



Scrutiny Office

Corporate Services Scrutiny Panel: Quarterly Hearing with the Chief Minister

FRIDAY, 15th SEPTEMBER 2017

Panel:

Deputy J.A.N. Le Fondré of St Lawrence (Chairman)
Deputy S.M. Brée of St Clement (Vice Chairman)
Deputy K.C. Lewis of St Saviour
Senator S.C. Ferguson

Witnesses:

Chief Minister
Assistant Chief Minister
Assistant Minister to the Chief Minister
Chief Executive
Director of Corporate Policy

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[14.00]

Deputy J.A.N. Le Fondré of St. Lawrence:

Right, thank you very much for attending Minister and Chief Minister. Okay, let us kick things off. Chief Minister, I welcome everybody to the Quarterly Public Hearing with the Chief Minister. The Chief Minister, I draw your attention as you are aware to the notices somewhere near you hopefully which I am sure you are fully aware of. We do expect members of the public and the media in the public seating to remain quiet at all times while the hearing carries on. As we proceed through the questions, we may stop you Chief Minister if we feel you have answered any question sufficiently as we do need to try to be as concise as possible. Ideally, we are aiming for around a minute per response. If we do think we have received enough information from yourself I will raise my hand to give an indication we want to try and move on. For the benefit of the tape I will start by going around, Deputy John Le Fondré, Chairman of the panel.

Deputy S.M. Brée of St. Clement:

Deputy Simon Brée, Vice Chairman of the panel.

Deputy K.C. Lewis of St. Saviour:

Deputy Kevin Lewis, panel member.

Senator S.C. Ferguson:

Senator Sarah Ferguson, panel member.

Chief Minister:

Ian Gorst, Chief Minister.

Assistant Chief Minister:

Paul Routier, Assistant Chief Minister.

Assistant Minister to the Chief Minister:

Deputy Scott Wickenden, I am an Assistant Minister to the Chief Minister.

Chief Executive:

John Richardson, the Chief Executive.

Director of Corporate Policy:

Paul Bradbury, Director Corporate Policy.

Deputy J.A.N. Le Fondré:

Great, thank you very much. Minister, as you may be aware we have asked members of the public to submit some questions for this hearing and we will start with some of the questions we received. There are some other questions from members of the public which will be included under the relevant topic areas as we go through the hearing. So number one, do you agree with Caritas and many other charities and individuals that the minimum wage in Jersey is unacceptable and it is time Jersey introduced the living wage as adopted by the UK Parliament?

Chief Minister:

I think I am on record as saying that I would like to see minimum wage increased. In fact, I was meeting only this morning with representatives of the agricultural industry on that very subject. We are in the process of preparing a draft proposition to request the States to increase the minimum wage in a shorter time frame than they have currently indicated to the employment forum that they would like to do. Working with particularly the agricultural industry to see how we can mitigate and offset those effects, that of course, is different from the Caritas living wage, which all employees of the States currently now enjoy a minimum wage which is equivalent to the Caritas living wage. We are reviewing also whether we can sign up to the Caritas Living Wage Programme. That

means we need to go and look at suppliers of services and think about what they pay as well. So it is not quite that straightforward. So States employees currently now are all on that minimum. However, we need to do further work to see if we can sign up to the full package.

Deputy J.A.N. Le Fondré:

Very quickly, is any work being done to give an indication that broadly you agree at least to the direction of travel of the living wage. Has any work been done to investigate the economic impacts, whether they will reduce income support bills? What have the experiences been in other jurisdictions, anything along those lines? Have you got Oxera to have a look at it for example?

Chief Minister:

Oxera have looked at the minimum wage which is a different thing.

Deputy J.A.N. Le Fondré:

Exactly so living wage is what we are talking about.

Chief Minister:

That said, we have been working on bringing forward proposals about minimum wage. But the Caritas living wage - and they accept this themselves - is a not based on statute. So they are themselves, as they have come to see me, encouraging employers to sign up for it.

Deputy J.A.N. Le Fondré:

But have you done any work to look at -

Chief Minister:

No, so the work that has been done by Oxera to look at the effect on the economy and that has been looking at the minimum wage. We have not, of course, done anything on the living wage because the living wage is being proposed by Caritas and that is exactly - in the UK the living wage is proposed by the Living Wage Foundation and they have worked together on that.

Deputy J.A.N. Le Fondré:

So at present that is a no then?

Chief Minister:

With regard to that, but there is a lot of work being done on the minimum wage.

Deputy J.A.N. Le Fondré:

Yes but we are asking about the living wage, okay. So in terms of the living wage they have not done anything around the economic impact side? Okay.

Chief Minister:

No but we are now paying the equivalent of the Caritas living wage.

Deputy J.A.N. Le Fondré:

Yes, okay I understood that. It is whether you have done any work to assess the impact of it. Right Sarah?

Senator S.C. Ferguson:

Now the equal marriage legislation - this is another question from the public. Now the equal marriage legislation is to be delayed, will the new law incorporate the recommendations of the Law Commission in respect of divorce and dissolution reform? If not, why not?

Chief Minister:

The Senator will know that what was proposed by the Law Commission particularly when it comes to divorce which was the removing of adultery as a ground for divorce in its own right. It is not necessarily universally accepted. So if you look elsewhere, some places have changed their divorce law but kept it as a ground. So they have gone for a broad no fault divorce but they have

kept the grounds of adultery in there as well. We have given it a lot of thought, we have spoken to representatives of the Law Commission, or at least the individual that lead that Law Commission work. We are not minded to currently to remove that as a ground.

Senator S.C. Ferguson:

If you look at the Same Sex Marriage Legislation, when is that coming to the States?

Chief Minister:

I have met with my senior official who is bringing this forward. Do not forget, this is a wide-ranging change to marriage and civil law. So it is not just equal marriage it is also reforming divorce. It is also looking at open air marriages and it is also looking at the safeguards against sham and false marriage as well. It is fair to say, unfortunately, there has been a single point of contacting the system which has not worked as we would have wanted it to do. So as I say, I have met with the senior official this week. We have agreed that we will go ahead and lodge the draft law by the end of September. That, however, does leave some risks and those risks are around the next set of consultation. So the theory of the change in law and the effects that it will have on registrars and particularly the Parochial registrars and what they will have to undertake. The theory was agreed by the Comité but they have not yet seen and been consulted on the actual draft law. So I was left with the position of either pushing ahead and lodging a draft law by the end of the month with some risks attached to it. I believe we can mitigate those risks by carrying on with the consultation and amending it should the Comité think there are areas that need amending prior to debate as well. So we are going to carry on and try and push forward as quickly as we can rather than waiting and slowing it down even further.

Senator S.C. Ferguson:

All right, well another question from a member of the public on this. Will there be protections for various retailers, tradesman - particularly bakers and florists - to be able to conscientiously object to serving at a same-sex wedding?

Chief Minister:

The... [Overspeaking] no, no, no that is a different - the safeguards that the question is looking at which have arisen elsewhere - I think most publicly in Northern Ireland - is not within this particular law. Safeguards that might be looked at would be within what we call the discrimination law. So the only safeguards in the new and amending marriage law which will give effect to equal marriage are the safeguards around religious institutions not having to perform them. So we are mirroring the triple lock of the United Kingdom. That is another reason of those inherent risks that we need to do more consultation on the draft to make sure that in black and white it is giving that protection. But the protection of the question you have just asked about would be an issue for the discrimination law and the marriage law changes in not delivering that.

Senator S.C. Ferguson:

Is it sensible for us to push ahead with the equal marriage law when we have not got protection for freedom of conscience?

Chief Minister:

Well we did look at that particular issue in regard to Northern Ireland which was [Overspeaking] just a minute -

Senator S.C. Ferguson:

Chief Minister, it is not just Northern Ireland.

Chief Minister:

Perhaps you would tell me then where else has such legislation that you are proposing.

Senator S.C. Ferguson:

The United States has had the same problem with the question of discrimination on this.

Chief Minister:

Yes, but they have not found a legal remedy for it. The point that I was making was that Northern Ireland is ahead of us in looking to see if there was a possibility of a legal remedy for the issue that the question has raised and they have found that there is not and therefore we are continuing with equal marriage knowing that there remain some concerns for some individuals about freedom of conscience. Which as far as my policy officials are aware, nowhere has found a legal remedy for yet.

Deputy J.A.N. Le Fondré:

So just to summarise from your point of view, there is not a solution. If there was a solution you would be bringing an amendment to the discrimination law at the same time as this law?

Chief Minister:

We had quite a long conversation about what could we do about it. We were concerned because of this issue that had been -

Senator S.C. Ferguson:

Well does it not come under human rights?

Chief Minister:

No, it does not, Sarah. But, as I say, nowhere else that we are aware currently has a legal remedy for the issue that arose in Northern Ireland and the issue that the questioner is asking about.

Senator S.C. Ferguson:

Well that raises the problem of should we be doing it before we find a remedy?

Chief Minister:

Well that will be ultimately a decision for the States. I have committed because the States have asked me to bring forwards changes to the marriage law to give effect to equal marriage.

Director of Corporate Policy:

I think we also need to think about the possible human rights of those people who do want to get married, who want to have same-sex marriages. Because there are people who are waiting for this law to come into place -

Senator S.C. Ferguson:

Yes, but with respect -

Director of Corporate Policy:

- who are being denied the opportunity to be married.

Senator S.C. Ferguson:

Yes, but with respect do they need to insist that somebody should bake them a cake, or whatever the question was, against their freedom of conscience?

Deputy J.A.N. Le Fondré:

Let us move forward, I think.

Director of Corporate Policy:

I make the observation.

Senator S.C. Ferguson:

I think there is still some debate on this.

Deputy S.M. Brée:

Chief Minister, we are moving on to the area of population policy. We have had a question from a member of the public, which I will now read out, and be grateful if you kindly answer. The question

reads, there are 12,000 adults living in the Island without housing qualifications. Do you believe that such discrimination serves any useful purpose, what impact does it have on the provision of housing for the whole population and do you propose to do anything about it?

Chief Minister:

It is a question which has been put to me before on a number of occasions. I might even take a guess to who the questioner was. I have said before, it is one of those very difficult political conundrums. I understand that for those individuals without housing qualifications they are sometimes forced - perhaps that is not the right word. They sometimes have no choice about the quality of the accommodation in which they live and they sometimes feel that they have to take accommodation which I do not think any of us would think was appropriate and they do not have access to various rights. So on the one hand, I see the argument for changing that situation. However, on the other, and which to my mind currently wins through and I think it does with States members and the public at large as well, albeit it is right that we are continuously challenged on these areas which fall over into morality, we use housing as a mechanism to manage migration. Most recently people have been saying to me, not that we should lose the ten years but we should seriously consider to thinking about increasing it again. Now, we do not have a policy or a proposal to increase it. Equally we do not have any policy or proposals to reduce it or remove in a way the questioner rightfully challenges us about.

Deputy S.M. Brée:

Thank you. Again, remaining with population policy, earlier this year your assistant minister stated that a population policy would be lodged before the summer recess. We still have seen no such policy, when will you be lodging it?

Assistant Chief Minister:

Well the council of ministers discussed a document last week which outlined the matters which we are going to progress, for instance photographs on cards, what else was there, remind me, Paul, sorry.

Director of Corporate Policy:

Well, there was a whole range.

Deputy S.M. Brée:

Sorry can I just ask a question, sorry, you are responsible for the population policy are you not, Assistant Minister? Do you not remember what is in it?

Assistant Chief Minister:

The reason that I have faltered is because I have just come back from holiday and the paper was discussed only last week when I was not there.

Deputy S.M. Brée:

Oh right, so you are not aware of what was in the paper that was discussed?

Assistant Chief Minister:

I am aware because it was discussed before I left on holiday. I just had a little flick in my memory there. I can continue if you like but I was just was struggling at that particular moment.

Deputy S.M. Brée:

Okay well, the basic question is when will a population policy be lodged with the States?

Assistant Chief Minister:

We intend progressing it through the Council of Ministers so that it is being lodged within the next few weeks. The Council of Ministers discussed this last week when I was not there and I know they approved what was in that document and it is being prepared ready for lodging within the next few weeks.

Deputy S.M. Brée:

On the 19th of July this year, Assistant Minister, you said the Population Policy is going to be lodged within the next few weeks. That is according to Hansard; the meeting on the 19th of July, nothing happened then. How can we be comforted that you will be lodging within the next few weeks now you have said it once again?

Assistant Chief Minister:

I am going to turn to my officer who is providing the -

Deputy S.M. Brée:

It is just a very simple question.

Chief Minister:

Population is a very controversial issue and the Council of Ministers, we get criticised for being divided, we get criticised for not agreeing. When a paper which is a new paper was brought to the Council of Ministers last week, there was quite a lot of disagreement about what we should be doing, about what the unintended consequences of having time limited work permits might be; about what the effects of Brexit would be. The Council of Ministers asked officials to go away and give more consideration to some of those areas. We need to then go back to the Council of Ministers and get agreement. So the Assistant Minister is absolutely right, you do not like the answer, I accept that. You do not like the answer because we are not giving you an absolutely firm day that it will be lodged. But we are being absolutely open and clear with you that we are working through some disagreements to get to the point of lodging it.

Deputy J.A.N. Le Fondré:

So sorry, I thought from Senator Routier we heard that the Council of Ministers approved it last week. What you are saying is that the Council of Ministers has not approved it?

Assistant Chief Minister:

Well they discussed it and approved some of the items with regard to criminal record checks, work permits but there is another piece of work about the general direction.

Deputy J.A.N. Le Fondré:

But they have not yet approved the policy as a whole for lodging?

Assistant Chief Minister:

No.

Deputy S.M. Brée:

Okay so work permits is one of the things that is being looked at?

Assistant Chief Minister:

Yes.

Deputy S.M. Brée:

Okay. If we just move on to look at inward migration if we may. When you look at the actual figures of the number of individuals, the biggest source of inward migration into the island is people from within the common travel area. That being the United Kingdom, Crowned Dependencies and Ireland. How does the new population policy intend to tackle that?

Chief Minister:

In regard to?

Deputy S.M. Brée:

The biggest number of inward migration is from the common travel area. Does the new population policy intend to tackle that in any way, shape or form?

Chief Minister:

The new population policy, as the existing population policy does, regulates jobs and housing. Those people moving from within the common travel area fall within those regulations. That is five years for non-local working jobs, we control those, you know the work that Paul and his team and the other Paul have been doing to reduce the number of non-local, that is under five-year licenses from businesses. It proposes to carry on doing that to take out unused licenses. When people fall over the five-year barrier to remove those licenses as well. So that affects those people within the common travel area. It also proposes to look at criminal records checks. That will be everyone having to certify they have no criminal record. So it is proposing that they will look at that. It is proposing that for certain sectors of the economy they will be moved on to time-limited work permits, particularly in lower economic value. Important in the value that they bring to Jersey like farming, like hospitality. So we are proposing to look at that. That will affect those people coming from the common travel area. It is also saying that all of this will need to be reviewed around Brexit and what happens with Brexit. Now, what happens with Brexit, we all hope and are working towards ensuring there is no change in the common travel area, but there is a change in the free movement of people. So there will then be a differential between those in the common travel area coming that will have all the constraints and the regulations that we currently have, which is done on a non-discriminatory basis, as opposed to those coming then that would historically have come through the free movement of people. Unfortunately no one knows what the outcome of Brexit will be, but it looks to me that most people would be thinking that they would need some sort of visa or permit to enter the common travel area.

Deputy J.A.N Le Fondré, Chairman:

Okay, Kevin?

Deputy K.C. Lewis:

This question is submitted by a member of the public. Chief Minister, is the Student Grants Legislation human rights compliant?

Chief Minister:

I am not qualified to answer that question. If it were not I would have expected to be advised of it. All departments went through a piece of work with the law officers at the time of the introduction of the human rights legislation into Jersey's domestic legislation and then effected an audit or a review to ensure that all legislation was compliant. I have no reason to believe that that piece of legislation was considered anything other than. However, if you want a detailed piece of advice then you would need to ask law officers. Or you would need to ask me and I will ask law officers to provide a much more detailed answer going through the articles.

Deputy J.A.N. Le Fondré:

We have put the question, could you arrange to come back to us but bear in mind it will a public answer and we put it on our website.

Chief Minister:

That would not be a problem because the human rights audits that new legislation have are now included in the piece of legislation which is lodged in the public domain. Paul, could you?

Director of Corporate Policy:

Yes.

Chief Minister:

Thank you.

Deputy K.C. Lewis:

Chief Minister, is it fair to base the funding for students over the age of 18 on their parent's income when they have no control over the income.

Chief Minister:

I think it is like lots of things, I think that there has to be a balance. It needs to change, I have been quite clear on that. Treasury and Education are working together on changes but it has to be a balance about household income as well.

Deputy K.C. Lewis:

Do you not think that should change?

Chief Minister:

I think the system needs to change, yes. But I do not think we would eliminate entirely any household income calculation from the entire equation of who would be supported or not.

Deputy K.C. Lewis:

But is it fair to require students to sign a declaration in relation to their funding where they could be held responsible for inaccurate or false information provided by their parents?

Chief Minister:

Well...

Deputy K.C. Lewis:

When they have no control over what the parent declares.

Chief Minister:

I obviously have not seen the declaration so I cannot comment on it directly. One could say an argument for suggesting that it did not seem fair that a third party was making a declaration with regard to information that someone else had provided. But one would have hoped that in a familial situation difficulties of the kind one might think were unfair would not arise. Certainly, that is an issue I can ask law officers to advise upon.

Deputy J.A.N. Le Fondré:

Again, if you want to take that question back, if you could come back to us with a written response. That has also been asked by a member of the public so if we could do it fairly swiftly please.

Chief Minister:

I will take that as your reprimand to law officers to do it fairly swiftly, Chairman.

Deputy J.A.N. Le Fondré:

Well it is not a legal matter, it is a matter of fairness is it not, it is a political matter.

Chief Minister:

No, I do not think it is. Then you would be in a situation of asking the parents to make the declaration, so if it was felt to be –

Deputy J.A.N. Le Fondré:

The question being put to you is that –

Chief Minister:

- unfair then one would ask someone else to make the declaration, would one not?

Deputy J.A.N. Le Fondré:

Hang on folks, let us move on. All I am just going to say Chief Minister, the question has been put to you, could you arrange for a response to come back to us swiftly?

Chief Minister:

Absolutely, yes.

Deputy J.A.N. Le Fondré:

Okay, right.

Deputy K.C. Lewis:

You admitted in July that not enough progress has been made by the Council of Ministers Student Finance Sub-Committee. What progress has been made since then?

Chief Minister:

You will have heard the Treasury Minister's answer to the assembly on Tuesday. He is hoping to bring forward proposals either with the budget or alongside it. So they assure me that they are making good progress. They have been working with banks, they have been working on various models. Progress is being made but it is not quite complete yet.

Deputy K.C. Lewis:

We note that there is a new loan facility being offered by a local lender. I think it is in the public domain as Cherry Godfrey. What involvement did government have with this?

Chief Minister:

I am not aware of what involvement they had. I imagine that they took information to base their projections on information which is in the public domain. They may have consulted with the Education Department, but I am personally not aware.

Deputy K.C. Lewis:

You are not aware if the Government was asked an opinion or to be involved in that? Does it affect your plans in any way?

Chief Minister:

I do not think it does, I think it is a commercial operation making commercial loans they, obviously, see that there is a need in the market and they, obviously, see that they can make profit out of it.

Deputy K.C. Lewis:

A recent report published by the Complaints Board is critical of the Education Department in the way it interpreted and applied the legislation on student grants. In particular, that it was not applying its own regulations correctly. What discussions have you had with the Education Minister about these findings and what are the actions you will be taking?

Chief Minister:

That would be a departmental matter as you would know, Deputy.

Deputy K.C. Lewis:

Have you had discussions with them about this?

Chief Minister:

About how this department applies the –

Deputy K.C. Lewis:

Yes.

Chief Minister:

No I have not.

Deputy K.C. Lewis:

Do you find it acceptable that a department has not been following its own rules?

Chief Minister:

I have not read the case, I have not seen the evidence that the department submitted. Therefore, I am not able to make any further comment I do not think in that regard.

Deputy J.A.N. Le Fondré:

It is a public report, Minister. It was presented to States members I think within the last week and a the very back of it it says -

Chief Minister:

Well, there we are then, are we not. Perhaps it is in my file of reading for the weekend, Chairman.

Deputy J.A.N. Le Fondré:

In which case Minister, we have brought it so your attention.

Chief Minister:

I do not know. Yes thank you very much for that.

Deputy J.A.N. Le Fondré:

You will be interested to know that the conclusion was that the department had not been applying its own rules correctly.

Senator S.C. Ferguson:

Would it not be asking the Minister to report back on it and explain?

Chief Minister:

First of all, I have not read the report. If it's only published this week, I think it perhaps would be unreasonable to think that I would have done. But if having read it I am concerned then of course I would be asking the Minister and the Department to explain themselves. The Minister and the Department, under the Administrative Board of Appeals Law has to respond to the findings of that board in public in statute.

Deputy J.A.N. Le Fondré:

Minister, at Council of Ministers level, do you discuss as ministers collectively findings from the complaints board?

Chief Minister:

No we do not.

Deputy J.A.N. Le Fondré:

Do you think it might give greater credence to the findings of the complaints board if you did?

Chief Minister:

I say no we do not, of course we have in some cases which have had high, prominent public profile or have been raised in the States on numerous occasions. The senator will be aware of one in particular.

Deputy J.A.N. Le Fondré:

Should that not be a standing item? We are talking about changing organisational culture.

Chief Minister:

It is an interesting point, but what does it do? It points to the failure of the current legal structure of government. In that the Council of Ministers legally has no vires to instruct an individual corporation sole in regard to policy or law within their own particular area. I do agree that that is wrong and needs to be changed.

Deputy J.A.N. Le Fondré:

So under collective responsibility the Council of Ministers -

Chief Minister:

No, no, no, no you are purposefully, or even wilfully, misunderstanding collective responsibility. That is about a common approach to something which covers across departments. Ministers then discuss it and consider it and agree a position on it. But we cannot use that to instruct a Minister to deliver something for which they are responsible under their law if they do not want to.

Deputy J.A.N. Le Fondré:

I think we might return to that point, we shall move on.

Senator S.C. Ferguson:

The Independent Jersey Care Inquiry made a number of recommendations concerning the protection of children in Jersey. What specific actions have you taken to date to implement these?

Chief Minister:

Well you will be aware, Senator, of the actions we have taken around recruiting a Children's Commissioner. Instructing independent inquiries of children's facilities. We have allocated various monies and we are in the process now of pulling together a report in answer to the recommendation to be lodged with the States for debate in October. I made an announcement, you will be aware, during the in committee debate at the end of the week. When I say end of the week on the Thursday that the report was published on the Monday about various funding and introduction of new services as well. So family support workers, baby steps, universal ante-natal programme and others as well.

Senator S.C. Ferguson:

Yes, will there be a timetable to achieve all these responses?

Chief Minister:

Yes.

Senator S.C. Ferguson:

We look forward to seeing it Chief Minister. You did state as well that you will be establishing an advisory panel to give advice to you and other ministers on implementing the recommendations. What happened to it? Has it made any progress or has it totally fallen apart?

Chief Minister:

No, no it has not fallen apart. If I take the overall panel you will see quite a lot of publicity about the Chief Minister being rebutted of the implementation of the recommendations in tatters. Of course we expect the media to try and create headlines. But I take heart from those States members who decided that they did not want to join an advisory panel for the Chief Minister. They wanted to work in the current scrutiny function setting up a sub-panel to work productively.

Deputy J.A.N. Le Fondré:

Review panel.

Chief Minister:

Review panel to work productively with me, with the other departments to ensure that we implemented the recommendations to the best of our abilities. Be that changes to legislation or policy, be that proposals for extra funding for certain services. That is why I asked the question of the chairman of that review panel in the States on Tuesday if he could confirm to me that every member of that panel was absolutely committed to seeing those recommendations implemented. His answer was positive, yes he is. I think that working in that way is just as productive. You might even argue is more productive than sitting on an advisory panel to the Chief Minister. I do not mind as long as we are all committed to delivering the recommendations, that is the important thing.

Senator S.C. Ferguson:

So your concept of it is slightly different that it is going to be working with you as opposed to being effectively a scrutiny panel.

Chief Minister:

A critical friend. I think being a critical friend is working in the best interests of Jersey.

Deputy J.A.N. Le Fondré:

Can I just ask to confirm, the advisory panel is no longer in place or is it?

Chief Minister:

Sorry, you have put me off my stride saying I can only speak for a minute right at the start of the meeting.

Deputy J.A.N. Le Fondré:

Well you have breached all those regulations so far, Chief Minister, I have given up on that! We will come back to that.

Chief Minister:

So the overall advisory panel which Senator Routier chairs met this morning, two members attended and there is a third one that could not be there. So that would be a panel of three with Senator Routier.

Assistant Chief Minister:

That is the second time we have met as well.

Senator S.C. Ferguson:

Who are the members?

Assistant Chief Minister:

Connétable Le Troquer, Deputy Martin and Deputy Maçon and myself.

Chief Minister:

So there is another panel looking at the proposals around the separation of powers. That panel has met on a number of occasions. I think it is fair to say that that panel is running into the difficult issue which I fully understand. I have not met with officials yet fully about how we are going to take this forward. Running into the issue of there is already a proposition on the table lodged by Deputy Tadier about the separation of powers. So the difficulty that panel has had is that some members of that panel are not even yet convinced of the need to separate the powers. They would like to have much more understanding about why that is necessary. So they are finding it difficult if then I am coming forward, or my officials are coming forward on my behalf, to that panel and saying the Chief Minister wants to lodge an amendment to Deputy Tadier's proposal or he wants to lodge his own proposition. So, I do not know yet, that panel may dissolve if we cannot solve that particular issue because we are under time pressure and I absolutely understand that. Or we may need to ask Deputy Tadier to defer his proposition to even further down the line, that may not be possible. So we are going to need to resolve that in pretty short order.

Senator S.C. Ferguson:

Given the terms of reference for the care inquiry, surely the separation of powers is a sideshow as far as the care of children is concerned? Surely we should be concentrating on the Children's Commissioner, the independent inspections of children's organisations. The way children with problems are being dealt with still to this day. Those are the important things, surely?

Chief Minister:

Surely you want to hear his view as well?

Deputy J.A.N. Le Fondré:

No we want to hear your, Minister.

Chief Minister:

I do want to answer that question because I think it is a really important question that people have

been asking. You have implicitly criticised me earlier in this hearing for not having read a report that was published this week.

Deputy J.A.N. Le Fondré:

I said within a week or so.

Chief Minister:

I am pleased the four members of the panel have read it. I spent a lot of time reading and considering the Inquiry report and I am not finished it. It is primarily about historical abuse and how our institutions allowed that abuse to take place and how we dealt with it and at its heart how we did not listen to children. How did we not protect them in the first place and how was it that even having suffered abuse we could not help them get out of these abusive situations. So of course, on the one hand it is absolutely right to say that the priority should be about a Children's Commissioner, should be about children's services. That is why I took the action that I did right at the start. We are kidding ourselves and I would say we have not fully read the report if we do not see that it says something pretty pointedly about A, how we have organised ourselves in Government - political side, B, how the service operates -

Deputy J.A.N. Le Fondré:

When you say the service?

Chief Minister:

The service.

Deputy J.A.N. Le Fondré:

What service?

Chief Minister:

You have got the Government - the political side - here and then you have got the services that we are –

Deputy J.A.N. Le Fondré:

That is the civil service or the health service?

Chief Minister:

No, do not call it the civil service because the service encompasses the education service, the health service, the civil service. It is all the service.

Deputy J.A.N. Le Fondré:

The public sector?

Chief Minister:

The public sector, call it that. There is a division; two sides of things. What the Inquiry report says to us is - I think - underneath that primary focus is that we need to make some changes to both of those two areas. We will limp them together, to the service and to how we do at Government. Now I do not like using the words 'the Jersey way' and I am sure you will understand why. For me, the Jersey way is a way of service, of honorary service, of community, of welcoming. However, the report talked about a 'way' which is far from that. I have been privileged to meet people who have left care, people who have been abused. We sometimes sit in our ivory towers and we do not understand how they feel about the States of Jersey, both of those two things. Because A, we allowed them to be abused and they feel that we are conflicted, that we are party to what happened to them. They look at our institutions - some of them - and think that because they were not modern, because we have this closeness. Because if somebody needs psychological help and support we say just go over to the hospital, go to Social Services. They say, but Chief Minister, that is the service that did not protect me. This is also how they feel about this higher level of our institution, about the States and about the Judiciary and that comes together in the separation of powers.

Deputy J.A.N. Le Fondré:

You have been talking for about seven minutes on this. Most of what you have said has been about the public sector. So the point Senator Ferguson was making is in terms of priorities and I will stop on this but I will say I have got a question coming up about culture. Culture of the organisation within the Care Inquiry report is one of the critical - and I think you have reinforced it as critical. The comments Senator Ferguson was making was that surely that should be a greater priority. Let us stop there because I think you have started to make the point.

Chief Minister:

I shall give you hopefully one sentence. They should all be our priority.

Deputy J.A.N. Le Fondré:

Lovely to say, Minister. Is that practical? Next question?

Senator S.C. Ferguson:

What budget have you allowed for implementing the recommendations?

Chief Minister:

We have not Senator, you know we have not. We are living within the current MTFP [Medium Term Financial Plan] and part of the work that we are doing in this period up to October is to think about what funding is going to be needed in the next MTFP. Coming back from that there is money in the current MTFP, there are contingencies. We have put money aside and used that for some of those services as I announced right in the week of the publication of the report. There is still some other monies currently sitting in house budget for vulnerable children about £1,000,000 something like that going forward that we could use as well. So, there is a bit of both.

Senator S.C. Ferguson:

So at the moment you do not know quite how much it is going to cost?

Chief Minister:

No.

Senator S.C. Ferguson:

But you are hoping to have it when?

Chief Minister:

We are hoping to put all of that together in a report that will be lodged in October.

Senator S.C. Ferguson:

Thank you. What were the total costs of the Inquiry itself?

Chief Minister:

I do not have all the details but I think it was either £23,000,000 or £24,000,000.

Senator S.C. Ferguson:

£24,000,000?

Chief Minister:

£23,000,000 or £24,000,000 something like that.

Senator S.C. Ferguson:

Right, okay thank you.

Chief Minister:

£22.3 million.

Senator S.C. Ferguson:

£22.3 million?

Chief Minister:

Yes.

Senator S.C. Ferguson:

Thank you, okay. Can you provide us with a high-level break down of the costs?

Chief Minister:

Yes we can. We have got those. You do know the accounting officer for the Inquiry was the Greffier? So there were two heads of expenditure the accounting officer for the Inquiry was the Greffier and then we internally had costs - legal costs, retrieval costs - as well. All of that is in the £22.3 million.

Deputy J.A.N. Le Fondré:

Are you able to give us any ball-park figures at the moment? In terms legal costs?

Chief Minister:

It has between £6,000,000 and £8,000,000 was it on - £8,000,000 on State side and the remainder on the Inquiry side.

Deputy J.A.N. Le Fondré:

So £8,000,000 on Inquiry side?

Chief Minister:

It is in the public domain.

Director of Corporate Policy:

Expenditure by States Department, £6.9 million, expenditure by the Panel, £15.3 million.

Deputy J.A.N. Le Fondré:

On the break down on the Panel between panel and lawyers, travel and accommodation, that type of stuff?

Director of Corporate Policy:

Yes.

Chief Minister:

Yes and that has been in the public domain, if you remember we have kept updating it.

Deputy J.A.N. Le Fondré:

Okay, so what is travel and accommodation, for example?

Director of Corporate Policy:

We have got a line of hotel, travel and sub-assistance £1.5 million.

Deputy J.A.N. Le Fondré:

£1.5 million okay. Just briefly -

Chief Minister:

That is for the panel and that is for all of the lawyers involved with the panel over four years.

Deputy J.A.N. Le Fondré:

The controls are in place to monitor, for example, legal costs were the responsibility of the Greffier of the States or of the Department?

Chief Minister:

No, the day before the Inquiry -

Deputy J.A.N. Le Fondré:

No, it is just a simple question.

Chief Minister:

Have we got somebody from the JEP in?

Deputy J.A.N. Le Fondré:

Chief Minister, I am just trying to ask a simple question.

Chief Minister:

This is important. You have just made an insinuation about the cost of the Inquiry.

Deputy J.A.N. Le Fondré:

No I have not. I have asked very simply, a very quick question.

Chief Minister:

I will say, the Inquiry was totally independent. If you want to know what drove the cost of the Inquiry ultimately, it was the Inquiry's panel decision to use the particular firm of lawyers that they did. That is what drove the cost.

Deputy J.A.N. Le Fondré:

What I just want to establish, Chief Minister, from the point of the overall cost of the Inquiry because of the need from your perspective to be absolutely independent there would have been no oversight of the costing from the public sector side. Is that correct?

Chief Minister:

The Greffe did to a certain extent and Treasury did to a certain extent and hourly rates were revised half way through or a third of the way through to try and reduce them and try and mitigate some of the costs. This is why we went through having the revised budget and then it came in slightly under that revised budget.

Deputy J.A.N. Le Fondré:

It is meant to be a relatively high-level question.

Chief Minister:

The cost was driven by the fact that it was fully independent. Therefore it meant it was difficult, officers could not go and say we cannot do this and you cannot do that because it is going to drive costs. They went and looked within the terms of reference where they felt it was appropriate to do.

Deputy S.M. Brée:

Again, Chief Minister, we would like to pick up on the machinery of Government and the reforms that you are looking to introduce. In a statement to the Assembly, you stated, "I plan to bring forward proposals to change the machinery of government and remove the divide between minister, assistant ministers and scrutiny". In response to an oral question from Deputy Martin you then said, "I am aiming for the proposals to be lodged for the summer recess." We have not yet seen anything, once again when will you be bringing these proposals forward?

Chief Minister:

No you have not seen anything, Deputy, and you know that my officials...toured round various individuals in St. Helier I think the chairman's committee was one of them - maybe it was the hearing in May. I think the panel, Chairman, you indicated to me that you would not support the proposals as they currently stood. Therefore we have had to think about how are we going to bridge that divide. We do not yet have the answer to that and that is why the proposals are delayed. We are saying other people are thinking about how Government is structured. The

Greffier's office has been thinking about how Government is structured, how the Executive works with Scrutiny, how legislation is scrutinised. I know it may appear that I like putting my head above the parapet and getting beaten up, but I want to try and build consensus and bring forward proposals that people and members of the States are going to support. It became apparent that those proposals that I was intending to lodge were not going to get support and, therefore, I am not lodging them in the way that they were so therefore I cannot tell you when I am going to.

Deputy S.M. Brée:

That was a very long winded way of saying no you cannot tell us. You also said at the same time, "I will consider alternatives to the Troy rule and collective responsibility. The Troy rule ensures that there is majority of States members who are not ministers or assistant ministers. Are you saying that you are looking to remove the Troy rule?"

Chief Minister:

Deputy, again I think you know that I do not want to give you a long-winded answer because –

Deputy S.M. Brée:

No, I do not know anything at this point, that is why I am asking questions.

Chief Minister:

No that is not true, were you not at the Chairman's Committee when officials attended and discussed the matters?

Deputy S.M. Brée:

I am asking you a very clear question, Chief Minister, are you looking to remove the rule? A simple yes or no answer would suffice.

Chief Minister:

No, no, no, no because of what I said on record, we raised some proposals that would of removed the Troy rule. Yet again, you in this room as a panel said you would not support them. I think the Chairman's Committee said they would not support them. Therefore we have had to go back and rethink about them.

[15.00]

Senator S.C. Ferguson:

Of course, Clothier would not have supported them either.

Deputy S.M. Brée:

Okay, going back to collective responsibility, if I may, just to understand your thoughts on this; you argued, Chief Minister, strongly in favour of collective responsibility when it was brought in 3 years ago. Are you now seeking to remove it?

Chief Minister:

Yes.

Deputy S.M. Brée:

Why the sudden U-turn? Maybe not so sudden; 3 years is a long time but why the U-turn?

Chief Minister:

It is not a sudden U-turn at all.

Deputy S.M. Brée:

Why the U-turn?

Chief Minister:

Why have I changed my mind? Because of how it works in practice, because backbench members have stood up and said, "Oh, Minister, you do not really support that. You are only supporting it because you have had a 3-line whip and collective responsibility and we do not really know what Ministers think because it has just got collective responsibility and there is no proper debate. Nobody is having a proper discussion." So, we cannot win when –

Deputy S.M. Brée:

No, no, we can, Chief Minister -

Chief Minister:

- when we are all aligned -

Deputy S.M. Brée:

Chief Minister, please, all I asked was -

Chief Minister:

Would you like me to answer your question?

Deputy S.M. Brée:

Can you confirm that you are looking to remove collective responsibility?

Chief Minister:

Yes, I can.

Deputy S.M. Brée:

Fine, thank you. You also stated at the time that - and to use your words, "What I want to see is the division removed in this assembly so that those people who want to be involved in government can appropriately use their talents in government". What is the significant difference between this and a committee system in government?

Chief Minister:

Well, we can look back with rose-tinted spectacles about the committees, can we not?

Deputy S.M. Brée:

You may; I do not. But, carry on.

Chief Minister:

No, well I am pleased to hear that, Deputy. I am not sure all of your panel hold that view. We can look back with rose-tinted spectacles but I was reminded about a fortnight ago of how the committee system worked. You had a committee. If there was an issue that you wanted to talk to another committee about -

Deputy S.M. Brée:

We are running out of time here, Chief Minister.

Chief Minister:

- it took you a month and then it took you a month to send it back again, that -

Deputy S.M. Brée:

What is the significant difference -

Chief Minister:

- that is not acceptable in today's modern, fast-moving world. You criticised me this afternoon for not having a ready report that was only published this week, so you cannot think that we can go back to a committee system whereby it is going to take 2 months to get an answer to a relatively straightforward -

Deputy S.M. Brée:

That was not the question that I was asking.

Chief Minister:

- straightforward question.

Deputy S.M. Brée:

Okay. Well, if we then - obviously, if we then effectively look at what you are proposing, if you go down this particular route, it will effectively create a one-party state. Is that your intention?

Chief Minister:

It will not create a one-party state. We will remove collective responsibility.

Deputy S.M. Brée:

You will remove the division between -

Chief Minister:

I want to remove collective responsibility. Of course I want to remove -

Deputy S.M. Brée:

We were talking about not collective responsibility, Chief Minister, please, we were talking about your quote where you said, "What I want to see is the division moved in this Assembly", not about collective responsibility. If everybody becomes an Assistant Minister, then you are creating effectively a one-party state. Is that your intention? Yes or no?

Chief Minister:

How can you be creating a one-party state?

Deputy S.M. Brée:

Quite easily, because everybody -

Chief Minister:

There is only one party currently in Jersey. They have got 3 Members of the States Assembly. Ministers argue, Ministers disagree. Assistant Ministers argue, they disagree. They think the way that they want to do it on particular issues. Look at the -

Deputy S.M. Brée:

Chief Minister, please, we need to move on.

Chief Minister:

- yes but you have made an accusation -

Deputy S.M. Brée:

You are saying no. We have accepted that and we are moving on.

Chief Minister:

If everybody works together -

Deputy S.M. Brée:

Chief Minister, please.

Chief Minister:

- for the best interests of Jersey, that is not a one-party state.

Deputy S.M. Brée:

Okay. You said no. Fine, we are moving on now. Now, your aims seem to be contrary to the very strong principles that are contained within the Clothier Report, a report which you constantly refer to. So, are you aiming to implement or amend Clothier on a piecemeal basis?

Chief Minister:

No, I have not been involved in any of the implementation of Clothier. I was not a Member of the States when the then-States did implement some of the reforms of Clothier.

Deputy S.M. Brée:

So your answer to that is no.

Chief Minister:

But what I am doing, and what I do support, is the separation and the creation of the rules of the Bailiff and the creation of an elected speaker. That is it. Clothier picked that up but look at all the body of evidence of Carswell, which is far more detailed -

Deputy S.M. Brée:

No, please -

Chief Minister:

- for a wider range of –

Senator S.C. Ferguson:

May I just ask a question?

Deputy S.M. Brée:

Hang on a minute, we are running into difficulty here because we are running out of time. You are obviously working to amend Scrutiny. May I ask, Chief Minister, have you ever served on a Scrutiny Panel?

Chief Minister:

No.

Deputy S.M. Brée:

So, how can you propose changes in this area when you have never gone through the work that a Scrutiny Panel goes through?

Chief Minister:

Oh, I have sat at the sharp-end of Scrutiny Panels on many occasions.

Deputy S.M. Brée:

So you feel that qualifies you to rule on whether Scrutiny should continue as a function?

Chief Minister:

No and I am not saying Scrutiny -

Deputy S.M. Brée:

You do not, okay.

Chief Minister:

- this gets to the heart of the issue, does it not? It is the, "Ministers cannot talk about Scrutiny", "Scrutiny cannot talk about Ministers". Well, why are we divided? There is much more that we agree on. We all want to see better outcomes for our community. Let us work together.

Deputy J.A.N. Le Fondré:

Let us pause there, thank you very much.

Deputy S.M. Brée:

Sorry, do you want to –

Deputy J.A.N. Le Fondré:

Can you just pause? I think you had some questions, Sarah. Then you can get ready with your supplementary.

Senator S.C. Ferguson:

No.

Deputy J.A.N. Le Fondré:

No? Sorry. Kevin, anything?

Deputy K.C. Lewis:

No.

Deputy J.A.N. Le Fondré:

Right, Simon, carry on.

Deputy S.M. Brée:

With regards to Clothier, it is 20 years since Clothier Report was issued. It is now 12 years into Ministerial government and bearing that in mind, do you consider, firstly, that the recommendations contained within Clothier are still totally relevant or is it time for a completely new review to be undertaken?

Chief Minister:

Have I ever considered that Clothier was totally relevant? I am not sure that I have. As I said, it was implemented prior to my election to the States. I do think there needs to be changes and, do not forget, the system that we have currently got is not the implementation of the Clothier recommendations and even the ministerial system, which I had quite a long conversation with somebody at lunchtime on the radio about, the ministerial system that Clothier envisaged is not the ministerial system that we currently have. It is, in effect, we have taken the executive function of a committee and invested in that in one individual and called them the Minister and you have still got all of this silo activity taking place. That is not what -

Deputy S.M. Brée:

So would you agree -

Chief Minister:

- Clothier recommended -

Deputy S.M. Brée:

Would you agree that a complete review of the current machinery of government should be undertaken?

Chief Minister:

Well, normally, Deputy, I would say yes because I can see there is a lot of value in that. The current system is not working and I do not think anybody can try and say anything other than, "Working as we would like to see in the best interest of Islanders". My concern with undertaking a piece of work like the Clothier Review, or of that magnitude, is that it takes a long time and I go right back to the Care Inquiry Report and I think it says we need to make some changes quicker than the long-term that such a Clothier Review would suggest but the review, absolutely. Change; I agree.

Deputy J.A.N. Le Fondré:

Right. Yes, okay, Kevin anything? Sarah?

Senator S.C. Ferguson:

Just a very quick one. You keep going on, Chief Minister, with respect, about the separation of powers. Have you discussed this with Guernsey?

Chief Minister:

I have , over the years, had -

Senator S.C. Ferguson:

No, no, a serious -

Chief Minister:

- had conversations with politicians in Guernsey and even with the current Bailiff in Guernsey.

Senator S.C. Ferguson:

And?

Chief Minister:

Well, they do not see a need to change at this time.

Senator S.C. Ferguson:

Thank you.

Deputy J.A.N. Le Fondré:

I will ask one question, Chief Minister, probably 2, now you have said that. Number one; you say you have changed the proposals that you were looking to bring forward. Presumably then you would bring them back to Chairman's Committee and P.P.C. (Privileges and Procedures Committee) to discuss.

Chief Minister:

Yes. They are not well-formed yet, but yes.

Deputy J.A.N. Le Fondré:

Well I think that is the point. So how many, for example, Assistant Ministers are you presently considering -

Chief Minister:

We are not at that stage.

Deputy J.A.N. Le Fondré:

Okay, so the numbers have significantly come down from the earlier draft that went to Law Drafting?

Chief Minister:

No, we are not at the stage to be able to say, "We will do this, this, this and this".

Deputy J.A.N. Le Fondré:

Right. Fine. Public sector reform. Chief Minister, you have been in post for roughly 6 years and, so, has the public -

Chief Minister:

No thanks to the votes of the Panel, I would like to add.

Deputy J.A.N. Le Fondré:

There we go. Has the public sector reform programme reduced expenditure in the last 6 years, in other words since 2011?

Chief Minister:

Well, Chairman, if you would have said you were going to ask me to plough over the accounts, I would have brought a set of accounts with me and we would have gone through the Members but you did not. You know that the current MTFP proposes that we keep spending, not quite but roughly flat, over the period of the MTFP so it is controlled. We are doing more and more but we are controlling, roughly flatly, the expenditure.

Deputy J.A.N. Le Fondré:

Okay. So, Chief Minister, let us put it the other way around; how much money has been saved year-on-year?

Chief Minister:

Chairman, you know the proposal in the MTFP. By the end of this year - last year, not this year's even - the money total now to the Departmental budget will be about £48 million and we will continue money taken out of budgets is another £12 or so million the following year and that keeps going to 19[2019] as well.

Deputy J.A.N. Le Fondré:

Okay. Chief Minister, you are not going to like this figure, I am sure, but we will throw it out and we will see what response we get. We would suggest that the objective measure for the performance of the Council of Ministers is that recorded in the annual accounts. They are audited, they are done by Generally Accepted Accounting Principles [GAAP]. Total expenditure in 2011 is £366 million a year less than the total expenditure in 2016. So, the figure for 2016 is £366 million more, annually, than the figure as of 31st 12th 2011. That is the total expenditure and you may wish to come back to us on that response.

Chief Minister:

Can you just remind me what it was in 2012?

Deputy J.A.N. Le Fondré:

2011 was £825...

Chief Minister:

No, 2012.

Deputy J.A.N. Le Fondré:

I have 31st of December 2011 accounts.

Chief Minister:

So, that was prior to me becoming Chief Minister, was it not?

Deputy J.A.N. Le Fondré:

That is right, that is fine. That is -

Chief Minister:

So, on the one hand you are trying to say you are going to hold me responsible -

Deputy J.A.N. Le Fondré:

No, no.

Chief Minister:

- on the other hand, you, like me, do not have all the accounts in front of you -

Deputy J.A.N. Le Fondré:

No, Chief Minister, you started -

Chief Minister:

- but you are trying to indicate that you do.

Deputy J.A.N. Le Fondré:

- you became Chief Minister in December 2000-and - I am trying to remember.

Chief Minister:

2011.

Deputy J.A.N. Le Fondré:

It was 2011, yes. So, your base point is 31st December 2011, which is £828 million -

Chief Minister:

No, my base -

Deputy J.A.N. Le Fondré:

- and since then it has increased. So, since then, it has increased to £1.2 billion.

Chief Minister:

So, which of the services that we are providing would you stop, Chairman?

Deputy J.A.N. Le Fondré:

I did not ask that question, I was asking -

Chief Minister:

No, no. I am asking you.

Deputy J.A.N. Le Fondré:

Do you accept that total expenditure has increased by those kinds of amounts?

Chief Minister:

I do not have them in front of me so I have no reason to doubt whatsoever your figures, Chairman.

Deputy J.A.N. Le Fondré:

Okay. Right, we will move on. The vacancy rate in September last year was 11.9 per cent. What is the rate now?

Chief Minister:

I do not have that figure with me. I do not know if you do at all.

Deputy J.A.N. Le Fondré:

Yes, we could and, again, we will treat that as a public response, if that is okay. Now, Minister, you touched a little bit on something earlier. You were quoted in July as saying that the States needs to transform its culture and you did touch on that in the Care Inquiry side of things because I think that is, I would suggest, probably the hardest and biggest recommendation in the entire report because it is about the public sector, which we touched on.

Chief Minister:

Yes, so, not meeting relevant international standards around the world about how we organise our structures, is part of cultural change, is it not?

Deputy J.A.N. Le Fondré:

I would have said transparency of child abuse would be - and dealing with it, on a timely basis, might be, Minister, but we can bandy that around for quite some time. You have been on the States Employment Board for 9 years and Chief Minister for 6 years. Why have you not made the progress that we have all been looking for? To talk about cultural change, we know there has been a big elephant in the room, how have we done?

[15:15]

Chief Minister:

We have not done all that I would like to have seen happen. We have made some change. We have made some improvements but we have not done as much as we would like and some of that is because we have been focused on balancing budgets. We have had some good programmes, skills training and management training. We have seen some good work in some Departments to reform how they operate but I am not going to say anything other than I have not made the progress that I would like to have seen.

Deputy J.A.N. Le Fondré:

I mean, you have made reference as well to the silo mentality. Do you think it has got better while you have been Chief Minister or do you think it is broadly speaking the same, I will say 'as bad', as it was previously?

Chief Minister:

Well, it is not one size fits all. Some areas are working much better together. You think of the work that we have done around Community and Constitutional Affairs and bringing people together there; there you have got a Department, or section at the heart of Government, that relates to myself, it relates to the Housing Minister, it relates to the Health Minister, it relates to the Home Affairs Minister, so that is a good model of cross-Departmental breaking down of silos. You have got some other areas where there is still a lot of progress to be made but Departments... as a rule of thumb, do work better together than I think they did in the last Council of Ministers but, you know, it really is very much a work in progress.

Deputy J.A.N. Le Fondré:

Okay. Minister, the States have now agreed to raise the covenant on our La Motte Street School. What progress has been made for plans to centralise the Civil Service with a single, new office building on that side?

Chief Minister:

A lot of progress has been made but the stumbling block is the funding and I have not recently had an update on where we are with that.

Chief Executive:

I think the Chief Minister's comment of the funding issue is the main issue in terms of the initial capital element required to construct the property and the sale of other buildings will not necessarily cover that completed amount so there is a gap.

Deputy J.A.N. Le Fondré:

Are we allowed to know how much the funding is that we are looking for?

Chief Executive:

I have not got the exact numbers here but there is a significant gap between the income we had derived from sales of existing property versus the initial capital cost for the new construction.

Deputy J.A.N. Le Fondré:

The likely savings coming out of the overall strategy these days is what?

Chief Executive:

That is the issue, is how do you construct savings - or can you construct a saving that eventually generates that gap?

Deputy J.A.N. Le Fondré:

I thought that was the whole point.

Chief Executive:

Given that the majority of the savings, which were £77.5 million, were achieved Public Sector Reform between 2016 and 2019, as the Chief Minister explained have gone towards the MTFP savings proposal, you cannot take 2 bites out of it. So you cannot use those savings again to cover off the difference in capital costs of the property.

Deputy J.A.N. Le Fondré:

Okay, we will not discuss the strategy here because of time but, as far as you are concerned, Chief Minister, the plan is that the office block will still go on outside?

Chief Minister:

Well that is the current plan.

Deputy J.A.N. Le Fondré:

As of now?

Chief Minister:

Yes. I mean, the issue with the capital cost needs to be overcome and you have challenged me rightly about culture. Changing the structure of government and getting people into one building is going to be fairly fundamental in delivering a changed culture.

Deputy J.A.N. Le Fondré:

One of the queries would be, Chief Minister, is that one of the reasons given for raising the covenant on the La Motte Street School was because of the need to generate this change in culture by having that building. If, for example, you went to a different site and then just sold off to a developer for housing, then that would not be the reason you have given for lifting the covenant and you might want to consider that in relation to what is handed up to the States.

Chief Minister:

I have got no doubt that property holdings would do that. It is a point well-made.

Deputy J.A.N. Le Fondré:

Take that into account, is my point.

Chief Minister:

Point well-made.

Deputy J.A.N. Le Fondré:

Okay.

Deputy S.M. Brée:

Bearing in mind then, obviously, the capital costs to redevelop the La Motte Street site are causing a problem, and you cannot at the moment see a solution, what other sites have you looked at as possible solutions to provide you with that sort of efficiency saving?

Chief Minister:

Well, you know that we had the Cyril Le Marquand proposal with the La Motte Street proposal. It was felt that, generally, on balance, for all sorts of reasons, the La Motte Street proposal would be better. It is in an area of town that would benefit from the footfall of people, from the sheer numbers of people, but it still had the capital outlay consideration, which is the hill that we are trying to climb.

Deputy S.M. Brée:

So have you looked at any other sites aside from those 2? Have you undertaken any other feasibility studies on any other sites?

Chief Minister:

I do not think we have, since we got to the point of having La Motte Street preferred site anyway.

Chief Executive:

Prior to that there were a number of others we looked at, but La Motte Street and Cyril Le Marquand were the 2 that were preferred options because of their respective locations.

Deputy J.A.N. Le Fondré:

Broadly speaking, the savings that, from memory from many years ago, were likely to arise out of the office strategy were, I think, the bottom end, £6 million a year then the top end - I intend to use £10 [million] as the sort of mid-point. Is it kind of that ballpark figure that we are looking at or is it £2 million a year.

Chief Executive :

As I said, I think you have those savings because they come out MTFP so the -

Deputy J.A.N. Le Fondré:

No, no, no. The savings from your strategy are from relocating people and making office efficiencies. If you have done that, you do not need to have a new office block.

Chief Executive:

They are also in staff reduction numbers due to efficiencies and we are 500 staff down already due to MTFP savings, and those savings are taken in the numbers I have just given you. That is what I am saying, you cannot have those savings a second time as efficiency savings going into your office accommodation. The only savings you can have, which have not been accounted for in the MTFP savings period, are the capital receipts that you receive from reducing your office stock or your building stock and those savings do not generate enough to fund the capital –

Deputy J.A.N. Le Fondré:

No, there are also savings in having more efficient building, heating, lighting, cleaning, air conditioning, printing contracts, changing culture, changing our working practices.

Chief Executive:

The printed contracts example have already been done and those savings are taken as part of MTFP, they are managed print services.

Deputy J.A.N. Le Fondré:

But all the rest of them.

Chief Executive:

Those will all be built in and factored into the cost of the new premise.

Deputy J.A.N. Le Fondré:

So, that is what I am saying, is, what is the number we are talking about?

Chief Executive:

That is what I said; that is where the gap is between the capital cost of the new building versus the cost of existing.

Deputy J.A.N. Le Fondré:

Right, anything else at the moment? Okay, right, Chief Minister, in June we requested an update on the Workforce Modernisation Programme, which we received I think 2 or 3 days ago. Could you just explain why it has taken 3 months to provide us with the communication?

Chief Minister:

I have no idea.

Deputy J.A.N. Le Fondré:

Just out of curiosity, right, thank you.

Chief Minister:

I imagine that officials have contacted the clerk and tried to find a mutually convenient time.

Deputy J.A.N. Le Fondré:

You have spent approximately £2 million to date on the Workforce Modernisation Programme. When will the programme be implemented? The Workforce Modernisation Programme.

Chief Minister:

Well, there are still some issues, which need to be resolved. Those issues for resolving are due for discussion with the Council of Ministers Wednesday. I have not yet read those papers for Wednesday. I imagine it is about public sector pay for this year and there were a number of other issues, which I know the unions have raised, which they wanted resolving.

Deputy J.A.N. Le Fondré:

Okay. Sorry, any questions?

Deputy S.M. Brée:

Chief Minister, the future hospital. When will the new funding proposals be lodged for the future hospital?

Chief Minister:

I do not have an up-to-date timetable. I think they were working to early October but I do not have a firm date for you. I know you have written to me asking for a draft copy of the proposition. I know that the oversight group is meeting next week, Monday, to finalise the lodging date. I do want them to get on because I would like, if possible - and I know that you, Chairman, of that Scrutiny Panel need to do your work - I would like to see a decision at the last States sitting of this year.

Deputy S.M. Brée:

Okay. Can you confirm that the cost, excluding contingencies, will still be £392 million?

Chief Minister:

I cannot because I do not have the detailed costs in front of me. I have not been made aware of any change in the costs, I can tell you that.

Deputy S.M. Brée:

Okay. Thank you. With regards to the actual funding proposal, the Minister for Treasury and Resources has stated that he is still of the opinion that the mixed funding solution of issuing a bond and using the strategic report is the best way forward. Do you agree with that?

Chief Minister:

I do not think we have ever disagreed but we have always been of a mind that the right approach would be a mixed approach. Where we have had discussion is about, if you are going for borrowing, what does that borrowing look like? I, like him, are waiting for a report back from the Treasury Advisory Panel on those issues.

Deputy S.M. Brée:

So, if you are still in the same mind as the Minister for Treasury and Resources, one needs to ask the question, why did the Council of Ministers or the Treasury Minister effectively pull the proposition in the first place?

Chief Minister:

I think at our hearing in May we spent a long, long time discussing that and I have got nothing further -

Deputy S.M. Brée:

So you have got nothing further to add to that.

Chief Minister:

- to add to those answers I gave then.

Deputy S.M. Brée:

Are you prepared at this point in time to give us an update on what other options, if any, are being considered?

Chief Minister:

As I said, the Treasury Advisory Panel have been doing that and I am waiting for their report back to me, or back to the Treasury Minister and he will share that with me.

Deputy S.M. Brée:

Thank you.

Deputy K.C. Lewis:

Chief Minister, Brexit. A number of countries, such as Japan, Canada, USA, Australia, India and Brazil, are seeking trade agreements with the U.K. Why are we not entering agreements with these countries?

Chief Minister:

I beg your pardon?

Deputy K.C. Lewis:

Why are we not entering agreements with these countries?

Chief Minister:

Because we do not operate like that. We are in constant communication with the United Kingdom Government and we are currently in a place whereby they will enter into free trade agreements and we have asked and they understand this and agree with this approach, that, as they go through that, we will want to be party to those to the extent that we want to do. So, as they start to negotiate - do not forget, they are not able to negotiate until they have got through a part of the process with the European Union. So that is down the line, so they have been having some opening conversations and various countries that we have seen in the media have said, yes, they will be happy to enter into free trade agreements. We are not sure yet whether that will need to take place or there will be a model whereby they can take the existing EU agreement, which is negotiated on behalf of all of the Member States and they just create a mirroring agreement on a bilateral basis.

Deputy K.C. Lewis:

Well that flows into my next question really. Part of the Brexit policy published by the Minister for External Relations was to seek the extension of the U.K.'s World Trade Organisation membership to Jersey. Why has there been a delay in achieving this?

[15:30]

Chief Minister:

Because it is not straightforward. The U.K. is preparing itself for the possibility of having to fall back just on to World Trade Organisation tariffs and processes. In order to do that, they are having to update all of their schedules because they will want to take their membership from the EU to, again, a bilateral membership. That reviewing schedules requires them to do a review of their legislation to be able to make their presentation to the World Trade Organisation. At the same time, they are going to be undertaking together with us a review of our legislation to make sure that we are compliant as well and officials from the relevant Department were in Jersey maybe a fortnight ago, starting with that piece of work, so they will need to update their schedules and the question is whether they seek to have their membership extended to us at the same time that their

schedules are updated and they go bilaterally, or whether we do it in advance. It is quite detailed, technical stuff. They have not had very many people working in this area of expertise, as you would expect because the EU has been doing it on their behalf, so they are building a new team to be able to do that as well and we are having to build an expertise here as well and get advice in order to allow us to do that process as well. So it is not straightforward, it has not been easy, but it is an ongoing one.

Deputy K.C. Lewis:

Thank you. Following on from that, we obviously have the sudden illness of Senator Sir Philip Bailhache and we of course all wish him well. Who has, at the moment, political responsibility for the Department and what is in place to ensure that all Departments are working closely together on this.

Chief Minister:

Well, of course Senator Bailhache's illness is a private matter. The matters of government continue. As you know, the functions of External Relations are conducted on a concurrent basis with the Chief Minister. Other ministers have offered to support me in carrying out those concurrent functions during the time of Senator Bailhache's absence from the office.

Deputy K.C. Lewis:

So all States Departments are working together towards Brexit? Is it being left to Officers or would the Minister of External Relationships deal with it? Is this Officer-lead?

Chief Minister:

No, you did hear my answer, did you not?

Deputy K.C. Lewis:

Yes.

Deputy J.A.N. Le Fondré:

Just 2 questions, thank you. One is, I suppose, we established that, politically, the responsibilities of Senator Bailhache will be shared for the moment and as we said, our best wishes are with him. I think one of the queries that came out of that, Chief Minister, is, in terms of we are at a fairly peak time in Brexit and it is going to get busier. What is in place, irrespective of the position of Senator Bailhache, to ensure that all the Departments are actively working on Brexit, you know, there is not a risk that it is just being left to External Relations to -

Chief Minister:

No, no, no, no, no. So, each Department is leading on its own specific area but they are coordinated by External Relations. There is a Ministerial Brexit group that meets. There is Officer groups that meet. Officials are to and fro between here and London, across the Departments, and I am in constant contact with the Minister as well and Ministers in Departments are also in contact with their counterparts in the United Kingdom. Probably the most contact will have been the Minister for the Environment who has been in contact with relevant Ministers in the U.K. about fisheries and farming.

Deputy J.A.N. Le Fondré:

So the individual Departments are fully aware of their own responsibilities and not, kind of, saying, "That is just not my problem so External Relations will cover that"?

Chief Minister:

No.

Deputy J.A.N. Le Fondré:

Okay. Keep moving? Right, Sarah.

Senator S.C. Ferguson:

Right, well, we have only 2 little questions.

Deputy J.A.N. Le Fondré:

We started slightly later, Minister.

Senator S.C. Ferguson:

Even though -

Chief Minister:

My clock does not go slightly later. I will that it did though.

Senator S.C. Ferguson:

There are 2 small questions but whether the answers are 2 small answers is another question.

Chief Minister:

Sarah, you know me too well.

Senator S.C. Ferguson:

Absolutely. Given your absentee Departments and so on, who is currently representing the financial services industry politically?

Chief Minister:

I am.

Senator S.C. Ferguson:

Right, okay and the U.K. has moved to a public register for beneficial ownership. Have we had renewed pressure on Jersey to do likewise?

Chief Minister:

No.

Senator S.C. Ferguson:

Has there been any impact on local financial services companies?

Chief Minister:

As a result of what?

Senator S.C. Ferguson:

The U.K. has now got a public register of beneficial ownership.

Chief Minister:

Which is not vetted, verified or regulated, yes.

Senator S.C. Ferguson:

But it is great fun. Companies House, you do not have to pay for it now.

Chief Minister:

No but you can file whatever information you like, can you not?

Senator S.C. Ferguson:

Yes. Right, okay. So you are not aware that the Jersey finance have reported any breach.

Chief Minister:

We had a companies' register at the FSC for over 20 years, vetted, verified, regulated. We are bringing forward proposals to update it even more in real-time. We signed the letters to ensure that information is available to U.K. law enforcement agencies, the National Crime Agency, in as quickly as an hour. We are world leaders in this particular regard and our model meets the policy

objectives of ensuring that we are not used for the proceeds of crime, and I believe, far better than a public register, which is not vetted, not verified and not regulated. It is accepted, I think, that if you are going to choose a model for a big country, they may only be able to have a public register because they cannot do the regulation that we have -

Senator S.C. Ferguson:

Well, with respect, Minister -

Chief Minister:

- but for a small jurisdiction like ours, our approach meets the policy objectives and I think that we should continue to acknowledge that we are world-leading in that area.

Senator S.C. Ferguson:

Yes, I helped set it up but, no -

Chief Minister:

Well, well done, thank you.

Senator S.C. Ferguson:

If you are a big country, you can at least go around and visit wherever within that country. If you are an island, it is very difficult for somebody sitting in the Outer Mongolia to check if they have public access. Anyway...

Chief Minister:

Yes but, as you know, Sarah, our model does not work like that. The individuals working in the financial services industry will personally be liable and face potentially a jail sentence if they do not do their work properly.

Deputy J.A.N. Le Fondré:

Chief Minister, I think we all hopefully, certainly on this side of the table, and I am sure on your side of the table, welcome and respect our registry, the point was whether the impact of the UK Public Register, whether there was any impact that we were seeing on the U.K. public register on the inflow of business into Jersey and whether it was causing any problems that we are aware of. I think the short answer is no.

Chief Minister:

No, because it is that they are the ones with the public register.

Deputy J.A.N. Le Fondré:

Now, as you are standing up, Minister, the last question was - it is a public question from a member of the public - should the public vote for the Chief Minister?

Chief Minister:

That is not a fair question to ask me as I am about to leave. If we want a presidential system, or a prime ministerial system, then yes, but with the current system, you have asked me today about virtually every other Minister's portfolio and yet you know that I have absolutely no standing in law with regard to their portfolios. I make this job work and we make it work through positive and good relationships, through cajoling and coercing people to do the right thing.

Deputy J.A.N. Le Fondré:

So, we shall take that as a no, shall we?

Chief Minister:

If you went and asked the public to elect a Chief Minister, the public would absolutely expect that the States would then do what that Chief Minister wanted because they had elected that person to do that job. You equally know that the States thinks nothing at all of randomly sending me off and

saying, "We are having none of that nonsense" so that would just lead in the current system to, I think, even more public frustration with the system.

Deputy J.A.N. Le Fondré:

Thank you, Minister, and thank you for your time today. We have slightly overrun but - we did ask for shorter answers - but thank you very much for your time, thank you all and that concludes the hearing.

Chief Minister:

Thank you very much, have a good weekend.

Deputy J.A.N. Le Fondré:

And you.