

Corporate Services Scrutiny Panel

Quarterly Hearing

Witness: The Chief Minister

Monday, 26th March 2018

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:

Senator I.J. Gorst, The Chief Minister

Senator P.F. Routier, Assistant Chief Minister

Deputy S.M. Wickenden of St. Helier, Assistant Minister to the Chief Minister

Mr. P. Bradbury, Director, Corporate Policy

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[14:01]

Deputy J.A.N. Le Fondré of St. Lawrence (Chairman):

Okay. Welcome, everybody, to the final quarterly hearing with the Chief Minister prior to the elections and certainly in front of this panel and where we will see where we all are after 16th or 17th May, depending when the count is done. So we are glad to have you in front of us today, Minister. As you are aware, we have some questions from the public as well, which we will be putting to you, but we will go through the usual procedure firstly, which is obviously ... Minister, you are aware of the notice to your left, which by now you should know it by heart, and we are fairly tight on time so we would obviously like you to be as succinct as possible, where possible, and if we think we have got enough from you I will indicate by putting up my hand and then we will move on to the next question. For people sitting in the public gallery in public seating, obviously no interruptions and can you make sure all electronic devices are silent. The other thing, just in terms of housekeeping, we have another hearing at 3.45 p.m. with the Jersey Hospitality Association on population so if there is anybody who is attending both, in terms of the public, we will get the room empty and then restart it at 3.45 p.m. On that note ... so for the benefit of the tape, Deputy John Le Fondré, chairman of the Corporate Services Scrutiny Panel.

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

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.

The Chief Minister:

Ian Gorst, Chief Minister.

Assistant Chief Minister:

Paul Routier, Assistant Chief Minister.

Assistant Minister to the Chief Minister:

Deputy Scott Wickenden, Assistant Minister to the Chief Minister.

Director, Corporate Policy:

Paul Bradbury, Director, Corporate Policy.

Deputy J.A.N. Le Fondré:

Great, okay. Well, let us kick off. So in terms of first question from the public, and we try to, where possible, use the wording that they have applied, this is a paraphrase mind you. It has been suggested to us that the States policies are having a severe negative impact on private business. How would you respond, Chief Minister?

The Chief Minister:

Well, there is always a balance between intervention and the free market and if we look at the performance of the economy it is difficult for us to conclude, because the economy is performing well, that that balance is out of proportion currently but we continue to keep under review various policies.

Deputy J.A.N. Le Fondré:

Okay. Well, we will move on to the next question from a member of the public. There are 2 parts to this so we will go for the first lot. "Do you think that it is reasonable for our taxes or social security payments, just another name for a tax, having to go up again as there is no money in the pot to pay for the extra expenses that have been met are being voted in?"

The Chief Minister:

Well, social security is not a tax by any other name. It is a contribution and for the largest part there is a connection between what contributors pay and the benefits that are available under that scheme. Our social security contribution level, certainly for businesses, is one of the lowest across Europe. Even when we compare it with our colleagues in Guernsey it is a lot lower from a business perspective, which ties in again with your earlier question about policies for business. The only contribution level, which has increased during the last 4 years, is the long-term care contribution scheme, which was known in advance, and I think that most Islanders think that that is a very positive step forward in helping prepare us for the ageing population against something which, around the rest of Europe, they are looking to do but have not done yet. Taxes, we have continued to increase thresholds and although we did bring forward some proposals to try and deliver sustainable funding for health, that was not agreed and, therefore, we were left in a position at the last budget of bringing forward measures that would help with that particular issue. The, perhaps, most controversial, it would transpire with the passage of time rather than at the time, was the retail tax.

Deputy J.A.N. Le Fondré:

The second part to the question is: "Do you think it will encourage those who of 'middle Jersey' to carry on staying here and pay for all this or do you think that it has a potential result of losing more earners who simply cannot afford to live here as a result of government policies?"

The Chief Minister:

Well, it is a very broad sweeping question because there are a number of issues arising out of that question. Firstly, the government policy to invest in health and education is a positive one and is a good one and helps to attract and keep skilled workers and is really important for Islanders when they are thinking about coming back, if they have been out of the Island for university or for work experience. So all of those need to be in place but the panel knows, because they reviewed the M.T.F.P. (Medium Term Financial Plan) that the M.T.F.P. was not only about spending more money in those areas it was also about balancing the books. We know that the latest released figures show that we were broadly balanced in 2016; that was ahead of when we were planned to be balanced. We have only minimal increases in the request of the public to pay more, as I have said, retail tax for example. So I think that government are achieving that aim. We are now just starting on a new programme of driving out efficiencies, making sure that there is no overlapping in senior functions. That will deliver further cost savings and further efficiencies. However, the other side of the question is, are some Islanders continuing to feel that they are having difficulties with the cost of living, particularly with the cost of housing? The answer to that question has to be; yes, they are and the incoming Government are going to have to think very carefully and work together to support Islanders with those issues. There is no one answer fits all of those issues. Today we have just launched Future Jersey, which was a 2-year programme asking Islanders what they wanted for the future and Islanders were quite clear there that they did want governments to think and the future government to think more about support with the high cost of living, support for affordable housing and, therefore, I think we are going to see that in the coming years play a much higher priority than it has in the past.

Deputy J.A.N. Le Fondré:

I will leave the person who asked the person to judge you on your response, Minister. The final question in this kind of round from the public was: "With the private faith schools currently educating towards 2,000 students annually and saving the States of Jersey millions each year what incentive or support do you envisage offering them to enable them to continue with this partnership into the future?"

The Chief Minister:

Well, I think that partnership is working well. There are no current plans to change those arrangements. I know that some of them would like to have conversations with the States about the ownership of their buildings and how that works into the future. I see no reason why those conversations should not take place because they do offer a valuable added addition to our education offer but again that will be for future governments to consider.

Deputy J.A.N. Le Fondré:

Okay.

Deputy S.M. Brée:

Chief Minister, these are now questions from the panel. With regards to the migration policy, you published the Draft Migration Policy Report on 8th December 2017 and stated: "That the policy would be lodged for debate by the Assembly in March." The proposition was finally only lodged on 15th March this year. Why the delay?

The Chief Minister:

Well, I think even members of the panel felt that they did not want to have the debate before the election. These are really important issues and it is important that there is proper consideration right across our community of these issues. What this new policy tries to do is mitigate the long-term downside of levels of migrations into our community. So it is not storing up costs into the future. But you have now started consultation with some of those interested parties and it is right that we have that conversation. It would have been wrong for us not to have lodged it before the election. It is lodged. It is the policy intention. There will be a debate in the States but it is right equally that it is an election issue because it is not straightforward. I note that some have said: "Well, the overall population level is the wrong target but what we should be doing is looking at the working age population." We think that this policy, that would introduce short-term work permits, allows you to do just that.

Deputy S.M. Brée:

The original understanding was that this particular Assembly would be allowed, if you want to call it that, to debate your migration policies contained with the report issued in December. Other than the election, are there any other reasons why you decided not to allow this particular Assembly to debate your migration policy?

The Chief Minister:

The U.K. (United Kingdom) is in the midst of leaving the European Union. There are lots of areas which are quite fluid in this regard, not least of which is how the U.K. is going to deal with E.U. (European Union) nationals into the future. We have worked very closely with them. Some people had a sense that they would like to have more certainty about where the U.K. will be in that regard before they make that decision. Others said there is more information that they would like, so other surveys, which are due to be published. So the reality is, of course, there is never a good time or never an ideal time for this. Officials will continue doing the underlying work, which would give effect to these measures about short-term work permits, about criminal records checks, about pictures on

I.D. (identity) cards, et cetera, so that the States can make an even more informed decision when they are asked to make that decision rather than their just higher level principle decision.

Deputy S.M. Brée:

Sorry, Chief Minister, you have lodged a proposition relating to a migration policy but you are now saying that that policy could change depending on what the U.K. decides to do and depending what further work is carried out by your officers. Is that correct?

The Chief Minister:

No, that is not correct at all. What I am saying is that the officers will continue to do that work so that Members are more informed, and also the U.K. will continue to do its work so that Members are more informed and more certain about exactly the model that the U.K. will be following alongside the decision that we will be asking the States to make.

Deputy J.A.N. Le Fondré:

One question that springs to mind is that it feels a bit like a repeat of the lead-up to the 2014 elections, when you had the interim policy ... it was agreed just before the elections ... has not really gone anywhere. Are you sure we are not seeing a repeat of kind of policies coming in just before this election to allow our Ministers to say: "We have lodged a new population policy. Are we not wonderful?"

The Chief Minister:

Well, I think the answer is in your question, chairman.

[14:15]

The Ministers got roundly criticised last time for asking for a debate in advance of the election and the argument of many Members was that the proposal should have been lodged and we should have allowed the electorate to give consideration to that policy over the election period. So we listened to what ... I cannot recall exactly what your position was, chairman. I think it was probably that. So we have taken that on board and said: "Okay, let us have a discussion at the election about it." It is not fair, is it, to say that that interim policy has gone nowhere? Half of the requests for new licences are being rejected by the Housing and Advisory Working Group. They have been taking away licences from people who have had them for ...

Deputy J.A.N. Le Fondré:

Hand.

The Chief Minister:

No, no, chairman, you did make that statement so ...

Deputy J.A.N. Le Fondré:

Minister, we are going to move on because I think ...

The Chief Minister:

You would not expect me just to sit here and say: "Oh, yes, oh, dear." I would like to set the record straight.

Deputy J.A.N. Le Fondré:

I think we will just note that your intention or the outcome of the population policy that you have achieved an average of over 1,000 people a year coming in and I think ... I cannot recall the interim population policy without going back and having a quick check at it, but I do not recall the target being anywhere near the 1,000 people a year or the 1,200, or whatever it was, that has been achieved in the last few years but we shall move on to Senator Ferguson who has the next question.

The Chief Minister:

Well, of course, we know that it was not a target. It was a planning assumption but let us leave it there for now.

Senator S.C. Ferguson:

We had a public hearing with the Institute of Directors last week and they raised the following key points; not enough detail about how, what, who, where and why, does not deal with the ageing population and there is a skills shortage in the Island. The education system is not producing people with adequate skills. There is no substance in the skills strategy and migration policy does not tackle skills shortage. Now, we understand that you did do some consultation with the I.o.D. (Institute of Directors) in formulating the policy. Why did you not take these, their views, into account?

The Chief Minister:

It is interesting, is it not, that they, therefore, seem to be agreeing with me that it is right that we have a debate, that we provide further detail for Members so that they can be satisfied in this regard? We know, also, that Education is doing further work on giving further detail to the Skills Strategy. I mean I am, of course, absolutely clear that businesses are saying to me every week that they are doing so well and they are so successful that it is not the licences that is an issue for them, it is the skilled people; that there just are not enough skilled people here and they are wanting to work with government in various programmes to ensure that in the future there are more skilled people here. So we have been working with Digital Jersey with a licensing system to allow them to bring skilled

people in that particular area. We have worked with some parts of I.o.D. in a similar regard. So on the one hand it is disappointing that they were so negative but, of course, I was not ... you have only just picked up parts of what they have said. I assume they said more than that when they were here for the length of time. So in political dialogue, of course, you are going to pick up the bits that are negative. I would hope that also there were some positive things that they said as well but, as I was not there, I do not know that.

Senator S.C. Ferguson:

Well, you could have read the transcript.

Deputy J.A.N. Le Fondré:

Keep going.

Senator S.C. Ferguson:

But anyway. What wider consultation have you undertaken on the Migration Policy?

The Chief Minister:

Paul or Paul, you will know the detail of what we did during the course of several months. I do not know if you want to address that.

Assistant Chief Minister:

All right. Today was the launch of the Future Jersey documents and it is all online and all the rest of that. During that period, over the last couple of years while that has been developed, we have been speaking to so many people about what sort of Island would the people want to live in, you know, whether they consider ... because it is such a diversion of views among the population about what sort of migration they want to have in the Island. You will get the business community who are saying they want more licences. As the Chief Minister has quite rightly said, it has become quite evident in recent times, there are businesses who do have licences who cannot fill them. So it is not the Migration Policy that is the issue. It is trying to get people to fill those positions because of the skills issue, so that is one thing. But certainly we have been talking to people across various organisations, the Chamber of Commerce was spoken to, the voluntary organisations; there are those who need care workers to work in their industry as well. It is really important that we have those right skills to be able to provide those services our community want. The initial question about why the delay and all the rest of it; I think we must not forget that if we are sort of ... what is proposed is a work permit system. It is right that we take note of what is happening after Brexit with what sort of work permit system might be introduced in the U.K. We have got to take account of what mechanism they have got to have and I think it is right that the Assembly is taking time to put in place something which is going to be appropriate for our community. To my mind it would not be

the right thing to do to go ahead and establish something right now and then, perhaps, have to tweak again later on when the U.K. come in with something completely different.

Senator S.C. Ferguson:

Have you ...

Deputy J.A.N. Le Fondré:

Hang on, just before Kevin kicks in ...

Senator S.C. Ferguson:

No, I have not finished.

Deputy J.A.N. Le Fondré:

Okay. Have you not?

Senator S.C. Ferguson:

No, I have got a follow-up question, thank you.

Deputy J.A.N. Le Fondré:

Go on. Go ahead.

Senator S.C. Ferguson:

Have you correlated the principles put into Future Jersey with the trends that are going on?

Assistant Chief Minister:

Well, I think that piece of work is ongoing. I mean the trends which are within Future Jersey, it has only been sort of lodged today, and obviously the work has been going on but I mean if you had an opportunity this morning to have a look at it, it gives us a lot of very valuable information about the things which our Island community wants and we have got to sort of react to that. So I do not know if there is anything else you want to add to that, Paul.

The Chief Minister:

Where the information is available in that document they have gone back to 2006 so you see some trends there and with a 20-year approach then you will be adding other points of information during those 20 years. So you have got the trends where it is a ... you have got the trends where it is available and then you have got the next information point as well.

Senator S.C. Ferguson:

Well, yes, but that is ongoing. I am talking about future trends being looked at with regard to Future Jersey instead of running our current Ponzi scheme on migration, you know, to look at the trend.

The Chief Minister:

Well, it depends what trends you are talking about because we have ...

Senator S.C. Ferguson:

Economic trends, perhaps.

The Chief Minister:

... said and been criticised for this, because it is all going to be about digital trends and the effect of digitisation upon our workforce, so that is the size of the working population. We have got the ageing trends as well. We also need to be looking into the future, as you rightly pointed out what the I.o.D. said about skills trends and what skills we need to be providing for our children into the future. So it is going to be very much focused on how are we going to deliver, or it should be, as a community, the vision that Islanders have for Jersey over the next 20 years.

Deputy J.A.N. Le Fondré:

Okay. Let us move on.

Deputy K.C. Lewis:

Continuing with immigration; there is no fixed maximum inward migration figures stated in the policy. Is that intentional?

The Chief Minister:

What the policy says is: "We think it should be less than."

Deputy K.C. Lewis:

It should be less than?

The Chief Minister:

What has been the previous trend, yes.

Deputy K.C. Lewis:

Bearing in mind the projections put out by the Statistics Unit that is based on a plus 1,000 migration scenarios, in 2035 we will 26,100 additional residents, 13,200 additional households and 1,500 additional children aged 4 to 10. Do you still believe that there should be no restriction on inward migration?

The Chief Minister:

We have not said that there should be no restriction on inward migration. We said the reverse. We said that there should be less.

Deputy K.C. Lewis:

So you think it should be capped?

The Chief Minister:

There should be less than there has been over the last period. So if you take that last period the information shows plus 700 and we are saying it should be less than that but let us just be ...

Deputy J.A.N. Le Fondré:

So what ...

The Chief Minister:

Let us just be clear ...

Deputy J.A.N. Le Fondré:

In the last 3 to 4 years what have you achieved, Minister?

The Chief Minister:

So let us just be clear you started off by criticising me because the I.o.D. felt that there were not enough people with enough skills and now you are criticising me saying that there are too many people.

Deputy K.C. Lewis:

We were just quoting your stats here.

The Chief Minister:

I am not quite sure ...

Deputy J.A.N. Le Fondré:

We are not expressing a view. We are asking your response.

The Chief Minister:

Oh, come, come, come, you are expressing a view.

Deputy J.A.N. Le Fondré:

Minister, so just for the record you stated that the average for the last, I think it is, 10 years has been 700, yes? What was the original target?

The Chief Minister:

There have not been targets.

Deputy J.A.N. Le Fondré:

In the interim ...

The Chief Minister:

Chairman, you know they are not targets.

Deputy J.A.N. Le Fondré:

For planning purposes what was the original ...

The Chief Minister:

They are what government departments have used.

Deputy J.A.N. Le Fondré:

Yes, and what was that number? What was that number? Quickly.

The Chief Minister:

It was either 325 or 350.

Deputy J.A.N. Le Fondré:

Thank you. What has been the average immigration, net migration, coming in in the last 3 years?

The Chief Minister:

Well, it has probably been for 3 years ...

Director, Corporate Policy:

It was 1,300 the last, 1,500 the one before and then 700 I think.

Deputy J.A.N. Le Fondré:

Yes. So essentially what we are saying is that you have got a nebulous figure in the proposed proposition, which is the ...

The Chief Minister:

It is not in that ... well, why is it nebulous?

Deputy J.A.N. Le Fondré:

It is less than the average of the previous 10 years, it is not defined.

The Chief Minister:

That is right. So less than 700.

Deputy J.A.N. Le Fondré:

Thank you, but it does not say less than 700, it says: "Less than the average of" and you have not achieved that in the last 4 years.

The Chief Minister:

Chairman, you, again, will know that when we brought the last or the interim policy we got roundly criticised right across the Assembly for putting a planning assumption in there and Members said we should not put a planning assumption in there. So we have listened. The economy has done incredibly well. In order for it to do well employers, businesses, have needed people.

Deputy J.A.N. Le Fondré:

Well, now we just want to keep going. There is a final question from the public.

Deputy K.C. Lewis:

This is a question from the public, not one of ours. "What is more important, managing the working population or the total population given that we have an ageing demographic which means that we will have a lot of pensioners?" It is a question from the public.

The Chief Minister:

That is right and I answered it, did I not, with one of the very first questions that you asked me?

Deputy J.A.N. Le Fondré:

You said there was issue. Well, you do not answer the question, which do you consider the most important?

The Chief Minister:

Well, which does the panel consider is most important?

Deputy K.C. Lewis:

No, we are asking you. This is the way it goes I am afraid.

Deputy J.A.N. Le Fondré:

No, we are asking you, Chief Minister, and it is your policy.

The Chief Minister:

For my part the working age population is critically important if we want to continue to be a successful Island into the future but it is not ... the arguments that we have had for the last 10 years or more about population, it is changing. It comes back to what Senator Ferguson was saying about what are the trends into the future and, therefore, what sort of jobs are going to be in our economy and what effect is digital and technology going to have on those jobs. So these arguments, where we have been really ... and I understand the concern about inward migration and overall migration levels they are going to start being about ... well, we need to continue to have people through work, who are contributing, and yet at the same time technology is going to take a large number of those jobs away so it is going to be about how we retrain the people who are already here for the jobs of the future. I have just had ...

Deputy J.A.N. Le Fondré:

Okay. We will come to that later, Minister.

The Chief Minister:

I've just had lunch with some other colleagues in the Channel Islands and they talked to me about the difficulties that they have of a declining population and a declining population, declining working population, means that their skills are in decline, means that their airport is in decline, means that they are struggling with tourism. We do not want that. We now have an opportunity to think about these long-term trends and have a grownup conversation about what we want Jersey to be like in to the future, do we not?

Deputy J.A.N. Le Fondré:

Two questions before we move off population. Unless anybody else has got anything at this stage. One is: you did refer, Minister, to providing further detail for Members as the debate goes along.

[14:30]

So you are accepting at the moment the proposition that has been lodged does not have the full amount of detail that it requires attached to it. Correct?

The Chief Minister:

No. We are just trying to be helpful.

Deputy J.A.N. Le Fondré:

That is okay but we are just trying to get ...

The Chief Minister:

We are just trying to be helpful in providing more information. I hope that the panel does not think that is a negative.

Deputy J.A.N. Le Fondré:

Further question then, Chief Minister: you made an observation earlier on in your responses about the concern of the population to the cost of housing. Is it not the case that given that we have had a lot more people coming in than was originally intended under the planning assumptions that that will have had a direct consequence on the cost of housing available on the Island?

The Chief Minister:

Well, we have not seen the cost. We have seen now the cost of housing start to increase but during the ... I do not have a figure in front of me of the cost of housing rises over the last 4 years. Housing was, for a period, quite flat.

Deputy J.A.N. Le Fondré:

Well, you have just said the cost of housing was a concern to the population. That was in your response. So you cannot have it both ways. It either is a concern or it is not a concern.

The Chief Minister:

I did not say it was not a concern. I said it was a concern.

Deputy J.A.N. Le Fondré:

So it is a concern and one of the factors behind that, the continuing increase in population.

The Chief Minister:

That is a different question to whether it is a concern or not. Of course it is a concern.

Deputy J.A.N. Le Fondré:

Do you think there is a correlation between the ...

The Chief Minister:

I have been quite clear about that.

Deputy J.A.N. Le Fondré:

Do you think there is a correlation between the ...

The Chief Minister:

I think I have been quite clear about it.

Deputy J.A.N. Le Fondré:

Do you think there is a ...

The Chief Minister:

Well, I am trying. You are asking me without ... I do not have the figures in front of me. I am doing my best to give you an open answer; that, yes, over the course of the last year the cost of housing has seen some rises but over the preceding number of years it was flatter than we might have expected.

Deputy J.A.N. Le Fondré:

Sorry, Minister. It was you that referred to the cost of housing in one of your earlier responses. That is why I picked up on it.

Assistant Chief Minister:

But there is also a concern about the declining population. You have got to pick up ... there are concerns on either sides of the discussion and you have got to balance these things.

Deputy J.A.N. Le Fondré:

No. Sorry, Senator. The point I was making, the Chief Minister said that the population is concerned about the increase in the cost of housing. Yes?

Assistant Chief Minister:

Yes. There are concerns all round.

Deputy J.A.N. Le Fondré:

What I am asking is, as a direct consequence of one of your policies, which have been to let people in and we have had 4,000 people extra come in over the last 3 or 4 years say, is that not going to have a direct correlation on the increase in housing prices and you are not giving me a response on that because I am responding to a thing that you have mentioned, Minister.

The Chief Minister:

No, no, because I need to have the statistical information in front of me.

Deputy J.A.N. Le Fondré:

I agree with that, yes.

The Chief Minister:

It would be unwise of me to try and answer your question in any way other than I have without that information in front of me. You would not want to me to. You would not want me to do that, would you?

Deputy J.A.N. Le Fondré:

The point I was making is ... I will move on but the point I was making is you raised the point about the increase in the price of housing and I was asking ...

The Chief Minister:

No, no, no. I raised the point about Islanders' concern about the affordability of housing. It is in ...

Deputy J.A.N. Le Fondré:

So is there not a correlation ...

The Chief Minister:

It is in Future Jersey.

Deputy J.A.N. Le Fondré:

Do you consider, yes or no, whether there is a correlation in the affordability of housing and the number of people on the Island and come in to the Island? Briefly.

The Chief Minister:

Without this ... I have answered that question. Without that statistical information in front of me ...

Deputy J.A.N. Le Fondré:

So you do not know?

The Chief Minister:

... it is not ... well, do you know, chairman?

Deputy J.A.N. Le Fondré:

Well, supply and demand ...

The Chief Minister:

Do you have the statistical information in front of you?

Deputy J.A.N. Le Fondré:

I am asking you the question, Chief Minister. You raised it.

The Chief Minister:

I can make a guess. We can all make a guess if we want but we should get the statistical information in front of us before we do so, should we not?

Deputy J.A.N. Le Fondré:

Okay. Kevin, you had a question and then we will move to ...

Deputy K.C. Lewis:

I think obviously there are concerns regarding inward migration. Do you think, Chief Minister, we are going to need to redouble our efforts with regard to reskilling or upskilling the existing population?

The Chief Minister:

Well, we do need to do that. We are already increasing our efforts in that regard but we need to increase it faster. I have said to you before, when I have come before you as a panel, I think that the next government are going to have to spend more money on education and skills, not less, and one of those priority areas has to be digital skills.

Deputy J.A.N. Le Fondré:

Right, moving forward. Strategic Plan. So in 2015 the Assembly agreed 5 strategic priorities for this Council of Ministers and one of those priorities was sustainable public finances. Now, it was reported last week in the *J.E.P. (Jersey Evening Post)* that the retiring Minister for Treasury and Resources has said: "That the next Minister for Treasury and Resources will have to put up taxes." How can continual tax increases be described as sustainable?

The Chief Minister:

You need to ask the outgoing Minister for Treasury and Resources about why he thinks tax rises may need to be introduced. I do not think it was a quote attributed to me, was it?

Deputy J.A.N. Le Fondré:

It is not attributed to you, Chief Minister, but it is a reflection on the Strategic Plan and the sustainability of public finances which was a key objective from the Strategic Plan that ...

The Chief Minister:

One kindly amended by your very own panel, chairman.

Deputy J.A.N. Le Fondré:

Indeed. Absolutely, but it is a Strategic Plan objective.

The Chief Minister:

Indeed and you were ...

Deputy J.A.N. Le Fondré:

So we are saying that if ...

The Chief Minister:

... and you know, chairman, that in 2016 the state of the public finances were better than we had predicted.

Deputy J.A.N. Le Fondré:

I think we will come back to that.

Deputy S.M. Brée:

Chief Minister, the States Assembly rejected some of the key tax raising measures in this M.T.F.P. Does this not indicate to you that your strategy of increasing income through additional charges is not supported by the Assembly and, therefore, your M.T.F.P. has failed?

The Chief Minister:

No.

Deputy S.M. Brée:

So you believe that your M.T.F.P. is a success?

The Chief Minister:

The M.T.F.P. that the States approved, I do not think any member of the panel approved it or voted for it, they may have done, forgive me if I am misjudging your votes, that put millions of pounds extra into education, put millions of pounds extra into healthcare, that drove efficiencies ...

Deputy S.M. Brée:

A simple yes or no, Chief Minister, is all I was asking for. If you are not ...

The Chief Minister:

It is not a simple yes and no, is it?

Deputy S.M. Brée:

It is.

The Chief Minister:

No, it is not because the ...

Deputy S.M. Brée:

It is a very simple yes or no.

The Chief Minister:

No, no ...

Deputy S.M. Brée:

Well, let us move on to another area if we may ...

The Chief Minister:

I gave you a simple yes and no and you did not like the simple yes and no ...

Deputy S.M. Brée:

Well, let us move on ...

The Chief Minister:

... so now I am giving you ...

Deputy S.M. Brée:

... to another area ...

The Chief Minister:

... a greater explanation. I mean ...

Deputy S.M. Brée:

Chief Minister, please.

The Chief Minister:

... do you ...

Deputy S.M. Brée:

We have a lot of questions to get through. We would like to get through them. Thank you very much. Looking at the rest of the Strategic Plan one of the areas was health and wellbeing. Two parts of your Strategic Plan for this particular area were to commence the hospital build and to identify and implement a sustainable funding mechanism for health and social care. Given that you have failed to deliver either of these will you not concede, or will you concede, that you have not achieved these 2 fundamental key parts of your strategic priorities?

The Chief Minister:

I will concede that all 4 members of the panel voted against a sustainable health funding mechanism for all of the reasons that you did. You are asking me why you voted against it and why we did not achieve the ...

Deputy S.M. Brée:

As you well know, Chief Minister, that was not the question I put to you.

The Chief Minister:

Why we did not achieve the sustainable funding mechanism for health?

Deputy S.M. Brée:

Okay. Chief Minister, are you prepared to answer the question or not?

The Chief Minister:

I mean we can either use this time for a good constructive ...

Deputy S.M. Brée:

Okay. We will take it then, Chief ... no ...

The Chief Minister:

... time or you can try and accuse me for every vote that was lost when you, at that side of the table, voted against things.

Deputy S.M. Brée:

No, we are not. Chief Minister, you are obviously not prepared to answer the question you have been asked therefore we need to move on I feel.

The Chief Minister:

So let us just ...

Senator S.C. Ferguson:

Can I remind you we are not at Speakers Corner?

The Chief Minister:

Let us ... well, it feels like it from this side of the table.

Senator S.C. Ferguson:

If you would like to get down off your soapbox then we can carry on.

The Chief Minister:

As I said ...

Senator S.C. Ferguson:

I am not going to ... I am trying to ask a question.

The Chief Minister:

No, because you are saying that I cannot answer the question.

Deputy J.A.N. Le Fondré:

Right. Let us just pause here.

The Chief Minister:

You are saying that I cannot answer the question.

Deputy J.A.N. Le Fondré:

Let us pause, please. Let us pause. What we are trying to do is look back over the last 3 and a half years and do some high-level questioning, with reasonably short responses if we can, as to what some of the key factors have been. One cannot dispute the fact that one of your key performance indicators in the Strategic Plan was to commence to build the hospital. At the end of this period you have not got a planning application approved. So that cannot, therefore, be regarded as a success. What we do not want to do is get into, yes, whatever the voting pattern on this side of the table, because it is the entire Assembly that you had to take with you or not. Now, if you do not want to answer the question we will move forward to the next section, which Senator Ferguson will deal with, but we are looking at fairly high-level responses. They may be uncomfortable but if we can just move forward. So, Senator Ferguson, can you go to education please?

Senator S.C. Ferguson:

Yes.

The Chief Minister:

You are not going to let me answer that question.

Deputy J.A.N. Le Fondré:

Well, if it is going to be succinct but we have a total of 50 minutes now to finish the rest of questions we want to do, some of which include further questions from the public, which we would like to get to. What we do not want to do is to try and go backwards and forwards between speeches, shall we say. We are trying to do fairly succinct questions.

The Chief Minister:

So you asked me about the sustainable funding. I am sorry if the panel feel that I was unfair in my initial response to that but I did answer it earlier when I said that in the last budget we brought forward measures, primarily of which was the retail tax, to deal with the difference in the budget that the sustainable funding mechanism for health would have filled and the Minister for Treasury and Resources is quite clear about that. So, yes, we did not get approved the initial proposal that we brought forward over measures which will help with that on an ongoing basis. When it comes to the hospital, chairman, you are absolutely right, we have not got planning application. We have not started building the hospital and it disappoints me greatly that that is the case because anyone that visits the hospital knows that there are some fantastic people working in conditions which are inappropriate. It disappoints me greatly that we have not been able to make more progress than we have. That we have ...

Deputy J.A.N. Le Fondré:

That is all you needed to say, Chief Minister.

The Chief Minister:

... that we have a belief that somewhere over the rainbow is an ideal site that is better.

Deputy J.A.N. Le Fondré:

Possibly not the last bit. Right, Senator Ferguson.

Senator S.C. Ferguson:

Yes. Now, we have been touching on the skills gap and you have already mentioned the digital skills gap, which we understand, but what have you done to address the range of skills that are in the skills gap and what other skills have you identified that we are short of?

The Chief Minister:

We are encountering an issue here because you are asking me about every other Minister's remit. That is fine. I do not mind and I will answer those questions but if you wanted detailed answers then you would have rightly asked those other Ministers. We do not expect you to be scrutinising every Minister but you are expecting me, without the responsibility, to be able to do so. So, one of the things that we did with the licence fee, which Senator Routier will be able to tell you about, is get more money for ...

Assistant Chief Minister:

Yes. The licence fees that were introduced recently for registered permissions was put aside for funding training courses and skills gaps, which has shown to be of great value to the hospitality industry and it is already just getting going now because the funding has just been coming in over since ... it was at the end of last year. So we are in a process now of raising that those fees are being paid and we are now using it for introducing different courses for different areas of ... businesses can come and apply to Social Security for particular courses. So we are open to suggestions from the business community as well.

Senator S.C. Ferguson:

Excellent.

The Chief Minister:

Scott might want to talk about digital skills.

Assistant Minister to the Chief Minister:

Just quickly adding because I think this is an informative panel so it is about what we are doing right as well as what we are possibly not doing. But in Digital Jersey we have been running the digital skills lab and we have had over 60 people from multiple areas in Jersey from different jobs coming and learning coding and some of them moved on to amazing jobs in coding and they have also employed many other people into their companies they set up in coding. It has been a real success and I think it has been something that we should celebrate that we are doing much more on the digital sector and Digital Jersey are doing a great job in reskilling people from all aspects of life into a digital job or a digital knowledge.

[14:45]

Senator S.C. Ferguson:

Have you been training? I understand that having all the primary schools equipped freely with free computers, top of the range ones, and the 500 new ones at Highlands but we are short of teachers to teach the skills to the primary schools, for example.

Assistant Minister to the Chief Minister:

I absolutely agree. One thing Digital Jersey is doing right now is doing a thing where they bring in the teachers to try and upskill them more in the digital sector. So it is something that I know the Education Department is concerned about and it is something they are working on but through Digital Jersey we are bringing in teachers and we are trying to upskill teachers in areas where they need to be more effective in the digital training but it is not a quick and easy process. It is something that we are definitely committed to and it is working quite well.

Deputy K.C. Lewis:

Continuing with education, it has taken quite a while now to come up with the proposal for funding higher education and yet that proposal is only financed up until 2019. What is your long-term strategy?

The Chief Minister:

We have a £700 million budget every year. The extra money that is required, once we have changed the tax regime, which is in process, is around £2 million a year I think if I recall correctly, something like that. I am of the view that even greater assurance can be given to Islanders than perhaps has been given because the assurance that has been given has been a correct letter of the law assurance. So every single budget is put before the Assembly within the confines of the Medium Term Financial Plan and so within the letter of the law no budget can be certain outside of that particular legal framework but I am absolutely committed to ensuring, even if it was just on annual carry-forwards you could cover it. So I am absolutely committed, and this is a matter for the electorate, to ensuring that that money is covered in base budgets from 2019 or from the period of the new M.T.F.P. because when you think about the amount, compared to the overall spend, it is not difficult to see that it is easily deliverable.

Deputy K.C. Lewis:

Just to put that together, obviously parents with a student going off to university would like some assurance that you can assure them that after 2019 the funds will be there.

The Chief Minister:

Can I just say that I think that this is one area where all of those Members, who are sat round this table, wherever we find ourselves, can give the public assurance that we would support the continuation of that money beyond the term of the current M.T.F.P.? I cannot see an instance where any States Member is not going to give that assurance to the public and is not going to vote for it to be maintained.

Deputy K.C. Lewis:

Okay. We move on to another question from the public: "Will the Chief Minister agree to increase the current scheme thresholds by R.P.I. (Retail Price Index) and also increase funding to cover the £1,500 for every student to replace the loss of the NatWest loan should the funding not be agreed and have this in place before the date in August?"

The Chief Minister:

I am absolutely committed to the funding being approved at the next States sitting. It is the first item on the agenda and I would give the same assurance that I have just given the panel to say, in a month of Sundays that the States are not going to agree the scheme before them. They might have some little technical areas where they would like to see improvement or they would like to see change. That might happen down the line but I cannot see anybody that is going to stand for election in May voting against that scheme.

Senator S.C. Ferguson:

But is this really satisfactory for long-term?

The Chief Minister:

In what regard, sorry, Senator?

Senator S.C. Ferguson:

Just doing it based on the underspends each year.

The Chief Minister:

No, it should go ... I have been clear it should go into the base budget but I still make the point that if others do not think it should to go into the base budget, and I absolutely think it should, and it is not a big amount and yet it is fundamental to our future successes on Island. Your point, the point that the I.o.D. made to you, was about skills and this is only a base. So this is for people who are going to be going off-Island. There is more money we will have to find for skills development here on-Island as well.

Deputy J.A.N. Le Fondré:

Let us move forward.

Deputy S.M. Brée:

Chief Minister, you have spoken a lot about economic growth. Looking at the statistics, Jersey's productivity and standard of living has continued to fall during your time as Chief Minister even as employment has increased so how can you claim that the economy has grown?

The Chief Minister:

We knew that productivity was going to decline and a lot of that is about what were high productivity sectors in our economy, which have shared jobs, and those jobs have been recreated in other sectors. Some have tried to say that we just need to find the next high productivity sector to replace jobs, for example in banking. We have to be clear that the productivity of old, in the banking sector, is not going to be replicated any time soon or replicated in any other sector. Having said that, we know that in digital and in technology there is the potential for that replication and we know that we ... equally in banking we might see interest rate rises as well, which would improve, but equally we know there is more regulation in our core sector, financial services, more compliance required and that has an effect on underlying productivity but we cannot not do it just because it is making them less productive. We have to do it because it is at very heart of having a sustainable sector, an industry, in to the future. So you are right to issue that challenge, and I am not demurring from it, but I am saying that there are reasons why, and I would point to counter it, which you did in your question, to be fair, that we have got higher levels of employment than ever before and we have got a reduction in unemployment as well and we will continue to work to deliver that. So we have seen wages growth slightly above inflation and we hope that that will continue.

Deputy S.M. Brée:

Okay. Moving on, if we may. One of your 5 key priorities in the Strategic Plan was the rejuvenation of St. Helier. This was intended to be funded by the profits arising from the Jersey International Finance Centre. Now, this, obviously, has not happened. If you are re-elected as Chief Minister what will you do to ensure that the strategic priority of St. Helier is delivered?

The Chief Minister:

There have been improvements to St. Helier in partnership with the Department for Infrastructure and the Parish and the States agreed also that we would extend the town park. That is a good amenity improvement. We have seen roading improvements. We have seen private sector regeneration of old office blocks as well. We have spoken to the States of Jersey Development Company on a number of occasions now and have made it quite clear to them that they need to ensure that they are showing that they are giving dividend back to town. I know we have disagreed on the finance centre. One of the building is up, another one is now up and there is interest in the

building which is up and I think it is 90 per cent occupied. I am of the view that they should go ahead and make that sale so that a dividend can be paid back to the public because that was the premise on which we started out and, as far as I am concerned, the sooner the better.

Deputy S.M. Brée:

Okay. Thank you for that. What has the Regeneration Steering Group achieved during your term of office, Chief Minister?

The Chief Minister:

Well, there is a long list of things that we can provide. I have just gone through some of them. Some of those projects are currently ongoing. Paul, have you got ...

Director, Corporate Policy:

The Finance Centre has taken up some of that, the Regeneration Steering Group's time and the regeneration of the Girls' College. So I considered that at the group's time.

Deputy J.A.N. Le Fondré:

All right, States reform, Chief Minister. You have repeatedly cited the Care Inquiry as having identified issues around the culture of the organisation. Do you not accept that issues of culture and inefficiencies have been around and in the public domain for years?

The Chief Minister:

Decades.

Deputy J.A.N. Le Fondré:

Thank you. It does kind of carry on and you will not particularly like this question either, I do not think, Chief Minister, but I am sure you will respond. You have previously said: "It is not good enough. This is a Government that is focused on itself and serving its own ends, not focusing on Islanders that we are here to serve." To paraphrase something, is that not a rather damning indictment of the last 6 and a half years of your office as Chief Minister?

The Chief Minister:

You could say that and I know you ... although we try not to be personality driven on these occasions, because it is not helpful, but you could equally say, as the inquiry said, as Comptroller and Auditor Generals have said: "That that has been the case for decades" but in mitigation you can criticise me for the last 6 and a half years. That is fine. That is politics. But the quantum of reform that I am starting to deliver is also impressive over the last several decades.

Deputy J.A.N. Le Fondré:

Thank you. So a further question on the area. You appointed the previous chief executive and have said previously that organisational culture needed addressing. What went wrong in that period?

The Chief Minister:

Probably the same thing that went wrong over the decades before as well.

Deputy J.A.N. Le Fondré:

You are not responsible for the previous decades, Chief Minister.

The Chief Minister:

No, and I am now making the changes.

Deputy K.C. Lewis:

Continuing with reform, Chief Minister, you announced a major reform of the civil service structure. When will this be implemented?

The Chief Minister:

As we said publicly, we have to go through a consultation period under various laws for 40 days and 45 days ... I think it is now 90 days. When we have gone through that consultation ... I do not know if Scrutiny are going to provide a response to those changes. You would be very welcome to do the same.

Deputy K.C. Lewis:

Whoever they may be.

The Chief Minister:

Sorry?

Deputy K.C. Lewis:

Whoever they may be.

The Chief Minister:

No, to the chief executive officer. They do not need to come via me. Oh, and whoever Scrutiny is, yes. There is time. Once we have considered those responses, which to date have been ... all that I have seen, the response has been extremely positive and then we start the implementation.

Senator S.C. Ferguson:

So this is going to replace the Workforce Modernisation Programme that has been withdrawn? Is it?

The Chief Minister:

The Workforce Modernisation Programme is or was a lot more about T.s and C.s (terms and conditions) rather than the structure of the organisation and how we worked as one Government. So the previous proposal about workforce organisation, of course, is withdrawn other than for those groups that voted for it. There was a group that voted for it I think, am I right?

Assistant Chief Minister:

Yes.

[15:00]

The Chief Minister:

Everybody else has been offered. I am not quite sure where we are when it goes into pay packets, 2 per cent for 2017, and we have said that then we will negotiate a pay award for 2018 and 2019, hopefully together, and we will go through on a smaller basis working with employee groups and to put them on to new terms and conditions which are more unified.

Senator S.C. Ferguson:

Okay. How much has all this, the workforce modernisation, cost to date?

The Chief Minister:

I do not have the figure but a lot of money.

Senator S.C. Ferguson:

Perhaps you could ... right, okay.

Deputy S.M. Brée:

Chief Minister, the Workforce Modernisation Programme was rolled out as a major change and has now been withdrawn by the new Chief Executive. Has all the work that was done in this respect been wasted?

The Chief Minister:

No, for exactly the reasons which I have just said.

Deputy J.A.N. Le Fondré:

Right, I will move forward very quickly again to Freedom of Information. So, the States agreed in November 2014 to extend the freedom of information to States own companies, including Andium, S.o.J.D.C. (States of Jersey Development Company), Jersey Post, JT Group, J.E.C.(Jersey Electricity Company) and Jersey Water. Why have you not brought forward the necessary legislation as directed to do so by the States?

The Chief Minister:

Because it is difficult, basically. Paul, I think you are leading on this piece of work. The ...

Deputy J.A.N. Le Fondré:

I am amazed. Along with many, I suspect.

The Chief Minister:

Along with many. We get good value out of our staff. They do a good job. It really is difficult. Some of these organisations are finding it difficult to ... how they are going to comply with freedom of information and maintain their commercial confidentiality and how it works with their relationship with the shareholder and also the work about reviewing freedom of information more broadly as well. I am very mindful that the States have given an instruction and that it needs to happen, but we have not yet found a way through all of those difficulties, complexities and concerns. I do not know if you can provide anything else.

Director, Corporate Policy:

The only thing I would add is the States' decision in respect of those entities and we need to progress that work that our other entities also, who we grant fund or sponsored, that are not covered by F.o.I. (Freedom of Information) laws. Part of we are doing is also looking at those organisations too.

Deputy J.A.N. Le Fondré:

Question for the Chief Minister, I think, because it is probably a policy. While one accepts and understands the need for potentially a wider range, you have a States decision in front of you, I can understand some will be commercially sensitive entities and others will not necessarily, so why not bring it forward in 2 phases, for example, and get the ones that are easier to do out the way. At least partially implement the States decision, so you are showing progress. At the moment we are 3 years down the line.

The Chief Minister:

That is a good question.

Deputy J.A.N. Le Fondré:

We do ask good questions occasionally, Chief Minister.

The Chief Minister:

I know. I know that. More often than not, Chairman, you will be pleased to know.

Deputy J.A.N. Le Fondré:

I will take that as you note the point.

The Chief Minister:

It is a good question. We have not done that and it is probably something that we could consider.

Deputy J.A.N. Le Fondré:

Okay. Right, let us move forward to the hospital, question 16.

Deputy S.M. Brée:

Chief Minister, given the fact that the Hospital Scheme, as previously approved by the States Assembly in 2016 and 2017 has now significantly changed and is the biggest civil project the Island has ever undertaken, if re-elected as Chief Minister, do you intend to bring the new hospital plans back to the Assembly for its endorsement and support?

The Chief Minister:

There is such a temptation when you are sat at this side of the table to give a naughty answer, do you know that?

Deputy J.A.N. Le Fondré:

Feel free.

Deputy S.M. Brée:

I would prefer just a simple yes or no, but you answer as you see fit, Chief Minister.

The Chief Minister:

There are lots of ifs and buts in that question. There is if I am elected as a Senator to start with. Then there is if the Assembly will vote for me to take up this position again. They are very big ifs and buts. I do not, for a minute, take either of those 2 for granted. It would be wrong for me.

Deputy S.M. Brée:

That is why I did ask: if re-elected as Chief Minister. We were not assuming you took it for granted.

The Chief Minister:

I hope, however, that even further progress is made before the election date, so that we can see that a potential planning inquiry can get into the diary and we can see what the outcome of a planning inquiry is for the current proposal. I think that is the most sensible, most cost effective and efficient way to move forward at this stage.

Deputy S.M. Brée:

Okay. Well, £26 million has been spent to date on the future hospital project without planning permission having been received. Do you consider this to be a success or a failure?

The Chief Minister:

It is neither of those. Those of us who have done projects, and none of us in this room have done projects, I do not think, forgive me, the audience, to such a scale. But, even smaller scale projects with a few houses or an office block, we all know that you have to spend a considerable amount of money, a percentage of the overall cost of the project, before you even get planning application. Sometimes you have to go back to Planning 2, 3 or even more times and that costs a considerable amount of money. Those who are involved in the day-to-day detail of what that money has been spent on continue to reassure us that a significant proportion of that money was spent on doing work that will be continued to be useable and they will continue to get value out of. Some of it, of course, is sunk. The previous Planning Application fee, for example. I understand the Planning Application fees are at least a couple of hundred thousand pounds. That, of course, is a sunk cost that we will never see back. So, there are costs that are in that category, but then there are other costs about how a new hospital will flow, how it will work, all those sorts of things, that we will continue to get value for.

Deputy S.M. Brée:

Thank you, Chief Minister. Now, a question from a member of the public: why have J3 Limited been appointed to plan the build of the new hospital before planning permission has been granted? Doing so appears to be taking a big chance on planning approval or is it a done deal? As this suggests the planning process is merely window dressing, can we be assured it is not? What if the site is refused? Those are the exact words of the question. How would you like to respond to that?

The Chief Minister:

First of all, I would like to say it is not a done deal. I was personally quite surprised by the number of States Members in the Assembly who suggested that the Government should not put an application into Planning unless it knew it was going to get approved. I think that is absolutely the wrong approach. I think we should be challenged. We should have to meet exactly the same legislative requirements as any private individual or company putting an application into Planning.

That is right and proper. That is the correct approach. So, it is not a done deal. Those who are experienced in these projects say, and I understand this reasoning, that the days of setting out a very detailed tender document with absolutely everything in it and then trying to get a price for that, does not work. You end up over-spec'ing. You end up getting a greater price than you need. So, you go through a tender process to get a contractor, like the Department for Infrastructure has done. They help you with the engineering process to keep costs down. They do not automatically get the entire contract, but they are experienced in developing such buildings and such contracts. You get them in early to help you manage all of that process, but they do not automatically get it, as I understand it. I know you did not want a detailed answer, but we are nearly getting there.

Deputy J.A.N. Le Fondré:

No, that is fine.

The Chief Minister:

There is a Minister here that knows more of this detail.

Deputy J.A.N. Le Fondré:

No, that is as far as we need to go. So, we will now move on to Kevin with question 19.

Deputy K.C. Lewis:

Chief Minister, C.I.C.R.A. (Channel Island Competition and Regulation Authority), with the introduction of changes around accountable officers or independent bodies, are you still committed to ensuring that all our regulators, such as the J.F.S.C. (Jersey Financial Services Commission) and C.I.C.R.A., are fully independent and perceived to be so?

The Chief Minister:

Well, you used the word "fully" there. That is an interesting word in this respect, because they have to be independent in operation and they have to be independent ... the Jersey Financial Services Regulator is independent in who it looks at, when, what cases it takes to court, what investigation it does, who it gives licences to, all of that. Absolutely for that model you could say fully independent. Even with the J.F.S.C. in the law there is the ability for the Chief Minister, in this instance, to give direction. We had an issue recently about supplying of information under the common reporting standard where we worked together. They felt, on having received legal advice, that they needed me to give them a direction. So, you could say that is not fully independent, because of this ability to give a direction. But, I am not interfering by saying: "You have to go to this bank here and do this, that or the other." That is absolutely for them.

Deputy K.C. Lewis:

Are you saying that like any other Ministry that you have policy in operation?

The Chief Minister:

Absolutely. So, C.I.C.R.A. again, we found ourselves in a difficult situation (I think this is all public domain stuff), where they wanted to take a case ... no, there was an appeal to be in court, yet their general funding envelope did not allow for them to do that appeal, so they needed to come back to government to find a way of providing that funding. The first thing to say is that the model is not fit for purpose and it has to change. The second thing to say is that puts Ministers in an incredibly difficult position, because they rightly do not see the documentation, they should not be involved in the actual yes or no decision. But, they do have a right to say to these bodies: "Are you telling us it is in the public interest and it is taxpayers' funded money and all of those things?" So, then we had to get external or other advice to have a conversation with them on our behalf then come back to us and say: "No, we are satisfied with what we see." So, that process needs to change.

Deputy K.C. Lewis:

Just for clarity, are you planning to review the relationship with C.I.C.R.A. and the funding being provided to them?

The Assistant Chief Minister:

Yes. Last week, you may have seen, they assigned a Ministerial Decision, which sets out some terms of reference of a review of our relationship and the way that they operate. So, that has been put in place. Also, I have spoken with the chairman of C.I.C.R.A. and have fairly regular meetings with him to understand their business plan going forward. The review is to look at the process they went through with the recent court case to see how that helps operates it and whether that is still an appropriate way to go forward. There is a feeling that they would need to focus on things which are of high importance to our community locally about the specific consumers. There is recognition on their part that that is the way they want to do it. I think this one particular case was a one-off and I think they recognised that. There will be a new way of working going forward.

Deputy J.A.N. Le Fondré:

Sarah, question 21?

Senator S.C. Ferguson:

Thank you. Who took the decision to appoint the chief executive to take on responsibility for Children's Services?

The Chief Minister:

I did.

Senator S.C. Ferguson:

We now have a Children's Commissioner. Which of the other recommendations have you now implemented?

[15:15]

The Chief Minister:

The panel will know of the extensive documentation that we provided for the in-committee debate about the progress of all the recommendations. So, it is quite detailed. I do not have it with me. I do not propose, bearing in mind your time limit, to go through all of them.

Senator S.C. Ferguson:

You have often stated during our hearings that you fully support the role of Scrutiny. Do you agree that Scrutiny, both of policies and legislation, is important?

The Chief Minister:

I do. I know we have disagreed on the time for the Machinery of Government Review. But, I think that the Members of the Assembly in the future will need to ensure that there is a totally different approach, not just having the right for Scrutiny to pull in after principles, but it automatically getting transferred to Scrutiny. I think we need a lot more of that right across a whole range of work, because it does not work. When you stop and step back and think about it, there is something fundamentally wrong with a system where you can have all 3 readings within the course of 5 minutes, for important pieces of legislation. So, whoever, the big ifs, has to work together to change that.

Deputy J.A.N. Le Fondré:

Just before we get to Sarah's next question, for the record, we have obviously put recommendations into P.P.C. (Privileges and Procedures Committee) around the whole process about having essentially an automatic call in right at first reading and also allowing sufficient time to look at them.

The Chief Minister:

I would go one further. It should not be automatic call in right, it should go in. It should be part of the process and everybody should know we are going to get to this stage and then it goes over here and we have a much thorough more detailed co-ordinated legislative review process.

Senator S.C. Ferguson:

Would you not think that perhaps Scrutiny should be called in much sooner in the policy of development process?

The Chief Minister:

Yes, I agree with that as well. There are 2 different things here. There is policy development, where I think we can work much closer together earlier. There is legislation development, which I understand a number of panels feel that they do not want to see the early drafts, they want to see it when it is in more or less final form to start to do their work. That has to be navigated through, because the legislative approach is really far from satisfactory.

Senator S.C. Ferguson:

Yes. How do you reconcile that particular aspect with the observations of the Bailiff that insufficient time has been allowed for the Scrutiny of important legislation coming through?

The Chief Minister:

The Bailiff made his comments, as is his right to do as President of the Assembly. In theory, of course, the fact that we have a lot of really important legislation at the end of a States' term is far from ideal. You are not going to like what I say here: it was suggested that it is the worse that it has been in 18 years. Somebody who has worked every hour God sends suggested to me that is because we have done more than has been done in the last 18 years. But, it is a more fundamental point than that, that the process does not work as we would want it to do and that is where it needs to change.

Deputy J.A.N. Le Fondré:

Just in relation to the comments by the Bailiff, and bearing in mind our final sitting that is to come, what have you done in response to the comments by the Bailiff?

The Chief Minister:

Chairman, you and I, I thought, had thrashed out a pretty good order of service.

Deputy J.A.N. Le Fondré:

I thought we had, yes. I hope we have, but I get to see it in writing.

The Chief Minister:

Okay. That is fine, because I thought it was quite good. It allowed both the mental health incapacity amendments to go through. It allowed the Code of Practice and work with Scrutiny and Ministers to go through. It allowed the education to go through. I think there were 2 ... although, Kevin, have you still got your thing down for debate or did you ... you withdrew it, did you not? You withdrew it. So, then that leaves the hospital and there we are. Then anything else we get to, we get to, and if we do not, we do not.

Deputy J.A.N. Le Fondré:

I think it is not for now, but we just need to make sure that in advance of the sitting we have that in writing.

The Chief Minister:

Yes, okay.

Deputy J.A.N. Le Fondré:

Okay. Kevin, you are on question 24.

Deputy K.C. Lewis:

Continuing with legislative scrutiny, in the States last week there was information provided in a comments paper by the Minister for Home Affairs had been changed between being circulated to States Members and being lodged with the Assembly. Was that the change being brought to the Assembly's attention? Do you think it was acceptable?

The Chief Minister:

I have not gone back and reviewed the differences in either of those 2 documents. I only know what was mentioned in the Assembly. So, I do not know how different those 2 documents were. Without knowing that, it is difficult for me to comment. Of course, in principle they should be the same. That is what normally happens if you circulate and email, you circulate it once it is at the Greffe ready for publication.

Deputy K.C. Lewis:

Would you look into that?

The Chief Minister:

Of course I would.

Deputy J.A.N. Le Fondré:

Okay. I think the Deputy of St. Ouen raised it. I think he considered the change to have been significant. Chief Minister, you will be delighted to know we are on the tail end of questions. We may have time for one if not 2. These are questions from the public just to finish up on. So, it is as worded: "Why is it considered necessary to use Non-Jersey Recruitment Agencies to advertise for Civil Service jobs?" By way of background, the questioner has said: "The States has an H.R. (Human Resources) Department and there are a number of executive recruitment agencies in the Island, all of which would be capable of buying advertising space in national newspapers and are

likely to be capable of conducting interviews, et cetera. Recently there have been at least 4 senior posts advertised using U.K. recruitment agencies. The fees are lost to Jersey, tax on those fees is lost to the Island and this also ignores the question of whether the posts are essential, for example.” This is the question of 2 deputy directors of international tax. The basic principle is: why are we using non-Jersey recruitment agencies to advertise for Civil Service jobs in lieu of on-Island recruitment agencies?

The Chief Minister:

Two deputy directors of international tax, I have been pushing the department to recruit for those posts for at least 2 years. The standards and the information exchange standards that we have to comply with, not to mention all of the tax information exchange, the common reporting standard, all the work that we are now doing in Europe, and meeting the international standards, I am disappointed, and they know this, because I have had to get a little bit cross with them, that we have not got those people in position already. I think it exposes us to unnecessary risk. They did try and recruit locally. They did try and recruit through various contacts. They have been through at least one, if not 2, recruitment cycles where they could not find appropriate people to take these jobs. I said if they were not able to recruit them they needed to go to a U.K. agency and jolly well find the very best people that they could for these posts.

Deputy J.A.N. Le Fondré:

I think the thrust of the question was that ... are you saying that the Jersey recruitment agencies were not advertising in the U.K. for the posts? The question was: surely the Jersey agencies are capable of recruiting in the U.K.

The Chief Minister:

I cannot tell you whether they used an agency here or they did not. I do know that they tried to recruit ...

Deputy J.A.N. Le Fondré:

Not necessarily around these posts.

The Chief Minister:

... locally around these posts. It is because what does an international recruitment agency, which is what they are, the very best of the London recruitment agencies do not just have contacts with people in the United Kingdom; they have contacts with people around the globe. So, a number of jobs that we have recently filled, not least of which is the role of the C.E.O. (Chief Executive Officer), were people from other parts of the globe. They were on those long lists that they have spoken to and perhaps could have come and done the jobs. It is giving you an international perspective.

These 2 deputy directors of tax need to have that international perspective. It is not the first go-to point, but sometimes it is where we need to get.

Deputy J.A.N. Le Fondré:

Right. Thank you for that. Final question and you are not allowed to throw it back to at least 2 Members on this side of the table as it is a question from a member of the public, which is: “Would it be reasonable to ask all election candidates [which applies to all but one person in this room] to indicate their resourcing priorities by listing the percentage of available tax revenues that were assigned to the various States budgets?”

The Chief Minister:

It would be very tricky. We have had a bit of a political knockabout today. We enjoy it, do we not? But, at the start of this 3-and-a-half-year term, none of us knew that Brexit was going to happen. We have had to put quite a considerable budget in place for that. None of us knew quite what the inquiry was going to throw at us. Perhaps there is more agreement than we thought, but we thought the economy may not perform as well as it has done. We thought that tax take would potentially have been lower than it has proven to be in practice. So, it would be quite difficult technical work for every States candidate to give a percentage and then stick to it, because events happen.

Deputy J.A.N. Le Fondré:

I think that concludes our hearing, Chief Minister. Can I just say, whether you have enjoyed today or not is another matter, but thank you very much for your time, not only in this hearing, but in the previous hearings. We will reserve judgment as you appropriately and adequately answered our questions in full or not. But, we do appreciate the time of you and your officers in coming in front of us. Obviously, all being politicians in this room, we wish everyone all the best. Senator Routier will be basking in the sunshine, enjoying himself no doubt over the next few weeks.

Deputy K.C. Lewis:

We all might be.

Deputy J.A.N. Le Fondré:

Well, we know for definite, Senator Routier will be basking in the sunshine while the rest of us are engaging in the joys of political electioneering. Thank you very much and this concludes the hearing.

The Chief Minister:

Thank you very much indeed.

[15:28]