



Scrutiny Office

# Corporate Services Scrutiny Panel Quarterly Hearing

## FRIDAY, 17th FEBRUARY 2017

### Panel:

Deputy S.M. Brée of St. Clement (Vice-Chairman)

Deputy K.C. Lewis of St. Saviour

Connétable C.H. Taylor of St. John

### Witnesses:

The Chief Minister

Assistant Chief Minister

Assistant Minister for eGov

Chief Executive Officer

Director of Corporate Policy

Director of Financial Services

### Transcript Index

- Innovation Fund p2
- Resignation of Assistant Minister p5
- Public Sector Reform p9
- E-Gov and Digital Strategy p12
- Immigration/Population p23
- Brexit p28
- Long-Term Planning p29
- Salary Increase for Position of Chief Minister p31

[14:01]

**Deputy S.M. Brée of St. Clement (Vice-Chairman):**

Welcome Chief Minister, Assistant Ministers and Officers, members of the media and the public to the Quarterly Public Hearing. We have a lot to get through today and we would respectfully request that all answers to our questions are kept short, to the point and succinct. At any time, if we feel that you have answered the question to a sufficient level, we will stop you and move on to the next one. As I have said, we have a lot to get through. I would remind everybody this is a public hearing. I would bring, Chief Minister, your notice to the notice there on the table in front of you. Members of the public and the media I should request that you act respectfully at all times, you remain quiet and, please everybody, could we ensure that any mobile devices or phones are switched to silent. Right, Chief Minister, first of all what we have to do is, for the benefit of the tape, to go round the table for those people who will be giving evidence today. My name is Deputy Simon Brée. I am the Vice-Chairman of the Corporate Services Scrutiny Panel, acting Chairman for today's public hearing.

**Deputy K.C. Lewis of St. Saviour:**

Deputy Kevin Lewis, panel member.

**Connétable C.H. Taylor of St. John:**

Constable Chris Taylor, panel member.

**Deputy S.M. Wickenden of St. Helier:**

Deputy Scott Wickenden, Assistant Minister with responsibility for digital and eGov.

**The Chief Minister:**

I am Ian Gorst, The Chief Minister.

**Assistant Chief Minister:**

Senator Paul Routier, Assistant Chief Minister.

**Director of Corporate Policy:**

Paul Bradbury, Director of Corporate Policy.

**Chief Executive Officer:**

John Richardson, Chief Executive.

**Director of Financial Services:**

Richard Corrigan, Director of Financial Services.

**Deputy S.M. Brée:**

Thank you very much. The first area we are going to talk about is the Innovation Fund. Chief Minister, what personal involvement, if any, did you have in relation to the Innovation Fund?

**The Chief Minister:**

In regard to?

**Deputy S.M. Brée:**

The Innovation Fund and its operations.

**The Chief Minister:**

Well, I had no personal involvement in its operation. Of course, once it came to my department with official responsibility moving to my department on the 1st of January last year. Then Senator Ozouf kept me informed of what was happening and his concerns as they were arising, together with his chief officer.

**Deputy S.M. Brée:**

At any time were you kept informed of the loan approvals that were being made during the time prior to it coming under your direct responsibility?

**The Chief Minister:**

I cannot recall, as I sit here, that I was informed of any of the loan approvals. I recall a meeting with the innovation board itself, I cannot remember exactly what date or year it was, and that was a meeting to consider risk. You will know it was with the Treasurer of The States and it was post such meeting - 2014, was it? - that then financial direction was issued with a risk profile with the Comptroller and Auditor General comments on as being different from the risk profile that had been communicated to The States during the course of the debate and the development.

**Deputy S.M. Brée:**

With regards to a more general principle, do you, Chief Minister, believe that the delegation of duties to their assistant ministers and/or officers absolves the relevant Ministers from all responsibility?

**The Chief Minister:**

Not at all. In fact, it is the other way round and it is one of the reasons why I, since I became Chief Minister, have had senior assistant ministers because the delegation is important, those people are, in effect, going out and making decisions on behalf of the Minister and I take the view that the Minister is ultimately responsible.

**Deputy S.M. Brée:**

Therefore, Chief Minister, you believe that any delegation you may make to any assistant minister or officer does not absolve you of any responsibility and you accept full responsibility for their actions.

**The Chief Minister:**

That is why in relation to the Innovation Fund I have said that if the review from the Q.C. (Queen's Counsel) finds that I should have taken action, which I did not do, then I will act accordingly.

**Deputy S.M. Brée:**

So, while you accept full responsibility for the actions of assistant ministers or chief officers, you were not being kept informed of what was happening within the Innovation Fund?

**The Chief Minister:**

No, no, no, I did not say that. Do not forget, the responsibility for the Innovation Fund came to the Chief Minister's department, as the Comptroller and Auditor General's report says, beginning of January 2016. From that point on, Senator Ozouf, together with the officers, particularly his chief officer, was talking to me about the concerns that he had and those concerns led to, I think, an internal audit report. Those concerns led then to the requesting for Grant Thornton to do the reviews of the loans that they did.

**Deputy S.M. Brée:**

Okay. Looking forward, what lessons have you learned from the mistakes made with the Innovation Fund?

**The Chief Minister:**

Well, I think there are lessons for us still to learn and I think that the 3 reviews that are being undertaken will help us learn greater lessons, but I think some of the overarching lessons are that ministers need, from time to time, to challenge about operations, while not making operational decisions, to understand the reasonableness of those operational decisions and to recognise the limitations around operational decisions that the staff might have within a department. By that I mean we might have a perfectly capable officer that is not an expert in running a loan book, taking this innovation instance. If I look back now I think the lesson I take away is that early in this process somebody should have said: "This is a risky operation, we need external support in order to run this loan book," and got someone, be it a bank, to do that side of the work that those people were not experienced or could not rightly have been expected to do.

**Deputy S.M. Brée:**

Who should that someone have been? Should it have been the chief officer of the department or should it have been the Minister of the department?

**The Chief Minister:**

Well, I think we are going to find that out in the reviews. I think that from the Comptroller and Auditor General's review we can clearly see that her view was that it should have been the chief officer's.

**Deputy S.M. Brée:**

Now, you mention 3 reviews, and, obviously, this is something you have made public before, what is the total cost of these 3 reviews?

**The Chief Minister:**

I am not sure that I have that with me. The Chief Executive may know. I think we answered a partial written question in The States this week and the potential cost of the work with regard to whether there needs to be disciplinary action with an external person is between £20,000 and £25,000. The cost of the external accountants, which are on a contract for 6 months, I think is about £50,000. The cost of the Q.C. we expect to be of a similar quantum between £50,000 and £60,000.

**Deputy S.M. Brée:**

So, we are talking about possibly a total of £150,000?

**The Chief Minister:**

I think we are, yes.

**Deputy S.M. Brée:**

Okay, just to clarify that. Chief Minister, can you confirm that The States of Jersey Police has initiated a criminal investigation into certain aspects of the Innovation Fund?

**The Chief Minister:**

No, you would need to ask the police. I know what is in the public domain, as you would rightly expect, and the information that I glean from the public domain is they make operational decisions, is that they are carrying out an investigation.

**Deputy S.M. Brée:**

The fact that the States Police are, according to all accounts, carrying out a criminal investigation, does that fact not preclude the commencement of any reviews you may have initiated?

**The Chief Minister:**

If it did I am sure that they would have informed me that they were concerned that the reviews that I was undertaking was impinging upon their work. They have not done so to date. If they do so in the future then, of course, I will take action accordingly. However, if one looks back to the Comptroller and Auditor General's report, she indicated in that report that her concerns about

criminal activity were in relation to third parties. The reviews that are being undertaken are not in relation to third parties, as I would understand her use of third parties in that report.

**Deputy S.M. Brée:**

Okay. Do you, Chief Minister, think it entirely appropriate that 2 of your ministers with responsibility for departmental budgets of £21.4 million for Treasury and Resources and £19.1 million for Economic Development, Tourism, Sport and Culture remain in office and are not suspended pending the outcome of the criminal investigation by virtue of the fact that, having been involved in the signing off of loans, they could be party or subject to that criminal investigation?

**The Chief Minister:**

There is no suggestion in the Comptroller and Auditor General's report that an employee of The States, a Minister or Assistant Minister of The States are connected in any way to any need for a criminal investigation. As I said in answer to my question, the Comptroller and Auditor General said that she was passing a file, and I think it was to the law officers, in relation to a third party. Those ministers are not in that term considered a third party. Now, I have answered very clearly in The States on the public record on at least 2, if not 3, occasions that I believe that Senator Ozouf - and I know that some Members do not like this and do not accept it - acted in an entirely honourable manner in stepping aside, resigning - which term you wish to use - because he was at the point that the report published the person with delegated responsibility. The other 2 Ministers will continue to have my confidence to do the work that The States elected them to do and there will be a review, which is undertaken without fear or favour, to get to the bottom of if any political involvement led to the failings in that report and any other matter that the review wishes to consider in that regard. If that report says that their responsibility should lie with either of those 2 Ministers then action will be taken at that time.

[14:15]

**Deputy S.M. Brée:**

So, you can assure that any criminal investigation that may be carried out, there is no connection whatsoever between any third parties and the actual, if you like, operation of the Innovation Fund? Therefore ...

**The Chief Minister:**

I can assure you only with regard to the information that is in the public domain, and that information, as I have said, is that the Comptroller and Auditor General's report say that she was passing - or considering I think it was - file about potential criminal activity regarding a third party. We now read in the public domain that the police have started an investigation. The reviews that we are undertaking are in the public domain and I have no doubt whatsoever that if there was a concern on behalf of the police that there was any chance of a crossover they would have informed me and I would have stopped those reviews forthwith. They have not done so. If they do so in the future then I will do so.

**Deputy S.M. Brée:**

Thank you.

**The Connétable of St. John:**

Thank you. Following on from your earlier comment of the resignation of your Assistant Minister, can you explain the additional roles that you have assumed and the work that this entails?

**The Chief Minister:**

I have taken now day-to-day responsibility for financial services. It was a role that Senator Ozouf and I undertook jointly previously, but he did probably - I am going to say 99 per cent of the work - certainly somewhere between 90 and 99 per cent of the work and I am having to cover to the best of my ability that role, which is why it has seen me, over the course of the last number of weeks, have more speaking engagements with regard to Financial Services issues. It will also require me, although I would have been doing part of the Africa trip anyway after half term, to do at least 2

days extra to visit some of our senior executives from some of our banking operations in Johannesburg. So, it is, without doubt, adding an extra burden to my workload. In due course, as you know, the other elements of the responsibility have been split between Deputy Wickenden and Senator Routier. It may, in due course, mean that I give more day-to-day chairmanship of the S.E.B. (States Employment Board) to the current Deputy Chairman in order to manage that workload.

**The Connétable of St. John:**

So, how are you managing to cope with all your existing responsibilities seeing as you have taken on so much extra?

**The Chief Minister:**

That is a good question. I am surrounded by very able and capable people. I work long hours because I am absolutely 100 per cent committed to this Island and delivering on behalf of the Island but there are some parts of my responsibilities that I can rightly delegate to the able people that you see sitting next to me and we are managing.

**The Connétable of St. John:**

As you mentioned earlier you are an extra 2 days in Africa. You are quite content that you can still manage your own department despite spending more time off the Island?

**The Chief Minister:**

I already spend a considerable amount of time needing to engage with governments and senior executives in Financial Services and other sectors, so that is not surprising for me at all. It is what I expect to do on behalf of our Island and I will continue to do it, bearing in mind that when I go to Africa, 2 of the days of that trip, in effect, will be a weekend. Historically, I have always tried to protect my weekends but with these new responsibilities I know from time to time that I will need to be out of the Island over a weekend period so that gives me 2 extra days in effect.

**The Connétable of St. John:**

As you said earlier, you have taken on most of the responsibility for promoting financial industry. What work are you undertaking at the moment to prevent a possibility of Jersey being blacklisted by the E.U. (European Union) following Brexit?

**The Chief Minister:**

That is not new and this is where I talk about the shared responsibility that Senator Ozouf and I had for Financial Services. Do not forget the blacklisting is not connected with Brexit. The blacklisted, or the listing of, non-cooperative jurisdictions, which the E.U. are working on, is something that I have engaged at a senior level in the Commission in Europe with the Commissioner responsible for tax. I have met him twice in the past and tried to ensure that he understood how our model works. We are continuing to do that. You will note from the information we have put into the public domain earlier this week that we have now received a letter from the E.U. Code of Conduct Group saying that we are going through a screening and review process. We are in the process of an initial response to that letter, which will be a full setting out of our position and I will be involved in those decisions when we go through that process, but let us remember we have been reviewed by the Code of Conduct Group previously, we have come successfully through that review so they have looked at our corporate tax regime and given it approval or de facto approval in effect. We see no reason why that should not continue to be the case if the review continues to be a fact-based objective process, but it will take up a lot of time, as it was doing previously.

**The Connétable of St. John:**

You do not feel that Jersey is, to some degree, protected by the U.K. (United Kingdom) and when the U.K. leaves Europe that protection will naturally fall away?

**The Chief Minister:**

Ah, well that is a different question. There is no doubt that there are a number of member states in the E.U. who will feel the effect of a kindred spirit, as it were, in their view of the world that the U.K. has brought being a major nation in Europe. We will feel the effect of them no longer being around the table, but I have always supported and sought during my time as Chief Minister, which is why we set up the London office in the first place, which is why I, together with Senator Bailhache and Senator Ozouf, spend the time that we do in London meeting ministers, meeting politicians, meeting officers in Whitehall because I believe that the U.K., contrary to what some people believe, have always, when we have asked them, when we have explained our position, when they have understood the symbiotic relationship that we have with them, have gone out to bat for us and made our case around the European table. I have no reason to doubt whatsoever that they will not continue to do so while they are members of the E.U. Now, at the same time as that, we know that relationship will change and that is why we have been building with our European office, friendships with other member states who have a similar outlook to us and we will continue to do that as well.

**The Connétable of St. John:**

P46/2015, you said ...

**The Chief Minister:**

Could you tell me what P46 is please?

**The Connétable of St. John:**

Yes, it is the transfer of functions that you brought to the Assembly, must be 2 years ago now, the bringing together of Financial Services, and I am quoting from the background, digital and innovation portfolios under one ministerial champion is proposed in order to maximise the opportunity of success in achieving the increased jobs that are undoubtedly required for the future. You are now separating these 2, digital and the Financial Services, and, therefore, losing, what you claimed at the time, the ministerial champion under one portfolio.

**The Chief Minister:**

Yes.

**The Connétable of St. John:**

How do you explain the rationale behind splitting them up?

**The Chief Minister:**

I do not for a minute consider that it is ideal. I have been absolutely clear in The States, on the public record, that Senator Ozouf has done the honourable thing in stepping aside or resigning to allow this review to be carried out without fear or favour. I would rather we were not here. I would rather we would be able to continue to have his considerable drive, expertise and experience in that regard in keeping those together, but we do not. Therefore, we do what we consider best in the circumstances. That is what I think you expect all Ministers to do, but let us not forget Deputy Wickenden has got good experience of the digital arena, of working with Digital Jersey, or understanding technology and, I believe, that he, together with myself and Senator Routier can drive these agendas forward.

**The Connétable of St. John:**

Good. Will at some time in the future these 2, Financial Services and Digital Innovation, portfolios be brought together?

**The Chief Minister:**

I have no doubt that they will. Do not forget we are working on a piece of legislative change which will revisit the ability of any incoming Chief Minister to move portfolios around prior to the nomination of a Minister. From our respect, and from our economic success for the future's respect, Financial Service and Digital, and the transformation that Digital is going to make in that sector is fundamental. We know from all the studies elsewhere in the world that Digital is, as they call it, a disruptive technology. What it means is that some of the old jobs that are in Financial

Services now will not be there in 5 and 10 years' time because Digital will have transformed them and taken them away. But there will be new jobs in Digital and our challenge now is to start getting ready for that and that is why we brought them together, to prepare Financial Services firms for that change and also the rest of the community to be prepared to take those jobs that are now going to come to replace the ones that will not be there. Much as we have done in the banking sector and the work that J.F.L. (Jersey Finance Limited) have done with regard to say: "You know what? We are going to lose jobs in the banking sector," and has that not been proven to be the case? Well, we are going to get ahead of that curve, we are going to retrain people and we are going to prepare them for the new jobs that we could, if we are not complacent, deliver in Financial Services. That is why we see now over 13,000 jobs in Financial Services this year, far beyond what anybody expected or the doom-mongers predicted.

**Deputy S.M. Brée:**

Right, let us move on then.

**Deputy K.C. Lewis:**

I have one.

**Deputy S.M. Brée:**

You have one? Please.

**Deputy K.C. Lewis:**

Chief Minister, when The Connétable of St. John asked something earlier I picked something up in your voice. Since Senator Ozouf stepped aside ...

**The Chief Minister:**

I said "or resigned", whichever word you wanted.

**Deputy K.C. Lewis:**

Well, let us use step aside for now.

**The Chief Minister:**

Okay, but he has later said resigned, by the way.

**Deputy K.C. Lewis:**

That is fine. Either way, whatever makes you happy.

**The Chief Minister:**

It needs to be whatever makes you happy.

**Deputy K.C. Lewis:**

The question being his portfolio was split up between several ministers and assistant ministers.

[14:30]

**The Chief Minister:**

No, one minister and 2 assistant ministers.

**Deputy K.C. Lewis:**

The question being: should a review find in favour of Senator Ozouf, will he be reappointed as Assistant Chief Minister and his old portfolio returned?

**The Chief Minister:**

I am not going to second-guess what that review might say. Although I will repeat that he honourably stood aside. That review now can do its work without fear or favour. When we have the results of that review, as I have said, action will be taken.



**Deputy K.C. Lewis:**

Moving on. Public sector reform. Following the announcement that the unions concerned ...

**The Chief Minister:**

Could I just double-check, because Richard came in case you had any technical questions about the Innovation Fund. If we have left that then I can let Richard go ...

**Deputy S.M. Brée:**

We have left that.

**The Chief Minister:**

... if that is okay.

**Deputy S.M. Brée:**

If you wish to leave please feel free to do so. Thank you.

**The Chief Minister:**

Thank you very much.

**Deputy K.C. Lewis:**

Following the announcement that the unions concerned with workforce modernisation are pulling out of negotiations, where does this leave the project?

**The Chief Minister:**

Well, as you know, the union leads decided when they met on the morning of The States vote of no confidence in the S.E.B., they decided that they would withdraw from workforce modernisation and kindly Deputy Mézec informed the Assembly of that withdrawal. That is a great disappointment to me because only the week before - I think it was the week before - I had met with the unions, which was post a meeting with them in November where we sat around the table and we had a frank discussion about what needed to happen to get workforce modernisation over the line and the S.E.B. worked together with officers, worked together with Treasury to consider their requests and bring forward a proposal which, in part, involved extra resource. I communicated that to them face-to-face in a meeting of the S.E.B. the week before and, therefore, it was a great disappointment and a surprise that they decided that morning to withdraw from workforce modernisation. Of course, their grounds for doing so was that they wanted to complete the 2015/16 pay review. Officers have, post that announcement earlier this week, met with the union leads, made a proposal to move forward to those union leads and they are now going to consider it. I happen to, as one does in our community, bump into them post that meeting, not quite on the street but more or less, and confirmed what the officers told them and they agreed with me that they really did want to put the pay negotiation to bed, if I may use that term, or get it completed so that they could come back around the table to deliver workforce modernisation.

**Deputy K.C. Lewis:**

The Prospect say that the S.E.B. failed to follow agreed negotiation process so what happens now?

**The Chief Minister:**

Prospect is one union out of several unions. The other unions are not saying that.

**Deputy K.C. Lewis:**

That is not the case? So, where is the next step?

**The Chief Minister:**

In what regard?

**Deputy K.C. Lewis:**

Where do you go now?

**The Chief Minister:**

Well, engagement is a 2-way process. I stand ready to be engaged, and, as I said to you, officials have met union leads. I do not know whether Prospect was there ... Prospect was there.

**Deputy K.C. Lewis:**

Excellent. But without union engagement the whole programme is on hold. What is ...

**The Chief Minister:**

You have to remember that not all of our staff are members of the union.

**Deputy K.C. Lewis:**

No. What is the S.E.B. doing to try and achieve an agreement for 2015 pay?

**The Chief Minister:**

Well, I have just answered that question.

**Deputy K.C. Lewis:**

Yes. Do you want to elaborate on that?

**The Chief Minister:**

Sorry?

**Deputy K.C. Lewis:**

No? Okay. We will move on if you think it is answered. As Chairman of the S.E.B. have you personally met with Prospect's negotiating officer for Jersey? If not, why not?

**The Chief Minister:**

No, and we give our officers a mandate to negotiate. They were invited to come and meet with S.E.B. for workforce modernisation in November. I think they were invited to the follow-up meeting, were they? They were invited to the follow-up meeting but they chose not to come.

**Deputy K.C. Lewis:**

As Chairman of the S.E.B., can you explain why the board has not agreed to a binding arbitration from an independent body to resolve the matter?

**The Chief Minister:**

Because the S.E.B. is working to a tight wage envelope, trying to deliver on the mandate that the Council of Ministers and the States Assembly have given us to deliver on.

**Deputy K.C. Lewis:**

But, do you not think that arbitration is the way to go if both sides cannot agree?

**The Chief Minister:**

No, I think we try to deliver on the mandate that we have been asked to deliver on.

**Deputy K.C. Lewis:**

How much will workforce modernisation, if implemented, increase or decrease the overall cost of public sector salaries?

**The Chief Minister:**

I do not have all the detailed numbers in front of me but, of course, some people will get paid more, some people will see a worsening of their overall pay and conditions. There is a proposal to protect those for a number of years, but it is those details that are part of the negotiation which has currently stopped, but I hope shortly will be ongoing again.

**Deputy K.C. Lewis:**

Because at the moment, obviously, we have a logjam, but how will this impact on achieving ...

**The Chief Minister:**

No, we do not have ... let us ...

**Deputy K.C. Lewis:**

... the £77 million worth of ...

**The Chief Minister:**

Just a minute, just a minute.

**Deputy K.C. Lewis:**

... savings and efficiencies?

**The Chief Minister:**

Just a minute. They informed us at the last States sitting. Since the last States sitting the S.E.B. have met, officers have met with union representatives. I do not think we can describe that as a logjam. We can describe it as ongoing constructive engagement.

**Deputy K.C. Lewis:**

But there has been no movement as yet.

**The Chief Minister:**

In what regard?

**Deputy K.C. Lewis:**

There is no agreement.

**The Chief Minister:**

No, I am not going ... There has been no agreement but there is a constructive engagement. They are 2 very different things.

**Deputy K.C. Lewis:**

Exactly. Well, how will this impact on achieving the £77 million worth of savings and efficiencies set out in the financial plan?

**The Chief Minister:**

I think I answered that question, did I not, in the States this week. We will not know that, of course, until we have reached agreement but that is why we are continuing to engage and that is why the particular wage negotiations have been trying and testing because we are trying to live within a difficult envelope.

**Deputy S.M. Brée:**

Yes, Chief Minister, just to go back to the question of arbitration, am I correct in understanding your stance that you are not either prepared or able to go to arbitration because, as far as you believe, you only have a certain envelope to work within and you are concerned that if arbitration were to find a settlement outside of that envelope you could not deliver it?

**The Chief Minister:**

I do not think there is any point in pretending that the wage negotiation round is difficult and suggesting that there is more money that could be given on a consolidated basis we would then be challenged about not delivering the £70 million saving. There is one body - I think it is one body - that has the right to go to binding arbitration on pay and that is absolutely appropriate for them to do so. It is the States of Jersey Fire Service and it is absolutely appropriate for them to do so. We are not stopping that. There was, of course, I think during that same vote or that same debate in the States, also raised the issue of the Fire Service pension. That, again, is an ongoing issue that we have tried to resolve with them around the table but we have not yet been able to do so despite

legislative change. But, I do not think it is the right approach to say: “Oh, let us go to arbitration when we are trying to live within a difficult, tight envelope,” I would much rather, as we have done, got back round the table and try and find a way through it together.

**Deputy S.M. Brée:**

Anything from your side, Chris?

**The Connétable of St. John:**

No, thank you very much.

**Deputy S.M. Brée:**

Right, moving over on to the next section.

**The Connétable of St. John:**

The next section is eGov and Digital Strategy. It was announced at the end of last year that eGov was going to cost vastly more than originally budgeted for. But, can you confirm what has been spent on this project to date?

**Deputy S.M. Wickenden:**

Can I just confirm where it was said that it would cost vastly more please? Where did you get that idea?

**The Connétable of St. John:**

That was an announcement that was made but I have not got it immediately to hand.

**The Chief Minister:**

I do not recall that.

**The Connétable of St. John:**

Right, there is a blog here: “Back in February 2014 we had planned for £150,000 of software licences and build costs, with project management and business analysis bringing the total to £390,000.” It goes on and it says: “The overall purchase and running cost over 5 years will be a number of million, depending on which option we select.” So, it has gone from £390,000 to a number of millions.

**Deputy S.M. Wickenden:**

Okay, this was to do with the disc writing programme that was being looked into, which was the U.K. Verifiable. What we assumed would be the cost through consultation early on was going to be more now. So, the idea was we were looking at a stream of work, if we were to continue down this line of the Digital I.D. (identification), which was the UK Verifiable, we now realised that that model would cost significantly more if we would continue down it, after doing a phased look at it. So, we did some work to go and carry on and make sure that it was the most viable option and very early on we realised that it was gonna be much more, which is why the blog went out to let people know the difficulty we are having with the Digital I.D. at the moment.

**The Connétable of St. John:**

The Digital I.D., more for my own purpose, is to do with ... tell us once.

**Deputy S.M. Wickenden:**

The Digital I.D. is the authentication to know that the member of public is the person at the other end of the computer, so it is the authorisation and authentication into a service.

**The Connétable of St. John:**

Right, thank you. It was also stated that despite this increased cost, numerous compromises will have to be made. How do you justify the spending increase if the end product is not the same?

**Deputy S.M. Wickenden:**

So, we are going back into the Digital I.D. market here, something that has been extremely clear now is that the Digital I.D. market across the world is very immature so the compromises we might have to make is around what level of, what is called, level of authority. So, how much information do you collect from somebody - is it biometrics, is it passport, is it face-to-face - before issuing the identification? So, there is something called a level of authority. The compromise might be to go lower down to reduce the costs, but that will have an impact on what kind of services you could provide, so the compromise is not about having less, it is about understanding what we required and how much it will cost. This is something we have not got to the bottom of yet.

**The Connétable of St. John:**

Just thinking outside the box for the moment, there is talk of applying for an obtaining driving licences online.

**Deputy S.M. Wickenden:**

Yes.

**The Connétable of St. John:**

Now, that requires certainty of identification because driving licences are used for I.D. purposes for travelling.

**Deputy S.M. Wickenden:**

Absolutely.

**The Connétable of St. John:**

In which case, surely the top level of security or identification is required.

**Deputy S.M. Wickenden:**

This is going out to tender at the moment so I have not ...

**The Connétable of St. John:**

It is, yes.

**Deputy S.M. Wickenden:**

I cannot be involved in the tender because you cannot have interference at a political level for something which is a procurement exercise, but this is going out to tender and I wait to hear back what comes back from the technical people on what level they think it should be.

[14:45]

**The Connétable of St. John:**

But, are you specifying the highest level or not?

**Deputy S.M. Wickenden:**

It will be following the standards for G.D.P.R. (General Data Protection Regulation) and security standards within the tender, which is set out as a framework that has to be adhered to and it will come back from a tender.

**Chief Executive Officer:**

I think it is fair to say it will be no less than the current standard, if comparators apply.

**The Connétable of St. John:**

Right. Have you been involved in the issuing of parish driving licences?

**Chief Executive Officer:**

Personally, no. My team is working with the parishes very carefully to understand fully the implications of driving licences because, as you have said, Connétable, quite rightly, people uses driving licences far more than just a driving licence. So, what I can say is that whatever level of

authorisation and verification a parish applies today issuing a human being with a driving licence will not be reduced.

**The Connétable of St. John:**

Because I have come across significant changes in individuals who, at the age of 17, have taken out a driving licence and then claimed to have lost it, and it is a totally different photograph and different address and we at parish hall level, because it is a manual process, pick up immediately, but if it were done digitally it would not have been picked up. Have you any comments on that?

**Chief Executive Officer:**

Why do you say it would not have been picked up? If it is a different ...

**The Connétable of St. John:**

Well, unless you are going to do a photo I.D. on the 2 photographs they would not have picked it up.

**Chief Executive Officer:**

Well, I think they would. These are one of the issues we are working with at the moment is that there are certain set requirements that we will not go below for any of the various bars that are going to be set. I think we are talking about the lowest standard. The lowest bar is that we all have date of birth, we all have J.Y. numbers (Jersey Social Security Number) - or virtually all of us have J.Y. numbers - all have name and address, we all have driving licences or other means of identification. The vast majority of people have passports. So, there are a number of authentication methods already in place. What we are saying is we would not go below those that are currently in place. Where it gets more complex is that when we start looking at individuals gaining access to their tax records electronically or medical records, and G.P.s (general practitioners) at hospitals sharing records, we are becoming involved in very sensitive personal data, be it through a financial, personal, children's education, whatever, then the bar will have to go up each time. So, there are 2 or 3 levels of high jump, if you can call it that. We are not going to go below the lowest and if I put the driving licences, which is a manual system at the moment, at parish level, but equally there will be levels of authentication within the States at the moment, then we will not go below that at all. What we are finding is quite difficult, as Deputy Wickenden said, globally this is becoming a fairly major problem. In order to get the bar set to the very highest level, which is where we want to be, we have to make sure we apply the appropriate standards. The other factor I would add in, of course, which makes it slightly more complicated or more challenging, is that I think on a daily basis we are all reading and seeing articles in the media about cyber security. So, as we start building and looking at the authentication system for the very top level, we have to be absolutely aware of authentication in order not to compromise Jersey's position.

**Deputy S.M. Wickenden:**

We can go up to a more technical level if you want.

**The Connétable of St. John:**

Okay, we will do that.

**The Chief Minister:**

Bearing in mind the Chairman's opening comment.

**Deputy S.M. Brée:**

I am trying.

**The Connétable of St. John:**

Right, we will go back. Where will the future funding come from?

**Deputy S.M. Wickenden:**

Future funding for eGov beyond what we have already allocated?

**The Connétable of St. John:**

Yes.

**Deputy S.M. Wickenden:**

That will come from the next M.T.F.P. (Medium Term Financial Plan).

**The Chief Minister:**

Do not forget we have got eGov budget directly, which I know the numbers, there is the reform budget that there can be a crossover there because eGov is not just a central function. It is a relationship with all departments, helping them use technology, and they can have access to that because if it is a reform programme and it is delivering few jobs or it is saving money somewhere, we can look about how we can use that as well.

**The Connétable of St. John:**

So, when is the complete eGov project going to be delivered or when is it envisaged to be delivered?

**The Chief Minister:**

It does not finish. The use of technology will just be ongoing and the changing services to deliver with technology, digitising them, is just going to be ongoing.

**Deputy S.M. Brée:**

On the question of budgets, the original budget that was set, how can you justify spending the entire original budget for the project on 18 months of research, which did not even then produce a viable option?

**The Chief Minister:**

You mean with the Digital I.D.?

**Deputy S.M. Brée:**

With the eGov budget ...

**The Chief Minister:**

Oh no, I think if we are talking to what the Connétable asked, it is not the eGov programme, it is the Digital I.D. programme.

**Deputy S.M. Brée:**

Fine, which is the starting point.

**The Chief Minister:**

We can justify it quite straightforwardly because it is changing and there is no set view on which system is going to deliver these levels of required authorisation. We have got to try and find the right one. So, it was right that they have done that review and that is clear that there is no one system that any people are using successfully around the world delivering exactly what they want it to deliver. So, we are going to have to do more work to find the system which will best suit us and that might mean that we have to move to a piloting type approach and getting one of those systems here and piloting it to see if it does what we want it to do.

**Deputy S.M. Brée:**

So, the original budget that was set ...

**The Chief Minister:**

To review into what was going to be the system we could use ...

**Deputy S.M. Brée:**

No, the original budget was meant to deliver a system that worked. Effectively, what has happened is the whole of that original budget over the past 18 months has not delivered a system.

**Deputy S.M. Wickenden:**

Sir, we have not spent ... I think we spent 49 per cent of the Digital I.D. budget doing the work to get where we are.

**Deputy S.M. Brée:**

Well, how much have you spent on this project so far in total?

**Deputy S.M. Wickenden:**

Digital I.D. or ...

**The Chief Minister:**

Yes, Digital I.D.

**Deputy S.M. Wickenden:**

Digital I.D. we have spent currently £153,826.

**Deputy S.M. Brée:**

Okay, and that has given us what?

**Deputy S.M. Wickenden:**

Better understanding of ...

**Deputy S.M. Brée:**

So, just a better understanding, you have not delivered anything yet?

**Deputy S.M. Wickenden:**

Hang on.

**Deputy S.M. Brée:**

No, that is all I am asking. There is no deliverable ...

**Deputy S.M. Wickenden:**

We have understandings of where we go and how immature the market is and what options we should not be doing.

**Deputy S.M. Brée:**

So, we have worked out what we should not do but we just do not know what we should do.

**Deputy S.M. Wickenden:**

You cannot just pluck it out of the air, Chair.

**Deputy S.M. Brée:**

Sorry?

**Deputy S.M. Wickenden:**

You cannot just pluck it out of the air and say: "That is what we are doing," we have to do the work to make sure we are where we are. We know what we should not be doing and where we should be doing it and this comes at a cost, Chairman.

**Deputy S.M. Brée:**

Okay, with regards to the figures that you have just quoted me, I, again, go back to States of Jersey blog, *Towards a Digital I.D. Part 7*, and I will quote you here: "Back in February 2014 we had planned for £150,000 of software licences and build costs, with project management and



business analysis bringing the total to £390,000. We now know that the discovery phase will account for most of that amount,” so what have you spent? Is it £153,000 or is it £390,000?

**Deputy S.M. Wickenden:**

We allocated £390,000 and had thought that that would be enough to give us ... based on some ...

**Deputy S.M. Brée:**

So, what has been spent so far...

**Deputy S.M. Wickenden:**

But what was said by the person that wrote that is that the money that we do have probably will all be used up in the discovery of the right solution. That is what it is saying there in front of you.

**Deputy S.M. Brée:**

Right, so who wrote this?

**Deputy S.M. Wickenden:**

A member of the I.T. (Information Technology) team that was looking into Digital I.D.

**Deputy S.M. Brée:**

So, is this correct or not? Are you looking to spend £390,000 on the discovery phase?

**The Chief Minister:**

Deputy Wickenden has just answered that question. Currently we have spent £158,000 or £159,000 but he still thinks, as we sit here today, to have completed that discovery phase, and I hope maybe decided who we could do a trial with, it looks as though we will have spent that amount. So, we have not currently.

**Deputy S.M. Brée:**

Right, okay.

**The Chief Minister:**

But we expect that we will do and will have done in due course.

**Deputy S.M. Brée:**

Yet have nothing deliverable ...

**The Chief Minister:**

No, we do not have nothing, but, yes ...

**Deputy S.M. Brée:**

...other than ...

**The Chief Minister:**

...we do not have the actual product that is correct. Absolutely, it is correct.

**Deputy S.M. Brée:**

I am sorry I harp on about this but it seems to be an awful lot of money to spend on discovering what we do not know.

**Chief Executive Officer:**

Chair, I think we do know. It is not what we do not know, it is what we do know. What we do know is that globally there are a lot of countries that have spent many, many, many millions more than we are ever going to spend and they have still not got the product because it is becoming a very complex subject. We have heard and we have seen in the media of all of the issues about data and theft of data and we will not - certainly I am sure the Ministers will not and I certainly will not -

authorise any expenditure on a project unless we are convinced that our data and the citizens of Jersey's data is secure. What this is proving - and it is proving globally, not just in Jersey - is that the amount of work that is required in authentication of individual citizens and maintaining their security is far greater than the world knew was going to be in 2014.

**Deputy S.M. Brée:**

Well, bearing in mind that fact ...

**Chief Executive Officer:**

Bear in mind, Chairman, the work was done in 2014 before any serious work was certainly done in the U.K. and before the world had really got to grips with a digital world and the authentication required ...

**Deputy S.M. Brée:**

I understand that. If I can stop you there. I understand entirely what you are saying that it has transpired that it is a much more complex and possibly bigger exercise than was originally thought.

**Chief Executive Officer:**

Yes, that is right.

**Deputy S.M. Brée:**

Bearing that in mind and bearing in mind the unknown cost of doing this, would it not be better to draw a line under the project at this moment in time and wait for somebody else to be able to deliver a product?

**The Chief Minister:**

Well, that is a very, very good question.

**Deputy S.M. Brée:**

That is why I asked it.

**The Chief Minister:**

It is a question we have been asking ourselves and I would like to be able to do that. I would like to be able to say: "You know what? It is not developed enough. I do not have confidence that either if the technology is a bit older or it is not working or it is using third-party providers' information." I would love to be able to do that. The problem I have with that is that it is so important that we have a system that we can rely on that is going to give digital access. This is about us getting for the future and making some really tough decisions. So, I have said to these guys: "I am not prepared just to say, 'No, we are going to stop and we are going to throw in the towel.'" We are going to roll our sleeves up even more and we are going to probably now think about a pilot and there has been some criticism about: "Well, I am not sure you should," because it is too fundamentally important to what we need to do as a Government and as an Island around technology.

**Deputy S.M. Brée:**

Chief Minister, if I may stop you there? That is not the point I am making. The point I am trying to get to is the cost implications on the Island or pursuing this particular route. You have said that it is too important not to do, so a direct question is: how much will this cost the Island?

**The Chief Minister:**

Right, okay. These are the questions we have ... We have done this, we have spent the £150,000, which we found out ...

**Deputy S.M. Brée:**

Well, according to ...

**The Chief Minister:**

No, no, no. They said they expect ...

**Deputy S.M. Brée:**

Hang on, you are saying you expect more.

**Deputy S.M. Wickenden:**

Chairman?

**Deputy S.M. Brée:**

Sorry?

**Deputy S.M. Wickenden:**

It says ...

**The Chief Minister:**

He will not let you because he has not got time to read the entire blog.

**Deputy S.M. Wickenden:**

But if you read further than just the line you have given, it says that it is because: "A similar cost to a small jurisdiction to a large one," for these kinds of things. So, it goes down saying: "We know that the discovery phase will account for most of the amount, and that implementing digital I.D. to the necessary high standards of privacy, security, usability and so on comes at a similar cost in a small jurisdiction to a large one."

**Deputy S.M. Brée:**

Yes.

**Deputy S.M. Wickenden:**

So, this is what we found out. This is where we are getting to. You are trying to say that we are saying we have used the money and we have not done anything appropriate with it, but we have to find this stuff out.

**Deputy S.M. Brée:**

Fine, and if I may go on and continue with the blog, it says: "Running cost over the years will be a number of million, depending on which option we select." So, my question, and our question to you is: how much is it going to cost to deliver a service that works? It is a very simple question and I would have expected you to cost it by now.

[15:00]

**The Chief Minister:**

No, no, no. Chairman, you know it is not a simple question because you have said to me: "Why do you not just draw a line under it and wait until somebody has got a well-tested system?"

**Deputy S.M. Brée:**

Well, but you are saying ...

**The Chief Minister:**

I am saying I am not prepared ...

**Deputy S.M. Brée:**

...you cannot do that, therefore, you have to have costed it.

**The Chief Minister:**

No, I am saying I am not prepared to do that because it is too important, but I was just going to say before we went back to the blog again, that is why I have asked them to think about what the cost of a trial would be, which would be potentially the next stage, and, if that worked, what would be

the cost of rolling that out in licences and users right across. So, we are now moving to that question that you are rightly asking so that we can get to a trial point. You are absolutely right.

**Deputy S.M. Brée:**

When will those sorts of figures be available do you think?

**Deputy S.M. Wickenden:**

Well, it is something I am working on right now.

**Deputy S.M. Brée:**

Okay. Would you be prepared to share those with us?

**The Chief Minister:**

Yes, we would.

**Deputy S.M. Brée:**

Once you had them in a form that are reasonably sensible.

**The Chief Minister:**

Yes.

**Deputy S.M. Wickenden:**

Connétable Taylor also knows that our P.A.C. (Public Accounts Committee) on the 29th of March there is a public hearing on the eGov programme and there is a lot more detail going to P.A.C., as it rightly should, that will say about what we spent and what outcomes we have got for it. So, if we can wait until after P.A.C. have done their public hearing, at your next quarterly I am sure I will have more information.

**Deputy S.M. Brée:**

Okay. Well, let us move on from this and look at it more as it is something that will eventually come. Chris, do you want to carry on?

**The Connétable of St. John:**

Yes. To place more Government services online will impact those Islanders who do not have access to computers. What measures are being put in place to assist those members of the public?

**Deputy S.M. Wickenden:**

This is very similar to the question we had on States this week. We are setting up an assisted digital programme, which we work with the parishes, social security, the library. There will be others, Age Concern, I mentioned, will be talking to groups in that area to go and find out what is required, where the assistance is needed so the right people can get the right help. But, it is also about making sure that we do not “disclude” people from services they need by moving it away. So, it is not just going to be this is now digital, go online and do it. A lot of the Government services will still have face-to-face, they will still be at a place that you can go to to get your services over the phone, face-to-face. Digital is just making it easier for the people that is there, just making it cheaper, easier and it is spending money, the public’s money, the right way for giving services in this new world.

**The Connétable of St. John:**

Can you just reconfirm what you said in the Assembly in that there will be no cost to the parishes in providing computer terminals in the parishes and ...

**The Chief Minister:**

Did he really say that, Connétable?

**Deputy S.M. Wickenden:**

You asked where it is the funding was to come from and I said: “The eGov funding to get the computers and the services into the parishes,” yes. This is something the parishes have also asked for. When we talked about eGov it was the parishes that came to us to say: “Can we do this? Can we help? Can we put our services online? This would be very helpful.” So, this is also the parishes coming in and asking us to be able to help them do this.

**The Connétable of St. John:**

Yes, but, at the same time, the parishes do not have budgets to train staff or provide staff or provide computer terminals.

**Deputy S.M. Wickenden:**

Which is why we are doing that from our budgeting.

**The Connétable of St. John:**

From your budgets. Thank you.

**Deputy S.M. Wickenden:**

Yes.

**The Connétable of St. John:**

Good.

**The Chief Minister:**

Just in case the media recall that parishes do have budgets, Connétable, as you well know.

**The Connétable of St. John:**

We have a budget but not for eGov.

**The Chief Minister:**

Yeah, quite.

**Deputy S.M. Wickenden:**

But you will have savings for eGov.

**The Connétable of St. John:**

Well, I will dispute that presently I have not seen any.

**Deputy S.M. Wickenden:**

At the present moment because it is very new but you will in the long run.

**The Connétable of St. John:**

Now then, next question. You have recently published the Digital Policy framework. It has been stated that this could create 1,000 new jobs by 2025. Does the Island’s population currently have the appropriate skillset to provide these 1,000 additional jobs?

**Deputy S.M. Wickenden:**

Well, that is exactly what this Digital Policy framework lays out. The Digital Policy framework has got 6 key areas, which is: a thriving digital sector where the jobs will come from; digital skills for all, so this is working on making sure that we do have the skills for it; advanced digital infrastructure like datacentres and high-speed internet; government digital transformation, which talks about having digital D.N.A. (Deoxyribonucleic acid; carrier of genetic information) within the whole organisation moving forward; you have got your cyber security, which is the most important part of making sure that everyone is safe with their information in this constant digital world; and data protection, which is also making sure that everyone is sticking to the same standards and that we do not get large fines for doing things the wrong way and helping the entire Island understand this, working with them to make sure that everyone is safe.

**The Chief Minister:**

So, in short, there will be some training for people who are already here and a part of the strategy is digital skills right across the skills and into the curriculum. But, there will be a need, as Senator Routier sees in his role, for new licences to be issued for people with the appropriate skills to move here.

**The Connétable of St. John:**

So, there will be a level of inward migration as a result?

**The Chief Minister:**

There will.

**Assistant Chief Minister:**

As with any industry, if there is a skills gap, we need to react to that to ensure that the skills that our community are available. It is a challenge for us, as I always say, but we try and do it on an even-handed basis to ensure that we can provide the services and the community can have the services that they want.

**The Connétable of St. John:**

Okay, thank you.

**Deputy S.M. Brée:**

Sorry, just going back on that question about new licences being issued. Am I right that what you are saying is the Digital Policy framework contains embedded in it an anticipation of additional net inward migration of people to the Island?

**The Chief Minister:**

No, that is a different issue. It has embedded within it an expectation that new people will need to ... look, this is not new. When we first said - I am not sure how many years ago it was now; 4 or 5 years ago - that we think digital is so important that it should be another leg of our economy and since then it has moved on even more that it is so important that it is going to transform all of our economy. We knew then that if you really want to do that sort of diversification you will need to bring people in to do it. So, we have known from that day that we started putting money aside and we started down this route. This strategy ... No.

**Deputy S.M. Wickenden:**

Framework.

**The Chief Minister:**

This framework acknowledges upfront that if we are successful there is going to be at least 1,000 jobs created. As we said, some of that is training people already here and others will be requiring licences for them to come. Now, that ties in with why is Senator Routier and his teams of ministers doing what they are doing with population, pulling back licences and causing themselves a lot of grief from businesses who are saying: "No, we want to bring somebody in," and we are saying: "No, you cannot. That is not the right sort of job we are looking to in the future," because any licence that we want to issue, we have this pressure in digital, we have this pressure in other important sectors of our economy and we are having to create some of that space through some of the other difficult things that the H.A.W.A.G. (Housing and Work Advisory Group) is having to do. So, this is not an automatic increase in net migration. What they are trying to do is create flexibility for these new jobs here by putting greater pressure probably on some of the lower-value areas of our economy.

**Deputy S.M. Brée:**

So, you are saying that the new 1,000 jobs that you are anticipating that are going to come out of your new framework will not result in an increase in the net population of the Island. Is that correct?

**The Chief Minister:**

No, we are not saying that. What I am saying is we are trying to make sure there is not a direct correlation.

**Deputy S.M. Brée:**

Okay. That moves us quite nicely on to our next section. Kevin?

**Deputy K.C. Lewis:**

Immigration. Chief Minister, given your Assistant Chief Minister's comments, a debate on population policy this spring and a consultation in March, can you provide an update on the progress of publicising a new policy?

**The Chief Minister:**

Well, the Assistant Chief Minister is here so perhaps you can ask him to answer for himself.

**Assistant Chief Minister:**

That is very kind of you. Yeah, the next consultation is happening in March, as has been previously said, the question I answered in the States this week said that the long-term view plan and which population falls out of that will be debated in the States in probably July time. The answer I gave was the third quarter, which is July. That is what we are aiming for, but, obviously, if scrutiny gets involved in that we will obviously accommodate whatever timescale they want as well, but certainly we can work to a July debate.

**Deputy K.C. Lewis:**

I think you have just touched on my next question: will you undertake that sufficient time is given for this new population policy to be scrutinised and reported on fully the States method before any debate?

**Assistant Chief Minister:**

Exactly.

**Deputy K.C. Lewis:**

Thank you.

**Deputy S.M. Brée:**

So, we can take that as a: "Yes," you do undertake to ensure?

**Assistant Chief Minister:**

Yes, that is what I said in the States the other day and I am saying it again now.

**Deputy S.M. Brée:**

Good.

**Assistant Chief Minister:**

Hopefully, whoever is going to scrutinise it is up for it.

**Deputy K.C. Lewis:**

You have stated your support for maintaining the ratio of the working age population to those in the community who are ageing. Do you not see this as merely a short-term solution?

**Assistant Chief Minister:**

I would have thought that was a very long-term solution, something we need to do. Sorry, go on, Paul.

**Director of Corporate Policy:**

I am slightly cautious because you might be quoting something back to me, but the population assumption net migration of 325 a year maintains your working age population at the same level

as the ageing population increases. It does not maintain the ratio of the dependency ratio of the same because, as we all know, the number of over-65 people in the Island is due to increase substantially, 16,000 today, 28,000 in 20 years' time. The level of net migration we are talking about does not maintain the ratio 325, just maintains the level.

**Deputy K.C. Lewis:**

So, you think that is going to be held at 325?

**Assistant Chief Minister:**

Well, the projections which are coming from the statistics unit has forecast that and that is what we are aiming to do.

**Deputy K.C. Lewis:**

Who is ultimately responsible for setting the criteria used for making the decision about who gets a licence to work?

**Assistant Chief Minister:**

Well, the States certainly have the interim population policy, which was discussed, and it sets out the broad outline of the judgments which are made. There are things about social benefit to the Island, the economic benefit, all the various things that are within that document and the initial application, if somebody wants to employ additional staff, they make an application to the Population Office. The officers would make a decision about that and if the business wanted to make some sort of appeal they can appeal to H.A.W.A.G. and, on a fortnightly basis, we hear appeals and make some judgment calls. Of course, H.A.W.A.G., as you know, is made up of the cross-section of the various departments: Economic Development, Tourism, Sport and Culture. Also Housing Department, Social Security, but occasionally we will ask Jersey Business to assist us in making a judgment about business applications and that they have been of great help to us when there has been a need for their support.

**Deputy K.C. Lewis:**

Ultimately, the decision would be yours?

**Assistant Chief Minister:**

Well, I have delegated responsibility for the final decision but I always get advice from my fellow assistant ministers, Ministers and from officers.

**Deputy S.M. Brée:**

I just wanted to pick up on something you said, Senator Routier, in the first instance the decision is at officer level, is that correct, when an application comes in?

[15:15]

**Assistant Chief Minister:**

To the Population Office. Their officers would look at an application.

**Deputy S.M. Brée:**

They make an initial decision.

**Assistant Chief Minister:**

Correct.

**Deputy S.M. Brée:**

Based on what criteria, though? You were slightly vague on the criteria you were using because you were saying the interim population policy criteria. That interim population policy was developed when?

**Assistant Chief Minister:**



2014.

**Deputy S.M. Brée:**  
Right, 2014.

**The Chief Minister:**  
But there is a policy document which gives guidance to businesses about the criteria.

**Director of Corporate Policy:**  
We have the interim population policy 2014 and a substantial number of the principles of the interim population policy were carried over into the strategic plan. The main one being targeted migration in support of the ...

**Deputy S.M. Brée:**  
So, the interim population policy is still in place as per that document or not?

**Director of Corporate Policy:**  
Sorry, that was a poor explanation. The interim population policy set a principle, it also set a planning assumption. That principle is now embedded in the strategic plan as agreed by the Assembly and the M.T.F.P. as approved by the Assembly, and there is an underlying policy document which comes out of those ...

**Deputy S.M. Brée:**  
Is that interim policy still in force? Interim population policy still in force today?

**The Chief Minister:**  
In that it is embedded in the M.T.F.P. and the strategic plan, yes.

**Assistant Chief Minister:**  
If anybody is making an application, there are guidance notes which are available at the Population which explains the criteria that they need to fulfil if they are making an application.

**Deputy S.M. Brée:**  
It is slightly confusing, I must admit, as to who is deciding based on what criteria. If the interim population policy, while you are saying the number is embedded ...

**The Chief Minister:**  
No, no, no.

**Deputy S.M. Brée:**  
So, what is ...

**The Chief Minister:**  
The principles of the policy are embedded in those 2 documents.

**Deputy S.M. Brée:**  
Fine.

**The Chief Minister:**  
It might be at a future date that you might like the Scrutiny Panel to come and sit in on one of your H.A.W.A.G. meetings, look at the things that officers have decided, and what the process is for the H.A.W.A.G. ministers making those decisions.

**Assistant Chief Minister:**  
Yes, certainly. I have extended that offer to other Members and they have come along. It would be just one at a time just because it is so full of applicants, having a row of people sitting in front of them can be obviously a bit off-putting for them. There is another Member who is coming along I

think at the next hearing that are going to sit with us, so at any time we can fit in ... we can let you know the dates and we are very happy for you to come along and sit in.

**The Chief Minister:**

We do have a Scrutiny Panel member and an officer; that would quite easily work.

**Assistant Chief Minister:**

Yes, we would be happy with that.

**Deputy S.M. Brée:**

Okay. Sorry, carry on, Kevin.

**Deputy K.C. Lewis:**

Do you have a tax profile for all the people migrating to the Island?

**The Chief Minister:**

Well, just a minute, you do understand that under our relationship with the U.K. and the E.U. there is a right for E.U. citizens because of the common travel area overlaid by the free movement of people for people to come into the Island, do you not? We do not have to enquire about their tax status.

**Deputy K.C. Lewis:**

Do you have a rough guide as to what is coming in and what is leaving?

**The Chief Minister:**

I am not really sure what you are asking, Kevin.

**Deputy S.M. Brée:**

If somebody comes to the Island for employment and is given a licence to work, how do you profile them as individuals with regards to income tax take?

**The Chief Minister:**

No, you do not profile them as individuals because they have this right to come under the common travel area and the free movement of people, but what they do is profile the licence of the business around what is the job that they want the licence for, what is it that they are going to be paying, how does it fit into their business plan, what is the profitability of their business plan. So, it is at that level that they are asking the questions that I think you are trying to ask us.

**Deputy K.C. Lewis:**

So, the company is profiled more than the business?

**Deputy S.M. Brée:**

More than the people working for it.

**The Chief Minister:**

No, because it is both, is it not?

**Assistant Chief Minister:**

It is both.

**The Chief Minister:**

Because the company says: "I want to employ a cleaner and I am going to pay them on the minimum wage," that is one example. So, one of the first questions that Senator Routier asks is: "Well, just a minute, how many hours are they going to be working? So you want us to give you a licence to introduce somebody that is not going to pay tax?"

**Assistant Chief Minister:**

“The answer is no.”

**The Chief Minister:**

It is not quite automatic but it is virtually automatic saying: “No, what value is us allowing you to create that job going to bring to our economy?”

**Deputy K.C. Lewis:**

I think we got there.

**Deputy S.M. Brée:**

Yes, good.

**The Chief Minister:**

Yes, but you have to understand at what level and where the question is now.

**Director of Corporate Policy:**

If it helps, and I think it is important, there is the micro-level of the individual business, the economics unit are also developing an overall model to support the population policy debate around the net value of migration so that might be something the panel will be interested in, in due course.

**Deputy K.C. Lewis:**

Chief Minister, in an answer you gave to a written question in the States last year you alluded to work being conducted by the economics unit into the implications of inward migration. Has this now been completed?

**The Chief Minister:**

That is the piece of work Paul just referred to.

**Deputy S.M. Brée:**

Oh right, it is the same piece of work, is it?

**Deputy K.C. Lewis:**

Same piece?

**Director of Corporate Policy:**

Yes.

**Deputy S.M. Brée:**

When will it be completed by do you think?

**Director of Corporate Policy:**

We are aiming for the beginning of May.

**Deputy S.M. Brée:**

When will it be published?

**Director of Corporate Policy:**

Same point.

**Deputy S.M. Brée:**

Same point?

**Director of Corporate Policy:**

Yes.

**Deputy S.M. Brée:**

Okay. We await with baited breath the publication.

**The Chief Minister:**

It might say some difficult messages for some sectors of our economy.

**Director of Corporate Policy:**

I think it will highlight the impact of an ageing demographic because it is a forward projection, which will be interesting.

**Deputy S.M. Brée:**

Okay. Right, moving on to probably your least favourite topic at the moment, Minister: Brexit.

**The Chief Minister:**

Oh, it is my favourite topic.

**Deputy S.M. Brée:**

What contact have you had, Chief Minister, with the other crown dependencies regarding Brexit?

**The Chief Minister:**

I have had a lot. I have met with them frequently. I am not sure how many times I have met since we were last before you but it will be several, both formally and informally. You will see that Guernsey have issued a policy letter - they call them - very similar to the report and proposition that we asked the States to agree on Wednesday of this week, so we are absolutely aligned. The Isle of Man took a slightly different view and they issued a statement to deal with those issues, but we worked together on that issue as we have done on all of the issues throughout this period.

**Deputy S.M. Brée:**

Okay. Do you think that the concerns of the Isle of Man and Guernsey should impact on the decisions Jersey makes?

**The Chief Minister:**

Oh, you nearly tempted me to say something I should not then, Chairman.

**Deputy S.M. Brée:**

Feel free to speak!

**The Chief Minister:**

Let me put it like this: I am absolutely committed to representing Jersey's best interests throughout this process. I am working with Guernsey and the Isle of Man to keep us all aligned but I come from a starting point that some of the economic interests and some of the relationship that the Isle of Man, particularly, has with the U.K. because of the common purse and the effect that leaving the E.U. might have on that, that they may diverge during the course of Brexit in those particular regards. But I, together with my fellow Ministers, are absolutely committed to putting Jersey's interests first. That is what we have done and that is what we will do.

**Deputy S.M. Brée:**

So, are you working towards improving cooperation with other crown dependencies or are you fully prepared to go it alone if our interests diverge?

**The Chief Minister:**

I suppose it is the other way round. I am absolutely - and have done with all the previous Chief Ministers of both Guernsey and the Isle of Man - committed to having a good relationship with regard to international outward facing issues and I have invested a lot of time and effort into that and I continue to do it, as I say, with the new Chief Ministers. But be in no doubt that if our interests are out of line at any point during this process with Guernsey's and the Isle of Man's - and I do not expect them to be out of line with Guernsey's; I expect there may be that divergence that I have talked about particularly around the common purse of the manufacturing industry that

the Isle of Man have; I do not expect that with Guernsey - if they were to happen I would have no doubt whatsoever and no qualms whatsoever in putting Jersey's interest first. That is what I am here for. I believe, however, that Jersey's interest is best served in a united front together with the other 2 crown dependencies.

**Deputy S.M. Brée:**

Moving on slightly, what recent contact have you personally had with the U.K. Government regarding Brexit?

**The Chief Minister:**

We do not normally talk about those things. I have had both formal and informal meeting face-to-face and, as I say, informal communication with Government ministers as well.

**Deputy S.M. Brée:**

So, in your view, following recent contacts, are the U.K. Government departments supportive in recognising the concerns of the crown dependencies?

**The Chief Minister:**

I think they absolutely are but we cannot take it for granted and we must continue working on it.

**Deputy S.M. Brée:**

So, looking at a slightly larger picture, which countries are you communicating with besides the U.K. to promote Jersey's position in Europe post-Brexit?

**The Chief Minister:**

Well, there are a number. There are ones that, as you well know, Estonia, Malta, Ireland. We are looking also in the coming year to have ministerial visits because we have had official visits to Paris and to Berlin as well. So, we are building those important relationships throughout this period.

**Deputy S.M. Brée:**

So, what are your priorities at the next quarterly meeting with the U.K. Brexit Minister and what goals have you set yourself for it?

**The Chief Minister:**

It is fair to say that I will go into those meetings with issues that I want to raise and issues that I will want to argue our case on. I will always want to get into a point that either they accept that issues across the table or they are prepared to go away and give it due consideration. So, a live issue that I am raising is post the Prime Minister's speech that no deal is better than a bad deal and, therefore, they may need to flow back on to W.T.A. (World Taxpayers Association) of tariffs, it is the extension of the U.K.'s W.T.A. membership to Jersey and Guernsey and I will continue to make that case and that is a goal that I have set myself. I cannot tell you at this moment in time when I expect to have achieved that goal, but if we use a footballing analogy, and that is not a good analogy for me, I will continue kicking the ball in the right direction.

**Deputy S.M. Brée:**

Okay. Right, if we carry on to our next section.

**The Connétable of St. John:**

Okay, long-term planning. Minister, now the consultation period for Vision for Jersey is complete when will the publication be released?

**The Chief Minister:**

Long-term planning, Paul, probably you could just do that.

**Director of Corporate Policy:**

20th of March we will have a further round of engagement. So, what we are doing is we are turning a survey that we did - My Jersey survey - of what is most important to you and where do you think we are now into hard statistical measures. We have a draft version here and it has got 58 measures in, and in each one it shows where we have come from and it gives an indication of where we think we should go based on the survey from last year. That will be online, focus groups and stakeholder groups. What we are hoping to do is validate the directions we have set for these indicators. Of the 58 a substantial proportion support population policy and it will be those that ultimately came back as part of the population policy. So, I think the main point I am making is 58 indicators, validation from the community that it is indeed a direction we want to go on those 58 indicators.

[15:30]

**The Connétable of St. John:**

Right, okay. That will be done online; we are not going back? That will be online rather than going back to people who returned the forms?

**Director of Corporate Policy:**

Our primary mechanism will be online but where people submitted emails before we will go back to them, we will try to go back to the same stakeholder groups we briefed before so it is a follow-up, if you like. We need to keep the same people involved throughout.

**The Connétable of St. John:**

Thank you. Slightly different: a recent report on the social security fund states that net immigration of 1,000 a year will be required to keep contributions at their current levels. Is it your intention to actively increase the population or to cap population growth and increase contributions?

**The Chief Minister:**

No, the whole purpose of the social security consultation is for us to raise the issues so that we can have a conversation about the balance, because it will be a balance ultimately, of population growth and contribution changes and increases. But, do not forget, we have got £1.5 billion in the reserve fund to smooth out the need to increase contributions. That is what you set the reserve fund up for. That is what the policy was. If you look elsewhere in the world they have already started using their social security reserve fund, those places that have them. We set it up to smooth out changes over the medium- and the long-term and that allows you to have these proper conversations. So, it will ultimately, I think, be a balance. It will be a balance of working longer, be a balance of some immigration and it will be a balance of some changes to contribution rates.

**The Connétable of St. John:**

Thank you. Now, your responsibility for the long-term strategy, how does the lack of progress regarding Fort Regent demonstrate successful long-term strategy?

**The Chief Minister:**

Let us be clear, Fort Regent has been left to decay for decades. But now we have a Minister, Assistant Ministers who are prepared to start doing something and, sadly, the first thing that we are going to have to start doing is demolishing some of the buildings which are in a perilous state, and I think it is that action that will ultimately lead the States and hopefully the public to realise and recognise that we have to think somewhat creatively about what happens at the Fort in the future. I am of the view, and we will be going out for expressions of interest, it will have to be a public/private partnership of some description, but we have to have that discussion. We have to make those decisions because what cannot happen and what Ministers are not prepared to happen is just to allow it to go on rotting.

**The Connétable of St. John:**

So, you are taking firm action to ensure that something is happening.

**The Chief Minister:**

Well, we are agreeing money to start some of the demolition work that needs to be undertaken and we are going out - I do not know quite what the timeline is - for expressions of interest about the future use.

**Chief Executive Officer:**

We are going out to tender now for the demolition of the cable car station and the link bridge, which has been featured in the media recently as being dangerous. I think we will speak to the leader about the pool itself and proposals for, as the Chief Minister said, future use of the Fort structures itself are being developed to see what interest there would be for a private partnership for use of some description.

**Deputy K.C. Lewis:**

Well, you are going out for tenders for the demolition of the cable car station but not including the pool.

**Chief Executive Officer:**

We are doing the cable car station and the link bridge, which has been featured because of children climbing on to the river, so those have got to come down, hopefully, for safety reasons, and we are looking at the swimming pool structure as well and we will be developing tender documents for that.

**The Connétable of St. John:**

Okay, thank you. Is the current funding mechanism for the provision of long-term care sustainable under the current model?

**The Chief Minister:**

It always was a mechanism that would need to change and we built into it a number of levers to be able to respond to demand or respond to market conditions going forward. I have got no doubt that the Minister for Social Security, if she feels that there needs to be changes - or whoever that Minister is in the future - they would propose those changes to make sure it is sustainable.

**The Connétable of St. John:**

Good, thank you. That is all I have on that section.

**Deputy S.M. Brée:**

When it comes to the levers that you speak about in the long-term care scheme, could you very quickly just detail what those are?

**The Chief Minister:**

There is the adjusting the level of the benefit, adjusting the level of contribution and I am pretty sure there is a third one but it has just escaped me. It is a number of years since I brought forward the legislation you will appreciate.

**Deputy S.M. Brée:**

Knowing that it was yourself who did bring it, I assumed you might remember it.

**The Chief Minister:**

Well, I have remembered 2 out of 3.

**Deputy S.M. Brée:**

Thank you very much. Going on very quickly to another quite topical subject, Chief Minister, do you agree with the proposed £7,000 increase in annual salary for the position of Chief Minister as recommended by the States Members Remuneration Review Body?

**The Chief Minister:**

It is not up to me, it is up to the States. P.P.C. (Privileges and Procedures Committee) will need to make a decision - ah, Chairman, I think you are a member of P.P.C. - about whether they wish to

bring forward legislation to change the ability to have a differential pay scale for Members of the Assembly. I cannot imagine that they would do anything if they were going to bring it forward that they would not do anything other than it to be after the next election and, therefore, it will be, if it is brought forward, if the States approved it, for anybody who might put themselves and then be elected to the position of Chief Minister. I am quite clear. My view has not changed on the position of differential pay. There should be differential pay but there should not be an overall increase in the amount of money or the budget for States Members' pay and if we are not reducing States Members we are not going to create flexibility in that budget then I think it is difficult to understand how you can deliver differentiated pay. But it is not my recommendation, I did not even submit a response to the remuneration.

**Deputy S.M. Brée:**

It was not the question I asked you, Chief Minister.

**The Chief Minister:**

No, but there are many people who have been trying to suggest, the media, nor is it ...

**Deputy S.M. Brée:**

Sorry, Deputy Wickenden, I am asking the Chief Minister a question.

**The Chief Minister:**

...something the Chief Minister is responsible for.

**Deputy S.M. Brée:**

That was not the question I asked.

**The Chief Minister:**

I am just making my position clear.

**Deputy S.M. Brée:**

So, you are not prepared to say that you agree or disagree with the recommendations?

**The Chief Minister:**

That was a recommendation of an independent body. It would not be right for me to second-guess why the decision that they have made or the recommendation that they have made arose. That is for them to answer that question, not me.

**Deputy S.M. Brée:**

But you are, to go back to what you were saying, in favour of a differential pay scale dependent on level of responsibility of individual Members?

**The Chief Minister:**

If it can be delivered within the overall existing States Members' pay budget. It cannot be right that the overall budget for States Members' pay is increased.

**Deputy S.M. Brée:**

Right. Okay, I think we have run out of time slightly. Thank you indeed, Chief Minister, and Assistant Minister for coming in, officers.

**The Chief Minister:**

A pleasure as always, particularly on a Friday afternoon before half term.

**Deputy S.M. Brée:**

Thank you very much indeed for your time and if you are going away for the half term do have a nice time, if not, have a nice week.



**ADJOURNMENT**  
[15:39]