel when as Chief Minister I normally have dealings with the Corporate Services scrutiny panel. My interpretation was that there are certain issues which cut

across various different departments and in that context the Chief Minister is not the puppeteer but holds the strings between the different departments and performs that sort of continuity. So I think there may be times when I will say this is not really a matter for me, this is something for a particular department, and if we focus on matters which are cross-departmental issues I think we will get better use out of the time.

**Senator A. Breckon:**

Where this comes from is your predecessor, former Senator Frank Walker, made an offer to any panel who wanted to that he would come and speak to it about maybe cross-cutting issues.

**The Chief Minister:**

I think that still stands. That is fine, so long as we do it on that sort of basis.

**Senator A. Breckon:**

That is the process really because, as you rightly said, our main focus is on health, social security and housing but, for example, employment, population, migration has an effect on those services.

**The Chief Minister:**

Yes, certainly.

**Senator A. Breckon:**

If we have 10,000 more people then that affects the services really. What we are looking for is where is this joined-up government that is bringing this thing together, and we see your role in that as not necessarily reporting to that particular panel but as co-ordinating, with perhaps some difficulty, different Ministers.

**The Chief Minister:**

Hopefully not.

**Senator A. Breckon:**

Then the idea, as I say, how are we progressing this joined-up government and as well, Terry, in former roles you had as Social Security and Treasury and now as Chief Minister you have obviously some considerable amount of background knowledge to that so you are well placed to comment about how this might be coming together and how people are working together or how they are not, and how it has perhaps moved on from where we were. I do not know if you would like maybe just to comment on that generally about how things are working together. If it is population, migration, employment, the money side, how is it coming together across ministries under your leadership?

**The Chief Minister:**

I think some of the difficulties we get in bringing things together relates to the general situation of the States as a whole that there seems to be a lot of peripheral activities which encourages us to take our eye off the ball. So, yes, things come together as quickly as they reasonably can. On the other hand, at the moment, apart from the fact that States sittings sometimes go on a bit longer than they might, there is the situation of a Comprehensive Spending Review which is taking up a lot of ministerial and

officer time, for very good reasons. So we do that, the other cross-cutting issues, as well as and in spite of those problems, as quickly as one reasonably can. I have just come from a meeting discussing progress on the Island Plan where again we have got the situation that it is a very complex document which may take a little bit longer to come to fruition than we would all like. I think that has been the story of political life for the last 20 years that things take longer than you first think.

**Deputy G.P. Southern of St. Helier:**

I am thinking immediately of the town park. 1997? That would be a bad 14 years of going.

**Senator A. Breckon:**

What about the co-ordination then of, say, migration with population and employment? How much discussion and co-ordination goes on, say between Social Security and Housing and Planning?

**The Chief Minister:**

I think that is probably an example of working very well, and Paul can comment from an officer point on how that works. The principle of it was that it should be pulled together by the Chief Minister's Department, recognising that there were conflicts between maybe the social pressures of housing and the economic pressures of economic development, how one could balance that and have a co-ordinated migration policy. So that policy is driven by one of my Assistant Ministers in conjunction with the 2 departments concerned of Housing and Economic Development in a department overseen by Paul here. Of course, there is the migration policy consultation paperwork which you have no doubt seen and which I have to say the Corporate Services scrutiny panel are very interested in because as far as they are concerned this is Chief Minister's Department led or a Chief Minister's Department's operation which they will be reviewing as part of their work schedule.

**Senator A. Breckon:**

As part of that, I do not know whether Paul wants to answer this, regarding the statistics, Terry, where are we with ebb and flow of, say, the workforce, the population, people coming and going? How possible is it to plan for the future with the information we have got?

**The Chief Minister:**

The information we get we get from the Statistics Unit 6-monthly in terms of manpower returns and they are responsible for ensuring that that is cross-referenced to things like social security returns, business trends, just to see if there is consistency and that those figures look realistic. In terms of how you plan a policy, I think you would be ill advised to plan migration policy on short-term fluctuations. The fact you may get a downturn this year or last year, you may get economic growth of 6 per cent in 2008, is not an excuse to use that one year as a guide for future policy for all time. So the statistics are there and they need to be used and not misused.

**Senator A. Breckon:**

In the longer term, is it coming together for economic growth, population growth and dealing with that and affording that, bringing everything together?

**The Chief Minister:**

The way it is being brought forward I think is a reflection of the twin needs of balancing employment and economic prospects with affordable housing and available housing. But the migration policy has been debated and may be debated ad nauseum. We are now in the situation of trying to bring forward legislation which will put those policy principles into practice and enable departments to work to a clearer structure, if you like. Not to say the present structure is unclear but at least to formalise it.

**Senator A. Breckon:**

On things like we have now got over 1,300 people actively seeking work, how much influence would you have on the levers that would sort of slow down on creating jobs for people outside and things like that?

**The Chief Minister:**

That is an ongoing part of the existing Regulation of Undertakings mechanism which would still continue in the same sort of way in terms of setting job requirements for particular classes of employee. So, at the moment - I think Paul is closer to this one than I am - I would say in terms of review of licences, new licence applications, there will be a greater tendency to stipulate a larger proportion of locally-qualified workforce than there might have been 2 years ago. It is, as I say, not a knee jerk reaction and in any case, because of the need for some sort of certainty in licences and you usually grant them on a 3-year basis, you will not change the situation overnight. That is why it is important to look at long-term policy and not be too influenced by short-term trends.

**Deputy G.P. Southern:**

Can you say whether the results of Imagine Jersey are still effectively the policy we are taking forward? For example, projections of 200-plus heads of household as a projected average sort of increase in population, whether you would see yourself returning to those sort of targets from the 150 we have got now and are we maintaining the 150 level at the moment in this recession?

**The Chief Minister:**

The target of 150 growth is an ongoing target, from my point of view, until I have got greater clarity about the availability of land and accommodation to house a larger number of people and the infrastructure to support a larger number of people. So 150 to me is a workable figure and an agreed States policy figure until something changes. As to whether it is being achieved, I think the answer is yes but like any statistics it depends on your view of how long you take of the economic cycle and how many years you average over. Certainly I do not expect that there will necessarily be 150 growth in 2010. I am not sure if there was 150 growth in 2009. There was more than that in 2008. So one would inevitably compensate another but the longer term policy is for an average over a 5-year period of 150 households per year.

**Deputy G.P. Southern:**

You are saying you are loath to return to 200 because you were not sure about the figures in terms of housing availability.

[14:45]

Did not Imagine Jersey 2020, whatever it was called, have a whole series of figures in there? Do you no longer trust them or have they been superseded?

**The Chief Minister:**

I do not think they have been superseded. I think they are expectations for what is capable of being delivered. Perhaps you have to accept the political reality that not every site which is capable of being developed would materialise.

**Deputy G.P. Southern:**

It is wonderful to be right with hindsight. Okay, I accept what you are saying.

**The Chief Minister:**

I think we are probably agreeing on different views here which would not necessarily be inconsistent.

**Deputy G.P. Southern:**

Sure. Have you had any discussions with the Minister for Planning and Environment about - you used the term earlier when I think you meant available but you said affordable - on the absence, according to the latest report he has received, of affordable housing in Jersey on any reasonable mortgage type terms whatsoever?

**The Chief Minister:**

I meant available, yes.

**Deputy G.P. Southern:**

Have you have discussions with him and if so where are we with that, affordable housing?

**The Chief Minister:**

I think where we are is we are still - this is primarily a planning matter - seeing the extent to which housing sites can be developed in a way which allows at least some element of affordable housing. The current arrangements of 45:55 social split may well need reviewing but it will be something of that sort of nature, which is probably an ongoing quid pro quo, if you like.

**Deputy G.P. Southern:**

On housing still, just in overall terms what is your commitment to the building of affordable social housing? It seems to me that the Minister for Housing is of a mind, shall we say, that we do not need any more social rental housing whereas the *Whitehead Report* might suggest that that is a questionable approach and not sustainable. Where are you on that?

**The Chief Minister:**

I think if you asked the Minister for Housing he would say he is certainly not convinced that there is no need for further social housing and the fact there is a housing needs survey updated on a regular basis should be an indication of what the ongoing needs are, and it is how those needs are best met. They can be met in some cases from the private sector, they can be met in other cases from housing trusts or from social housing, but I am quite clear that there is still a demand and a slight excess in demand over current supply.

**Deputy G.P. Southern:**

Absolutely, because there is a waiting list as long as you like for social rental housing and yet on the St. Lawrence site the allocation of 40 per cent that was for social rental housing was sold off at a discount. How do you tie that with the need for social rental housing?

**The Chief Minister:**

I think we are in danger of starting to drift from what is a cross-departmental issue to future policy of a particular Minister and I think it is more appropriate that those sort of discussions would be held with that Minister rather than my role which is that of co-ordination.

**Deputy G.P. Southern:**

But I would have thought that you adhere to the present aims in the Strategic Plan and you are in charge of that and I think you will find that it is contained in the Strategic Plan that affordable housing, that includes social rental, shall be an aim that we have affordable high standard housing for all.

**The Chief Minister:**

Incidentally, just before we continue, is it general policy to allow photographs at these meetings?

**Deputy G.P. Southern:**

It is generally acceptable, yes. Normally we ask if you mind first.

**The Chief Minister:**

Well, it would have helped.

**Senator A. Breckon:**

We did not know anybody was coming.

**The Chief Minister:**

In that case maybe we need to change policy to ensure that before people come in they ask the Chairman if they are allowed to come in.

**Senator A. Breckon:**

We were not aware of that. We did a thing about filming and there is something before the Chairmen's on the general strategy. I do not have a problem. I do not know if anybody else has.

**The Chief Minister:**

I merely raise the issue of procedure and I think procedure should be clearly laid down.

**Male Speaker:**

Up to now, as it is a public meeting, we have just always come in.

**Senator A. Breckon:**

It is a public meeting. Generally there has been an issue about who is allowed to film or to do that and generally it has been left to what has been described as the accredited media but it is before the Chairmen's. Generally in a public session, whether it has been TV or people taking photographs, there has been no objection. Usually there has been something beforehand but obviously somebody has been somewhere else.

**The Chief Minister:**

I am raising this because I think if it changes in the future I would not want this regarded as a precedent to say the Chief Minister did not object last time.

**Senator A. Breckon:**

Back to the general stuff, Terry, and the cross thing, how does, say, employment, population and migration fit in with everybody's sort of budgets and the tax take and supplementation and services like health and education? How is that co-ordinated across the ministries, if you like, from the Council of Ministers in your point of view?

**The Chief Minister:**

That really comes when you start to put the Business Plan together and you have conflicting demands, as inevitably happens.

**Senator A. Breckon:**

What about statistics again? We have talked about 6-monthly things but if they are retrospective figures, if for example there were signs before that the economy was over heating with property prices and things like that, where are we now and where are we going next year with planning processes and reduced budget plans?

**The Chief Minister:**

As I said before, we should not be planning on the basis of quarterly or short-term information; we should be planning on longer term policies. Longer term we know that the economy goes in cycles of ups and downs. Having seen a significant rise in 2007 and 2008, we are seeing a significant decline in 2009 and 2010.

**Senator A. Breckon:**

What about perhaps people who are vulnerable, things like elderly services, how is that picked up with Social Security, Health, Housing and how is that coming to the Council of Ministers again for co-ordination?

**The Chief Minister:**

To the extent it needs co-ordination, it can be brought up by Minister at any meeting. The example of income support, you have an income support system which may or may not, depending on your point of view, be capable of responding to different circumstances. That policy, I think, is already under review so I think maybe that is an issue to raise with that particular panel. It does not strike me immediately as a cross-cutting issue other than to the extent that you might want to link employment levels to that of migration policy, which I have already indicated is done to some extent through Regulation of Undertakings but not as a knee jerk reaction.

**Deputy G.P. Southern:**

Can I take us back to - you mentioned it earlier on, it is a second mention - the Comprehensive Spending Review process which must be across the board and

particularly the way in which that is going to fit into the Business Plan. Normally we have got this crunch time where we end up with a Business Plan in effectively July and we have August to scrutinise it and September to vote on it which I think your predecessor, and probably yourself, has agreed that it is a very tight timescale, into which we are now building the first element of the Comprehensive Spending Review and that makes it even tighter because we have got a fortnight to respond to the first layer of suggested cuts. One question is a fortnight's response time, is that really appropriate? Should we not be spending a little more time on it? I know you cannot make a 13th month, would that we could. Secondly, it seems to me that what we are going to be presented with is the first 2 per cent cuts when in fact what you need to be able to look at to scrutinise properly is what is the 3-year plan, where are we likely to end up on the 10 per cent cuts and work back from that and see what is reasonable and what is not. I made the analogy this morning in a meeting, it is like bloodletting. This 2 per cent, maybe a couple of leeches, but 10 per cent, that is a whole armful, as Tony Hancock would put it. So that is the context you need to see it in. You also need to see, if you are going to judge any cut, any spending decrease, you have to see it in the context of the alternative which is: "Or we might choose to raise taxes this way and this way and this way, some of which may be acceptable to you, some levels of which may be acceptable to you, some may not." So, seeing the holistic process it seems to me it is not taking place. We have got no idea what the 10 per cent means, so where are we getting to as we try and judge the 2 per cent, nor have we got any idea at this stage where the alternatives are in terms of tax changes rather than cuts. It seems to me that that whole process is a deeply unsatisfactory one. Unless we can see the whole picture, how can we judge it and is there any chance that some time this side of major decisions on Business Plan or budget we are going to see the whole package so we can see where we are going?

**The Chief Minister:**

A whole string of questions there and observations. Firstly, yes, the timescale is tight and that is why I have suggested that scrutiny get involved at the preliminary stage and all the way through the process. That 2-week window that you spoke about there is not the only opportunity. That is just a 2-week gap between 2 different stages in a process which ultimately terminates in a debate on the 2011 Business Plan in September. What you have got I think, is the much broader issue, which both my predecessor and I were aware of, of the need to change the nature of the Business Plan process and move much more towards a 3-year cycle which will give scrutiny a much better opportunity to review that sort of thing in detail. My objective is to get that 3-year cycle up and published in time for this year's budget, at the same time as the taxation review due to be launched next month would also come to fruition in time for this year's budget. So, answering your third or fourth question, whichever it was, in terms of the longer term picture, that ought to be available in advance of this year's budget and that will give you a broader picture. What I also wanted to ensure is that the 2 per cent that you were talking about for this year has to be consistent with the longer term objectives of the 10 per cent ultimate final target. If that is going in one way and the final version is going in a different way it is pretty counterproductive.

**Deputy G.P. Southern:**

I certainly am aware that Health, for one department, has approached it starting with the 10 per cent: "Eventually where are we going to get to? These are the options", and have worked their way back to the 2 per cent. Is that generally the way

departments have approached it? In which case can we see what the full picture is as early as possible so we know where we are going?

**The Chief Minister:**

Taking the last question first, yes, we need to see what the process is as soon as possible so you have got a maximum amount of time to scrutinise it. It will depend and will vary from department to department. In some departments, notably Education, Health and to a lesser extent Home Affairs, there will be greater in-depth examination of the whole departmental activities and spending. For other smaller departments, there will not be the same level of in-depth analysis but still the same requirement, the same objectives of a longer term review and maybe a change in the way one is working. Are those all going to follow the same pattern? No, not necessarily because I think issues in one department may be totally different from issues in another department.

**Deputy G.P. Southern:**

The issue of 10 per cent is same throughout.

**The Chief Minister:**

It is the same mathematical proportion but the things you might want to do to change the nature of the organisation may well differ fundamentally from one department to another and that will be very much for each department to consider what is the best way of delivering their objectives in a better way.

[15:00]

**Senator A. Breckon:**

The submission is now, Terry, what about increased charges where departments have the ability to charge for car parking or bus fares or things like that? How would that be factored into that bigger picture?

**The Chief Minister:**

It has got to be factored into the bigger picture because increased charges is really a subset of either one of just 2 arguments. It is either increased taxation or it is reduction in spending. Now, whether you take user pays charges as an increased tax or reduction in spend is a matter of personal interpretation; the outcome is still effectively the same.

**Deputy G.P. Southern:**

Can I just come back in on that because I got a reasonably substantial answer to my question but it did not answer my question which was will we be able to see the full 3-year plan, the 10 per cent, as we analyse the 2 per cent, yes or no, in the majority of cases or in most cases? If we cannot I think it is an unsatisfactory process.

**The Chief Minister:**

In most cases I suspect the answer will be no because you may well have those figures by September - you were talking about a debate on the Business Plan in September - but you certainly would not have them in time to scrutinise, analyse and maybe consider amendments.

**Deputy G.P. Southern:**

So, whereas the Health Department has done it looking at the big picture and has come back from it, so it knows where it is going, not all departments have?

**The Chief Minister:**

I do not think at this stage you can say with certainty whether Health or anybody else has done it in that way or another.

**Deputy G.P. Southern:**

My understanding is that they have.

**The Chief Minister:**

You seem to have a greater understanding of their process than at the present time I have.

**Deputy G.P. Southern:**

It would seem logical to me that if you have got a 3-year plan to make cuts which build up to 10 per cent, that you examine, if you like, the worst case and say: "Where are we likely be, what is the 10 per cent option, and then can we come back from it?"

**The Chief Minister:**

No, I do not think you can expect that a 2 per cent cut is one-fifth of what would happen to a 10 per cent cut in terms of activities. I do not know in terms of the cash but you may say: "Well, I can achieve 2 per cent by not filling this vacancy here but in order to get 10 per cent I have got to restructure the way we do our business" and I think it is some of that business restructuring which will make changes quite fundamentally different from what you have loosely called bloodletting.

**Deputy G.P. Southern:**

In short then, we are unlikely to see the full 3-year 10 per cent picture and we will not see the alternatives in terms of taxation in however broad a brush until December. So we will be making decisions on cuts this year based on, I would say, very partial information.

**The Chief Minister:**

You will be basing cuts or spending proposals for 2011 based on a policy either of 2 per cent reduction in revenue expenditure or, if the P.A.C. (Public Accounts Committee) have their way, a 5 per cent reduction in revenue expenditure.

**Deputy G.P. Southern:**

Are you aware that departments are also being asked to make cuts on the basis of their gross expenditure and not their net expenditure? So those departments who co-operate and share costs ... I am thinking of the Youth Service which has got partnership arrangements with any number of bodies, including the parishes, their total cost is something like £1.7 million gross where it is £1.4 million net and they are making cuts as 10 per cent of gross, which means that it is more than 10 per cent.

**The Chief Minister:**

The cross-departmental arrangements are flagged up in the templates of any submissions provided by every department. Submissions made to the Comprehensive

Spending Review officer team then have to go through those cross-departmental issues and see where the effect of one department is reflected in the effect of another department.

**Deputy G.P. Southern:**

What I am talking about is co-operation with either funding from the parishes or funding from the third sector, the charitable sector.

**The Chief Minister:**

The objective is a reduction in the States revenue expenditure, and that is quite clear what that figure represents. I am not quite sure where you are coming from.

**Deputy G.P. Southern:**

I am saying are you aware that departments are being asked to cut on the basis of their gross expenditure, including the partnership arrangements, rather than their net?

**The Chief Minister:**

I do not want to give the wrong impression here because the policy is quite clear. It is the States revenue expenditure as set out in the figures in the annual Business Plan.

**Deputy G.P. Southern:**

My information is that departments are being asked to cut from the gross and the question is are you aware of that?

**The Chief Minister:**

My information is departments are being asked to produce or to take what measures they would need to achieve a 2 per cent reduction in net revenue expenditure, net revenue expenditure as shown in the Business Plan.

**Deputy G.P. Southern:**

A word in the ear of the Minister for Education would not come amiss then.

**The Chief Minister:**

I think what we are trying to get at here is cross-departmental arrangements. If one Minister is approaching this in a slightly different way that is something you can take up with the appropriate Minister.

**Deputy G.P. Southern:**

But is that not your role, to co-ordinate and have a consistent approach, as Chief Minister?

**The Chief Minister:**

As far as I am concerned we have a consistent approach. When those submissions come together I would expect each one to have a reduction of 2 per cent net revenue expenditure. How each Minister chooses to achieve that, he may choose to apply a gross figure in some areas and a lesser figure in others. In other words, it need not be a 2 per cent reduction in every single service across the board and, in fact, realistically that cannot happen.

**Deputy G.P. Southern:**

I accept that.

**The Chief Minister:**

So Ministers have to have enough flexibility to achieve that objective within their own budgets.

**Deputy G.P. Southern:**

Have you had a sight of the departmental plans yet or is that saved until the 22nd? Is it 22nd April?

**The Chief Minister:**

22nd April.

**Deputy G.P. Southern:**

That is when you will see the packages. Okay.

**Senator A. Breckon:**

How does this come together then, Terry? In the past we had decision conferencing, so is that where you are in April, Geoff mentioned the 22nd, about the initial proposals? Obviously there is going to be some tension there, provision of services and whether it is for young and old or whatever it may be. How does that come together? How do you do the equivalent of decision conferences on grounds of social and people who are vulnerable and things? How does the weighting apply then? Where you have got different Ministers banging the drum saying they must have and others not conceding, how is that going to work?

**The Chief Minister:**

There is going to be a certain degree of negotiation among 10 Ministers, no doubt.

**Senator A. Breckon:**

Negotiation? Yes. That will go back then to near the decision conferencing process where things are weighted and set against each other.

**The Chief Minister:**

I do not think you can necessarily do it on the decision conference weighting system. That was a pretty subjective process at the end of the day and certain people could play that game better than others.

**Deputy G.P. Southern:**

Some people throw their toys out of the pram on the day.

**The Chief Minister:**

We have a clear objective which the States have set and which is going to have to be delivered in one way or another.

**Senator A. Breckon:**

So there is going to be a puff of smoke and then it is agreed and you all come out shaking hands and agreeing with each other, or is there going to be a bit more tension than that?

**Deputy G.P. Southern:**

White smoke or grey smoke? Can I just take us on? While we are talking about this, and it does seem appropriate to, 18 months into the job, do you not wish, as Chief Minister, that you had more powers to direct and control than being, I do not know, the grandfather figure at the head of the table with his family around him while they war over dinner?

**The Chief Minister:**

No, I would not say war.

**Deputy G.P. Southern:**

Is it not about time we gave the Chief Minister more power than he has, because he is just an arbiter, surely?

**The Chief Minister:**

I think there are various changes that would be necessary or desirable for ministerial government. I think if you have the sort of magnitude of change that we had moving to a committee system if you thought you were going to get every last bit of it correct the first time around you were an incredible optimist.

**Deputy G.P. Southern:**

But you are 18 months in the job, personally. Have you got enough power?

**The Chief Minister:**

I have various views in my mind about how it is likely to be structured in the future, both at ministerial level and at States level, and the time to do that I think will be before the next round of the States but I think the time is not in the middle of when we are trying to undertake a massive operation, such as the Comprehensive Spending Review. So I think also this is not simply a matter of ministerial government, it is a matter of the States itself. So it is something that I would want to work with the P.P.C. (Privileges and Procedures Committee) in terms how that can change and how the States Members operations can change. I suspect we are getting almost to a nice cosy cup of tea stage and I am conscious of the fact that we have got an hour here as far as I am concerned, because I have got another meeting thereafter, and I am looking at my question list and we do not seem to have gone very far down our list of normal topics. It may have been covered indirectly.

**Senator A. Breckon:**

Yes, I think we have touched on some of the issues certainly.

**Connétable D.W. Mezbourian of St. Lawrence:**

May I can bring you back to one of the topics that I believe was mentioned to you, Chief Minister, and that is the role of Assistant Ministers. I know, following the recent sittings when one of the Assistant Ministers was quite clearly unable to answer questions in the House on behalf of her Minister and her department, that a number of Members felt that things perhaps should be changed. We would like to know what your view is on the role and the function of an Assistant Minister. You mentioned changes just now. Are you able to suggest changes or will you be suggesting changes?

**The Chief Minister:**

I do not know if I will necessarily be suggesting any changes in the area of Assistant Ministers. Assistant Ministers tend to be there in departments with a variety of activities, so that, for example, Education, Sport and Culture, you have got Assistant Ministers and one Minister may have to take the responsibility for sporting matters. In Economic Development you may have one Minister particularly responsible for agriculture, something like that. In terms of Home Affairs, since you raised that one, it may well be that one Minister has particular responsibility for police and another Assistant Minister has greater responsibility for uniformed services and the like. Clearly, the Minister has to have legal responsibility for the whole of the role and when they delegate particular activity to the Assistant Minister the buck stops with the Assistant Minister. It does not necessarily mean that an Assistant Minister will be competent to speak on matters which are purely the remit of the Minister himself or herself in that Minister's absence. There is, in fact, no department I can think of that does not have an Assistant Minister but you could have a situation, I can certainly envisage a situation, where you might say: "Well, XYZ Department does not need an Assistant Minister and if that Minister is absent we will have to wait until the next sitting of the States and ask the Minister then." So, it would be nice to think that an Assistant Minister would be an understudy for the Minister and simply replicate all that Minister was doing at a slightly lower level; I do not think that is necessarily the most efficient use of people's time.

**Senator A. Breckon:**

You mentioned a couple of the specifics there, Terry. I would like to link this in because again with a joined-up ... if we are looking at saving money, supplementation, as you know in a former life, we are looking at that, and also elderly care, the consultation paper says we are spending £55 million. That comes from Health, that comes from Social Security and it comes from people's own contributions. Now, if perhaps like not very far away we had a system that was social security-based then that is money we would save as a government because people are paying it to have it ring fenced. Could you comment on those issues?

**The Chief Minister:**

Certainly there is a need, I think, perceived by many States Members and the public outside to have a funding source for tertiary care.

[15:15]

The Guernsey model has a lot to commend it and certainly is under active consideration by the Minister for Social Security. You have also got the issue of supplementation which is slightly different and the fact that the sums of money involved may be relatively similar should not necessarily imply that one is a substitute for the other. Supplementation is being looked at. In fact, I think it was Geoff had a proposition which was passed some time last year, if my memory serves me right, and certainly that, I am sure, would form part of the fiscal policy discussions because although you can argue that social security is not a taxation, it is an insurance-based scheme, other people will argue from an economic point of view that it is a tax. Whether one agrees with that argument or not, social security is certainly a way of raising additional revenue and the problem really is whether that additional revenue is ring-fenced for social security purposes only or whether it is available for general

revenues. At the present time social security revenue is ring-fenced for social security expenditure. So if you wanted to change the principle to one of general revenues then you have got a philosophical change and a legal change, which may well be the right thing to do and will form part of the consultation no doubt in the best ways of raising revenue in the future.

**The Connétable of St. Lawrence:**

What are your views on whether it should be changed, whether it should be ring-fenced or not, as it is now?

**The Chief Minister:**

I have had a lot of experience around the world of other countries who are envious of the fact that the Jersey system is a pure insurance-based system and that if you move it to a taxation system it becomes a good excuse for governments just to carry on using that as a tap to raise additional revenue. Some might say that G.S.T. (goods and services tax) falls into the same category but that is another argument for another day. So I think to me, as a former Social Security Minister, one of the U.S.P.s (unique selling points) about the Jersey social security system was it was paid for by the people and owned by the people for the benefit of the people and you do not see that to the same extent philosophically with taxation. You do not say: "Oh, because I paid my income tax last year we have been able to build that energy from waste plant." People do not make that sort of connection but they do say: "I have paid in my contributions for 30 years and now that I am 65 [or whatever it is] I am collecting my old age pension."

**Deputy G.P. Southern:**

If you were to address the issue of supplementation you would not necessarily be moving away from the capability for ring fencing however you raise that funding. The fact is it is more taxation now because one-third of the support comes directly from the taxpayer. So in that sense it is more to do with taxation than if you were to change it in some way.

**The Chief Minister:**

If you kept it as a ring-fenced system, if you like, and removed or reduced the States contribution through supplementation, in order to replenish the pot either employers or employees end up paying more.

**Deputy G.P. Southern:**

Yes, some employers, employees.

**The Chief Minister:**

Some employers, some employees. It depends how you structure it and you can structure it in a variety of different ways, but either way you move that burden from the state, the income taxpayer, to the employer and employee or some combination of both. So it is still some section of the Island population has got to pay that money in, maybe not in the same proportion as they currently do but in effect what you are doing is transferring more of it into sort of payroll tax. That is why I think it is important that it does form part of an overall taxation consultation situation, irrespective of whether you keep it as a ring-fenced insurance-based system or you

lump the money into general revenues. What you are doing is imposing that burden on the taxpaying members of the population.

**Senator A. Breckon:**

Terry, in your opinion would you say that perhaps people have no appetite for increased taxes but they might buy into a ring-fenced system that gives them pensions when you do not ... continuity in change, people said: "We will pay", did they not, 10 per cent to 12.5 per cent?

**The Chief Minister:**

Yes, that is right. They knew that it was money they were going to get back at the end of the day and I think you would get the same buy in to elderly care funding.

**Senator A. Breckon:**

But not for tax?

**The Chief Minister:**

But would you necessarily get the buy in for general taxation to build another ...

**Senator A. Breckon:**

Incinerator.

**Deputy G.P. Southern:**

Do not even say it because someone will build it.

**Senator A. Breckon:**

Guernsey might build one.

**The Chief Minister:**

Well, probably. They built a town park.

**Deputy G.P. Southern:**

That is a refunding.

**Deputy D.J. De Sousa of St. Helier:**

I have something about the social policy framework. How do you see the social policy framework progressing through to the future?

**The Chief Minister:**

One of the first things I did as Chief Minister was to set up a group bringing together Ministers or Assistant Ministers of all the social departments, along with a couple of Constables as well - that is Health, Social Security, Housing, Chief Minister, Home Affairs - with the idea of trying to create a more joined-up social policy framework. There was a social policy framework set out in 2007. They have now developed that. Also, working on some of the initiatives from the British-Irish Council, what I have recently done, as of last November, was to set up a social policy forum of individual laypeople working and reporting to the social policy group of Ministers that I have. They are looking primarily at the present stage at elderly care and the way in which that can be not only financed but also supported through the community. So I think there is a lot going on in terms of the social policy framework. How it will develop,

how it will work out at a time when we are clearly looking at a Comprehensive Spending Review, may be quite beneficial because it will also say how can the community help in other ways, not just financial ways, in order to solve some of our very real problems. We have got here 2 urban representatives; the Chairman is in the middle and Deirdre is, if you like, a more rural representative. St. Lawrence is still vaguely rural.

**The Connétable of St. Lawrence:**

It will be while I am there I can assure you.

**The Chief Minister:**

But I think certainly I see mainly in the country parishes, but to some extent in the urban parishes as well, a great sense of community within each particular area or even within sub-areas, and it is how one can tap into that. Not everyone wants to be an honorary policeman but others may well want to be members of the St. Lawrence election group or some other community group and it is how government can harness that energy without controlling it. I think as soon as government starts saying: "You will do this for us" then enthusiasm starts to wane pretty dramatically. So that, if you like, is an update of where we are on social policy. Maybe I took the answer further than you were questioning on.

**Deputy D.J. De Sousa:**

You touched on elderly care. Is that not something that Social Security are currently looking at? They have got consultation out so why do you not duplicate on that somewhat?

**The Chief Minister:**

I think it is much wider than simply Social Security. I think elderly care is not just about people living in residential homes or nursing homes. It is about people who are my age or a bit older but still reasonably active and the part that they can play in a community, which may just be knocking on the neighbour's door to make sure they are all right, very simple things which you do not regard as community care but in fact it is how you bring it all together which I think is far wider than Social Security, far wider than Social Security and Health, because Health I think equally are looking at this as part of the new directions or slightly tarnished directions on health, old directions. This is one of our dangers when we say: "That is a Social Security problem or that is a Health problem", and to me it is not. The social policy framework should bring the whole community into involvement. Not everyone over 70 is going to be lying in bed all day.

**Deputy G.P. Southern:**

The social policy framework said: "All major policy initiatives that impact on social issues in Jersey should be assessed against the aims and key principles of the social policy framework." To your knowledge, is that happening?

**The Chief Minister:**

Yes.

**Deputy G.P. Southern:**

All major policy initiatives are assessed by the social policy group, are they, against the framework?

**The Chief Minister:**

As I see it, on our policy there are 6 areas there: workforce participation, improved health status, improved educational status, adequate income, adequate housing and better community engagement. They will all be at different stages of development but I do believe that they are all being addressed in different ways. Greater workforce participation ...

**Deputy G.P. Southern:**

At what level and how often are the policy initiatives assessed against that framework? Who assesses them and says: "Right, come on, let us check what this is doing in terms of the social policy framework"?

**The Chief Minister:**

You will recall in the first years we had ministerial government we used to have quarterly reviews of hundreds of different indicators with up arrows, down arrows, horizontal arrows, green ones, red ones, yellow ones, and so at that stage everything was being assessed methodically, ticking loads of arrows in all sorts of different directions but was not achieving anything. The way of measuring those things now I think is far more in things like the *Annual Social Survey*, a most underrated document which I would certainly urge your panel to look at because it does cut across a whole variety of areas.

**Deputy G.P. Southern:**

Again, I am hearing an answer, Terry, you are doing your best to answer me but you are not answering me. Which body and how often does that check of policy against the key principles and aims of the social policy framework? Who does it: the group of Ministers, the social policy forum, somebody else?

**The Chief Minister:**

No, I think that assessment would only be done in terms of review of progress against the Strategic Plan.

**Deputy G.P. Southern:**

People hold up the key aims and principles of the social policy framework and say: "How does this fit and is it passing the test?"

**The Chief Minister:**

Yes.

**Deputy G.P. Southern:**

People are doing that? In departments, across departments, ministerially, officer level, where?

**The Chief Minister:**

I think at the moment it is happening within departments rather than across departments.

**Senator A. Breckon:**

I am conscious of the time, Terry. I had just one more question and that is where would you say the checks and balances are within the Council of the Ministers? For some of the big issues we are going to face on, say, policy, money, taxation, where are the checks and balances? With the role we have got, the role we have all got, how does that happen?

**The Chief Minister:**

It depends in which area you are talking about checks and balances.

**Senator A. Breckon:**

Well, everything comes together, how do you make sense of it?

**The Chief Minister:**

If you are talking about policy issues that will tend to come through a scrutiny panel looking at a particular policy, whether it is my panel looking at migration or the Environment Panel looking at the Island Plan, they will all be looking at policies. In terms of financials, Corporate Services scrutiny panel have responsibility for assessing the Business Plan and the proposals of the Minister for Treasury and Resources in that area. P.A.C. will be responsible for seeing how delivery is achieved or not achieved.

[15:30]

**Senator A. Breckon:**

Within the Council how much sort of knockabout do you have? Take traffic and transport, how much of that is within the Council of Ministers before it surfaces with a Minister? Have you got some robust debate and issues there that challenge that across the Council of Ministers as well as the outside of it? That actually happens?

**The Chief Minister:**

Both within and outside of the Council of Ministers. I think so long as you have got the scope for proper discussion ultimately. If we take, say, the sustainable transport strategy, that would be a strategy put forward by the Minister for Transport but he will not put that forward until he has had that knockabout with Ministers to ensure that even if not every Minister agrees with his policy at least we have had the internal argument. There are occasions when there will be differences of opinion which we cannot resolve in the Council of Ministers and we have got to say: "Most of us think in one way but X and Y have got passionate views the other way." On an earlier question ... I hope you do not mind me referring me to you as Geoff. I should say the Deputy of St. Helier.

**Deputy G.P. Southern:**

Not at all, call me what you like.

**The Chief Minister:**

Do not encourage me.

**Deputy G.P. Southern:**

I will return the compliment from time to time.

**The Chief Minister:**

Should the Council of Ministers have collective responsibility? That was a debate which the States had 5 years ago and said no. I am not sure if that was the right decision.

**Senator A. Breckon:**

Then you see issues emerging where we have set up a process, if you like, and it is now being tested and examined and whatever else. From what you said earlier, it is probably time to maybe have another look and refine it.

**The Connétable of St. Lawrence:**

Can I just come back to something you said earlier which was that after 18 months or so in the role you are aware of changes that should probably be made or could be made to benefit and improve the system. How do you intend to deal with that before your term as Chief Minister finishes?

**The Chief Minister:**

It is in an embryonic stage at the moment. I think what it needs is a Chief Minister's end of session analysis of the situation as he sees it as the outgoing Chief Minister. It will not necessarily always be possible. It certainly would not have been possible for former Senator Walker and certainly it would not be possible for me to comment from my point of view on what I see as the strengths and the failings from an impartial point of view. If I were to say now I think I should have collective responsibility and I should change that tomorrow, I should put that forward tomorrow, people will say: "Okay, that is your own particular point of view, you are just looking after your own interests." I think if I could say at the end of my term: "This is what I recommend for the future", it may not be able to be achieved overnight and it may not even be accepted by the States Members but I think in the same way as P.P.C. did a report on the machinery of government after about 2 years, the previous Chief Minister's term of office, and put forward their recommendations, I think most of which have been implemented ...

**Deputy G.P. Southern:**

Most of which have not been implemented, thank god, because that was a terrible piece of work.

**The Chief Minister:**

Okay, most of the useful work has been implemented. I think the same could apply here but I think it is a role for the outgoing Chief Minister to do rather than P.P.C.

**Senator A. Breckon:**

It is easier as well, Terry, if you can delegate it to somebody else.

**The Chief Minister:**

All I have got to do is find a bit of time to do that.

**The Connétable of St. Lawrence:**

So it is something you would intend ...

**The Chief Minister:**

It is something I would like to do but I would not ...

**Deputy G.P. Southern:**

You would not get drawn on it now.

**The Chief Minister:**

I would not want to get drawn on it now.

**Deputy G.P. Southern:**

If you had said: "I would like more power" I would immediately have come in and said: "You should be directly elected then." Maybe you saw it coming.

**Senator A. Breckon:**

Is there anything you would like to add to questions that we have had there, anything you would like to mention?

**The Chief Minister:**

No, as I said when I came in, I am happy to talk to you about areas of cross-cutting. It is good to have at least an inkling of what is likely to be discussed because on a topic like that it is very easy ... I did not come forewarned to talk about changes in the States structure or government structure. I am quite happy to express my views but it is nice to have a bit of warning.

**Senator A. Breckon:**

There again, you see, as Chief Minister, Terry, and with some of your previous experience, with respect, you have been round the block a few times. So it is not as if we are talking in a foreign language that you do not understand. It is issues that you are aware of and we are all aware of. What we have done with other Ministers, for example we asked the Minister for Housing, his time as President and as Minister, what he felt he had achieved in that time. So the idea is to introduce things generally and not: "I am going to ask question 7", when you might have answered it. So it is not to trap anybody.

**The Chief Minister:**

No, it is just I am not sure what the outcome of this meeting will give, what your objectives from the meeting are, apart from to get a greater understanding of the way I am thinking.

**The Connétable of St. Lawrence:**

That is a good objective to start.

**The Chief Minister:**

It is a good enough objective in itself but I am also conscious that scrutiny panels tend to have so much on their plate and focusing on particular issues.

**The Connétable of St. Lawrence:**

Can I say that it was something that when I joined the panel fairly recently I brought to the panel's attention, because when I chaired a panel during the last House Senator Walker was very keen and almost was inviting himself to speak to scrutiny panels.

Whether that was because the system was so new ... well, it was new. I think he was keen to build up a rapport with scrutiny and I thought it was a good idea for us to invite you so that you could sit and speak to 4 Members that you would not ordinarily address.

**The Chief Minister:**

No, and maybe I just tried to achieve that but in a different way of having quarterly meetings with the Chairmen's Committee, which maybe it does not get down to the sort of the detail that we do here but it was just a different approach. If I put myself as the questioning side now and direct it to you, I sometimes wonder whether there is as much rapport between the scrutiny panels as there ought to be. In the same way as you were saying do Ministers talk to one another or fight with another or discuss between one another, the same could be said of scrutiny panels: is there a danger that one panel gets compartmentalised focusing on, say, health issues and another one looking at home affairs and they never talk to one another? I do not know but that is a perception which I was trying to overcome by having a meeting with the Chairmen's Committee with a different chairman and a different interest getting together. It may well be that that can be achieved by the Chairmen's Committee themselves without any direct link to the Chief Minister's Department.

**Senator A. Breckon:**

As you know, the elements that we look at do have some overlap: Health and Social Security and Housing.

**The Chief Minister:**

I think probably your remit is wider than most.

**Senator A. Breckon:**

And expensive.

**Deputy G.P. Southern:**

Certainly the most costly, their spend.

**The Chief Minister:**

That may well be but from that point of view it is probably worth while you letting me know what your key topics of interest are going forward. I know with my panel what they are looking at over the next 6 months and they know what I am doing in the next months but that is a straight forward one-to-one relationship. In your situation, where you are cutting across Health and Social Security and Housing, it is a pretty wide remit and so it may help me to focus my ministerial mind, if you like, to know which way you are thinking.

**Deputy D.J. De Sousa:**

This was why it was quite useful for us to meet with you today because so much of our remit comes under social policy and that is within your remit.

**The Chief Minister:**

Social policy is within my remit in a global sense, yes.

**Senator A. Breckon:**

Anyway, I am conscious of the time.

**The Chief Minister:**

I have overstayed my welcome, and I would hate to do that.

**Senator A. Breckon:**

Thanks for your time.

[15:40]