



STATES OF JERSEY
Corporate Services Panel
Quarterly Hearing with the Chief Minister
WEDNESDAY, 6th JUNE 2012

Panel:

Senator S.C. Ferguson (Chairman)
Deputy J.G. Reed of St. Ouen (Vice Chairman)
Deputy S. Power of St. Brelade (Panel Member)

Witnesses:

Senator I.J. Gorst (Chief Minister)
Mr. J. Richardson (Chief Executive)
Mr. P. Bradbury (Director of Corporate Policy)

In attendance:

Mr. W. Millow (Scrutiny Officer)

[14:32]

Senator S.C. Ferguson (Chairman):

Right. Welcome to this quarterly hearing, Chief Minister, with the Corporate Services Scrutiny Panel. Now, I believe you may well have read the health warning, which is next door to you. We do allow the mainstream media to take photographs during this administration state but, as nobody is here with a camera ... Okay. Now, originally, we had this scheduled from 2.30 p.m. to 4.00 .p.m. but, unfortunately, with the various sort of toings and froings, we are going to have to curtail it at 3.30 p.m., which I assume you do not object to.

The Chief Minister:

No. I have been working on that rationale with my diary for today, so ...

Senator S.C. Ferguson:

You mean you would have been going anyway. Thanks a lot.

The Chief Minister:

Well, it was in note till 3.30 a.m. We do just need to make sure in future that we have got the same ... because I know that for the Migration Hearing, I only had an hour and a half rather than the 2, so we just need to make sure that we have got our diaries aligned.

Senator S.C. Ferguson:

Sure. Yes. Absolutely. Well, this was something where things crop up. Right, let us go. I am sorry, no, before we go any further, please can you say who you are with your title, for the sake of the transcribing ladies.

The Chief Minister:

Okay. I am Ian Gorst, I am the Chief Minister.

Chief Executive:

John Richardson, I am the Chief Executive.

Director of Population Office:

We are observing today, but Paul Bradbury, Director of Corporate Policy, and this is work experience for Sammy Harris.

Senator S.C. Ferguson:

Well, I hope you are convinced that they do some work.

The Chief Minister:

Perhaps we should not ask that question.

Deputy S. Power of St. Brelade

It might be appropriate to ask that question at the end of the meeting. I am Sean Power; I am a Deputy for Les Quennevais and La Moye, St. Brelade.

Deputy J.G. Reed of St. Ouen (Vice Chairman):

James Reed, Deputy of St. Ouen, Panel Member.

Senator S.C. Ferguson:

Senator Sarah Ferguson, Chairman.

Mr. W. Millow (Scrutiny Officer)

William Millow, Scrutiny Officer.

Senator S.C. Ferguson:

Right. When are you lodging the Medium Term Financial Plan?

The Chief Minister:

You have caught me with a googly straight off. We are aiming to lodge it ... I think we have given ourselves another 3 weeks, beginning of July, but I think there is a little bit of flexibility because we have agreed not to debate it until November, so it needs to be lodged as quickly as we can, but there is maybe a week or 2 flexibility there so that it is lodged. But I understand that Scrutiny members have been having informal briefings already and we can carry on doing that or provide any papers that you might need in advance of the formal lodging.

Senator S.C. Ferguson:

Super, yes. We were just starting to panic and thinking, you know: "When is it going to be lodged?" and so on. It was not meant to be a googly, just a full toss. We also ...

The Chief Minister:

You know the difference, I know. That is right.

Senator S.C. Ferguson:

Right. The Strategic Plan priorities, getting people into work. You are Chairman of the Back to Work Steering Group. How are you getting on and how do you plan to reduce unemployment, especially among Jersey residents?

The Chief Minister:

Yes. I think this is an area where we have made very good progress. You will be aware of the extra money that we are putting into the various schemes which are already running, and we just recently announced the Employment Grant Scheme, which is £7,200 for each long-term unemployed person taken on to the books, but it has got to be either a permanent contract or at least 18 months in order to get that direct subsidy. We are also looking at enhancing various bits of the Back to Work office, so looking at developing a long-term team as well so that we are dealing with each category or type of person who is unemployed in the most appropriate way. So we have got lots of these schemes which are looking almost at the responding to people who are unemployed. Now, alongside that, of course, the Council of Ministers have just lodged their Economic Growth Plan, which is more, I suppose, reactive. If we talk about the employment

subsidy, maybe I need to just major a little bit on the partnership working with hospitality and tourism, so courses on food safety and regulation so that people can perhaps move into their food and beverage service. I think we have got 50 people on the food and safety regulatory qualification, Jersey Hospitality Association are holding something they call Insight Day, so it is helping people understand what might be required or what happens in a particular industry. We have been rolling out goals training, which is motivational things, so trying to overcome those motivational difficulties that people have, alongside all the stuff for careers, islands. Population Office are working very directly with the Back to Work Team, so ensuring that when people are coming and asking for a licence, that goes straight to Back to Work so that they can look down their books to see who they have got in that category of job who might be able to do it, what training might be needed, and almost letting, within the confines of the regulation, the Back to Work team to some extent dictate what licences are starting to look like. Back to the Economic Growth Plan, obviously, the headline issue has been the £10 million Innovation Fund, but there is so much more as well: there is trying to align training with work that is available, which is quite a challenge. There is talk of the need to increase productivity in the existing sectors; I should say the Innovation Fund is for all sectors, it is not limited to a specific sector. So that is the whole stream of almost proactive work about what the economy might look like through changes that might take place over the course of this session, but in the longer term as well.

Senator S.C. Ferguson:

Yes. Have you thought of getting your Economics Department, which reports into you, I think, to look at the industries just to see what the capacity is and, you know, what is the possible maximum number of jobs per industry you should perhaps be looking at?

The Chief Minister:

I am not sure that they have looked at maximum number of jobs in an industry (and I do not have the presentation with me) but the Economics Department when they were part of the launch of the Economic Growth Strategy, showed the productivity of industries in our community, what was the total G.V.A. (Gross Value Added) of the industry and the non-locals employed in the industry. They also looked at the highs and lows throughout a year of an industry. I am not sure if Paul provided this information for them. So if you took tourism and I think it is hospitality together, you could see the capacity between licences ... was it licences and people who work, or ... I think it was the highs and the lows, and you could see there that between the low season and the high season there is a capacity of about 1,300 that you could look to try and fill, or could try and get locally-qualified people into that capacity, rather than having to bring in the immigrant labour for the height of the season, which is interesting. It is exactly what we are trying to do, this idea of job substitution, but it is not as easy as just saying: "Oh, well, there is that number, there is that

number, and we are going to fill it there” because you need all of these courses and you need ability and motivation in order to match the people that you have got with that capacity.

Deputy S. Power:

In terms of Back to Work, Chief Minister, how important and to what extent has your office been in touch with the third sector in galvanising use of the third sector to get people back to work in a part-time basis or on an ad hoc voluntary basis then part-time basis? Because I find my own experience of third sector is that it is an invaluable tool in situations such as a recession.

The Chief Minister:

Yes. Indeed, it is. I think historically there has been an issue with regard to payments, so people who are on benefit have found it difficult to then match that for any length of time working for a third-sector organisation, because quite rightly the Social Security Department then says: “Well, if you can work, then you should be looking for a job which is remunerated rather than having this indirect subsidy upon the taxpayer.” There has been a slight change, and I think that needs to change more, in that there is an intrinsic value in somebody doing that work for a period of time in the third sector that the third sector cannot pay them for, because it gets them into the work ethos ... ethic, that is exactly right. So it can be valuable there, but we have got to make sure that that does not then just become a long-term substitute for somebody taking the paid benefit and not going into the remunerated market. But I think you are right, I think there is more work that we need to do there.

Deputy S. Power:

In my view, Chief Minister, there is probably a transitory area between voluntary work and being at the bottom end of income support and allowing an overlap between the 2 to allow someone to enable them to be able to become a useful member of society and feel self confidence and self esteem. Do you not think that that area needs to be ...

The Chief Minister:

It does, and I think you raise a very good point which we need to properly consider, because you are right that what sometimes can happen in third-sector organisations, which is a very positive thing, people who have been users of the service are lifted up by that service, and that service knows that person, has a little bit of a history with them, and therefore can say: “We are going to employ you to do a bit of work” or: “You can help us provide the service” and take a risk, if we want to use that term, on that individual that someone else would not do. I think it is that area in particular that we need to do more work on to see how we can match that up with benefits and help move those people on as well, you are absolutely right.

Deputy S. Power:

Thank you, Chief Minister.

The Deputy of St. Ouen:

Just coming back to the first question, the question was specifically asked about how do you plan to reduce unemployment among Jersey residents, and the last time we met (or perhaps even it was the time before) you raised concerns yourself, I believe, over the different categories of Jersey residents that are used on the Island, whether they need access to work, which is the 5-year rule, or indeed the housing rule, which is the 10-year period.

[14:45]

Are there any plans currently to support local residents, in other words, those that have been here for 10 years or more, above those that have been here for periods of 5 years or more?

The Chief Minister:

You are right; last time I was here I raised the idea that it should be reviewed and that we should consider it. Paul is responsible for going away and doing a piece of work in that regard. One thing (and I am just being careful now, because I do not know quite whether it is in the public domain) that Francis is doing with regard to some 5-year members of households and benefit.

Director of Corporate Policy:

There was the discussion at the Council of Ministers on the B agenda ... I am not aware ...

The Chief Minister:

When I was not there ... okay.

The Deputy of St. Ouen:

Just if I could help you, Chief Minister, I think it is about reducing unemployment and it is in that area rather than, perhaps, necessarily focusing on benefits and financial support.

The Chief Minister:

Exactly. Well, yes, but the 2 go hand in hand ...

The Deputy of St. Ouen:

I appreciate that.

The Chief Minister:

... because the academics that look at all these things (and it is a generalisation) tend to fall into 2 schools of thought, but we have an amalgamation of those 2 schools of thoughts in our public government policy, and I think that is right, and that is either you encourage people, so it is all carrot, or it is all stick. So you take some communities and they do everything through the stick approach: "You do not do something, you get your money taken off." Whereas we do a bit of that but we also do: "You get into work and you are going to be financially better off, as well, because we will put a marginal rate on the reduction of your benefit." So some of the stuff that Francis is now doing, looking at the 5-year rules and members of households who have not been here for 5 years even though the prime member might have been, is looking at how we deliver benefits to them. So that bit is under active consideration. Paul is looking at the rules in general and how they might work from a legal perspective and international obligations perspective, so whether we can change rules there. But most of these things are about the stick side of getting people into work, so the underlying rationale for changing is to encourage people to take up work, because what we do not want is people to feel in any way, shape or form that they are better off being provided for by the States than they are being provided for by themselves.

The Deputy of St. Ouen:

I hear exactly what you are saying, but maybe I have not made myself clear enough. You spoke about extra money, employment grants and so on and so forth; are any of those initiatives that have currently been introduced differentiating or actively leaning towards helping local residents that have been housed, accommodated inside of 10 years, rather than those who simply have been here for over 5, as would be considered under Reg. of Uns.?

The Chief Minister:

They do not currently do that, no, as you well know; they are all for just over 5 years and people who meet those criteria, but that is the issue that I think needs to be reviewed, and that is part of what Paul and Francis are looking at.

The Deputy of St. Ouen:

So presumably it is your belief that where possible we should be supporting local residents (and I use that term as within the housing definition) to a greater extent than those that have currently been here for a limited amount of time?

The Chief Minister:

I think my position is, as I have said, the law that we work to is the 5 and the 10-year rule work and housing, but I think we have a duty to make sure that there are not unintended consequences of that, and my concern for wanting to review it has been around the ease with which now individuals can tick over into the 5-year rule and the full weight of States and governmental support kicks in, and whether that is appropriate or not, or whether we need to be looking at making a governmental decision about 10 years for housing. There are reason why we do both of those. Of course, what we have got to remember as well is, when income support was introduced, it took the 5-year rule, so it took the housing component of benefit, what we knew as rent rebate and rent abatement, or whatever the terms were, and said rather than the 10 years, they are all moving down to the 5 years. Now, when we made those decisions, we were in a time of a strong economy, and it is right that everything that we do, we look at when we are facing more difficult economic times.

The Deputy of St. Ouen:

I hear exactly what you are saying, but the last question is on this matter. I recognise that we have got 2 laws which describe local residents in 2 different ways. The reality is that all of these Back to Work programmes do not necessarily have to reflect those laws; as you have quite rightly said, you have introduced different elements for different age groups of people, and so on and so forth, so you are differentiating between the unemployed anyway. I am asking you a simple question which is: do you believe that as a government we should be doing more to support those residents that have been resident on the Island for 10 years or more, or should we be treating everybody that is qualified and able to access work under the 5-year rule in the same manner?

The Chief Minister:

Well, I have to (and we do) work to the laws that we already have. So if benefits are being paid, why would we currently, without a proper review and appropriate consideration by the States, say that: "We are not going to give you benefit outside of those 2 laws"?

The Deputy of St. Ouen:

We are not talking about benefit, we are talking about access to work and all the initiatives to encourage people into work. So you are basically saying that, as far as you are concerned, anyone that has been on the Island for over 5 years currently is eligible for all of the support available?

The Chief Minister:

Well, they are; that is what the law says, yes, and ...

The Deputy of St. Ouen:

You do not differentiate between local residents and those others who have been here for a lesser time?

The Chief Minister:

The law for employment purposes says that you are local after 5 years and, therefore, that is what we work to. What I have said is I think that we should be reviewing that, and that is part of the work that we have asked Paul to do. But without that piece of work, I do not think we should be making decisions which are contrary to what the States has asked us to work to.

The Deputy of St. Ouen:

Thank you. Moving on, and it might lead into it quite nicely, what improvements to the working processes of ministerial government would you like to see?

The Chief Minister:

I did not expect that. Right ...

The Deputy of St. Ouen:

I will put it into context: the context is that, as you well know, one of the strategic planning priorities is to reform government and the public sector and, as such, those working processes of ministerial government will need to be altered, I presume.

The Chief Minister:

Yes. We have got to say at this point that these are my private views, so they are not the views of the Council of Ministers because they have not been considered there, so I think that is the first thing I need to say. I think I said at the last election, I believe that way the Isle of Man operates has got a lot in its favour. So they have a ministerial system but, underneath that, they have boards and then they have a P.A.C. (Public Accounts Committee) Scrutiny Panel, which is a very strong panel, and I think they have one other standing scrutiny panel, which can co-opt on who they like and look at who they like. They also have a collective responsibility. Having now done the job for 6 or 7 months, and last time I was before you we touched on this issue, it does appear to me that there are some areas of what I am expected to do and what the public ... I had a member of the public come to visit me about one specific issue, and that individual could not understand that I was not, in effect, a de facto prime minister, so I could not say to my Ministers: "Right, this is what I want you to go away and do" because the law does not allow me to do so. So I think we really do need to look at how the Chief Minister and the Council of Ministers function centrally and corporately, because if we are being totally honest, each department functions well

on its own, but when it comes to requiring it to make a corporate decision in perhaps the best interest of another department, but ultimately in the best interests of Jersey, it does not do it very well, and there is nobody there with the power to ensure that it does that without having to come to the States and have a States debate. It is not what the public think my job is or what they want me to do, and I am not sure it is, on balance, what most States Members really want me to do; they want to be able to come and knock on my door and ask me to do something, and they do, and then they feel frustrated when I am not able to deliver because I have got to try and build a consensus to get to the point that we want to get to. The same with the Chief Executive Officer. But I know these are very difficult areas, because when I was a Back-Bencher (as some would doubt that I was, but as an Assistant Minister and a Minister) as a Minister, you do want to be in control of your own department, you do not want the central function to say to you: "Right, we need to make this decision in the best interests of Jersey." So we have got to somehow deliver on that and change our system and, as a result of that, involve more people. But it goes hand in hand with: "Do we need as many people as we have got if we change the system?" So to some extent, we have all got a vested interest in keeping it as it is, other than the Chief Minister. These are difficult areas, but I think we have got to tackle them.

Deputy S. Power:

Can I ask a question?

The Chief Minister:

Sure.

Deputy S. Power:

You refer to the fact that we were fortunate to have a visit from the Isle of Man's Chief Minister last week, and you alluded to their system of government, which is a ministerial system, but with ministerial boards, or in some cases it could be interpreted as ministerial assistance. Do you think that could be an inherently better system and do you think, in your own experience as Minister for Social Security, do you think you would have benefited from ministerial assistance as a board as distinct from an Assistant Minister?

The Chief Minister:

Well, it would have made my job easier; I am not sure that is ever a good reason for doing something, but the reason it would have made it easier is because whatever decision I was making (and I think probably every Minister has this) I am always concerned that I have considered that decision from every perspective before I make it. If you have only got one Assistant Minister or 2, you are relying then on the Minister, one other and officers, to have thought (a) about every

permutation of implication for the decision so you can make the decision with the full information, or (b) looked to see how they do it, not just in one or 2 places, but more globally. If you can do all that, then I believe you are going to make a better decision and Ministers can have more confidence in the decisions that they are making. It does not need to be a long process, but it is just ...

Deputy S. Power:

No. It is the mechanism.

The Chief Minister:

Yes.

Deputy S. Power:

Also, do you not agree, Chief Minister, that Ministers sometimes have to make incredibly difficult decisions, particularly in the areas of social security and social housing, and sometimes, looking back on my own experience, it would have been preferable to have had ministerial assistance or a board to share that decision with, and the Director of the Population Office will know exactly some of the decisions that we had to make in my time, some of which I was comfortable with and some I was not comfortable with. Would you not agree that that system is inherently safer in a caring ministry?

The Chief Minister:

We have got to remember that we moved from (albeit I was not there) the committee system, so that we could know who had made the decision (and I know James is big on who is it that is accountable for the decisions being made, and he is right about that) so the Minister has to be the one making the decision and accountable for the decision.

[15:00]

But you are right; in the caring departments, it is incredibly difficult, because I know that I get written to by a member of the public, it can be a heart-rending story and circumstances that you would not wish on anyone, but the law says: "This is how you have got to administer that particular case." Law is there, I suppose, for protection, but it is what the government or the legislature has decided is the right way to administer that particular function. Very, very difficult.

Deputy S. Power:

So in those scenarios, in social security or housing, would ministerial boards or ministerial assistance be a better system?

The Chief Minister:

It would be very helpful. Yes.

Deputy S. Power:

Thank you.

The Deputy of St. Ouen:

But can you point to current examples where you have shared responsibility, groups of Ministers (which you seem to have been encouraging and developing even further than was previously the case) so that the results are being seen in the manner that you just described or would aspire to.

The Chief Minister:

I would say the Back to Work group is doing just that. Like the subsidy; yes, it has taken 6 months to do that but seriously working on it has only taken a number of months, because we have been working together, so I am kept apprised, the officers in Social Security are doing the work but in conjunction with Education, Careers and Economic Development. So you can draw on all this experience and expertise and you can come up with a particular scheme, which is fairly responsive. If it works, fantastic. People have said to me that they cannot believe how quickly we have managed to deliver a scheme like that.

The Deputy of St. Ouen:

You are quite right to flag up the Back to Work Programme; I would remind you, Minister ... or maybe you can inform us, that certainly there was no budget described to support the Back to Work Programmes in 2012 and 2013 and beyond and, in fact, the only funding that has been provided for these short-term initiatives (because that is all they seem to be at the moment) is for the period to 2012, and you relied on funding from the carry forward. Are you suggesting now that we could see in the Medium Term Financial Plan acknowledgment that these initiatives need to be maintained over a much longer period and need more certainty than of one 12-month funding?

The Chief Minister:

Well, the Medium Term Financial Plan is not yet in the public domain, but you probably will not be surprised if I say yes.

The Deputy of St. Ouen:

So the funding will be included to maintain the Back to Work programmes for 2013, 2014 and 2015?

The Chief Minister:

There is funding in the Medium Term Financial Plan for Back to Work programmes, yes, that is right.

The Deputy of St. Ouen:

That is good. At last.

Deputy S. Power:

Okay. We are going to skip on, Chief Minister. The Corporate Services Panel has been informed that implementation of the new Control of Housing work has been delayed until at least September. Is that your information and can you ...?

The Chief Minister:

We have got Paul here, so he can give us the up-to-date information, but I believe that it has; it did not quite make it through Privy Council, unfortunately, and it needs to then come back to the States for an appointed day act. Is that right?

Deputy S. Power:

Can I confirm: does the Director of Population Office wish to comment?

Director of Population Office:

That is exactly right; we are waiting on Privy Council, we are looking July for Privy Council. As soon as approval is forthcoming, we will lodge the regulations and the appointed day act for approval in September.

Deputy S. Power:

Has the Privy Council made any changes or suggestions or amendments, or have they suggested that it be changed in its format?

Director of Population Office:

No.

Deputy S. Power:

Have they given you a reason for the delay?

Director of Population Office:

No.

Deputy S. Power:

Are you confident that September would ...

Director of Population Office:

Yes. We have applied suitable pressure.

Deputy S. Power:

Your office has applied suitable pressure that it will be debated in September?

The Chief Minister:

For it to be approved. Yes.

Director of Population Office:

We have and we are.

The Chief Minister:

We had hoped, obviously, that it would have been approved earlier, so we tried to apply pressure prior to what would have been the Privy Council meeting, so we could have debated it this side of summer.

Deputy S. Power:

But realistically, it will now be debated, in your estimation, September?

Director of Population Office:

I will comment because it is a technical matter. If we get the Privy Council in July, we will lodge early August, which will enable appointment of the law in late September, mid-September.

The Deputy of St. Ouen:

Are there no other reasons ...

The Chief Minister:

We probably do not want to talk about Privy Council because it is not exciting, so ... sorry, carry on.

Deputy S. Power:

Well, given the Residential Tenancy Law took something like 3 years to come back, I think, I am not surprised that there has been a delay, but I am surprised that they have not made any suggestions or changes, they have accepted it in its form, albeit with some delays.

Director of Population Office:

We obviously sought appropriate legal advice before it was submitted to Privy Council, so we have got the assurance that we feel we need.

The Deputy of St. Ouen:

So there are no other reasons for the delay? Have any amendments been made to the law in recent months, were any changes proposed?

Director of Population Office:

No.

The Chief Minister:

No. The law submitted to Privy Council was the law approved by the States.

The Deputy of St. Ouen:

So if that law was then subsequently amended, what would be the process?

The Chief Minister:

Well, you would amend it by regulation; well, it would depend, would it not, which bit you were amending. If you were amending the primary law, it would have to go back to Privy Council, if you were amending by regulation something that could be amended by regulation, then it is a quicker process.

Deputy S. Power:

Moving on from Control of housing and work, one of my favourite subjects, has the Council of Ministers had any discussion on population objectives since the results of the census have been published, or have you had any consideration of approving new legislation or regulations?

The Chief Minister:

We have not had a discussion because we are waiting for all the extra information that we said when we appeared before the Migration Panel about the population model being populated, reconciliation that Duncan is doing between the figures that were and the figures that came out of the census, and obviously then being able to do the analysis around what would happen if you had a certain level of immigration, what would happen if you had another ... that is going into demographics and all of that.

Deputy S. Power:

You used the word “modelling”, Chief Minister; do you think that in any projection for population trends or actual population projections for the next 3 to 5, to 7 years, that you will have to use population modelling as an indicator of what is likely to be the case?

The Chief Minister:

We do use that population model to model; that is what it is there for, so we will be looking at the model.

Deputy S. Power:

So in any future setting of a population objective, if one were to use that model, you would be likely to use existing trends?

The Chief Minister:

I am not sure that we would use ... well, we would have to look at various trends, would we not, because if you are going to change the policy or the policy is going to be amended, then you would not use existing trends for the factor of immigration, you would have to adjust that. Saying “existing trends” about the ageing population, you would have to use the latest, best information about that as well, so you would not necessarily use existing, you would use projected, but Duncan has got all that information, and it will come from those actuarial and morbidity tables and all that sort of thing.

Deputy S. Power:

And his very accurate statistics.

The Chief Minister:

Yes.

Deputy S. Power:

We have covered some of this, but have any further discussions taken place or decisions been made by the Council of Ministers regarding qualifying rules for work and services? Has there been any detailed discussion within Council of Ministers?

The Chief Minister:

We have not had any detailed discussion because we are waiting for the work that Paul is pulling together.

The Deputy of St. Ouen:

Just coming back, you say that the Council of Ministers have not discussed population objectives, am I right, that is just what you have confirmed?

The Chief Minister:

Well, other than what is in the Strategic Plan.

The Deputy of St. Ouen:

Okay. However, we have just recently seen the Minister for Economic Development present a new economic growth strategy which the Council of Ministers and yourself, Chief Minister, fully support, which obviously needs to, and must be minded of certain population objectives. So how do you come to support an economic growth strategy when you have not discussed and agreed population objectives?

The Chief Minister:

Well, as you know, we have got the objective in the Strategic Plan and we go back to some of the capacity that is already available in our economy that we were speaking about at the start, and one of the underlying principles (I cannot think what the terminology is that they use) is that you improve efficiency right across the sector. So it is going back to the mantra that we have been reciting right from the start of this government about trying to ensure that we are creating jobs in our economy for people who are already here, recognising, of course, that we will need some high-value immigration to bring some jobs and new industries to our community. So the premise is that all the time we are looking to create jobs for people who are already here.

The Deputy of St. Ouen:

Some would argue though, Chief Minister, that there is nothing new, and that has been the agreed (or should have been the agreed) policy for the last 3 or more years and yet that, we know, has not

been the case. So are you suggesting that it is “carry on as usual” and expect a growth of 1,000 a year?

The Chief Minister:

No, I am not, and I never have; in actual fact, I have been criticised for making suggestions in the opposite direction. If we go back to getting people into work and what I said was happening there with regard to the Population Office and the Back to Work team, so when Paul is getting licence requests into the Population Office, one of his jobs now is to look at what people are available at the Back to Work office and give them an opportunity to come forward with people who might be suitable for the positions that the employer is looking for. That is a much stronger ... I hesitate to use the word “interventionist” but to some extent it is, and job substitution approach than we have ever had before.

Deputy S. Power:

Chief Minister, can I ask a question? How sensible is it, in your own opinion as our new Chief Minister, to debate ...

The Chief Minister:

No, I am not new any more.

Deputy S. Power:

As the Chief Minister, I beg your pardon.

The Chief Minister:

I have only got 2 years left to do things.

Deputy S. Power:

Six months is a long time in politics. How sensible is it to debate a strategic plan and then to debate and agree a medium-term financial plan without agreeing a population model?

The Chief Minister:

It is not ideal; I think Council of Ministers has known that from the start. It seems perhaps as though every 3 years we get to the Strategic Plan and everybody realises that: “Oh, but perhaps we should have changed the States of Jersey Law so that we could do it differently.” Of course, what ends up happening is we have the Strategic Plan, we all get down to work and we then never quite get it amended, so we tried this time to deliver a more strategic strategic plan within the confines of the law. But I think we need to at some point have a discussion with Members about

whether they are satisfied with the requirements of the States of Jersey Law around the provision of a strategic plan. We are never going to get away from the need for some sort of strategic document, because we are all independent. Now, we have got the added issue this time, so we have got the Strategic Plan, we have got the Medium Term Financial Plan, we know that there are going to be financial implications coming out of the *Health White Paper*, the *Housing White Paper*, the Economic Growth Plan, so we are trying to get all those into the States for debate as well before we have to debate the Medium Term Financial Plan, which will give the financial effect to some of those policy objectives. Then on top of that, we are then going to get to the population debate next year. So we are in a far-from-ideal world but if we do not do that then we might as well just sit back for 3 years and say: "Well, we are not going to deliver anything until the next mid-term financial plan" and that is just not acceptable.

[15:15]

Deputy S. Power:

I agree that it is far from ideal and in actual fact, in the last 12 months, we will have debated an Island plan in 2011 for 10 years, we will have debated a strategic plan for 3 years and a medium-term financial plan for 3 years, without the benefit of the census. We debated the Island Plan last year before the census results came out, now the census results are out and we have done a strategic plan and are about to do another financial plan; will we ever get it right?

The Chief Minister:

Inevitably, no, we will not, because that is ...

Deputy S. Power:

So reassuring.

The Chief Minister:

We will not get it right but when you stop and look at it like that, it is amazing how we are delivering on behalf of the community. We sometimes think that: "Oh, politics is just about talking and never getting things done" but when you start to look at that, by the end of this year, we will have done an incredible amount, as you rightly say, starting with the Island Plan last year.

Senator S.C. Ferguson:

Surely, the politician's role is to set up the policies and the operational side is run by the civil service so that ... you know, you say: "We are getting things done", should your politicians be getting involved in operational matters to any great degree?

The Chief Minister:

I think we have probably had this discussion before and it is a very difficult issue. I mean, delivering, from a political perspective, I would say you are right: it is about ensuring that we have got the correct policies and then ensuring that they are being delivered by the departments. You cannot separate the 2 out, because if you can have the correct policy which is not deliverable, then you have got to ask yourself: "Is it the right policy?" So as a Minister, there is that difficult balance around, yes, we are about policy, we are about setting policy but, equally, we are about ensuring it is delivered. Coming back to James's point that he keeps making about accountability for the delivery of the policy, but we should not be getting involved in the nuts and bolts and the weeds. But we do need to have the ability from time to time on specific issues to be able to drill right down and say: "Because of the way the policy has been working and expecting it to be implemented, is it working in this instance?" and that is a test of whether the policy is working.

Deputy S. Power:

But the counter-argument there, Chief Minister, is that had we had indicators 2 or 3 years ago as to census, had we done it when we should have done it, in other words, instead of reacting, we would be initiating the kind of policies that we have to do now, which is social security budgets, social housing reviews, essential housing, and we are reacting to what has happened within the Island rather than initiating policy which we could have done 2 or 3 years ago. Would you agree that that is what has happened?

The Chief Minister:

I am not sure. I mean, we sit now in 2012 and when did this economic downturn start, 2008?

Deputy S. Power:

Northern Rock was in 2007, Lehman Brothers was in 2008.

The Chief Minister:

Yes. Very few people at that point thought we would still be sitting here talking about the economic downturn, and now we are sitting here saying: "Well, all the indicators seem to be telling us it is going to go on for another few years as well." So I am not sure that we would have made decisions that differently back then, because we thought that it would not be quite as long or the effect would not have been quite so prolonged.

Deputy S. Power:

My question really was that, had we had census information before we had it, we would have been able to analyse it and we would have known that the tendency would have been for increased social security, income support (excluding the recession) and social housing, which is now what we have to face.

The Chief Minister:

Well, there is a counter-argument to that, of course, and it is a while since I studied the census figures in any great detail, but I think, and perhaps some of this is going to come out of the work that Duncan is doing, but where has the growth occurred? Paul is going to pull me up here because he is living with this on a daily basis. If we had had the census 5 year ago, perhaps it would not have shown the trend anyway that we have seen over the last 5 years, so we would have made probably similar or again different decisions, but not necessarily in the responsive way that you are thinking, now having the figure that we know we have from a 10-year period. Because at the 5-year point I am not sure it was indicating what we have now seen at the end of 10 years.

Deputy S. Power:

We do not want to get into a debate on the census, but the explosive growth, the spike in population and growth, appears to be between 2005 and 2008, so somewhere in that middle we would have had an indication, just anyway ...

Senator S.C. Ferguson:

But does that correlate with the fiscal stimulus? I am not sure.

Director of Population Office:

Just to be clear on that, the annualised net immigration figures are not yet available. I expect them to be available very imminently, so we will be able to answer that question.

Senator S.C. Ferguson:

Good.

The Deputy of St. Ouen:

Yes. Just picking up the final point, one of the Strategic Plan policies is sustainable long-term planning, and you point to a number of achievements, and it is not suggesting that government is useless at everything, just it does not deal and deliver on a number of ...

The Chief Minister:

Shall I go home now?

The Deputy of St. Ouen:

But, equally, I think you have recognised, on any strategic plan (the Council of Ministers has as well) that it is all short-termism, and as we have just been discussing, we need to have a far more overall and wider vision if we are really going to achieve the results that we want and the public expect. So what work is currently being undertaken to help you achieve that objective?

The Chief Minister:

Yes, you make a good point about short-termism, and perhaps some of the answer about removing short-termism is around political length of office as well, which fits into your other question earlier. What I am quickly becoming aware of, I think ... let us take the liquid waste strategy, a long-term issue which some would argue we should have addressed earlier, but we certainly need to start delivering on now, but its delivery is going to take a number of years. I think that what we have to do (and I have been talking only this morning about this) is perhaps setting up again another subgroup to look at that particular issue to make sure it is being delivered on with those politicians who are directly involved in it to make sure that we do. I think that there are quite a number of areas. Some will require that sort of political subgroup to oversee them, others will just require (this is part of what Paul's job is now) almost project managing to make sure that the timelines that departments are setting for these long-term plans are being delivered upon. So if you take your social security issue, we know now the actuary says we do not need to do anything about rates for the term of this government, but we do know that in all likelihood we will have to do something in the next, so we need to start ensuring that that is being considered, the ability to do that review and work is factored into a departmental timetable so that it is happening. So it is quite a drawn-out process, but that is right; it has to be, because it is a long-term issue. One of the problems or issues that we have to address is that I think each one of us as politicians, if we are not careful, we just think about the today issue and we do not leave time for the big strategic issues that benefit us all far more than just dealing with the little today things which pop up and we have to deal with now. That is a challenge for all of us.

Senator S.C. Ferguson:

This goes on to your 15-year plan that you said you wanted in the Strategic Plan. How is that coming along, how are you going to get it going?

The Chief Minister:

It is going to take 15 years to deliver. **[Laughter]** I did not say that. I am not sure whether you can help me here, because I think it is a matter of bringing a lot of strands of work together in order to say what we need to be in that plan. It certainly is not as far advanced, if advanced very far at all, unlike the Capital Plan for 25 years, which is very well advanced. But they need to almost sit together, really, because one sits on the back of the other; they are 2 streams of work which need to be brought forward together. I do not know if you want to say anything more about that at the moment?

The Deputy of St. Ouen:

With regard to long-term planning, at the last couple of hearings you used an example about how you intend to ensure that long-term plans are delivered, and you went on to say it is about getting the right buy-in right across the community and going through a proper consultation process, and you highlight a particular matter, which is long-term care. That was 3 months ago, Chief Minister, and yet on 29th May, a statement is made by the Minister for Social Security, who basically says: "Well, I have thought about it; forget about what the States have agreed, forget about the plan, forget about the proposal. I am going back to the drawing board and, oh, by the way, now that I am sitting on the Health subgroup" which is obviously a group that you have created: "and needing to consider bigger things, we are going to work out how we can deliver it in a different way than planned." Do you think that gives confidence to the public and States Members that we are capable, and you are capable, of delivering and dealing with long-term issues?

The Chief Minister:

I am not sure that that statement says quite what you have interpreted it to say or quite what the media have interpreted it to say, because what the Minister for Social Security quite rightly says there is that they are working with the Tax Department to deliver the contribution. It does not say, as has been reported, that we are going to use tax to collect it. So what he is saying, he is right about. Let us not forget, mild-mannered man that I am, I like my department to be working and to be delivering, and sometimes I set targets for them which, when they start looking at the detail of it, they are not able quite to deliver on. I knew that the target for that benefit being delivered in 2013 was tough and was tight. Since then, we have asked the Social Security Department to do a lot more work on Back to Work, and that is what they have been doing. They are a fairly lean department; they have not got people sitting around waiting for Ministers' instructions, and what the Minister for Social Security has said there is quite rightly that the joint working that needs to take place with taxation is taking longer than they had expected, because it was always part of the scheme, and it is part of the scheme, that the States agreed that we would collect contributions from people who had retired and, if we could, on unearned income. We do not have that

information (or “they” ... it is no longer “we”) they do not have that information at Social Security, we never had it, we knew we did not, we knew we had to work with Tax to get it, and it is slightly more complex, or it is more complex, than had initially been considered. So that will be delivered, but it is right that we work together with Tax to deliver it, because it is right that we levy a contribution on that unearned income and on people who are retired. Now, we have not quite heard the end of it; Ministers are considering if there is a short-term fix that perhaps we can use to bridge the gap between when we had hoped to implement it and when it now looks like being implemented in that form. So there is, I hope, a little bit more work that needs to be done there, but it is absolutely right that Social Security work together with the Tax Department to deliver that contribution; it is not a tax as we think of tax.

The Deputy of St. Ouen:

Would you not accept though, Chief Minister, that the States made decisions based on information provided by your department at the time, the Social Security Department, and following a great deal of consultation where members of the public and businesses and the like were asked to express their view about how they believe long-term care should be provided?

[15:30]

They came up with a proposal that you then brought to the States and you said: “This is what we are going to have, this is when it is going to be provided, and this is how it is funded.” It seems now, correct me if I am wrong, and maybe you can confirm that we are not altering the agreed proposals as already accepted by the States, and that the proposals by the Minister for Social Security are not diverging from that original plan that, let me remind you, we based other decisions on following its approval.

The Chief Minister:

I am not sure what other decisions we based following on ...

The Deputy of St. Ouen:

Tax, for one, Minister.

The Chief Minister:

Tax?

The Deputy of St. Ouen:

Yes. If you remember, decisions were taken not to introduce certain other tax proposals because of the introduction of the 1.5 per cent on social security to fund long-term care.

The Chief Minister:

Maybe you are reading something into that statement that I do not see is there, but it was always part of the long-term care plan that we would work with the Tax Department because how else is Social Security going to get that information? It does not have it, the Tax Department has it, and that is why they are working together to deliver it. But that does not mean to say it is, in effect, a contribution, and collected, as far as I understand it, by the Social Security Department.

Senator S.C. Ferguson:

Yes, but I think we understood that the 2 per cent uplift on the social security for the individual was not brought in because we were going to have the long-term care brought in; at least that was the understanding. I may have misunderstood, but ...

The Chief Minister:

Well, I think it was a number of issues. I think you are right, that was one of them, the other was around the general taxation take level and, therefore, was there a need to introduce that charge at that point. I mean, I said it then, that if we were going to introduce social security contributions, I wanted to see it going into the pension to deal with the long-term issues that we need to address there. So I am not sure that that does not mean that still was not the right decision, I think it was the right decision.

The Deputy of St. Ouen:

Following this discussion and bearing in mind the comments you have just made, perhaps you could suggest to your Minister for Social Security that he is clearer about what his proposals are as a follow-up to the statement he made on 15th May, because if there is some confusion, it would be better to address this sooner rather than later.

The Chief Minister:

If there is confusion, I did not realise there was until ... obviously, I do not try and correct everything that I do not agree with in the media, I do not think that is my job.

The Deputy of St. Ouen:

Well, this is a statement ...

The Chief Minister:

That is a statement then, but I did not see the confusion in the statement that you appear to have done, so we can certainly go away and ensure anything that appears to be confusing and ... yes.

Senator S.C. Ferguson:

Politicians are very easily confused. Super, right. So yes, if we can be unconfused, it will be helpful. Yes, please.

The Chief Minister:

If there is, no that is fine; we will arrange to do that.

Senator S.C. Ferguson:

Apart from that, we have passed the limit now. Thank you very much indeed, Chief Minister, and we look forward to our next quarterly hearing in a quarter's time.

The Chief Minister:

It is a pleasure. I was looking at my diary in the long term; you have booked me for an M.T.F.P. (Medium Term Financial Plan) hearing, have you, before then, the 20th?

Senator S.C. Ferguson:

Yes, I would expect so. Yes.

The Deputy of St. Ouen:

We are coming to you.

The Chief Minister:

Oh, you are coming to me. I had better get some biscuits then.

Senator S.C. Ferguson:

Chocolate ones, preferably.

The Deputy of St. Ouen:

Thank you very much.

The Chief Minister:

Right. Thank you very much indeed.

Senator S.C. Ferguson:

Thank you very much.

[15:34]