



Corporate Services Scrutiny Panel

Quarterly Hearing

Witness: The Chief Minister

Monday, 25th March 2019

Panel:

Senator K.L. Moore (Chairman)

Connétable R. Vibert of St. Peter

Deputy J.H. Perchard of St. Saviour

Connétable K. Shenton-Stone of St. Martin

Deputy S.M. Ahier of St. Helier

Witnesses:

Senator J.A.N. Le Fondré, The Chief Minister

Mr. C. Parker, Chief Executive

Mr. C. Stephenson, Director, Human Resources

Index:

- **Introduction** p2
- **Constitutional Issues and Public Registers of Beneficial Ownership** p2
- **Public Sector Pay** p8
- **OneGov** p24
- **Population & Migration** p36

[11:29]

Senator K.L. Moore (Chairman):

We will get started because we only have 1½ hours and we have rather a lot of questions to get through. I welcome you to this quarterly hearing with the Corporate Services Scrutiny Panel. Chief Minister, we would particularly like you to be clear and concise in your answers today, please. I had feedback from members of the public who were watching online in our last hearing with you and they very much struggled to understand or hear what you were saying. If you could please speak up, we would be very grateful.

The Chief Minister:

I shall do my best. Please just give me the signal if you cannot hear me.

Senator K.L. Moore:

Well, we were struggling to hear last time, so we will most certainly do that now that we understand that people, members of the public who were watching online, could not at all. We will start with the introductions, as usual. I am the chairman of the panel, Senator Kristina Moore.

Connétable K. Shenton-Stone of St. Martin:

I am Constable Karen Shenton-Stone, Constable of St. Martin and member of the Corporate Services Scrutiny Panel.

Deputy J.H. Perchard of St. Saviour:

Deputy Jess Perchard, member of Corporate Services Scrutiny Panel.

Deputy S.M. Ahier of St. Helier:

Deputy Steve Ahier, Scrutiny Panel.

The Chief Minister:

Senator John Le Fondré, Chief Minister.

Chief Executive:

Charlie Parker, chief executive.

Director, Human Resources:

Chris Stephenson, senior human resources manager.

Connétable R. Vibert of St. Peter:

Constable Richard Vibert, Constable of St. Peter and member of the Corporate Services Scrutiny Panel.

[11:30]

Senator K.L. Moore:

We will start off by looking at constitutional issues and Deputy Ahier is going to kick off the questions.

Deputy S.M. Ahier

Thank you, Chair. Do you agree with Senator Farnham's amendment to Standing Orders to raise the necessary number of Assembly Members required to enact a constitutional change to two-thirds?

The Chief Minister:

Yes, I do. I think what Senator Farnham is trying to do is at the very least get Members to focus on it. Constitutional changes are incredibly important and if one looks at particularly when you are affecting how people get elected, in other words you are affecting directly the public's ability for them to be able to vote us in or not, there are some various changes. You will recall that the previous Corporate Services Panel did a review on the changes that were being done at the time and we ran a MORI poll at the time and one of the crucial things that came through is that people (a) wanted to be informed a lot more about it and (b) felt at the time that there should be a referendum. Referenda are a mixed bag in this Assembly, as we all know, and there was a vote on any referendum. It was interesting I think that Senator Farnham has identified that in a number of significant jurisdictions I think they call it a super majority is the case for when there is constitutional change. By way of example, some years ago we voted, or the Assembly voted, to get rid of 4 Senators and knocking on doors subsequently I got quite a lot of grief around that and it did drive home the fact that people are very concerned when you come down to affecting their fundamental right. Then the question is that if you did not have a referendum should it be something that just goes through by 24 to 25 votes. That is why I think Senator Farnham is doing the right thing by saying: "Let us get it right. If it is something this whole Assembly backs, particularly if we are not doing a referendum, then that would be right thing to do." It is going to be one of those marginal things and you are going to have a continuing argument going on and on and on about it.

Deputy S.M. Ahier:

Do you know what consultation Senator Farnham undertook before lodging his amendment and did he discuss it with you?

The Chief Minister:

I do not know directly what consultation has gone on and he did discuss it with me, yes.

Deputy J.H. Perchard:

Is Senator Farnham simply not moving the goalposts on a vote that he does not want the Government to lose?

The Chief Minister:

Constitutional change is not about the Government. Constitutional change is about the Assembly and what he is trying to do, as I have understood it, is make it clear that constitutional change is a serious thing. If you look at a number of jurisdictions, and I think, if I remember the report correctly, the U.S. (United States), France and Germany, for example, have lots of references to two-thirds of the vote. So it is a significant matter and in other jurisdictions when it is that type of significant matter, it is greater than a simple majority.

Deputy S.M. Ahier:

The amendment to Standing Orders has been scheduled to be debated at the same time as the debate on replacing the Bailiff with an elected Speaker. Do you think the two-thirds simple majority should apply to the debate on the Bailiff, which may be on the same day or the day after?

The Chief Minister:

The timing is the timing, that is the way it goes. If I have understood things correctly, Senator Mézec's proposition came in shortly or some time after. But if you are looking at constitutional change, the rules should apply to constitutional change, end of story. This is a matter for the Assembly at the end of the day.

Deputy S.M. Ahier:

Does this amendment run the risk of locking the States' current structure and preventing further reform from taking place?

The Chief Minister:

I think what it comes down to - and some people love them and some people hate them and other people are indifferent in the middle - is the role of the Constables, for example, or the role of the Senators. If the Assembly was to vote on a 25/24 vote to remove the Senators with no discussions with the rest of the Island, no referendum, which it is perfectly entitled to do, do you think the public would wear that, because it would be a marginal vote and that is a significant constitutional change? I would, therefore, submit that if Members want to go down that way, and bear in mind that we removed 4 Senators in the past, my position, based on ... it is not just some remote island in another part of the world, it is significant countries that have been identified in that proposition, do recognise

that significant changes do require a greater vote. The other argument I would use, if you go to the commercial world, a change in the constitution of a company usually has a special resolution and that is usually 75 per cent of the vote. So the principles are out there for quite a long time.

Deputy S.M. Ahier:

But given the size of the Assembly, does this amendment not mean that constitutional change can only occur with ministerial support regardless of the Assembly's wider composition?

The Chief Minister:

I do not think constitutional change is a matter for the Government. It can only take place ... I think the number he has gone for is 32, is it not? It is something around two-thirds. It can only be done with two-thirds of the Assembly if the Assembly votes to go for it. Somebody will say: "No, we are not going to support that", but it really comes down to if you think that how people vote politicians in is purely a matter for the Assembly then you will not be voting for it. If you think it is something that you need to have safeguards around because you are changing how people vote, you are making changes to the democratic system, then there should be some checks and balances on it.

Deputy S.M. Ahier:

Do Ministers plan to bring any further changes to the Island's constitutional structure?

The Chief Minister:

I should note that Senator Farnham has lodged as Senator Farnham not as the Deputy Chief Minister and he has in the past been involved in various of the numerous debates we have had on constitutional reform. To answer the question, we have no plans and we have had no plans as the Council of Ministers to do anything around constitutional change.

Deputy S.M. Ahier:

What are your views on the proposition to replace the Bailiff within the States Assembly with either an elected Speaker or an appointed person?

The Chief Minister:

Well, you will know that we have a briefing, for want of a better expression, tomorrow lunchtime, which is seeking some feedback from Members as a result of an article myself and the chairman of P.P.C. (Privileges and Procedures Committee) put together. It is well known that both of us have definitely divergent views on that. I have always supported the role of the Bailiff and I think Deputy Labey does not. My personal stance, which is not really a matter as Chief Minister, is that I have always supported the role of the Bailiff, principally because I think in a small Island and a relatively small Assembly we have been exceptionally well served by having an independent person in that

seat whereas if it becomes a politician or even a former politician, how do I know, as a Back-Bencher, maybe, or as a politician that I am being treated exactly as fairly as anybody else in the Assembly?

Deputy S.M. Ahier:

What benefits and drawbacks do you view the current system as having?

The Chief Minister:

The drawbacks point is there is this perception issue which some people refer to all the time around separation of powers. I tend to think that is more of a theoretical argument than a practical argument. Certainly in my 13½ years-odd, although I have had disagreements with the individuals occasionally, it has never been personal. It has never been held against me before or subsequently. If you look at the going forward principle, I have always strongly supported and would maintain the role of the Bailiff as civic head and certainly the arguments of previous Bailiffs have been that that civic head is partially because of the role as President of the Assembly. In other words, as soon as you start to diminish the role as President of the Assembly, you will ultimately lose the Bailiff as civic head. I think in terms of culture, in terms of some of the things we have had around anglicisation of the Island and losing the Island's identity, I think that would be a major blow. What I would also draw your attention to, which as politicians you will be aware of, is that note from the Bailiff that was circulated to States Members, which is around a possible variation that could be achieved, which would not represent a constitutional change, by the way.

Deputy S.M. Ahier:

Does your view differ to that of Senator Gorst who tried in 2017 to replace the Bailiff with an elected Speaker?

The Chief Minister:

The short answer is I have to say ... the short answer is I do not know because I am not too sure quite where Senator Gorst is these days. I certainly always understood that he supports the role of Bailiff as civic head but beyond that when we get to that level of detail, I have not had the conversation with him recently.

Deputy S.M. Ahier:

What views do you take on wider electoral reform for the States Assembly with reference to the current work of P.P.C.?

The Chief Minister:

Going back to the work that Corporate did under my chairmanship in I think it was 2017, it must have been, unless it was the early part of last year ... sorry, the brain has gone on that front. It was very

clear that the public wanted a referendum and they wanted to know what was being informed. That is as a principle. So I think any work from P.P.C. on that front should take that into account. In other words, you have to have some very clear consultation with the public on an iterative process. Am I allowed to refer to the suggestions that are being made, because I do not think they are in the public domain yet?

Senator K.L. Moore:

It is up to you.

The Chief Minister:

Okay. Well, I will try and keep them at a certain level. So if P.P.C., for example, was making suggestions around - and I am not confirming or denying whether this is the case, by the way, before anybody gets excited - either removing Constables or removing Senators, which tend to be the areas that tend to come up, I think you need to make sure very clearly, you have to try and understand what the public mood is. I think, and the other argument might be, that in a time of Brexit and a time of, to an extent, certain global uncertainty, there might be more pressing things the public might want to get us focused on. However, bearing in mind, as I have said previously, I think I am one of the few Members who achieved any changes in terms of what happens to us in elections at all in my time, and that was basically getting a general election in place, essentially by bringing a proposition that did get amended ... did get morphed by P.P.C. but it was to have any elections in any one year on the same day. That is a foundation for a general election, which at the time was the most demanded measure or change by the public, based on MORI polls and things like that, which the then P.P.C. commissioned. I think we know that electoral change is something that takes a long time to get through because there are very divergent views. I think, and this is a personal view, one thing that we should try and do is identify what are the key parameters that we are trying to address. For example, is it more, less or the same number of States Members as a starting point? For example, if we went down to 45 States Members from where we are, or 44, that is roughly one Scrutiny Panel that is gone. Is that a good thing? If you look at the volume of work - and I know I am in a slightly different position now so obviously the volume of work has gone up for me - I certainly remember in Scrutiny in the past and in previous roles the volume of work has only ever increased. That is what one has to consider in terms of the experiences that we as Members have, which does not sit necessarily well and is not well understood by the public as to what all of our roles are. Therefore, what would happen if you had less States Members, the simplistic analogy is that whenever the number of 53 was put in place, which I guess was around 1948, what was the population of the day? I think it was around 50,000, I have not checked, and obviously we are now up to 105,000 with 4 Members less.

Deputy S.M. Ahier:

If the proposition to replace the Bailiff as President of the Assembly were to be successful, what alternative do you see as an acceptable way forward? Would this be an elected Member taking the role?

The Chief Minister:

One of the issues we had on the working group is what demands are placed on a Speaker and what would be the requirements. I note that Senator Mézec's proposition is I believe he has talked about that any Speaker - I think he assumed they would be elected from the Assembly - would have to be absolutely independent, they would have to resign from any political party. I think he said they would not be able to do any constituency work. He suggests it would be different criteria for the Deputy Speaker, but I must admit I think that is one of the challenges we were having because if you have got somebody in the chair, they need to be independent.

[11:45]

It does not matter if they are only there every so often or all the time. They have got to be independent, and that is one of the big criteria as to how to achieve that. In the system we have at the moment - and I accept it is different to other places in the world but that is not necessarily a bad thing - we have somebody who sits in the chair who is trained to be independent. It is in the core of what they do on a daily basis because lawyers, on the whole, are used to winning and losing arguments and then they move on. They will be on the other side of the table the next time round and it is never personal, and I think that is what is quite important. So in terms of a Speaker, there are issues you have to consider. If you have a Speaker and a Deputy Speaker, potentially you are losing 2 Members of the Assembly to fulfil that role because they will not be able to take part in asking questions, in debates, in voting and depending - and that is where constituency work comes in - constituency work can sometimes lead you into politics in terms of bringing a proposition to the Assembly, at which point that might be difficult as well.

Deputy S.M. Ahier:

Thank you.

The Connétable of St. Peter:

What are yours and the Council of Ministers' views on the amendment to the U.K. (United Kingdom) Finance Bill that would make Crown Dependencies publish public lists on ownership?

The Chief Minister:

Right, so where we are on that, and I think my views have been well expressed already, constitutionally the constitutional rule is that the U.K. cannot legislate for us on domestic matters

and occasionally it can be in the event of basically civic breakdown, which I have always understood means riots in the streets, which is fairly obviously at this stage, and hopefully will continue for the foreseeable future, not the case.

The Connétable of St. Peter:

Have you engaged with U.K. parliamentarians as the A.P.P.G. (All-Party Parliamentary Group) for the Channel Islands and its respective members on this issue?

The Chief Minister:

Yes, we have.

The Connétable of St. Peter:

What are you doing in preparation for the Finance Bill returning to the House of Commons? Have you made contact with M.P.s (Members of Parliament) thinking of voting in favour of the amendment?

The Chief Minister:

I am not going to give everything we are doing out in the public domain, because obviously if one is in a whole negotiation strategy then you do not put the whole strategy out on to the public arena. We do engage with parliamentarians and that is happening. We do engage with the U.K. Government, and that is happening. Also we are monitoring matters fairly closely, particularly this week because I think, as we all know, there is still a default potential position that Brexit could occur on Friday, at which point we may have things coming back rather swiftly. Our position has always been that Jersey and the other Crown Dependencies tend to be early adopters of international standards and, therefore, what we have been saying previously and to now is that we will work proactively with the likes of the F.A.T.F. (Financial Action Task Force) who are the standard setters in this area, to try and achieve an international standard that hopefully then everybody can sign up to. We do continue to work with both Europe and the U.K. and, for the record, obviously the exchange of notes that we have in place with the U.K. allows law enforcement agencies to access our registers on a routine basis within 24 hours and on an urgent basis within an hour. One of the messages I think we need to promote more, which is something we need to be considering, is how good our systems are relative to the U.K. and basically I think, as I said previously, it was an ill-considered, uninformed and unnecessary amendment that has been put in place. I still remain of that opinion. Effectively, it is an inferior system that is being imposed on us, so I think that is where we have to be quite clear as to what the consequences mean, again trying to achieve the mutually agreed position of combatting financial crime, which is what it is all about, which obviously we are fully supportive of. So the point is discussions carry on within the Crown Dependencies and with

the U.K. Government and with industry and we will just have to see how that all evolves over the next few days and hopefully months.

The Connétable of St. Peter:

What action has been taken to communicate the Island's removal from the E.U. (European Union) grey list?

The Chief Minister:

Obviously, it was announced publicly. I assume that has been ... well, the U.K. will obviously be aware of the facts or of the positioning under the co-group. We have not gone into blaring headlines because it was not deemed the appropriate way to deal with that sort of thing.

The Connétable of St. Peter:

Thank you.

Deputy J.H. Perchard:

Chief Minister, when do you expect the amendment to come back round again?

The Chief Minister:

Well, this is where we are in the hands of U.K. politicians, because I think it could be in April-May or, if Brexit was to occur on Friday, it could come a lot sooner.

Deputy J.H. Perchard:

Are you confident that this imposition will not happen?

The Chief Minister:

There are 2 sides to this. One is the constitutional position, which I am very clear on and that is a matter for the Assembly. So the position is that this generates ultimately an Order in Council, so it has to go from the House of Commons to the House of Lords and assuming the House of Lords approve it - if not it goes into a bit of a ping-pong - essentially an Order in Council is generated. Under Article 31 of the States of Jersey Law 2005 that Order in Council has to be laid before the Assembly by me and I will certainly not be voting for it and I would rather hope that the rest of the Assembly will join us.

Deputy J.H. Perchard:

Do you have the capacity to block it before it gets to that point?

The Chief Minister:

I think that is where we get into the legal advice questions. There are measures you can do around reviews and challenges at the U.K. end but you have a time limit.

Deputy J.H. Perchard:

So ultimately you think this is going to end up in the hands of the Assembly?

The Chief Minister:

If an Order in Council is finally achieved, it could well end up in the hands of the Assembly, but I was going to say the other side is the political side because a lot of it is around timing. At the moment there is not an international standard. If we can mitigate the timing and get an international standard in place which does work, then that from a political perspective achieves what we are all trying to achieve and it also avoids the constitutional issues.

Deputy J.H. Perchard:

Thank you.

Senator K.L. Moore:

Chief Minister, could you explain where in your eyes we are with the public sector pay dispute?

The Chief Minister:

The position generally on the public sector pay is we have one significant group, which is the nurses, and we are expecting to hear the results of their ballot I think on Wednesday, is my understanding, Wednesday or Thursday. Obviously as identified in the briefing that we did last week to States Members, the Police Association has accepted the offer and so I suspect that one of the crucial issues will be the outcome of the debate that we are having tomorrow in terms of where the other unions then eventually go. We are fairly clear that we have moved, so essentially, by bringing in 2020 which maintains the fiscal discipline of 2018 and 2019, we have been able to put an extra £19 million on to the table, which is not an insignificant sum and obviously part of that is the money that was budgeted for 2020. We hope that that has, therefore, achieved what we would think is a very fair offer to all civil servants ... sorry, to all the public sector.

Senator K.L. Moore:

Could you describe how you personally as the chairman of the States Employment Board have taken a role in the pay dispute negotiations?

The Chief Minister:

I think you have got to remember, as I have said previously, the States Employment Board is a team and so we all work very closely and well together and we have a very good team of officers who

advise us. Obviously, we have the negotiator as well and he is working, whether it is weekly if not daily, as matters progress and as matters sometimes do change within 24 hours.

Senator K.L. Moore:

Given that there is another strike tomorrow, the second in 2 weeks and the second time that schools will be closed in a matter of 2 weeks, do you not consider that it constitutes an urgent need for expenditure to be revisited?

The Chief Minister:

If this is a reference to Deputy Southern's expression ... I have not got the wording quite to my hands.

Senator K.L. Moore:

It is a reference to the Public Finances (Jersey) Law.

The Chief Minister:

Yes, so it is the serious threat to the social well-being of the Island which requires an immediate response. The short answer is no. The position that we have, as I have alluded to already, things that are facing us on the Island which do represent or, sorry, potentially have consequences to the Island depending on their outcomes are things like Brexit, possibly the beneficial ownership area, possibly even the ongoing effect of the global economy on things like trade wars and that would be an impact on our medium-term revenues or something along those lines. Just to go back to that phrasing, at the end of the day disputes, while unfortunately and, as I have said previously, as an elected Member and now the job I am in, I certainly did not come into this job to end up in the middle of a pay dispute, that is where we are. But that is not of such a magnitude in our opinion - maybe the Assembly will disagree with us - to warrant opening up the reserves to fund ongoing revenue expenditure for salaries.

Senator K.L. Moore:

Perhaps your children have been able to go to school during those 2 days or your medical appointments have not been cancelled. It seems rather surprising, Chief Minister, that you could place a macro view above and beyond what has an impact on the day-to-day living of members of the public.

The Chief Minister:

I think that goes into a variety of areas and I might hand over to Charlie to define the issues around medical appointments being cancelled. Yes, my children have been affected, but at the end of the day my job is to take account of the macro view, that is the job of Chief Minister, and it is to look at

an ongoing strategic level at our Island finances. Our Island finances, as you no doubt will be aware, show that we have a deficit of £30 million-plus for next year ongoing. Now, one of the reasons, which no doubt we will touch on later, for the various changes that are going through, which do, and I fully understand, engender a time of change and uncertainty and all that goes with it, is to address that deficit. As I also just said, we have moved. We have not been inflexible. The States Employment Board have been continuously looking to find ways around or how do we get to a negotiated position. Negotiations are often you have to be an ability to say no if you are going to be able to negotiate, but the money does have to come from somewhere and obviously where we have moved is we have added £3 million-plus to that deficit position, so where it was £30 million it is now going to be closer to £33 million or £34 million next year. That is in terms of what we have now offered and put on the table. But as I said, that does mean the fiscal discipline of 2018 and 2019. So if we look at certain categories of employee will be getting pay rises of between £4,500 and £5,500 as a result. Obviously, that depends whether you include consolidated or non-consolidated but they are not insignificant sums of money, but it is not a case - and I really reiterate this - of not valuing the public sector and not valuing teachers or nurses or firemen or whoever it is. It is we have got a difficult position to operate under. We know we have got some uncertainty ahead and so it is balancing those needs. It is also balancing the point always made that I think we have got roughly around 55,000 people in the private sector, some of whom are quite significantly restrained in pay even now, versus the just over 7,000 people in the public sector and we have got to balance the needs of all Islanders in the outcomes on this because we will not get any thanks if at the end of the day, with all the other things that have got to come through, which includes the improvements in mental health and children's services, which are all critical things we have got to do, that we add to that burden by further pay rises, potentially more than the private sector have had, and ultimately having to put taxes up. That is the macro level.

Chief Executive:

I think the other point that is really critical here is the longstanding commitment that has been made around equal pay for equal value for a range of workers within the States. I think, if we are being honest, we have never really tackled that satisfactorily in a way that means that we can reduce that discrepancy between key sections of the workforce.

[12:00]

As part of this approach S.E.B. (States Employment Board) has been very clear that with the rejection of the workforce modernisation plans, there was a need to come back with a revised proposal and strategy. As a consequence, if you look at the way in which we are endeavouring to deal with that historical problem, there will be inevitably some people who will gain more and some who will not. If we do not, we are going to just perpetuate the problem about the inequality in equal

pay for equal value, and we have done a lot of work to show how we need to make progress on that with the trade unions in the various negotiations. For some unions, they are seeing the merit of that approach. For other negotiations, obviously in protecting their own representatives, other union negotiators have a different view. But we are continuing negotiations; they have not stopped. We have indeed agreed that we will meet with the teachers again next week in a joint endeavour to continue dialogue in a way that deals with some of the bigger problems. We have agreed a whole series of wider reforms around our pay structures as part of ongoing work to support the teaching fraternity and those negotiations are continuing in parallel with pay. By offering a 3-year deal, we have been able to create an opportunity to show some shift in the way in which we can support then the issues that face key workers in the States around cost of living and R.P.I. (Retail Price Index) awards. Now, there were constraints and there are always going to be constraints. If you go to other jurisdictions, they have not been getting R.P.I., they have not automatically got uplifts. We have to be alive to some of the backdrop in which we work. Most importantly, I think there is this second order of issues, which is about how you deal with those people who are lower down in the wage groups and there are a lot of our staff who are in that category that we need to deal with.

The Chief Minister:

On the sort of equal pay and equal value, we have committed, so that will be implemented on 1st January next year.

Chief Executive:

Yes.

The Chief Minister:

On top of that, the root and branch pay and award review, which perhaps Chris might want to touch on, so there are various other aspects to this whole negotiation. Some of this, as I said last week, goes back to 2012 and before. This is really trying to grasp and sort out a whole range of issues, not just solely around pay, and that we are making ... if this goes through, we will have solved quite a lot of long outstanding problems. I do not know if you want to add to that, Chris.

Director, Human Resources:

I just support the general point. This is a long-term journey. It did start, as the Chief Minister alluded to a few moments ago, in 2012. A lot of hard work and a lot of hard discussions and a lot of explanation between ourselves and the trade unions took place in the period between 2012, 2013 and 2017 in order to understand and explain and get alignment to the various pay challenges that frankly had grown over the previous 30 or 40 years. Unfortunately, as the chief executive alluded to a few minutes ago, the trade unions rejected what at the time the previous board felt was a fair and reasonable position, which left the current administration and the new board with an unenviable

challenge - which I think is being addressed - to try and resolve those issues. I think the discussions that were led by Jonathan, who is on leave at the moment, have gone a long way to resolving that. But I do sort of underline the point, we can only go as far as we can afford as a jurisdiction and we have to be seen to be fair and to be reasonable in what we do with the totality of our pay groups and the offer that has been made I think fully reflects that.

Deputy J.H. Perchard:

Chief Minister, do you agree that ...

The Chief Minister:

Sorry, it is my turn to say something.

Deputy J.H. Perchard:

My apologies.

The Chief Minister:

Okay.

Deputy J.H. Perchard:

Chief Minister, do you believe that the trade unions who have rejected offers are asking for more money than the value of their work?

The Chief Minister:

It is quite a difficult question to put that around, because this comes back to the 2 points about the pay review, but also the equal value for equal money. I always get the terminology wrong here. The problem we have had is reviews, whether it is between manual workers and/or particularly nursing and civil service unions in particular. The civil service had a 4 per cent inbuilt uplift on pay. Thanks, that is the word I was looking for. I was going to say "majority", but that was the previous discussion. If somebody had basically similar responsibilities, similar hours and all those types of things, if they were in say a nursing pay group, they were getting 4 per cent less than if they were in a civil service pay group and that was inherently unfair. That is why I am pausing, because it is not quite as simple as how you phrase it. I think the other issue is that in certain areas you can make comparabilities to what people have received in the private sector with those in the public sector with very similar roles. Certainly we remain very comfortably in the position that we think our public sector as a whole do receive a good package.

Deputy J.H. Perchard:

In 2017, 84 per cent of public sector employees had a median salary that was below that of their private sector counterparts.

The Chief Minister:

No, it is the other way around.

Deputy J.H. Perchard:

It is 16 per cent. I have got the graph here. So from £15,000 to £55,000 you have 84 per cent of public sector employees, and then from £55,000 to £105,000 you have got ...

The Chief Minister:

It is this graph, yes?

Deputy J.H. Perchard:

16 per cent.

The Chief Minister:

That graph?

Deputy J.H. Perchard:

Yes.

The Chief Minister:

Yes, so the 84 per cent are ones who receive more than the private sector and the 16 per cent are the ones who receive less.

Deputy J.H. Perchard:

My apologies, I did misread the graph. You are saying that in terms of what you are saying about value, the question I posed I thought was quite straightforward. I am asking about your perception of the value of the work of those who are rejecting pay offers compared to the amount that they are asking for. Is the fact that we have reached an impasse a reflection on a different perception on the value of the work? Because if you valued the work at the same level that they did, then we would agree on the monetary amount to assign to that work.

Chief Executive:

With the greatest respect, there is always going to be a different view here when you are in a negotiation. If you look at particularly manual workers or the grading of pay for nurses, or indeed teaching assistants, they are in a different set of pay constraints to other parts of the public service.

Across the public service there is not a uniform position on all of this, hence why we have agreements with a number of key sectors within the public services. Now, I do believe, and I think it is really important that we address the issue about pay comparabilities, so hence why the manual workers got a higher offer, hence why teaching assistants are now being offered the same as teachers rather than as the straightforward civil service agreements that they previously would have received. These are deliberately targeted at giving them remuneration to reflect their position and also the value. I do not think anybody genuinely wants to have a dispute around pay, but there are constraints in which we have to work. There is £57 million extra being put into the system here, which is on top of a pay bill of £350 million a year. These are not insignificant amounts of money. There has been, through the work that has been done, a shift across a 3-year pay deal which has put more money on the table to try and deal with this whole issue about valuing our workforce. But there are different issues historically that we have to deal with which will change the emphasis. The bit about teaching assistants, the bit about the fact that there are only 115 civil servants who can be equated with the manual workers at the level that is being quoted, when in fact 47 per cent of all civil servants earn way above what any manual worker is ever going to earn, these are the anomalies which have been built up over time which have to be dealt with by law and that is our problem. It is a legal obligation.

Deputy J.H. Perchard:

Yes. With the greatest respect, that is not what my question was about. Equal pay for work of equal value is not the same as talking about people who have had pay cuts in real terms the last 10 years apart from one year. I am asking the Chief Minister for his opinion on whether we have reached an impasse because the perception of the work of these people is different between the Government and themselves.

The Chief Minister:

I think there are 2 issues arise out of that. In 2008 the world changed, basically. There are many people out in the private sector who were essentially told: "You can keep your job." I used to say: "You can keep your job or you can get a pay rise" but I think it was: "You can keep your job." That is the world we are still living in the legacy of, because the economic cycle did not recover to the level that ordinarily would occur. That is the reality and that has a whole knock-on effect as to the financial constraints. It is not about we do not value whoever it is. It is in fact about operating within the constraints we have got, in saying that where we have got a certain pot of money, how do you do the most good with it? That is why we have targeted some of the pay groups that have been receiving less. Now, the equal pay and equal value is an issue because it also leaves us with an exposure potentially in legal terms and we have also addressed that by sorting this particular issue out.

Senator K.L. Moore:

But the point is, Chief Minister, when looking across the board, the graphs show that in real terms private sector earnings have increased over that period by 1.4 per cent, whereas they have fallen in the public sector by 5.1 percent.

The Chief Minister:

Sorry, which graphs?

Senator K.L. Moore:

Further on in that same letter, in figure 8. It is clear to see, if one looks at the Average Earnings Index over that 10-year period, also it shows very clearly a graph where public sector pay has maintained smaller rises than private sector pay despite the restraint in the private sector, which of course we ...

The Chief Minister:

I think it depends what base one is coming from, which is the crucial thing with percentage changes, essentially. I think also we must not forget when we are looking at the whole package some of the other benefits that the public sector do receive that the private sector does not necessarily receive.

Senator K.L. Moore:

Such as?

The Chief Minister:

The 16 per cent employer contribution on their pension funds as a starting point. That is a defined benefit contribution even though it is under a care system now. I am going to say most - and by that I mean 99 per cent, I will not say all because there are bound to be one or 2 exceptions - private sector pension schemes these days are defined contribution schemes. Certainly, and this is from memory, another piece of work that the previous Corporate Services panel did was on the changes to the pension law and from memory - happy to be corrected - the average scheme on- Island for the employer contribution is around 10 per cent. That was slightly distorted, if I remember correctly, because I think there are a couple of legacy schemes which have a higher rate. Certainly from my own experience, I think the highest contribution I ever had for my employees in the past was 5 per cent. If you put that into the context of a 16 per cent contribution rate and the fact that it is a defined benefit scheme, public sector employees are very well-served by those packages. If you look at the teaching side - and I do not have the details in front of me - but obviously there are different levels of responsibility and there are supplements on top of the basic pay grades that we were talking about and some of them are quite significant.

Senator K.L. Moore:

If we can return back to the line of questioning which is around the issue of comparability, I think ...

The Chief Minister:

That is part of the comparability area.

Senator K.L. Moore:

Yes. Essentially, but what appears to be so is that the unions and the S.E.B. have a lack of ... well, the unions have a lack of trust in relation to some of the information that is being put out by the S.E.B. and they make that very clear in their letter that was circulated to Members last week. Therefore what work is being done to rebuild that trust and to show that the information was correctly put together?

The Chief Minister:

I think you will be finding later today the piece of work that is being done to respond to the letter, because will be coming out to States Members in due course. There is a response being put together.

Senator K.L. Moore:

As we have you here before us now, would you not like to explain a little more?

The Chief Minister:

It is quite a detailed letter. It does identify, we think, some of the anomalies in the response from the unions.

Senator K.L. Moore:

Do you accept that there is an issue with trust?

[12:15]

The Chief Minister:

No. The reason I say that is where you are at the moment is you have 2 sides in an argument, let us face that, and each side is going to try and negotiate to its fullest ability possible. Part of that is around the various sides will take negotiating positions, so one side will say: "The world is ending if we do not get this" and the other side will say: "These are the consequences." I am exaggerating, obviously. So is there a lack of trust? I would hope not, because my impression of the negotiator, and I would hope my impression of the team at the S.E.B., is that we do stick to our word. I would

hope therefore that there would not be a lack of trust, in other words, if we are committed to doing something, then we will stick to it.

Chief Executive:

I would just stress the point that I mentioned earlier, we are not not meeting with trade unions on an ongoing basis and there are different approaches within different sectors. Some have agreed and we should just remember that. Prospect, I fully understand their position, but they never put their offer to their members. All the others have. Now, if you are in a negotiating position, why are you not putting your offer - revised offer, an increased offer - to the members? We have done that through all the negotiations with the other unions, where they have done it or we are awaiting the outcome. Obviously, the teaching unions have put theirs through a ballot process and we have, as I just said earlier, ongoing discussions with them. It is not as if we do not have trust to have those negotiations and we are endeavouring to find a way. We also have with the teaching unions - and this is very important - a whole series of other reviews going on at the moment in parallel, same with the nurses, and these are critical aspects to the question of trust. If there was no trust, they would not be going on. Where there is, it is a point of difference, but I do think it is important. The letter that has come out, you have asked us, and we could provide you with responses, whether it is the R.P.I. figures. The Prospect letter does not include any cash payments, so in comparing figures they have taken out of their calculations quite significant amounts of cash that goes in to employees in the revised offers. These are inevitable negotiations that will be against the backdrop of a big debate where some unions will hope that the States Assembly will make a decision in a certain way which will be favourable. That is understandable, but it does not stop the fact that we are continuing our discussions and our relationship and I genuinely do not believe that there is a uniform position across all of the negotiations. I think they are different, their concerns are unique in certain unions and the discussions and negotiations we have been having highlight that. As I say, in some cases, we have already got acceptance, so it is not as if everything is a blanket approach here.

The Chief Minister:

If we were not trusted, why would the police have accepted the offer?

The Connétable of St. Peter:

Chief Minister, is it your intention to support Deputy Southern's proposition, and if not, what is your rationale for not supporting it?

The Chief Minister:

I think the short answer is no. Hopefully our longer answer is partially what we have covered on already. Essentially it falls into 2 categories. One is we do not think his criteria are right in terms of the level of crisis he is trying to portray it at. Secondly, as I emphasise again, we have moved and

we have even moved since his last debate just before Christmas. By going into 2020, not only have we kept the fiscal discipline in place, but we have been able to put £19 million extra on the table. That does make the deficit slightly worse, but it is manageable. So from that point of view we think what we are offering is a very fair package.

Senator K.L. Moore:

If I may, you have mentioned the projected deficit several times now. Now that you have your feet firmly under the table in your role, what is your preferred solution to the structural deficit that you feel is predicted?

The Chief Minister:

Do you mean like not having one?

Senator K.L. Moore:

How are you going to solve it? What is your solution?

The Chief Minister:

Yes. So the solution is basically what we are going through at the moment, which is the organisational change and the savings that will come out of that process. There are some numbers that are being identified and States Members are being given a briefing next week, which is going to start referring some of this. There will be a briefing that will come through over the next few weeks which will then start putting some flesh on what those numbers look like. The question will then be: "Does that completely fill the gap or not?" Part of that will also depend on the outcomes of tomorrow, will there be another gap that needs to be bridged, for want of a better expression. As I said, part of that £30 million is made up of around £15 million, which is the increase in the supplementation grant which was from the previous Council of Ministers. In the current M.T.F.P. (Medium Term Financial Plan), the grant that is paid into the Social Security Fund was frozen for the period of this plan. That will be unfrozen at the end of this year and therefore the liability on that will go up by £15 million a year to approximately £80 million. There is always one solution, which is to kick the can further down the road and freeze it again. That is not my preferred option because I do not think it is a long-term solution and that would therefore mean you would just have a look and see what can be done to resolve that. I think at the moment the focus is on seeing what the numbers are that come out from the whole organisation transformation that is going on. They are starting to look quite significant and quite positive. The question will then be will that be enough to meet the entire gap or not and at what point can we put some certainty on that? If not, as I said, plan B might be looking at the supplementation grant and plan C is then you may have to go into revenue measures. But my personal position is that every time we have said in the past: "We are going to do changes" or: "We might have to put your taxes up, but do not worry, we are going to make savings" we have

never properly made the savings and we have always put the taxes up. I would like to make sure that we do our very best on sorting out the savings first and demonstrating that we can get efficiencies out of the public sector.

Senator K.L. Moore:

Your position, as previously stated, seems to have moved because I seem to recall at a States Members' briefing quite early on you seemed very clear that personal taxation would have to change to raise more revenue.

The Chief Minister:

I said ... well, personal taxation has changed as a result of the last budget. The point is that what I have always said is that I think taxes will go up. I think it is our job to try to keep those increases as low as possible, but do not forget in terms of my definition of a tax increase, that will relate to certain charges. That could be long-term care; that could be the Social Security side. I think that position remains relatively unchanged. What I am saying is we have got to get the expenditure side sorted out first.

Senator K.L. Moore:

How has your view changed since the actuarial report was published last week?

The Chief Minister:

The result of that one on the main fund is saying that we do not need to make any changes immediately and I think that will feed then into the long-term plans that we have got to consider.

Chief Executive:

One of the things that I think the panel that is being chaired by the Connétable has specifically got reference to some of the efficiencies that will come out of the changes that the Chief Minister has referenced. Our intention is not to not put out what and how we are looking at the changes, but I think it is important that the Council of Ministers spend some time with individual Ministers going through the impact not just from the organisational changes operationally, but also how and in what way we can improve the efficiency and effectiveness of services to drive out waste. A big issue for us has been trying to get a grip of ensuring that you balance the M.T.F.P. period, then looking forward - depending on the outcome of all sorts of variables - that we have an agreed position on what the deficit then is and then what the approach is. I think you then have to come with proposals and those proposals need to be shared, but they need to be agreed. The Council of Ministers is going through that and is having some presentations around it, then it is important that Scrutiny do as well. It is absolutely right that we have an agreed position about what it is that we bring forward. Today we are not in that place where we can put exact figures on the table for you to scrutinise, but

it will be expected that as part of your panel that we will be bringing that forward, because I think in the terms of reference it is a very specific point that you want to look at. That would feel to me, Chairman, probably the best way of dealing with that particular issue.

Senator K.L. Moore:

That leads us neatly into our next area of questioning and obviously the Justice and Home Affairs target operating model is a matter for debate this week. It does lead myself to question the chief executive how he feels this process has already been changed, for example, if you look at Justice and Home Affairs, now that the Probation Service no longer figures in that because it remains a non-ministerial item.

Chief Executive:

When we originally put out the target operating model consultation a year ago, there was an expectation there would be some changes. It was a proposal and there were changes that came out of the large-scale observations that came from all stakeholders and representatives. Included within that particularly was the issue of probation and there has been an ongoing debate with the judiciary around that. Clearly, we acknowledged at the time that if there was to be a change and there was an argument why we should make that change, it would be subject to legislation. There has been a discussion with the Probation Service, which is seeing a review, an independent review, about the best way forward. That process will commence imminently and we will revisit on the outcome of that review whatever is felt to be the most appropriate way of delivering those services. There are differences of view. Let us be honest, that is out there. I think that has been referenced in other Scrutiny Panel hearings. In terms of the changes that are being proposed in the proposition that has been lodged, the other side of this, all the target operating models for the individual departments are going through individual consultation and there have been changes right the way through, whether it is Health, whether it is policy, whether it is in Customer and Local Services, that has adjusted the ultimate organisational framework in which we are going to move forward. There are still 2 large departments to come forward, most notably G.H.E. (Growth, Housing and Environment) and also C.Y.P.E.S (Children, Young People, Education and Skills). What we have never, Madam Chairman, acknowledged is that there is a fixed position, because consultation needs to be what it says, proper and meaningful, and that is what we are doing. In the case of Justice and Home Affairs, I think that their consultation has come to an end. The Minister has been considering that and I think the Minister is going to make a statement tomorrow. That will hopefully put some context, but it is important that these are proper transparent arrangements where people believe that they can and will be able to influence the final outcome of any organisational framework and that is what we have done.

Senator K.L. Moore:

Thank you.

The Connétable of St. Peter:

Chief Minister, what is your ongoing involvement with the One Government project and how are you ensuring that it delivers to the public sector and meets Islanders' needs?

The Chief Minister:

In terms of the One Government project, obviously it was initiated before we all came into the Assembly, looking around the room, or into the present Assembly. The various changes have always gone up to the Council of Ministers and it became very clear that it needed a greater level of detail of certain Ministers to look at it before it came up to C.O.M. (Council of Ministers), so that is why we have now got the One Gov policy board in place or is that board in place? The idea on that is that we are bringing in, hopefully, a wider group rather than just Ministers. Hopefully, that will also include a couple of members of the public, just to give that kind of slightly better real-time oversight and that will also allow things to be gone over in somewhat greater detail.

[12:30]

Particularly, as plans have been evolving, you will start to see that greater detail coming forward to us. That is the kind of structure that is in place and I think the first meeting of the board was, I would say, 4th or 5th March. I do chair it, unfortunately I was not present on that day because I was in London dealing with matters on beneficial ownership registers, which had obviously come up somewhat rapidly but it was chaired by the Deputy Chief Minister.

Senator K.L. Moore:

Thank you. Is it correct that the chief executive also supports the Policy Development Board?

The Chief Minister:

I am going to say yes and I am going to go from memory to the exact juncture but, yes, that would make, in my view, perfect sense. The membership is myself as chair, Lyndon as deputy chair, the Minister for Treasury and Resources and then we have allowed for 3 other States Members, who are in the process of being appointed and 2 lay members, the chief executive and also the director general of the States and Treasury is also present.

Senator K.L. Moore:

What is the rationale for including those who are involved heavily in ...

The Chief Minister:

They are in attendance, rather than being members, if that makes sense, so they are officer support.

Chief Executive:

I am not a member of the political oversight group, that would be wholly inappropriate but I am there because I am responsible for the overarching modernisation programme. The political oversight group is technically supported by the chief of staff, who provides the sort of secretarial support and will have, as and where appropriate, officers coming to speak around different issues. If the board felt that it would be preferable for me to step out of a meeting; that is perfectly normal and happens if they want to have a different type of conversation.

The Chief Minister:

There have been times where the Council of Ministers have asked for officers to leave to have a discussion.

Senator K.L. Moore:

All right, thank you. It is just interesting to us is there are no rules around the processes that guide these groups. I imagine that minutes are taken and that they will be made publicly available.

The Chief Minister:

Minutes are taken, the relevant bits will be made publicly available and ...

Senator K.L. Moore:

The relevant bits.

The Chief Minister:

Under sort of A and B agenda-type of scenario because it will depend on what is being discussed.

Senator K.L. Moore:

Thank you.

The Connétable of St. Martin:

Thank you. Will the conclusions made by the Fiscal Policy Panel affect the current plans for One Gov?

The Chief Minister:

When you say "the conclusions", in terms of making sure that we keep an eye - I am being loose in my terminology - on public expenditure, obviously that is probably no great surprise there. That does reinforce the purpose of the whole transformation programme.

The Connétable of St. Martin:

How will the Fiscal Policy Panel affect the work currently being undertaken by the newly formed inflation group being led by Senator Farnham or chaired I should say?

The Chief Minister:

Yes. Obviously the F.P.P. only reported last week, so we are still digesting some of their comments. But in terms of boards like the inflation group that Lyndon has got going, they will all take account of the relevant comments of the F.P.P., they will always feed into, so they will always form part of those considerations.

The Connétable of St. Martin:

Thank you. Do you intend to follow the panel's advice of either increasing taxes or making expenditure cuts and, if so, which?

The Chief Minister:

That takes us back to the earlier point.

The Connétable of St. Martin:

It does.

The Chief Minister:

That is how we deal with the £30 million deficit, does it not, which I can repeat again? But it is a very similar argument essentially.

The Connétable of St. Martin:

Right, okay.

The Chief Minister:

But I think the other point to make is obviously F.P.P. have identified that we have times of fiscal uncertainty ahead of us potentially through all the various pressures ahead and that we have got to remain responsible.

The Connétable of St. Martin:

Thank you. What is your view on the recommendation to increase the size of the strategic reserve?

The Chief Minister:

Yes, that is an interesting one. I think the point again is that we are just digesting that. It is understanding what period of time they recommend and what the ambition is and then how we were going to achieve that.

The Connétable of St. Martin:

Thank you.

Senator K.L. Moore:

How closely will you follow the F.P.P.'s advice and the work of the report, given the current economic uncertainty?

The Chief Minister:

I think, ultimately, if you can summarise the F.P.P. down, it is continuing the issues around being prudent, it is continuing the issues around ideally we should be running a surplus in some shape or form while the economy is in a good health. But also looking ahead and saying we have got uncertainty and I will say fiscal pressures ahead because of the result of that uncertainty. Ultimately, as I just said, it is about prudence and it is about keeping your public expenditure under control and takes us right back to the whole paying side of things. It is around operating efficiently; there is nothing new there particularly; that has been a consistent theme from a whole variety of F.P.P. reports. I have got a feeling I was in Treasury when they were first created. But obviously economists are looking at the bottom line, so they are looking at whether they want us in surplus. If you do not achieve the expenditure then the only way of achieving a surplus is increasing your revenue; that could be done in one or 2 ways; you either grow the economy, which is always good or you put taxes up.

The Connétable of St. Martin:

Do you believe that Jersey's current economic model is sustainable or will the Island need to undergo radical transformation over the next few decades to maintain its economic standing?

The Chief Minister:

I think there are 2 issues around sustainability, one is the model of the balance between revenue and expenditure and obviously that points to: are we prepared to go through things like organisational changes, which can be difficult and tough? Because I know when I have been through such changes in the past, staff are always unsettled. There are always issues that arise and then when you look back 3 years after the event you wonder what all the fuss was about. I think if one is looking at the structure of revenue, then, as we said, part of that is around: can we grow the economy? That is why, for example, Senator Farnham's thing around medicinal cannabis products and things like that, provided it does not damage the reputation of the Island and provided we can

tax it; I am fully supportive of that because that would be growing the economy and, hopefully, just introducing a new revenue stream. You have got to decide what we do about that because, potentially, that is significant, versus the uncertainties we have under all the political pressures and the tariff wars that are going on between, for example, the U.S. and China and what that generates to us. The other issue around sustainability, and sort of bring us back to the point, I have always wanted to do this at a Scrutiny hearing, so I am going to go for it, is this wonderful thing called the graph of doom, which has been used in local councils in the U.K. and there have been a couple of articles in the press relatively recently over the last 12 months or so. That is saying that councils have got, in that particular example, controlled or an uncontrollable cost that they face because of their various legal responsibilities, so that the Asian population you will have an increase in costs which you cannot control particularly and because you are responsible for looking after people and providing their services. That means the amount of discretionary expenditure you have got left starts diminishing and that is something we do have to keep an eye on. We are not there yet but it does tie into the policies around population and the dependency ratios and things like that. I think in the longer term that is something we need to watch out for. I am not going to give you an answer today as to how we are going to solve it but we do need to identify what the problems are precisely and what those challenges mean.

Deputy J.H. Perchard:

Chief Minister, you mentioned Senator Farnham to move to allow medicinal cannabis to be grown in Jersey; are you concerned that growing cannabis for medicinal purposes could damage our reputation?

The Chief Minister:

I think the question is, is what I have understood is that there are significant countries that are doing this and that, essentially, they removed the hallucinogenic effects essentially and that the product is used in medical products. It is produced under very tight conditions, under security and is regarded as a high-value crop. It is absolutely legal, it is absolutely legitimate and it is something that a number of jurisdictions are capable of doing. That is the feedback I have had but I asked the question because obviously if it was not good for our reputation I would not be supportive of it. Then the other question is, of course, if you are going to go down that line is just to make sure that from a public point of view we get a revenue benefit. Because it seems to me from that point of view if you are going to go down that line, and there is a significant revenue opportunity, then we should be capable of taxing it.

Deputy J.H. Perchard:

Sure but the use of cannabis-based medicine is obviously a separate issue from the use of cannabis as a medicine and ...

The Chief Minister:

Yes.

Deputy J.H. Perchard:

Is it the intention that the cannabis grown in Jersey will be used medicinally, the cannabis, not in a cannabis-based product but the cannabis itself be retained in Jersey for medicinal use since we have recently voted to allow it to be prescribed in its natural form?

The Chief Minister:

I think the 2 are separated, in other words, this is about producing a product, which is then used in other medical products.

Deputy J.H. Perchard:

Thank you.

The Chief Minister:

I am being a layman on that front, okay, it is ...

Deputy J.H. Perchard:

I understand your point though, thank you.

The Connétable of St. Martin:

Are you not concerned that growing medicinal cannabis, that it is a secure crop? It is not like growing potatoes or daffodils, so you would have to have some kind of perimeter fencing or something around the crops. You cannot just nip in like you could to get a daffodil or a potato and that would

The Chief Minister:

Yes, I said we do not believe we will be turning the cõtils into a ...

The Connétable of St. Martin:

That could ruin the whole look of the countryside and have a negative impact on tourism and ...

The Chief Minister:

I think that is political, I think that is something that ...

The Connétable of St. Martin:

Which is that this has been brought forward to me by concerned ...

The Chief Minister:

Put it this way, if permanent structures are required that normally goes through the normal planning process and there will not be any exemptions from that point of view, yes.

The Connétable of St. Martin:

I know, so if you had all the fields fenced off because you are growing cannabis, it is going to really change the look of Jersey.

The Chief Minister:

I would rather expect the Minister for Planning would have something to say about it.

The Connétable of St. Martin:

Yes, but it is a worry.

The Chief Minister:

But what I have understood is that you do not need vast areas involved to have a significant impact from a beneficial point of view.

Senator K.L. Moore:

Surely for a Minister to come forward with a policy position it appears that there is no joined-up thinking behind the scenes if the Minister for Planning does not already have a position on this. Why is there not a joined-up position from the Council of Ministers on what is a new policy position?

The Chief Minister:

As I have said, it is fairly early days, the briefing I had was just before Christmas and ...

Senator K.L. Moore:

It is rather foolish, is it not, to even talk about it or allow a Minister to talk about it if there is not a cohesive stance from the Council of Ministers?

The Chief Minister:

There is an Island Plan and the Island Plan has various conditions in place for the structures that appear in the countryside and that policy is there for them, therefore, there is no ...

Senator K.L. Moore:

Have discussions taken place between those 2 Ministers so that they can ensure that they are not flogging a dead horse or going down the wrong track? Because it would be utterly pointless and a

waste of officers' time and planning and preparing any policy points in this area if the Minister for the Environment was simply going to turn around and say: "That would be detrimental to the look of the Island and I do not wish this to continue."

The Chief Minister:

As I said, I think 2 things, one is there is an Island Plan already and there is another Island Plan process starting and, secondly ...

Senator K.L. Moore:

Yes, but you have not answered the question, which is: have these 2 Ministers spoken on this matter?

The Chief Minister:

Secondly, as I have said, as Chief Minister I am just doing the high-level comment on it, which is what I was expected ...

Senator K.L. Moore:

But you should know what your Ministers are talking to each other about, especially if they are proposing new policy avenues.

The Chief Minister:

I would have expected Senator Farnham or his officers to have identified whether there were any planning issues. My understanding is that it is not being raised as an issue. Whether he has had a direct discussion or not I will find out. I have not been updated on that because I am taking it at face value that that work has been done because I have confidence in those 2 Ministers to resolve that type of issue.

Senator K.L. Moore:

Thank you.

Chief Executive:

Just on the Island Plan though, there is quite a radical review taking place on the Island Plan, which is due to be going to the Council of Ministers, which reflects some of the changes. The Connétable talked about growth when we were talking about the F.P.P. position. The whole way in which we had to deal with housing, what we might do with some of our land-use strategies and within that this particular area would be able to be accommodated, subject to political direction. It is forming part of a broader review of the Island Plan. Again, we are endeavouring to bring that back to Scrutiny for early discussion because part of the Minister for Planning's ambitions and the Council of Ministers

is for really good engagement with key stakeholders. Within that, picking up the point you have just raised about the nature of the countryside, obviously Islanders as a whole and the Parishes, and that is a big part of some of the work that we are preparing at the moment about how our engagement strategy will occur. I am confident that that will be able to be built into any processes, subject to the political decision-making.

[12:45]

The Chief Minister:

I think also what I have understood is that it might be an opportunity if you have got vacant greenhouses and things like that, for those to be used.

The Connétable of St. Peter:

We touched on the Island Plan there: what are your views on rezoning of land to make affordable housing?

The Chief Minister:

I am wondering how that ended up with me in front of Corporate Services but anyway ...

Senator K.L. Moore:

It is an important matter of public interest.

The Chief Minister:

Everything is an important matter. In terms of the rezoning of land, my preference is always to see if we can use brownfield sites first and really that the rezoning of land should be done in the auspices of the Island Plan when it comes through.

The Connétable of St. Martin:

Why have you not yet brought forward the legal changes to implement a single legal entity for the Government of Jersey? Why did you change the name of the States to the Government of Jersey without bringing forward the legal change to underpin it?

The Chief Minister:

Right. I am just going to pause because this is memory here. I thought the Government of Jersey had been included in P.1 as an expression and I thought that part we had approved but maybe I am wrong.

Senator K.L. Moore:

It was but I do not believe that the legal underpinning has happened.

The Chief Minister:

The point was that the Government of Jersey, as a brand, was being used in 2014 by External Relations of the day. It has certainly been in use in the London office at the very least around that time. I accept and I know there has been some pushback on the use and it did not help that one of the headlines was the loss of the States of Jersey as an entity, which, fundamentally, I would not have supported and I thought would be quite right. The States of Jersey is the States Assembly. It used to be in pre-ministerial, back in 2005 and before, that the States of Jersey in the States Assembly was, because of the committee system, a combination of what we now call the Executive and the non-Executive sides. In other words, the Parliament made the decision almost as the Government. In 2005 the ministerial system came through which, essentially, separated Executive out of the Parliament after the legislature and, as I was trying to say earlier, that was where it started, that you then had an element of States Members who were not in the Government and you had a proportion of States Members who were in the Government. The expression was always used as the Executive but basically that meant the Government. As I said, as matters rolled forward in 2014, it was in the terminology we started using and all we have done in this year is, essentially, say let us get rid of the confusion. There was a degree of confusion as to what meant what, particularly when you go away. In other words, if you go away with some cards, some business cards and say: "I am a Member of the States of Jersey", that does not necessarily mean anything, particularly if you are dealing with, say, countries sometimes from Asia, who automatically think New Jersey in the United States and Jersey and the States of Jersey starts mixing up the messages. It is unfortunate but that was the reality. When you get to the design of the logo, and I must admit some of us challenged it because I was not the greatest of fans when it was first produced. It was pointed out that it is pretty well the emblem that is on the Jersey flag. It is a pointed shield, rather than the one that is the seal of Edward I, which the States Assembly have. As Scrutiny members, if you have got your business cards, you will have the red seal with the leopards of Normandy; that is solely in the purview of the Greffe. When I was Assistant Minister it was made very clear to me I could not have that seal on my business card because it was not under the purview of the Executive, whereas the logo, for want of a better expression, that is on the Government of Jersey is straight off the Jersey flag and that, I think, goes back to the 1980s, if I remember correctly.

Senator K.L. Moore:

Sorry, I do not wish to interrupt you but I am afraid we have not time for the lecture on history and we ought to just move on.

The Chief Minister:

That is okay, that is the background.

Senator K.L. Moore:

Because there is a fundamental point here and I think the Constable of St. Martin just has one further question on this.

The Chief Minister:

Okay.

The Connétable of St. Martin:

Do you want to ...

Senator K.L. Moore:

Okay, which is the issue and the reason we are asking about the legal status of the Government of Jersey is because of some of the reorganisation of departmental responsibility that underpins it and lies behind it and why that has not occurred yet. For example, Children's Services has moved to another department, however, it appears that there is no Government responsibility for the service.

The Chief Minister:

No, the way it is done at the moment is that it is done through the existing Ministers and the Assistant Ministers and that covers all the areas under the new departments.

Senator K.L. Moore:

Sorry, the existing Ministers, is that what you said?

The Chief Minister:

Yes, the Ministers that we have created, the responsibility is how those Ministers go across the various departments.

Senator K.L. Moore:

As they have moved already, it has happened automatically.

The Chief Minister:

Yes. If there has been any issue sometimes that has been resolved by just having an Assistant Minister in the right place.

Chief Executive:

The other bit about this is obviously the changes to the Finance Law, which are being worked through at the moment and subject to work with your good selves and that is another facet of the

overarching changes that need to be put in place. There is a proposition going to come forward about the States Employee Law, which was the other piece in the original P.1 proposals that was paused, waiting for that to be brought forward and that will be lodged fairly soon in order to be able to look at the areas of accountability. That follows on from the changes to the finance laws. The only bit ...

Senator K.L. Moore:

Just very quickly, when ...

Chief Executive:

The only bit that is technically is whether you want a Minister to replicate a department, which is where I think the sort of subliminal question is. I think the Chief Minister made the point that he was going to wait and go through all of the finance work and the other reviews in order to then make any decisions about changes to titles. But we have accommodated the departmental shifts and the accountability politically within the existing frameworks, either by Ministerial Decision and/or changes that have come from the Chief Minister.

Senator K.L. Moore:

Okay, thank you.

The Chief Minister:

It is not dissimilar to other structures that ...

Senator K.L. Moore:

The States Employee Law, when is that due to be lodged?

Chief Executive:

I think the expectation is that that will be lodged in the immediate future and then brought through. I could come back to the committee with the exact dates.

Senator K.L. Moore:

Thank you.

Chief Executive:

But we are definitely going to do that and that is at the behest of the Chief Minister and C.O.M.

Senator K.L. Moore:

We only have 6 minutes remaining, so we are going to have a very brief session on a very large topic.

The Chief Minister:

Population by any chance?

Deputy J.H. Perchard:

Population and migration, yes, exactly. Have you had any discussions with the U.K. Government over potential changes to migration rules following Brexit?

The Chief Minister:

Directly myself, no. However, my understanding, and it is definitely a matter for the Minister for External Relations, that there have been discussions going on. This is from memory now, okay, that, essentially, the British area, if you like, of which we fall into for migration purposes and what that intake is on us, and that is around what mechanisms the U.K. was going to use about controlling population going forward and if it was, say, a quota and we are only going to allow 100,000 people in a year, say, do we have the ability to say: are we going to only get 1,000 or did we have the flexibility within that; what flexibility did we have? My understanding is that the matter was resolved but I think we should get the detail from the Minister for External Relations.

Deputy J.H. Perchard:

Okay, thank you. I am just going to rush through this in the last few minutes, on to the work of the Migration Policy Board, how are members selected for the board?

The Chief Minister:

Good question. To an extent obviously the Constable of St. John is head of H.A.W.A.G. (Housing and Work Advisory Group), Deputy Martin as Minister for Social Security, which obviously has a bearing on it, and Deputy Young from the environment side and then obviously Senator Ferguson was brought in really as one of the Back-Bench people. What I was going to say is ...

Senator K.L. Moore:

By invitation then.

The Chief Minister:

Sorry?

Senator K.L. Moore:

It was done by invitation ...

The Chief Minister:

I thought there was another note had gone out, I must admit that the Constable of St. John had issued. I am not entirely sure there. But then obviously that we brought in a representative from the I.o.D. (Institute of Directors), from Chamber and also another individual. I think there have been some other Members who have expressed interest, so I think there is an openness there.

Deputy J.H. Perchard:

Yes. Why the exclusion of the Minister for Home Affairs?

The Chief Minister:

It was not an exclusion, it was more about ... the thing is how many people do you want on, essentially?

Deputy J.H. Perchard:

I ask purely because obviously migration falls quite heavily under his remit.

The Chief Minister:

Yes, in the legal stance this is more at the policy level, if that makes sense. This is a higher level ... not a higher level but something of a wider context than just looking at the legal implementation side. But obviously, depending how that work goes, it may well be that he will come on. One thing, I am not sure if you got other questions, there is quite an important piece of work that we have had done and what I would be expecting ... it went to C.O.M. about 2 or 3 weeks ago, I would expect that, hopefully, you will be getting an invite to get a briefing on it, a private briefing, hopefully by the end of April and at that point it will then go to the States Members and then go public. Effectively, it is a first stage of an issue, it will be issued as an issues paper, for want of a better expression. It is a piece of work I commissioned in August of last year. Essentially, it is looking at the financial impact of different types of individuals on the Island and what contributions they make, purely from a financial point of view into a tax and revenue side versus do we subsidise businesses, for the sake of argument, for employing people in certain areas. When I made this expression very carefully, there is no morality attached to the piece of work, it is purely a hardnose numbers examination. It was done by the Statistics Department and the view I take it was then down for politicians to then add the morality or the politics on top of it. But it is really there to inform Members as to what some of the financial consequences are and, as I said, you will be receiving a briefing, hopefully, in the next 3 or 4 weeks on it. Then, ultimately, I do a beat and put it out into the public domain, as part of the overarching discussion and informing people, rather than saying this is where we are going. I would suspect the next piece of work, and that is something I have got to discuss with the Constable

of St. John, would be around things like dependency ratios and then getting that piece of work out and getting that to inform members of the public as well.

Deputy J.H. Perchard:

Thank you. I think we are outside ...

Senator K.L. Moore:

We have got time for one more question, I think.

The Chief Minister:

It was quite an important piece of work.

Senator K.L. Moore:

If you wish, no ...

Deputy J.H. Perchard:

I think we will have a test.

Senator K.L. Moore:

It is quite hard, is it not?

Deputy J.H. Perchard:

I think we will just leave that there, thank you.

The Connétable of St. Martin:

Thank you.

Senator K.L. Moore:

Okay. With that the Public Accounts Committee are keen to start their meeting, which begins in 2 minutes, I think. I will thank you for your answers today and your attendance and close the hearing. Thank you.

The Chief Minister:

Thank you very much.

Senator K.L. Moore:

Thank you.

[12:58]